FCMB Group Plc
Unaudited Annual Financial Statements
Year ended 31 December 2021

FCMB GROUP PLC
UNAUDITED ANNUAL FINANCIAL STATEMENTS - 31 DECEMBER 2021

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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		GROUP		COMPANY	
In thousands of Naira	**Note**	**31 DEC 2021**	**31 DEC 2020**	**31 DEC 2021**	**31 DEC 2020**
Gross earnings		**208,528,103**	199,439,132	**6,434,863**	4,200,172
Interest and discount income	8	**161,581,284**	151,023,356	**433,307**	418,881
Interest expense	9	**(71,112,096)**	(60,265,792)	**-**	-
Net interest income		**90,469,188**	90,757,564	**433,307**	418,881
Fee and commission income	11	**35,424,207**	30,162,966	**712,414**	659,335
Fee and commission expense	11	**(7,491,601)**	(10,607,812)	**(490)**	(40)
Net fee and commission income		**27,932,606**	19,555,154	**711,924**	659,295
Net trading income	12	**6,892,780**	7,117,674	**-**	(69)
Net income from financial instruments mandatorily measured at fair value through profit or loss	13	**-**	12,529	**-**	-
Other revenue	14(a)	**3,037,091**	10,540,906	**5,190,745**	2,358,276
		9,929,871	17,671,109	**5,190,745**	2,358,207
Other income	14(b)	**1,592,741**	581,701	**98,397**	763,749
Impairment losses on financial instruments	10	**(9,057,134)**	(22,307,656)	**(17,387)**	(22,394)
Personnel expenses	15	**(31,235,811)**	(29,518,775)	**(395,043)**	(332,707)
Depreciation and amortisation expenses	16	**(7,920,474)**	(7,574,170)	**(19,419)**	(26,185)
General and administrative expenses	17	**(34,579,376)**	(30,475,422)	**(837,067)**	(625,403)
Other operating expenses	18	**(23,205,208)**	(16,777,789)	**(98,362)**	(115,407)
Profit before minimum tax and income tax		**23,926,403**	21,911,716	**5,067,095**	3,078,036
Minimum tax	20	**(900,000)**	(433,746)	**-**	(5,384)
Income tax expense	20	**(2,132,555)**	(1,867,516)	**-**	(12,379)
Profit for the year		**20,893,848**	19,610,454	**5,067,095**	3,060,273
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Unquoted equity investments at fair value through other comprehensive income:					
- Net change in fair value	24(i)	**2,435,450**	716,855	**-**	-
- Foreign currency translation differences	24(i)	**1,045,583**	1,399,951	**-**	-
Quoted equity at fair value through other comprehensive income:					
- Net change in fair value	24(i)	**-**	40,740	**-**	-
		3,481,033	2,157,546	**-**	-
Items that may be subsequently reclassified to profit or loss:					
Debt investments at fair value through other comprehensive income:					
- Net change in fair value	24(i)	**(8,233,769)**	6,041,552	**-**	-
- Net impairment reclassified from profit or loss	24(c)	**182,854**	137,340	**-**	-
		(8,050,915)	6,178,892	**-**	-
Foreign currency translation differences for foreign operations		**1,140,822**	1,556,542	**-**	-
		(6,910,093)	7,735,434	**-**	-
Other comprehensive income for the year, net of tax		**(3,429,060)**	9,892,980	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**17,464,788**	29,503,434	**5,067,095**	3,060,273
Profit attributable to:					
Equity holders of the Company		**20,690,485**	19,419,663	**5,067,095**	3,060,273
Non-controlling interests		**203,363**	190,791	**-**	-
		20,893,848	19,610,454	**5,067,095**	3,060,273
Total comprehensive income attributable to:					
Equity holders of the Company		**17,254,646**	29,312,643	**5,067,095**	3,060,273
Non-controlling interests		**210,142**	190,791	**-**	-
		17,464,788	29,503,434	**5,067,095**	3,060,273
Basic and diluted earnings per share (Naira)	19	**1.04**	0.98	**0.26**	0.15

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

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

		GROUP		COMPANY	
In thousands of Naira	**Note**	**31 DEC 2021**	**31 DEC 2020**	**31 DEC 2021**	**31 DEC 2020**
ASSETS					
Cash and cash equivalents	21	**369,112,427**	221,078,644	**1,860,649**	818,741
Non-pledged trading assets	22(a)	**30,696,431**	9,301,789	**-**	-
Derivative assets held for risk management	23(a)	**-**	1,884,398	**-**	-
Investment securities	24	**382,927,235**	406,665,569	**4,771,086**	4,359,999
Assets pledged as collateral	25	**115,441,804**	189,216,506	**-**	-
Loans and advances to customers	26	**1,063,557,093**	822,772,612	**-**	-
Other assets	27	**108,231,741**	25,258,857	**7,989,693**	2,084,505
Restricted reserve deposits	28	**340,032,852**	311,746,155	**-**	-
Investment in subsidiaries	29	**-**	-	**127,378,197**	127,378,197
Property and equipment	30	**46,837,002**	46,202,464	**42,815**	78,313
Intangible assets	31	**17,170,874**	16,321,660	**-**	-
Deferred tax assets	32	**8,033,426**	7,944,839	**-**	-
Total assets		**2,482,040,885**	2,058,393,493	**142,042,440**	134,719,755
LIABILITIES					
Trading liabilities	23(b)	**-**	8,361,951	**-**	-
Derivative liabilities held for risk management	23(b)	**-**	1,871,869	**-**	-
Deposits from banks	33	**156,495,628**	119,365,158	**-**	-
Deposits from customers	34	**1,558,525,079**	1,257,130,907	**-**	-
Retirement benefit obligations	35	**191,470**	325,557	**-**	-
Current income tax liabilities	20(ii)	**5,637,094**	4,502,688	**31,313**	49,568
Deferred tax liabilities	32	**242,743**	316,090	**-**	-
Other liabilities	36	**196,687,024**	111,457,615	**7,687,084**	2,442,832
Provision	37	**7,989,072**	6,325,375	**-**	-
On-lending facilities	38	**155,373,774**	60,366,840	**-**	-
Debt securities issued	39	**78,499,485**	101,531,205	**-**	-
Borrowings	40	**81,202,211**	159,718,037	**-**	-
Total liabilities		**2,240,843,580**	1,831,273,292	**7,718,397**	2,492,400
EQUITY					
Share capital	41(b)	**9,901,355**	9,901,355	**9,901,355**	9,901,355
Share premium	42	**115,392,414**	115,392,414	**115,392,414**	115,392,414
Retained earnings	42	**64,025,038**	47,482,438	**9,027,457**	6,930,769
Other reserves	42	**50,988,662**	53,964,438	**2,817**	2,817
Total Equity attributable to owners of the Company		**240,307,469**	226,740,645	**134,324,043**	132,227,355
Non-controlling Interests		**889,836**	379,555	**-**	-
		241,197,305	227,120,200	**134,324,043**	132,227,355
Total liabilities and equity		**2,482,040,885**	2,058,393,492	**142,042,440**	134,719,755

Oladipupo Jadesimi	Ladi Balogun	Deji Fayose
Chairman	**Group Chief Executive**	**Chief Financial Officer**
FRC/2015/IODN/00000006637	FRC/2013/IODN/00000001460	FRC/2021/001/00000025061

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

STATEMENTS OF CHANGES IN EQUITY
DECEMBER 2021

GROUP

In thousands of Naira

	Share capital	Share premium	Retained earnings	Statutory reserve	AGSMEIS reserve	Forbearance Reserve	Translation reserve	Fair value reserve	Regulatory risk reserve	controlling Interest	Total equity
Balance at 1 January 2021	**9,901,355**	**115,392,414**	**47,482,438**	**15,084,874**	**2,089,362**	**1,960,712**	**9,804,197**	**20,891,624**	**4,133,669**	**379,555**	**227,120,200**
Profit for the year	-	-	20,690,485	-	-	-	-	-	-	203,363	**20,893,848**
Other comprehensive income											
other comprehensive income	-	-	-	-	-	-	-	3,481,033	-	-	**3,481,033**
other comprehensive income	-	-	-	-	-	-		(8,050,915)	-	-	**(8,050,915)**
for foreign operations	-	-	-	-	-		1,134,042	-	-	6,780	**1,140,822**
year	**-**	**-**	**20,690,485**	**-**	**-**	**-**	**1,134,042**	**(4,569,882)**	**-**	**210,142**	**17,464,788**
Transfer between reserves											
Transfer to statutory reserve	-	-	(460,064)	460,064	-	-	-	-	-	-	-
Transfer to AGSMEIS reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer from regulatory risk reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer to forebearence reserve	-	-	-	-	-	-	-	-	-	-	-
directly in equity											
Dividend paid	-	-	(2,970,407)	-	-	-	-	-	-	-	**(2,970,407)**
shareholders recorded directly in equity											-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Adjustment of interest in NCI	-	-	(717,414)	-	-	-	-	-	-	300,138	**(417,276)**
Total Contributions by and distributions	**-**	**-**	**(4,147,885)**	**460,064**	**-**	**-**	**-**	**-**	**-**	**300,138**	**(3,387,683)**
Balance at 31 December 2021	**9,901,355**	**115,392,414**	**64,025,038**	**15,544,938**	**2,089,362**	**1,960,712**	**10,938,239**	**16,321,742**	**4,133,669.00**	**889,836**	**241,197,305**
Balance as at 1 January 2020	**9,901,355**	**115,392,414**	**34,187,857**	**12,701,785**	**1,353,596**	**1,960,712**	**8,247,655**	**12,555,186**	**4,133,669**	**232,418**	**200,666,647**
Profit for the period	-	-	19,419,663	-	-	-	-	-	-	190,791	**19,610,454**
Other comprehensive income											
other comprehensive income	-	-	-	-	-	-	-	2,157,546	-	-	**2,157,546**
other comprehensive income	-	-	-	-	-	-	-	6,178,892	-	-	**6,178,892**
for foreign operations	-	-	-	-	-	-	1,556,542	-	-	-	**1,556,542**
period	**-**	**-**	**19,419,663**	**-**	**-**	**-**	**1,556,542**	**8,336,438**	**-**	**190,790.61**	**29,503,434**
Transfer between reserves											
Transfer to statutory reserve	-	-	(2,383,089)	2,383,089	-	-	-	-	-	-	-
Transfer to AGSMEIS reserve	-	-	(735,766)	-	735,766	-	-	-	-	-	-
Transfer from regulatory risk reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer to forebearence reserve	-	-	-	-	-	-	-	-	-	-	**-**
directly in equity											**-**
Dividend paid	-	-	(2,772,380)	-	-	-	-	-	-	-	**(2,772,380)**
shareholders recorded directly in equity											**-**
Dividend paid	-	-	-	-	-	-	-	-	-	(4,032)	**(4,032)**
Acquisition of interest in NCI	-	-	(233,848)	-	-	-	-	-	-	(39,621)	**(273,469)**
distributions	-	-	**(6,125,083)**	**2,383,089**	**735,766**	-	-	-	-	**(43,653)**	**(3,049,881)**
Balance at 31 December 2020	**9,901,355**	**115,392,414**	**47,482,438**	**15,084,874**	**2,089,362**	**1,960,712**	**9,804,197**	**20,891,624**	**4,133,669**	**379,555**	**227,120,200**

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

STATEMENTS OF CHANGES IN EQUITY
DECEMBER 2021

COMPANY
In thousand of Naira

	Share capital	Share premium	Retained earnings	Statutory reserve	AGSMEIS reserve	Forbearance Reserve	Translation reserve	Fair value reserve	Regulatory risk reserve	controlling Interest	Total equity
Balance at 1 January 2021	**9,901,355**	**115,392,414**	**6,930,769**	**-**	**-**	**-**	**-**	**2,817**	**-**	**-**	**132,227,355**
Profit for the year	-	-	**5,067,095**	-	-	-	-	-	-	-	**5,067,095**
Other comprehensive income											
other comprehensive income	-	-	-	-	-	-	-	**-**	-	-	**-**
other comprehensive income	-	-	-	-	-	-	-	**-**	-	-	**-**
year	-	-	**5,067,095**	-	**-**	-	-	**-**	-	-	**5,067,095**
directly in equity											
Dividend paid	-	-	(2,970,407)	-	-	-	-	-	-		(2,970,407)
distributions	**-**	**-**	**(2,970,407)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,970,407)**
Balance at 31 December 2021	**9,901,355**	**115,392,414**	**9,027,457**	**-**	**-**	**-**	**-**	**2,817**	**-**	**-**	**134,324,043**
Balance as at 1 January 2020	**9,901,355**	**115,392,414**	**6,642,875**	**-**	**-**	**-**	**-**	**2,817**	**-**	**-**	**131,939,461**
Profit for the period	-	-	**3,060,273**	-	-	-	-	-	-	-	**3,060,273**
Other comprehensive income											
other comprehensive income	-	-	-	-	-	-	-	**-**	-	-	**-**
other comprehensive income	-	-	-	-	-	-	-	**-**	-	-	**-**
period	-	-	**3,060,273**	-	-	-	-	**-**	-	-	**3,060,273**
directly in equity											
Dividend paid	-	-	(2,772,380)	-	-	-	-	-	-		**(2,772,380)**
distributions	-	-	**(2,772,380)**	**-**	-	-	-	-	-	-	(2,772,380)
Balance at 31 December 2020	**9,901,355**	**115,392,414**	**6,930,769**	**-**	**-**	**-**	**-**	**2,817**	**-**	**-**	**132,227,355**

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

Notes to the consolidated and separate financial statements

1 **Reporting entity**

FCMB Group Plc was incorporated in Nigeria as a financial holding company on November 20, 2012, under the Companies and Allied Matters Act, in response to the CBN's Regulation on the Scope of Banking Activities and Ancillary Matters (Regulation 3).

The principal activity of FCMB Group Plc is to carry on business as a financial holding company, investing in and holding controlling shares in, as well as managing equity investments in Central Bank of Nigeria approved financial entities. The Company has seven direct subsidiaries; First City Monument Bank Limited (100%), FCMB Capital Markets Limited (100%), CSL Stockbrokers Limited (100%), FCMB Trustees Limited (formerly CSL Trustees Limited) (100%), FCMB Microfinance Bank Limited (100%), FCMB Pensions Limited (92.80%) and Credit Direct Limited (100%).

FCMB Group Plc is a company domiciled in Nigeria. The address of the Company's registered office is 44 Marina, Lagos. These unaudited reports for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the 'Group').

2 (a) **Changes in accounting policies**

Except as noted below, the Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these consolidated and separate financial statements.

(b) **Significant accounting policies**

Except as noted in Note 2(a), the Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements, unless otherwise stated.

3(a) **(i) Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, the Banks and other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars. The same accounting policies and methods of computation are followed in the consolidated and separate financial statements as compared with the most recent annual financial statements except as described in note 2(a).

(ii) Basis of accounting

The financial statements have been prepared under the historical cost convention with the exception of the following:

- Financial assets and liabilities measured at amortised cost;
- Derivative financial instruments which are measured at fair value; and
- Non-derivative financial instruments, carried at fair value through profit or loss, or fair value through OCI are measured at fair value.

(iii) Functional and presentation currency

These consolidated and separate financial statements are presented in Naira, which is the Bank's functional currency. Except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

(iv) Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes.

– Note 4(b): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

– Notes 3(k)(ii) and 5: classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 30 September 2021 is included in the following notes.

– Notes 4(b) and 3(k)(vii): impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.

– Note 7: measurement of the fair value of financial instruments with significant unobservable inputs.
– Note 31: recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used.
– Note 30(d) - (e): impairment testing for CGUs containing goodwill: key assumptions underlying recoverable amounts.

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 5.

Notes to the consolidated and separate financial statements

(b) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group 'controls' an investee if it is exposed to, or has the rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether it has control if there are changes to one or more of elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investment in subsidiaries are measured at cost less impairment in the Bank's separate financial statements.

(ii) Special purpose entities

Special purpose entities (SPEs) are entities that are created to accomplish a narrow and well-defined objective such as the execution of a specific borrowing or lending transaction. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE.

The Group established FCMB Financing SPV Plc, Nigeria as a special purpose entity to raise capital from the Nigerian capital markets or other international market either by way of a stand-alone Issue or by the establishment of a programme. Accordingly, the financial statements of FCMB Financing SPV Plc have been consolidated.

(iii) Loss of control

On the 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 profit or loss. If the Group retains any interests in the previous subsidiary, then such interests is measured at fair value at the date that control is lost. Subsequently that retained interests is accounted for as an equity-accounted investee or in accordance with the Group's accounting for financial instruments.

(iv) Common control transactions

Common control transactions in the consolidated financial statement are either accounted for at book value accounting. Any method chosen by an entity are consistently used for all similar common control transactions in its consolidated financial statements; i.e. it cannot use IFRS 3 accounting for some common control transactions and book value accounting for other similar transactions.
The difference between the consideration paid and the book value of the asset represents transaction with shareholder and should therefore be recorded in equity. The assets and liabilities transferred are recognised at the carrying amounts recognised previously in the transferor's consolidated financial statements. The Group adopted the book value method of accounting for its common control transactions.

(v) Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Foreign currency

(i) Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rates as at that date. The foreign currency gain or loss is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the spot exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

However, foreign currency differences arising from the translation of the following item are recognised in other comprehensive income:

- an investment in equity securities designated at fair value through other comprehensive income (FVOCI) except on impairment, in which case foreign currency difference that have been recognised in other comprehensive income are reclassified to profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Naira at spot exchange rates at the reporting date. The income and expenses of foreign operations are translated to Naira at spot exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests (NCI). When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

(d) Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of financial assets or financial liability.

When calculating the effective interest rate for financial intruments other than credit-impaired assets,the Group estimates future cashflows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets,a credit adjusted effective interest rate is calculated using estimated future cashflows including expected credit losses.

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

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments,plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

In calculating interest income and expense,the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition,interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired,then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset.The calculation of interest income does not revert to a gross basis,even if the credit risk of the asset improves.

Interest income and expense presented in the statement of profit or loss and OCI include:

- Interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis.
- Interest on debt instruments measured at fair value through other comprehensive income calculated on an effective interest basis;

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

(e) Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate which is used in the computation of Interest Income. Fees, such as processing and management fees charged for assessing the financial position of the borrower, evaluating and reviewing guarantees, collateral and other security, negotiation of instruments' terms, preparing and processing documentation and finalising the transaction are an integral part of the effective interest rate on a financial asset or liability and are included in the measurement of the effective interest rate of financial assets or liabilities

Other fees and commission income, including loan account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. 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 period.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

(f) Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, dividends and foreign exchange differences.

(g) Net income from other financial instruments at fair value through profit or loss

Net income from other financial instruments at fair value through profit or loss relates to fair value gains or losses on non-trading derivatives held for risk management purposes that do not form part of qualifying hedge relationships and financial assets and liabilities designated at fair value through profit or loss. It includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

(h) Dividend income

Dividend income is recognised when the right to receive income is established. Dividends are presented in net trading income, net income from other financial instruments at fair value through profit or loss or other revenue based on the underlying classification of the equity investment.

(i) Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) Group acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Group acting as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices. When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group determined whether the arrangement was or contained a lease based on the assessment of whether:
– fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
– the arrangement had conveyed a right to use the asset.

i. As a lessee

The Group did not have any finance leases under IAS 17.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

ii. As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

(j) Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes**,** including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Notes to the consolidated and separate financial statements

(a) Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

– Company income tax is computed on taxable profits
– Tertiary education tax is computed on assessable profits
– National Information Technology Development Agency levy is computed on profit before tax
– Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.
Minimum tax is determined based on the sum of:
- the highest of; 0.25% of revenue of N500,000, 0.5% of gross profit, 0.25% of paid up share capital and 0.5% of net assets; and
- 0.125% of revenue in excess of N500,000.
Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(k) Financial assets and financial liabilities

(i) Recognition and initial measurement

The Group initially recognises loans and receivables, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including assets and liabilities designated at fair value through profit or loss) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case, all affected financial assets are reclassified on the first reporting period following the change in business model.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

A financial asset is measured at fair value through other comprehensive income only if it meets both the following conditions and is not designated as at fair value through profit or loss:

- the asset is held within a business model whose objective is achieved by both collecting contractual cashflow and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of pricipal and interest on principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income.This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at fair value through profit or loss.

In addition,on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or signicantly reduces an accounting mismatch that would otherwise arise.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. The reclassification carried out prospectively from the reclassification date. Accordingly, any previously unrecognised gains, losses or interest are not reinstated. Changes in the business model for managing financial assets are expected to be very infrequent.

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.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual right to the cash flow from the Financial assets expires or it transfers the right to receive the contractual cash flow in a transaction in which the substantially all the risks and rewards of the ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and the rewards of the ownership and it does not retain control of the financial asset.

On derecognition of the financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at fair value through other comprehensive income is not recognised in the profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Group retains all or substantially all the risks and rewards of ownership of such assets.

In transaction in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of the asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The Group securitises various loans and advances to customers and investment securities, which generally result in the sale of these to unconsolidated securitisation vehicles and in the Group transferring substantially all the risks and rewards of ownership. The securitisation vehicle in turn issues securities to investors. Interest in the securitised financial assets are generally retained in the form of senior or subordinated tranches, interest-only strips or other residual interests (retained interests). Retained interests are recognised as investment securities and carried at fair value through other comprehensive income. Gains or losses on securitisation are recorded in other revenue.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

(iv) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified assets are substantially different. If the cash flows are substantially different, then the contractual right to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flow of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and derecognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flow of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of the financial position when, the Group currently has a legally enforceable right to set off the amounts and it intends to either to settle them 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 IFRS, or gains and losses arising from a group of similar transactions such as the Group's trading activity.

(vi) 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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that the market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e, the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments-e.g bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure- are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) Impairment

The Group recognises loss allowances for ECL on the following financial insruments that are not measured at fair value through profit or loss:
- financial assets measured at amortised cost;
- debt investments measured at fair value through other comprehensive income;
- financial guarantee contracts issued; and
- loan commitments issued

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following for which they are measured as 12-month ECL;
- financial assets that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivable are always measured at an amount equal to lifetime ECL.
The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

12-months ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instruments. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit -impaired at the reporting date:as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flow that the Group expects to receive);

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is down and the cash flows that the Group expects to receive; and

- financial guarantee contracts: the expected payments to reimburse the holder less any amount that the Group expects to recover.

Restructured financial assets

If the terms of a financial assets renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cashflows arising from the modified financial asset are included in calculating the cash shortfalls from the existing assets.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the asset is treated as final cash flow from the existing financial asset at the time of its derecognition. The amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-Impaired financial assets

At each reporting date, the Group assesses whether financial assets at amortized cost and debt instruments carried at fair value through other comprehensive income are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on he estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherswise;
- it is becoming probable that the borrower will enter bankcruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessment of creditworthiness.
- The countries ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanism in place to provide the necessary support as 'lender of last resort' to the country,as well as the intention, reflected in the public statement of governments and agencies to use those mechanisms.This includes an assessment of the depth of those mechanisms and, irrespective of political intent,whether there is the capacity to fulfil the required criteria.

Notes to the consolidated and separate financial statements

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

- Loan commitments and financial guarantee contracts: generally, as a provision;

- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

- debt instruments measured at fair value through other comprehensive income: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is charged to profit or loss and is recognised in the fair value reserve, other comprehensive income.

Write-off policy

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Recoveries of amount previously written off are includeded in impairment losses "on financial instruments" in the statement of profit or loss and other comprehensive income". However, financial asstes that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Measurement of impairment

Impairment losses on assets measured at amortised cost were calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted as the asset's original effective interest rate. impairment losses on available-for-sale assets were calculated as the difference between the carrying amount and the fair value.

Reversal of impairment

- For assets measured at amortised cost: If an event occuring after the impairment was recognised caused the amount of impairment loss to decrease, then the decrease in impairment loss was reversed through profit or loss.

- For debt security at fair value through other comprehensive income: If, in a subsequent period, the fair value of an impaired debt security increased and the increase could be related objectively to an event occuring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss; otherwise, any increase in fair value was recognised through OCI.

Any subsequent recovery in the fair value of an impaired equity security at fair value through other comprehensive income is recognised in OCI.

Impairment losses were recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired assets continued to be recognised through the unwinding of the discount.

Impairment losses on investment securities at fair value through other comprehensive income are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cummulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment attributable to the application of the effective interest method werd reflected as a component of interest income.

Write-off

The Group wrote off a loan or an investment debt security, either partially or in full, and any related allowance for impairment losses, when Group determined that there was no realistic prospect of recovery.

(viii) Designation at fair value through profit or loss

Financial assets

At initial recognition, the Group has designated certain financial assets as at fair value through profit or loss because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

Financial liabilities

The Group has designated certain financial liabilities as at fair value through profit or loss in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the consolidated and separate financial statements

(l) (i) Cash and cash equivalents

Cash and cash equivalents include bank notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position. For the purposes of the cash flow statement, cash and cash equivalents include cash and non-restricted balances with central banks.

(ii) Restricted reserve deposits

Restricted reserve deposits are restricted mandatory reserve deposits held with the Central Bank of Nigeria, which are not available for use in the Bank and Group's day-to-day operations. They are calculated as a fixed percentage of the Group's and Bank's deposit liabilities.

(m) Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position with transaction costs recognised in profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss.

(n) Assets pledged as collateral

Financial assets transferred to external parties that do not qualify for de-recognition (see k(iii)) are reclassified in the statement of financial position from 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. Assets pledged as collateral are initially recognised at fair value, and are subsequently measured at amortised cost or fair value as appropriate. These transactions are performed in accordance with the usual terms of securities lending and borrowing.

(o) Loan and advances

Loan and advances' captions in the statement of financial position include:

- loans and advances measured at amortised cost; they are initially measured at fair value plus incremental direct transsaction costs, and subsequently at their amortised cost using the effective interest method;

- loans and advances mandatorily measured at fair value through profit or loss or designated as at fair value through profit or loss; these are measured at fair value with changes recognised immediately in profit or loss; and

- finance lease receivables.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements.

Loans and advances were initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using effective interest method. When the Group chose to designate the loans and advances as measured at fair value through profit or loss, they were measured at fair value with face value changes recognised immediately in profit or loss.

Loans and advances also included finance lease receivables in which the Group was the lessor.
When the Group purchased a financial asset and simultaneously entered into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement was accounted for as a loan or advance, and the underlying asset was not recognised in the Group's financial statements

(p) Investment securities

Investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;

- debt and equity investment securities mandatorily measured at fair value through profit or loss or designated at fair value through profit or loss; these are at fair value with changes recognised immediately in profit or loss;

- debt securities measured at fair value through other comprehensive income; and
- equity investment securities designated at fair value through other comprehensive income.

For debt securities measured at fair value through other comprehensive income, gains and losses are recognised in OCI, except for the following, which are recognised in profit and loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When debt security measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in the profit and loss. Dividends are recognised in profit and loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

(q) Derivatives held for risk management purposes

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives are recognised initially at fair value in the statement of financial position, while any attributable costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value with fair values changes recognised in profit or loss.

(r) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When 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. Items of work in progress are recognised at cost less any observable impairment. A review for impairment is carried out when circumstances or situations suggests that the asset carrying amount may not be recoverable. Impairment loss is recognized when the current asset value is less than the cost.

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 the item of property and equipment and are recognized net within other income in profit or loss.

The assets' carrying values and useful lives are reviewed, and written down if appropriate, at each reporting date. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount; see note (t) on impairment of non-financial assets.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to- day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment.

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. Items classified as work in progress are not depreciated till the asset is available for use. Leasehold land is not depreciated.

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

Leasehold improvement	Over the shorter of the useful life of the item or lease term
Buildings	50 years
Computer equipment	4 years
Furniture, fittings and equipment	5 years
Motor vehicles	4 years
Right-of-use assets	Over the relevant lease terms.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. When an item of work in progress is completed and is available for use, the asset is de-classified to the relevant class of the asset under property and equipment.

(iv) 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 in profit or loss in the year the asset is derecognised.

(s) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition. When the excess is negative, it is recognised immediately in profit or loss; Goodwill on acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Subsequent measurement

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. Goodwill 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.

(ii) Software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

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 profit or loss 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 the future economic benefits embodied in the asset. The maximum useful life of software is four years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(t) Impairment of non-financial assets

The Group's non-financial assets with carrying amounts other than 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 available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods 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.

(u) Deposits, debt securities issued, onlending facilities and borrowings

Deposits, debt securities issued, onlending facilities and borrowings are the Group's sources of funding. When the Group sells a financial asset and simultaneously enters into a "repo" or "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.

Deposits, debt securities issued, onlending facilities and borrowings are initially measured at fair value less incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group chooses to carry the liabilities at fair value through profit or loss.

(v) Sale and repurchase agreements

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

Securities lent to counterparties are also retained in the financial statements. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in trading income.

(w) Provisions

Provisions are determined by discounting the expected future cashflows at a pre-tax rate that reflects current market assessments of time value of money and the specific risks to the liability. Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. A provision for bank levies is recognised when the condition that triggers the payment of the levy is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached. The Group recognises no provisions for future operating losses.

Notes to the consolidated and separate financial statements

(x) Financial guarantees and loan commitments

Financial guarantees are contracts that require the Group to make specific payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debit instrument. 'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below- market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment.Subsequently, they are measured as follows;

- At the higher of this amortised amount and the amount of loss allowance (see k(vii)).

The Group has issued no loan commitment that are measured at fair value through profit or loss.
For other loan commitments:
The Group recognises loss allowance (see k(vii)).

Liabilities arising from financial guarantees and loan commitments are included within provisions.

(y) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations 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.

(ii) Defined contribution plans

A retirement benefit obligation is a defined contribution plan. A defined contribution plan is a post-employment benefits plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. In line with the Pension Reform Act 2014, the Group and its employees make a joint contribution of 18% (10% by the Bank and 8% by the employees) of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators. Obligations for contributions to defined contribution plans are recognised as personnel expenses in profit or loss in the period during which related services are rendered.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancy are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted.

(z) Share capital and reserves

(i) Share issue costs

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

(ii) Dividend on the Group's ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group’s shareholders. Dividends for the year that are declared after the date of the consolidated statement of financial position are dealt with in the subsequent events note. Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act of Nigeria.

(iii) Share premium

Premiums from the issue of shares are reported in share premium.

(iv) Retained earnings

Retained earnings comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves.

(v) Other reserves comprises of statutory reserve, SSI reserve, translation reserve, fair value reserve, regulatory risk reserve and forbearance reserve

(a) Statutory reserve: Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by Section 16(1) of the Banks and Other Financial Institutions Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than the paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital.

(b) AGSMEIS / SSI reserve: The SSI reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investments in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the five years but banks' contributions shall thereafter reduce to 5% of profit after tax. The small and medium scale industries equity investment scheme reserves are nondistributable.

In April 2017, the Central Bank of Nigeria issued guidelines to govern the operations of the Agricultural/Small and Medium Enterprises Scheme (AGSMIES), which was established to support the Federal Government's efforts at promoting agricultural businesses and Small and Medium Enterprises (SMEs) as vehicles for achieving sustainable economic development and employment generation. Though there's no longer mandatory transfers to this reserve under the earlier directives, all Nigerian banks are now required to set aside an amount equal to 5% of their annual Profits After Tax (PAT) towards the funding of equity investments, which qualify under the AGSMEIS Scheme. This is done after the audit and Central Bank of Nigeria (CBN) approval.

(c) Translation reserve: comprises exchange differences resulting from the translation to Naira of the results and financial position of Group companies that have a functional currency other than Naira.

(d) fair value reserve: comprises fair value movements on equity instruments and debt securities carried at fair value through other comprehensive income.

(e) Regulatory risk reserve: The Nigerian banking regulator requires the Bank to create a reserve for the difference between impairment charge determined in line with the principles of IFRS and impairment charge determined in line with the prudential guidelines issued by the Central Bank of Nigeria (CBN). This reserve is not available for distribution to shareholders.

(f) forbearance reserve: this is a non-distributable reserve which arose from forbearance granted by Central Bank of Nigeria being an additional appropriation of 15% of profit after tax to account for potential future provisions valid until 31 December 2020.

(aa) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. 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, which comprise share options granted to employees.

(ab) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Group's other components, whose operating results are regularly reviewed by the Executive Management Committee (being the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.
Segment results that are reported to the Executive Management Committee (being the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

(ac) Operating expense - general and administrative expenses and other operating expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Expenses are recognized on an accrual basis regardless of the time of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost.

Only the portion of cost of a previous period that is related to the income earned during the reporting period is recognized as an expense. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statement as assets. The portion of assets which is intended for earning income in the future periods shall be recognized as an expense when the associated income is earned.

Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming financial years.

(ad) Deposit for Investment in AGSMEIS

The Agri-Business/Small and Medium Enterprises Investment Scheme is an initiative of Banker's committee of Nigeria. The contributed funds is meant for supporting the Federal Government's effort at promoting agricultural businesses as well as Small and Medium Enterprises. In line with this initiative, the Bank will contribute 5% of Profit After Tax yearly to the fund.

Notes to the consolidated and separate financial statements

(ae) Standards issued but not yet adopted

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 200 and have not been applied in preparing these (consolidated and separate) financial statements. Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Group (or Company) are set out below.

The Group and Bank do not plan to adopt these standards early. The standards will be adopted in the period that they become mandatory unless otherwise indicated:

The directors are of the opinion that the impact of the application of the remaining Standards, Amendments to Standards and Interpretationsare not expected to have a significant impact on the Group's consolidated and separate financial statements.

Effective at the option of the entity (effective date has been deferred indefinitely)

– Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28). When new standards, amendments to standards and interpretations will have little, or no material effect on the financial statements, it is not necessary to list them as such a disclosure would not be material. (IAS 1.31)

New and amended IFRS Standards that are effective for the current year

(i) Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are relevant to the Group given that it applies hedge accounting to its benchmark interest rate exposures. The application of the amendments impacts the Group's accounting in the following ways:

• The Group has floating rate debt, linked to, which it cash flow hedges using interest rate swaps. The amendments permit continuation of hedge accounting even though there is uncertainty about the timing and amount of the hedged cash flows due to the interest rate benchmark reforms.

• The Group has issued [Currency B]-denominated fixed rate debt which it fair value hedges using [Currency B]-fixed to [Currency B] IBOR interest rate swaps. The amendments permit continuation of hedge accounting even if in the future the hedged benchmark interest rate, [Currency B] IBOR, may no longer be separately identifiable. However, this relief does not extend to the requirement that the designated interest rate risk component must continue to be reliably measureable. If the risk component is no longer reliably measurable, the hedging relationship is discontinued.

• The Group will retain the cumulative gain or loss in the cash flow hedge reserve for designated cash flow hedges that are subject to interest rate benchmark reforms even though there is uncertainty arising from the interest rate benchmark reform with respect to the timing and amount of the cash flows of the hedged items. Should the Group consider the hedged future cash flows are no longer expected to occur due to reasons other than interest rate benchmark reform, the cumulative gain or loss will be immediately reclassified to profit or loss.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

(ii) Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

Notes to the consolidated and separate financial statements

Impact on accounting for changes in lease payments applying the exemption

The Group has applied the practical expedient retrospectively to all rent concessions that meet the conditions in IFRS 16:46B, and has not restated prior period figures.

The Group has benefited from a __ month waiver of lease payments on buildings in [*A land*]. The waiver of lease payments of N__ has been accounted for as a negative variable lease payment in profit or loss. The Group has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments,consistent with the requirements of IFRS 9:3.3.1.

The Group has benefited from a __ month lease payment holiday on buildings in [*B land*]. The payment holiday reduces payments in the period to [*date*] by N__, and increases in payments in the period to [*date*] by N__.

The Group has remeasured the lease liability using the revised lease payments and the discount rate originally applied to the lease, resulting in a decrease in the lease liability of N__, which has been recognised as a negative variable lease payment in profit or loss. The Group continued to recognise interest expense on the lease liability.

Impact of the initial application of other new and amended IFRS Standards that are effective for the current year

IAS 8:28 In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in *Amendments to References to the Conceptual Framework in IFRS Standards* for the first time in the current year.

The amendments include consequential amendments to affected Standards so that they refer to the new *Framework*. Not all amendments, however, update those pronouncements with regard to references to and quotes from the *Framework* so that they refer to the revised *Conceptual Framework*. Some pronouncements are only updated to indicate which version of the *Framework* they are referencing to (the IASC *Framework* adopted by the IASB in 2001, the IASB *Framework* of 2010, or the new revised *Framework* of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IFRS 3 Definition of a business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

Amendments to IAS 1 and IAS 8

Definition of material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

New and revised IFRS Standards in issue but not yet effective

Entities are required to disclose in their financial statements the potential impact of new and revised IFRS Standards that have been issued but are not yet effective. The disclosures below reflect a cut off date of 31 July 2020. The potential impact of the application of any new and revised IFRS Standard issued by the IASB after 31 July 2020, but before the financial statements are issued should also be considered and disclosed. The impact of the application of the new and revised IFRS Standards (see below) is for illustrative purposes only. Entities should analyse the impact based on their specific facts and circumstances.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet

The impact of the application of the new and revised IFRS Standards below is for illustrative purposes only. Entities should analyse the impact of these new or revised IFRS Standards on their financial statements based on their specific facts and circumstances and make appropriate disclosures.

Standard	Content	Effective Date
IFRS 3	Amendments to IFRS 3 Reference to the Conceptual Framework	01 JAN 2022
IAS 16	Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use	01 JAN 2022
IAS 37	Amendments to IAS 37 - Contingent liabilities and Contingent assets – Onerous Contracts Provisions,	01 JAN 2022
IFRS 17	Insurance Contracts	01 JAN 2023
IAS 1	Amendments to IAS 1 Classification of Liabilities as Current or Non-current	01 JAN 2023
IFRS 8	Amendment to IFRS 8 - Definition of Accounting Estimates	01 JAN 2023
IAS 12	Amendment to IAS 12-Deferred Tax related to Assets and Liabilities arising from a single Transaction	01 JAN 2023

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as noted below:

Amendments to IFRS 3 – Reference to the Conceptual Framework
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 *Inventories*. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 17 Insurance Contracts
IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features,described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Notes to the consolidated and separate financial statements
In thousands of Naira

For the year ended		GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
8	**Interest and discount income**				
	Cash and cash equivalents	**588,286**	6,711,404	**38,363**	13,735
	Loans and advances to customers	**136,940,970**	105,627,215	**-**	-
	Investment securities at amortised cost	**12,107,465**	17,964,452	**333,120**	317,046
	Investment securities at FVOCI	**11,944,563**	20,720,285	**61,824**	88,100
	Total interest income	**161,581,284**	151,023,356	**433,307**	418,881
9	**Interest expense**				
	Deposits from banks	**8,371,606**	6,799,576	**-**	-
	Deposits from customers	**38,844,770**	28,272,080	**-**	-
		47,216,376	35,071,656	**-**	-
	Borrowings	**12,826,985**	12,243,895	**-**	-
	Debt securities issued	**9,939,370**	11,603,169	**-**	-
	Onlending facitilies	**915,080**	1,252,872	**-**	-
	Interest expense on lease liabilities	**214,285**	94,200	**-**	-
		71,112,096	60,265,792	**-**	-

The amounts reported above include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and financial liabilities.

		GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
	Financial assets measured at amortised cost	**149,636,721**	130,303,071	**371,483**	330,781
	Financial assets measured at FVOCI	**11,944,563**	20,720,285	**61,824**	88,100
	Total	**161,581,284**	151,023,356	**433,307**	418,881
	Financial liabilities measured at amortised cost	**71,112,096**	60,265,792	**-**	-
10	**Net impairment loss on financial assets**				
	Loan and advances (see note 26(c))	**11,054,558**	16,655,318	**-**	-
	Other assets (see note 27(c))	**3,284,058**	7,667,282	**-**	-
	Investment securities - amortised cost (see note 24(b))	**(355,127)**	(43,831)	**8,590**	12,501
	Investment securities - fair value other comprehensive income (see note 24(c))	**182,853**	137,340	**-**	-
	Cash and cash equivalents (see note 21(b))	**8,797**	3,452	**8,797**	9,893
	Financial guarantee contracts and loan commitment issued (see note 37(a))	**105,587**	105,587	**-**	-
	Recoveries on loans previously written off	**(5,223,592)**	(2,217,492)	**-**	-
		9,057,134	22,307,656	**17,387**	22,394

Notes to the consolidated and separate financial statements

In thousands of Naira For the year ended	GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
11 Disaggregation of fee and commission income by major type of services;				
Credit related fees	**593,541**	599,975	**-**	-
Account Maintenance	**4,804,446**	3,575,867	**-**	-
Letters of credit commission	**962,277**	522,888	**-**	-
Asset Management Fees	**3,452,873**	3,090,363	**-**	-
Administration Fees	**130,465**	71,764	**-**	-
Commission on off-balance sheet transactions	**772,157**	723,675	**-**	-
Electronics fees and commissions	**12,826,360**	8,611,848	**-**	-
Service fees and commissions	**11,882,088**	12,966,586	**712,414**	659,335
Gross Fee and commission income	**35,424,207**	30,162,966	**712,414**	659,335
Electronics fees and commissions recoverable expenses	**(6,274,200)**	(7,206,527)	**-**	-
Cheque books recoverable expenses	**(30,880)**	(36,253)	**-**	-
Other banks charges	**(1,186,521)**	(3,365,032)	**(490)**	(40)
Fee and commission expense	**(7,491,601)**	(10,607,812)	**(490)**	(40)
Net fee and commission income	**27,932,606**	19,555,154	**711,924**	659,295

(a) **Disaggregation of fee and commission income with the Group's reportable segments;**

For the year ended 31 December 2021

In thousands of Naira	Investment Banking	Asset Management	SME Banking	Commercial Banking	Corporate Banking	Personal Banking	Institutional Banking	Treasury & Financial Markets	TOTAL
Credit related fees	-	-	498,148	34,862	39,610	19,701	1,220	-	593,541
Account Maintenance	-	-	3,563,084	150,710	313,895	718,126	58,631	-	4,804,446
Letters of credit commission	-	-	506,560	41,197	414,114	-	406	-	962,277
Asset Management Fees	-	3,452,873	-	-	-	-	-	-	3,452,873
Administration Fees	-	130,465	-	-	-	-	-	-	130,465
Commission on off-balance sheet transactions	-	-	396,885	56,794	315,124	-	3,354	-	772,157
Electronics fees and commissions	-	-	3,952,431	32,046	251,500	8,381,277	209,106	-	12,826,360
Service fees and commissions	6,784,273	-	2,687,005	287,342	400,362	1,305,109	28,380	389,617	11,882,088
Gross Fee and commission income	6,784,273	3,583,338	11,604,113	602,951	1,734,605	10,424,213	301,097	389,617	35,424,207
Electronics fees and commissions recoverable expenses	-	-	(1,970,920)	(4,485)	(75,519)	(4,219,827)	(3,449)	-	(6,274,200)
Cheque books recoverable expenses	-	-	(20,848)	(793)	(266)	(8,721)	(67)	(185)	(30,880)
Other banks charges	(7,915)	-	(970,162)	(11,553)	(3,873)	(95,922)	(979)	(96,117)	(1,186,521)
Fee and commission expense	(7,915)	-	(2,961,930)	(16,831)	(79,658)	(4,324,470)	(4,495)	(96,302)	(7,491,601)
Net fee and commission income	6,776,358	3,583,338	8,642,183	586,120	1,654,947	6,099,743	296,602	293,315	27,932,606

Notes to the consolidated and separate financial statements

For the year ended 31 December 2020

In thousands of Naira	Investment Banking	Asset Management	SME Banking	Commercial Banking	Corporate Banking	Personal Banking	Institutional Banking	Treasury & Financial Markets	TOTAL
Credit related fees	-		235,827	17,750	312,089	32,277	2,032	-	599,975
Account Maintenance	-		2,353,860	160,789	569,355	341,932	149,931	-	3,575,867
Letters of credit commission	-		174,601	75,356	271,730	469	732	-	522,888
Asset Management Fees	-	3,090,363	-	-	-	-	-	-	3,090,363
Administration Fees	-	71,764	-	-	-	-	-	-	71,764
Commission on off-balance sheet transactions	-	-	240,139	73,633	408,555	-	1,348	-	723,675
Electronics fees and commissions	-	-	761,949	11,247	98,807	7,643,076	96,769	-	8,611,848
Service fees and commissions	5,727,497	1,029,148	2,098,868	141,633	505,679	3,075,764	56,208	331,789	12,966,586
Gross Fee and commission income	5,727,497	4,191,275	5,865,244	480,408	2,166,215	11,093,518	307,020	331,789	30,162,966
Electronics fees and commissions recoverable expenses	(300)	-	(264,583)	(6,913)	(81,384)	(6,848,031)	(5,316)	-	(7,206,527)
Cheque books recoverable expenses	-	-	(13,563)	(1,282)	(5,430)	(15,368)	(109)	(501)	(36,253)
Other banks charges	(2,321,024)	(2,936)	(310,910)	(29,391)	(9,853)	(449,672)	(2,491)	(238,755)	(3,365,032)
Fee and commission expense	(2,321,324)	(2,936)	(589,056)	(37,586)	(96,667)	(7,313,071)	(7,916)	(239,256)	(10,607,812)
Net fee and commission income	3,406,173	4,188,339	5,276,188	442,822	2,069,548	3,780,447	299,104	92,533	19,555,154

(b) The fees and commission income reported above excludes amount included in determining effective interest rates on financial assets that are not carried at fair value through profit or loss.

(c) Performance obligations and revenue recognition policies;

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Notes to the consolidated and separate financial statements

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Retail and corporate banking service	The Group provides banking services to retail and corporate customers, including account management, provision of overdraft facilities, foreign currency transactions, credit card and servicing fees. Fees for ongoing account management are charged to the customer's account on a monthly basis. The Group sets the rates separately for retail and corporate banking customers in each jurisdiction on an annual basis. Transaction-based fees for interchange, foreign currency transactions and overdrafts are charged to the customer's account when the transaction takes place. Servicing fees are charged on a monthly basis and are based on fixed rates reviewed annually by the Group.	Revenue from account service and servicing fees is recognised over time as the services are provided. Revenue related to transactions is recognised at the point in time when the transaction takes place.
Investment banking service	The Group's investment banking segment provides various finance-related services, including loan administration and agency services, administration of a loan syndication, execution of client transactions with exchanges and securities underwriting. Fees for ongoing services are charged annually at the end of the calendar year to the customer's account. However, if a customer terminates the contract before 30 September, then on termination it is charged the fee for the services performed to date. Transaction-based fees for administration of a loan syndication, execution of transactions, and securities underwriting are charged when the transaction takes place.	Revenue from administrative agency services is recognised over time as the services are provided. The amounts to be collected from customers are recognised as trade receivables. Revenue related to transactions is recognised at the point in time when the transaction takes place.
Asset management service	The Group provides asset management services. Fees for asset management services are calculated based on a fixed percentage of the value of assets managed and deducted from the customer's account balance on a monthly basis. In addition, the Group charges a non-refundable up-front fee when opening an account.	Revenue from asset management services is recognised over time as the services are provided. Non-refundable up-front fees give rise to material rights for future services and are recognised as revenue over the period for which a customer is expected to continue receiving asset management services.

In thousands of Naira	GROUP		COMPANY	
For the year ended	**31 DEC 2021**	**31 DEC 2020**	**31 DEC 2021**	**31 DEC 2020**
12 Net trading income				
Foreign exchange trading income	**(1,971,202)**	262,819	**-**	(69)
FGN bonds trading income	**5,067,256**	3,638,706	**-**	-
Treasury bills trading income	**3,796,726**	3,151,068	**-**	-
Options & Equities trading income	**-**	65,081	**-**	-
	6,892,780	7,117,674	**-**	(69)

Notes to the consolidated and separate financial statements

		Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
13	**Net income from financial instruments mandatorily measured at fair value through profit or loss**				
	Net income arising on:				
	Fair value gain on derivative financial instruments held for risk management	**-**	12,529	**-**	-
	Impairment for investment securities avaliable for sale	**-**	-	**-**	-
		-	12,529	**-**	-
14(a)	**Other revenue**				
	Dividends on equity investment securities in the subsidiaries	**-**	-	**4,903,114**	2,046,470
	Dividends on unquoted equity securities (see note (a)(i))	**830,168**	529,464	**-**	-
	Foreign exchange gains (see note (a)(ii))	**8,169,266**	10,011,442	**287,631**	311,806
	Modification loss on restructured facilities (see note (a)(iii))	**(5,962,343)**	-	**-**	-
		3,037,091	10,540,906	**5,190,745**	2,358,276

(i) This amount represent dividend received from unquoted equity securities held for strategic purposes and for which the Group has elected to present the fair value gain and loss in other comprehensive income.

(ii) Foreign currency revaluation gain represent gains realised from the revaluation of foreign currency-denominated assets and liabilities held in the non-trading books.

(iii) This represents the loss on restructured facilities during the period.

		Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
14(b)	**Other income**				
	Gain on sale of property and equipment	**514,557**	(993,603)	**(266)**	109
	Other income (see note (b)(ii))	**1,078,184**	1,575,304	**98,663**	763,640
		1,592,741	581,701	**98,397**	763,749
(ii)	Other income comprises:				
	Rental income	**264,196**	-	**98,337**	54,780
	Others	**813,988**	1,575,304	**326**	708,860
		1,078,184	1,575,304	**98,663**	763,640

In thousands of Naira		**GROUP**		**COMPANY**	
For the year ended		**31 DEC 2021**	**31 DEC 2020**	**31 DEC 2021**	**31 DEC 2020**
15	**Personnel expenses**				
	Wages and salaries	**23,203,245**	23,065,671	**354,533**	294,452
	Contributions to defined contribution plans (see note 35)	**668,091**	657,573	**10,788**	10,162
	Other employee benefits (see note (a) below)	**7,364,475**	5,795,531	**29,722**	28,093
		31,235,811	29,518,775	**395,043**	332,707

(a) **Other employee benefits**

These are non-payroll staff cost, which includes medical expenses, club subscriptions and other staff related expenses not paid to staff.

		Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
16	**Depreciation and amortisation**				
	Amortisation of intangibles	**1,564,874**	1,779,564	**-**	-
	Depreciation of property and equipment and right of use assets (see note 30(a))	**6,355,600**	5,794,606	**19,419**	26,185
		7,920,474	7,574,170	**19,419**	26,185

Notes to the consolidated and separate financial statements

17	**General and administrative expenses**				
	Communication, stationery and postage	**2,518,374**	2,141,909	**6,029**	5,630
	Business travel expenses	**563,836**	597,808	**1,296**	1,775
	Advert, promotion and corporate gifts	**3,350,160**	2,760,227	**9,731**	11,677
	Business premises and equipment costs	**5,224,499**	4,425,065	**13,857**	16,276
	Operating lease expenses (see note (a) below)	**870,725**	582,680	**4,594**	6,439
	Directors' emoluments and expenses	**1,745,308**	1,354,520	**647,458**	449,043
	IT expenses	**7,465,631**	5,735,135	**8,536**	6,721
	Contract Services and training expenses	**7,525,196**	7,104,128	**1,546**	-
	Vehicles maintenance expenses	**992,833**	882,580	**2,399**	2,220
	Security expenses	**2,231,088**	2,223,907	**-**	-
	Auditors' remuneration	**452,913**	424,233	**45,000**	38,115
	Professional charges	**1,638,813**	2,243,230	**96,621**	87,507
		34,579,376	30,475,422	**837,067**	625,403

(a) An amount of N489.38million have been presented as operating lease expense for the Group. This amount represent the straight line amortisation on short term lease in which the Group has applied the recognition exemption..

18	**Other operating expenses**				
	NDIC Insurance Premium	**5,088,449**	4,287,313	**-**	-
	AMCON Levy	**10,532,714**	8,594,143	**-**	-
	Insurance expenses	**942,370**	583,137	**14,573**	9,032
	Others (see note (a) below)	**6,641,675**	3,313,196	**83,789**	106,375
		23,205,208	16,777,789	**98,362**	115,407
(a)	Others comprises:				
	AGM, meetings and shareholders expenses	**342,250**	423,143	**55,750**	48,841
	Donation and sponsorship expenses	**1,500,582**	709,471	**-**	-
	Entertainment expenses	**234,924**	224,170	**2,627**	895
	Fraud and forgery expense	**89,856**	59,035	**-**	-
	Regulatory charges	**11,326**	7,985	**11,326**	7,985
	Other accounts written off	**243,987**	81,793	**167**	84
	PENCOM Recovery Agent Fee	**1,194**	2,509	**-**	-
	Pension Protection Fund Expenses	**104,961**	93,724	**-**	-
	Provision for litigation	**2,364,413**	719,413	**-**	-
	Industrial training fund levy	**207,571**	216,564	**4,838**	8,354
	Nigeria Social Insurance Trust Fund expenses	**189,896**	175,196	**4,838**	4,269
	Penalties	**723,050**	183,373	**-**	-
	Miscellaneous expenses	**627,665**	416,820	**4,243**	35,947
		6,641,675	3,313,196	**83,789**	106,375

Others comprise provisions for litigation no longer required as at the year end.

Notes to the consolidated and separate financial statements

In thousands of Naira		GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
19	**Earnings per share**				
	Basic and diluted earnings per share				
	Profit attributable to equity holders (N'000)	**20,690,485**	19,419,663	**5,067,095**	3,060,273
	Weighted average number of ordinary shares in issue ('000)	**19,802,710**	19,802,710	**19,802,710**	19,802,710
		1.04	0.98	**0.26**	0.15
20	**Tax expense**				
(i)	**Current tax expense:**				
	Minimum tax (see note 20(ii))	**900,000.00**	433,746	**-**	5,384
	National Information Technology Development Agency (NITDA) levy	**-**	159,136	**-**	10,316
	Nigeria Police Trust Fund levy	**-**	898	**-**	154
	Tertiary education tax	**-**	-	**-**	1,909
	Capital gain tax	**-**	1,195	**-**	-
	Corporate income tax	**2,132,555**	1,714,298	**-**	-
		3,032,555	2,309,273	**-**	17,763
(ii)	**Deferred tax expense:**				
	Origination of temporary differences (see note 31(b))	**-**	(8,011)	**-**	-
	Reduction in tax rate	**-**	-	**-**	-
	Recognition of previously unrecognised tax losses	**-**	-	**-**	-
		2,132,555	(8,011)	**-**	-
	Income tax credit /(expense)	**2,132,555**	-	**-**	-
	Total tax expense	**3,032,555**	2,301,262	**-**	17,763

In thousands of Naira		GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
(ii)	**Current income tax liability**				
	At 1 January	**4,502,688**	4,743,683	**49,568**	84,386
	Tax paid	**(1,898,149)**	(2,419,807)	**(18,255)**	(52,581)
	Tax refund (see note (a) below)	**-**	(130,461)	**-**	-
	Minimum tax (see note 20(i))	**900,000**	433,746	**-**	5,384
	Capital gain tax	**-**	1,195	**-**	-
	National Information Technology Development Agency (NITDA) levy (see note 20(i))	**-**	159,136	**-**	10,316
	Nigeria Police Trust Fund levy (see note 20(i))	**-**	898	**-**	154
	Tertiary education tax (see note 20(i))	**-**	-	**-**	1,909
	Income tax expense (see note 20(i))	**2,132,555**	1,714,298	**-**	-
		5,637,094	4,502,688	**31,313**	49,568
	Current	**5,637,094**	4,502,688	**31,313**	49,568
	Non-current	**-**	-	**-**	-
		5,637,094	4,502,688	**31,313**	49,568

(a) Amount represents withholding tax credit notes utilized during the year. Withholding tax is an advance payment of company income tax (CIT) deducted at source used to net off the tax liability for the period / year.

Notes to the consolidated and separate financial statements

In thousands of Naira		GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
21	**Cash and cash equivalents**				
	Cash	**65,704,188**	88,198,554	**-**	-
	Current balances with banks within Nigeria	**2,933,765**	2,121,253	**621,755**	163,561
	Current balances with banks outside Nigeria (see note (c) below)	**199,717,584**	102,533,239	**-**	-
	Placements with local banks	**5,193,615.00**	2,519,244	**1,257,583**	665,073
	Placements with foreign banks	**50,193,948**	1,928,490	**-**	-
	Unrestricted balances with Central banks	**45,388,016**	23,813,814	**-**	-
		369,131,116	221,114,594	**1,879,338**	828,634
	Less impairment allowances (note (a) below)	**(18,689)**	(35,950)	**(18,689)**	(9,893)
		369,112,427	221,078,644	**1,860,649**	818,741
	Current	**369,112,427**	221,078,644	**1,860,649**	818,741
	Non-current	**-**	-	**-**	-
		369,112,427	221,078,644	**1,860,649**	818,741
(a)	**Impairment allowance**				
	Balance at 1 January	**35,950**	32,498	**9,893**	-
	Net remeasurement of loss allowance (see note 10)	**8,797**	3,452	**8,797**	9,893
	Closing balance	**44,747**	35,950	**18,690**	9,893

(b) Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months.

(c) Balances with banks outside Nigeria include N39billion (31 December 2020: N22.03billion) which represents the naira value of foreign currency amounts held by the Bank on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (see Note 36(a)).

In thousands of Naira		GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
22(a)	**Non-pledged trading assets**				
	Federal Government of Nigeria Bonds - fair value through profit or loss (FVTPL)	**6,856,588**	6,946,808	**-**	-
	Treasury Bills - fair value through profit or loss (FVTPL)	**23,839,843**	2,354,981	**-**	-
		30,696,431	9,301,789	**-**	-
	Current	**30,696,431**	9,301,789	**-**	-
	Non-current	**-**	-	**-**	-
		30,696,431	9,301,789	**-**	-

Notes to the consolidated and separate financial statements

(b)	**Trading liabilities**				
	Short sold positions - Federal Government of Nigeria Bonds - fair value through profit or loss (FVTPL)	-	6,790,173	-	-
	Short sold positions - Treasury bills - fair value through profit or loss (FVTPL)	-	1,571,778	-	-
		-	8,361,951	-	-
	Current	-	8,361,951	-	-
	Non-current	-	-	-	-
		-	8,361,951	-	-
23	**Derivative assets and liabilities held for risk management**				
	Instrument type				
(a)	Assets: - Non-deliverable forwards transactions	-	1,884,398	-	-
	- Total return swap transactions	-	-	-	-
		-	1,884,398	-	-
	Current	-	1,884,398	-	-
	Non-current	-	-	-	-
		-	1,884,398	-	-
(b)	Liabilities - Non-deliverable forwards transactions	-	1,871,869	-	-
	- Total return swap transactions	-	-	-	-
		-	1,871,869	-	-
	Current	-	1,871,869	-	-
	Non-current	-	-	-	-
		-	1,871,869	-	-

		GROUP		COMPANY	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
24	**Investment securities**				
	Investment securities at amortised cost (see note (a))	**171,922,689**	174,642,182	**3,250,752**	3,064,229
	Investment securities at FVOCI - debt instruments (see note (c) below)	**181,269,025**	212,554,430	**1,520,334**	1,295,770
	Investment securities at FVOCI - quoted equity investments (see note (d) below)	**92,776**	81,466	-	-
	Investment securities at FVOCI - unquoted equity investments (see note (e) below)	**29,642,746**	19,387,491	-	-
		382,927,235	406,665,569	**4,771,086**	4,359,999

Notes to the consolidated and separate financial statements

(a) **Investment securities at amortised cost**				
Federal Government of Nigeria (FGN) Bonds - listed	**112,642,088**	91,994,436	**-**	-
Federal Government of Nigeria (FGN) EuroBonds - listed	**17,955,002**	-	**-**	-
State Government Bonds - unlisted	**15,531,678**	4,281,315	**-**	-
Corporate bonds - unlisted	**27,118,357**	13,545,915	**3,400,459**	3,205,346
Placements	**913,474**	67,093,942	**-**	-
	174,160,599	176,915,608	**3,400,459**	3,205,346
Less impairment allowances (see note (b) below)	**(2,237,910)**	(2,273,426)	**(149,707)**	(141,117)
	171,922,689	174,642,182	**3,250,752**	3,064,229
(b) **Impairment allowance**				
At 1 January	**2,273,426**	2,172,157	**141,117**	128,616
Net remeasurement of loss allowance (see note 10)	**(355,127)**	(43,831)	**8,590**	12,501
Translation difference	**319,611**	145,100	**-**	-
Closing balance	**2,237,910**	2,273,426	**149,707**	141,117

	GROUP		COMPANY	
In thousands of Naira	**31 DEC 2021**	**31 DEC 2020**	**31 DEC 2021**	**31 DEC 2020**
(c) **Investment securities at FVOCI**				
Federal Government of Nigeria (FGN) Bonds - listed	**55,491,941**	9,150,300	**-**	-
Federal Government of Nigeria (FGN) Sukuk Bonds	**4,995,182**	1,437,488	**-**	-
Treasury bills - listed	**118,411,533**	199,223,889	**-**	-
Promissory note	**-**	131,267	**-**	-
Unclaimed dividend investment fund	**1,520,334**	1,295,770	**1,520,334**	1,295,770
Legacy Debt Fund	**521,987**	893,710	**-**	-
Legacy USD Bond Fund	**256,000**	139,137	**-**	-
Legacy Money Market Fund	**72,048**	282,869	**-**	-
	181,269,025	212,554,430	**1,520,334**	1,295,770
Less impairment allowance	**-**	-	**-**	-
	181,269,025	212,554,430	**1,520,334**	1,295,770
Impairment allowance				
At 1 January	**181,892**	44,552	**181,892**	44,552
Net remeasurement of loss allowance (see note 10)	**182,853**	137,340	**-**	137,340
Closing balance	**364,745**	181,892	**181,892**	181,892

(i) The impairment of N182.85million (31 December 2020: Nil arising from investment securities at FVOCI for the year was recognised in profit or loss, (see note 10) and other comprehensive income.

	GROUP		COMPANY	
In thousands of Naira	**31 DEC 2021**	**31 DEC 2020**	**31 DEC 2021**	**31 DEC 2020**
(d) **Investment securities at FVOCI - quoted equity investments**				
Industrial and General Insurance Plc	**4,326**	3,811	**-**	-
Food Concepts	**2,430**	2,400	**-**	-
Legacy Equity Fund	**86,020**	75,255	**-**	-
	92,776	81,466	**-**	-

Notes to the consolidated and separate financial statements

(e) **Investment securities at FVOCI - unquoted equity investments**				
Credit Reference Company Limited	**265,360**	265,360	**-**	-
Nigeria Inter-bank Settlement System Plc	**1,720,680**	1,720,680	**-**	-
Africa Finance Corporation	**16,964,400**	14,093,016	**-**	-
Africa Export-Import Bank, Cairo	**1,683,293**	1,104,125	**-**	-
Smartcard Nigeria Plc	**613,602**	613,602	**-**	-
FMDQ (OTC) Plc	**1,602,076**	1,528,578	**-**	-
Financial Derivative Ltd	**28,062**	28,062	**-**	-
Mutual Fund	**-**	34,068	**-**	-
AIICO Pensions	**6,715,273**	-	**-**	-
Shared Agent Network Expansion Facilities Limited (SANEF)	**50,000**	-	**-**	-
	29,642,746	19,387,491	**-**	-

(f) The Group designated certain equity investments shown above in note (e) as equity securities at fair value through other comprehensive income. The fair value through other comprehensive income designation was made because the investments are expected to be held for the long-term for strategic purposes. None of these strategic investments was disposed during year ended 31 December 2021.

(g) Debt securities classified at amortised cost have interest rates of 8.50% to 16.39% (31 December 2020: 7.00% to 15.25%) and mature between 2022 and 2050 years. Debt securities at fair value through other comprehensive income have stated interest rates of 10.00% to 16.29% (31 December 2020: 10.23% to 16.39%) and mature between 2022 and 2050 years.

(h) Information about the Group's exposure to credit and market risks and fair value measurement is included in Note 4.

	GROUP		COMPANY	
In thousands of Naira	**31 DEC 2021**	**31 DEC 2020**	**31 DEC 2021**	**31 DEC 2020**
25 Assets pledged as collateral				
The nature and carrying amounts of the non tradable financial assets pledged as collaterals are as follows:				
(a) **Investment Securities - FVOCI**				
Treasury Bills - listed	**35,772,155**	140,782,650	**-**	-
Federal Government of Nigeria (FGN) Bonds - listed	**13,205,414**	8,055,687	**-**	-
	48,977,569	148,838,337	**-**	-
(b) **Investment Securities - FVTPL**				
Treasury Bills - listed	**3,120,944**	226,419	**-**	-
	3,120,944	226,419	**-**	-
(c) **Investment Securities - Amortized cost**				
Treasury Bills - listed	**-**	-	**-**	-
Federal Government of Nigeria (FGN) Bonds - listed	**63,343,291**	40,151,750	**-**	-
	63,343,291	40,151,750	**-**	-
	115,441,804	189,216,506	**-**	-
Current	**68,447,350**	146,128,610	**-**	-
Non-current	**46,994,454**	43,087,896	**-**	-
	115,441,804	189,216,506	**-**	-

As at the year end, the Group held no collateral, which it was permitted to sell or re-pledge in the absence of default by the owner of the collateral (31 December 2020: nil).

The assets pledged as collateral were given to the counter parties without transferring the ownership to them. These are held by the counterparty for the term of the transaction being collateralized. These represents pledged assets to these parties;

Notes to the consolidated and separate financial statements

Counterparties	Reasons for pledged securities				
Nigeria Inter-bank Settlement Plc (NIBSS)	Cards, POS transactions settlements	**2,184,482**	2,184,482	**-**	-
Interswitch Nigeria Limited	Cards, POS transactions settlements	**8,874,000**	5,518,000	**-**	-
Federal Inland Revenue Service(FIRS)	Third parties collection transactions	**1,500,000**	1,500,000	**-**	-
Central Bank of Nigeria (CBN)	Third parties clearing instruments	**13,000,000**	15,000,000	**-**	-
Central Bank of Nigeria (CBN)	On-lending facilities to customers	**20,316,000**	20,316,000	**-**	-
Bank of Industry (BOI)	On-lending facilities to customers	**11,299,916**	11,299,916	**-**	-
System Specs/Remita	Remita Transfer Transactions	**300,000**	300,000	**-**	-
Standard Bank London	Borrowed funds repo transactions	**28,107,120**	72,564,338	**-**	-
E-transact	Cards, POS transactions settlements	**1,220,000**	1,220,000	**-**	-
Development Bank of Nigeria (DBN)	On-lending facilities to customers	**9,874,500**	9,874,500	**-**	-
Central Bank of Nigeria (CBN)	FMDQ OTC settlement transactions	**3,100,000**	3,100,000	**-**	-
Central Bank of Nigeria (CBN)	Interbank Funding under repurchase agreement	**40,700,000**	45,339,270	**-**	-
Citi Nominee	FMDQ OTC settlement transactions	**1,000,000**	1,000,000	**-**	-
		141,476,018	189,216,506	**-**	-

In thousands of Naira	GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
26 Loans and advances to customers				
(a) Overdrafts	**67,649,104**	32,289,228	**-**	-
Term loans	**947,148,999**	781,785,828	**-**	-
On-lending facilities	**85,768,266**	45,581,591	**-**	-
Advances under finance lease (see note (b) below)	**8,560,445**	9,626,618	**-**	-
Gross loans and advances to customers at amortised costs	**1,109,126,814**	869,283,265	**-**	-
Less impairment loss allowance	**(45,569,721)**	(46,510,653)	**-**	-
Net loans and advances to customers	**1,063,557,093**	822,772,612	**-**	-
Current	**539,506,852**	206,399,569	**-**	-
Non-current	**524,050,241**	616,373,043	**-**	-
	1,063,557,093	822,772,612	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
(b) **Finance lease**				
Loan and advances to customer at amortised cost include the following finance lease:				
Gross investment:				
Less than one year	**4,303,525**	2,413,518	**-**	-
Between one and five years	**5,330,553**	10,000,934	**-**	-
More than five years	**-**	-	**-**	-
	9,634,078	12,414,452	**-**	-
Unearned finance income	**(1,073,633)**	(2,787,834)	**-**	-
Net investment in finance leases	**8,560,445**	9,626,618	**-**	-
Less impairment allowance	**(58,243)**	(410,399)	**-**	-
	8,502,202	9,216,219	**-**	-
Net investment in finance leases				
Net investment in finance leases, receivables:				
Less than one year	**7,532,321**	2,409,183	**-**	-
Between one and five years	**1,028,124**	7,217,434	**-**	-
	8,560,445	9,626,617	**-**	-

In thousands of Naira

In thousands of Naira	GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
27 **Other assets**				
(a) **Other financial assets:**				
E-settlement receivables	**20,369,917**	18,795,196	**-**	-
Agric SMEIS receivables (See note (d) below)	**2,747,962**	2,012,212	**-**	-
Differentiated Cash Reserve Requirement Scheme (DCRR) recievable (See note (e) below)	**81,937,897**	-	**-**	-
Related parties receivables (see note (d) below)	**4,860,344**	-	**7,982,868**	2,044,194
Insurance claims and fraud receivables (See note (f) below)	**3,102,194**	3,067,092	**-**	-
Judgement debt receivables (See note (g) below)	**4,043,588**	3,922,514	**-**	-
Accounts receivable- TSA refunds	**433,101**	433,101	**-**	-
Accounts receivables	**4,663,356**	8,497,204	**85,806**	98,047
	122,158,359	36,727,319	**8,068,674**	2,142,241
Less impairment allowances (note (c) below)	**(19,730,458)**	(16,479,783)	**(92,187)**	(92,187)
	102,427,901	20,247,536	**7,976,487**	2,050,054
(b) **Other non-financial assets:**				
Prepayments	**4,941,457**	4,417,805	**13,206**	34,451
Consumables	**862,383**	593,516	**-**	-
	5,803,840	5,011,321	**13,206**	34,451
	108,231,741	25,258,857	**7,989,693**	2,084,505
Current	**2,276,487**	20,526,673	**1,476,487**	1,957,867
Non-current	**105,955,254**	4,732,183	**6,513,206**	126,638
	108,231,741	25,258,856	**7,989,693**	2,084,505

Notes to the consolidated and separate financial statements

(c) **Movement in impairment on other financial assets**

At 1 January	**16,479,783**	19,431,775	**92,187**	92,187
Net remeasurement of loss allowances (see note 10)	**3,284,058**	7,667,282	**-**	-
Write-offs	**(38,124)**	(10,814,025)	**-**	-
Translation difference	**94,559**	194,751	**-**	-
Balance at the end	**19,820,276**	16,479,783	**92,187**	92,187

(d) Agric SMEIS receivables 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. The balance is wharehoused in other assets pending allocation of investment units from the scheme.

(e) Differentiated Cash Reserve Requirement Scheme (DCRR) receivable represents the special intervention fund with the Central Bank of Nigeria introduced in January 2016 as a reduction in the cash reserve ratio with a view of channeling the reduction to financing the real sector.

(f) The amount represents refunds to customers pending the investigation report and recoveries from insurance. This amount has been fully provisioned.

(g) The amount includes Judgement debt receivables in respect of suit against the Bank in United Kingdom as ordered by the court of which the sum of £3.34million (N1.82billion) has been transferred to Zumax with recourse.The Bank won the case as judgement was awarded in its favour and ordered Zumax to repay the Bank the sum of £3.29million released from the Court Funds Office pursuant to and on terms of the undertakings in the 13 November 2018 Order This amount has been fully provisioned pending recovery.

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
28 Restricted reserve deposits				
Restricted mandatory reserve deposits with central banks (see note (a) below)	**317,422,388**	289,135,691	**-**	-
Special Cash Reserve Requirement (see note (b) below)	**22,610,464**	22,610,464	**-**	-
	340,032,852	311,746,155	**-**	-
Current	**-**	-	**-**	-
Non-current	**340,032,852**	311,746,155	**-**	-
	340,032,852	311,746,155	**-**	-

(a) Restricted mandatory reserve deposits are not available for use in the Banking subsidiary and Group's day-to-day operations. Mandatory reserve deposits are non interest-bearing and are computed as a fixed percentage of the Bank's qualifying deposit liabilities. For the purposes of the Statement of cashflow, these balances are excluded from cash and cash equivalents.

(b) Special Cash Reserve Requirement represents a 5% special intervention reserve held with the Central Bank of Nigeria as a regulatory requirement.

In thousands of Naira

Notes to the consolidated and separate financial statements

29 Investment in Subsidiaries

(a) Investment in subsidiaries comprises:

First City Monument Bank Limited (see note (i) below)	**-**	-	**115,422,326**	115,422,326
FCMB Capital Markets Limited (see note (ii) below)	**-**	-	**240,000**	240,000
CSL Stockbrokers Limited (CSLS) (see note (iii) below)	**-**	-	**3,053,777**	3,053,777
FCMB Trustees Limited (see note (iv) below)	**-**	-	**220,000**	220,000
FCMB Microfinance Bank Limited (see note (v) below)	**-**	-	**150,000**	150,000
FCMB Pensions Limited (see note (vi) below)	**-**	-	**7,925,884**	7,925,884
Credit Direct Limited (see note (vii) below)	**-**	-	**366,210**	366,210
Carrying amount	**-**	-	**127,378,197**	127,378,197
Current	-	-	**-**	-
Non-current	-	-	**127,378,197**	127,378,197
	-	-	**127,378,197**	127,378,197

(b) **Group entities**

The subsidiary companies, country of incorporation, nature of business, percentage equity holding and period consolidated with the parent company are as detailed below:

Company Name	Country of incorporation	Nature of Business	Percentage of equity capital held (Direct holdings)	Financial year end
(1) First City Monument Bank Limited (see Note (i) below)	Nigeria	Banking	100%	31 Dec 2021
(2) FCMB Capital Markets Limited (see Note (ii) below)	Nigeria	Capital Market	100%	31 Dec 2021
(3) CSL Stockbrokers Limited (CSLS) (see Note (iii) below)	Nigeria	Stockbroking	100%	31 Dec 2021
(4) FCMB Trustees Limited (see Note (iv) below)	Nigeria	Trusteeship	100%	31 Dec 2021
(5) FCMB Microfinance Bank Limited (see Note (v) below)	Nigeria	Micro-lending	100%	31 Dec 2021
(6) FCMB Pensions Limited (see Note (vi) below)	Nigeria	Pension Fund A	92.80%	31 Dec 2021
(7) Credit Direct Limited (see Note (vii) below)	Nigeria	Micro-lending	100%	31 Dec 2021

(i) This represents the cost of the Company's 100% equity holding in First City Monument Bank Limited. The Company was incorporated under the Companies and Allied Matters Act as a Private Limited Liability Company on 20 April, 1982. It was licensed on 11 August, 1983 to carry on the business of Commercial Banking and Commercial Business on 1 September 1983. The Bank was converted into a Public Limited Liability Company and its shares listed on the Nigerian Stock Exchange on 21 December, 2004. The Bank was however delisted from the Nigerian Stock Exchange on 21 June 2013 and registered as a Limited Liability Company on 4 September 2013 following the group restructuring.

(ii) This represents the cost of the Company's 100% equity holding in FCMB Capital Markets Limited. The Company was incorporated in April 4, 2002.

(iii) This represents the cost of the Company's 100% equity holding in CSL Stockbrokers Limited. The Company was incorporated on January 24, 1979 and commenced operations in May 1979.

(iv) This represents the cost of the Company's 100% equity holding in FCMB Trustees Limited. The Company was incorporated in November 24, 2010. The company invested additional N180m in FCMB Trustees Limited in September 2015 in order to recapitalise the business in line with the new SEC minimum capitalisation policy of N300m for trustee businesses in Nigeria. The company changed it's name from CSL Trustees Limited to FCMB Trustees Limited in February 2019.

(v) This represents the cost of the Company's 100% equity holding in FCMB Microfinance Bank Limited. The Company was incorporated on February 25, 2015 and started operations on January 1, 2017.

(vi) This represents the Company's 92.80% equity holding in FCMB Pensions Limited, a pension fund manager licensed to carry on the business of fund and pension management. The company was incorporated in April 2005 and commenced operations in May 2005. FCMB Pensions Limited was a former associate company to the Group by virtue of the Group's initial 28.22% equity holding. However, the Group acquired additional 60% ,3.42% and 1.16% equity holding in November 2017, August 2018 and August 2020 repectively thereby raising the total equity holding to 92.80%. The company changed it's name from Legacy Pension Managers Limited to FCMB Pensions Limited in November 2018.

(vii) This represents the Company's 100% equity holding in Credit Direct Limited. The Company was incorporated on June 13, 2006 and commenced operations in January 2007.

Notes to the consolidated and separate financial statements

(viii) The investments are carried at cost less impairment.

In thousands of Naira

30 This comprises:

(a) **Property and equipment**

GROUP

31 DEC 2021

In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress
Cost								
At 1 January	4,684,743	24,819,328	5,418,126	6,114,556	5,307,299	36,823,734	9,605,213	2,013,515
Additions during the period	0	306,437	833,565	6,374	70,985	4,930,953	371,708	420,271
Reclassifications	-	127,605	-	-	-	1,571,020	25,637	(1,724,262)
Disposal during the period	-	-	-	-	(146,493)	(32,607)	(3,188)	-
Derecognised during the period	-	-	(425,199)	-	-	-	-	-
Items written-off during the period	-	-	-	-	-	-	-	(82)
Effect of movements in exchange rates	-	-	81,825	6,247	-	5,348	124	-
Balance at the end	**4,684,743**	**25,253,370**	**5,908,317**	**6,127,177**	**5,231,791**	**43,298,448**	**9,999,494**	**709,442**
Accumulated depreciation								
At 1 January	-	**4,503,685**	**1,523,655**	**4,238,371**	**4,328,727**	**25,044,352**	**8,945,260**	**-**
Depreciation for the period (see note 16)	-	527,626	624,875	142,146	509,207	4,232,537	319,207	-
Eliminated on Disposal	-	147,408.00	-	- 153,850.00	(382,357)	(59,961) -	31,085.00	-
Derecognised during the period	-	-	(111,978)	-	-	-	-	-
Effect of movements in exchange rates	-	-	21,281	3,494	-	3,057	123	-
Balance at the end	-	5,178,719	2,057,833	4,230,161	4,455,577	29,219,985	9,233,505	-

Notes to the consolidated and separate financial statements

31 DEC 2020

In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress
Cost								
At 1 January	**3,826,133**	**23,635,517**	**5,004,537**	**6,412,416**	**5,683,708**	**31,677,840**	**9,603,839**	**1,922,779**
Additions during the year	4,001	365,713	2,106,481	5,615	219,410	4,546,153	187,973	2,160,462
Reclassifications	867,786	538,641	-	18,160	-	634,650	10,422	(2,069,659)
Reclassifications to building	-	339,135	-	(339,135)	-	-	-	-
Transfer to other prepaid expenses	-	-	-	-	-	-	-	-
Disposal during the year	(13,177)	(59,678)	(1,714,720)	-	(595,819)	(41,055)	(197,225)	-
Derecognised during the year	-	-	-	-	-	-	-	-
Items written-off during the year	-	-	-	-	-	-	-	(67)
Effect of movements in exchange rates	-	-	21,828	17,500	-	6,146	204	-
Balance at the end	**4,684,743**	**24,819,328**	**5,418,126**	**6,114,556**	**5,307,299**	**36,823,734**	**9,605,213**	**2,013,515**
Accumulated depreciation								
At 1 January	-	**4,213,122**	**654,185**	**3,964,780**	**4,449,184**	**21,826,272**	**8,962,067**	**-**
Depreciation for the year (see note 16)	-	504,952	867,971	151,360	608,977	3,385,161	276,185	-
Eliminated on Disposal	-	(214,389)	(6,379)	116,725	(729,434)	(172,623)	(293,234)	-
Derecognised during the year	-	-	-	-	-	-	-	-
Effect of movements in exchange rates	-	-	7,878	5,506	-	5,542	242	-
Balance at the end	-	4,503,685	1,523,655	4,238,371	4,328,727	25,044,352	8,945,260	-

Notes to the consolidated and separate financial statements

Carrying amounts:								
Balance at 31 December 2021	**4,684,743**	**20,074,651**	**3,850,484**	**1,897,016**	**776,214**	**14,078,463**	**765,989**	**709,442**
Balance at 31 December 2020	4,684,743	20,315,643	3,894,471	1,876,185	978,572	11,779,382	659,953	2,013,515

(i) During the year, the Group reviewed the estimated useful life of its leasehold land as unlimited on the basis that it is reasonably certain that the lessors (state governments), will renew the lease upon expiration and that the substance of the lease is that the Group has ownership of the land, not a right to use the land for a predefined period. Consequently, the Group has discontinued depreciation of the leasehold land.

(i) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December 2020: nil).

(ii) There were no restrictions on title of any property and equipment.

(iii) There were no property and equipment pledged as security for liabilities.

(iv) There were no contractual commitments for the acquisition of property and equipment.

(v) There were no impairment losses on any class of property and equipment during the year (31 December 2020: nil).

(vi) Property, plant and equipment includes right-of-use assets of N3.58billion for 31 December 2020 (31 December 2020: N3.64billion) related to leased properties that do not meet the definition of investment property.

COMPANY

31 DEC 2021

In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress
Cost								
At 1 January	**-**	**-**	**-**	**5,181**	**91,893**	**19,181**	**9,018**	**-**
Additions during the year	-	-	-	-	-	8,988	6,607	-
Disposal during the year	-	-	-	-	(39,393)	(7,410)	(3,188)	-
Balance at the end	**-**	**-**	**-**	**5,181**	**52,500**	**20,759**	**12,437**	**-**
Accumulated depreciation								
At 1 January	**-**	**-**	**-**	**3,749**	**24,613**	**14,212**	**4,386**	-
Depreciation for the year (see note 16)	-	-	-	518	14,766	2,096	2,039	-
Eliminated on Disposal	-	-	-	-	(9,848)	(6,679)	(1,790)	-
Balance at the end	**-**	**-**	**-**	**4,267**	**29,531**	**9,629**	**4,635**	**-**

Notes to the consolidated and separate financial statements

31 DEC2020

In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress
Cost								
At 1 January	**-**	**-**	**-**	**5,181**	**101,393**	**18,489**	**7,604**	**-**
Additions during the year	-	-	-	-	10,500	692	2,201	-
Disposal during the year	-	-	-	-	(20,000)	-	(787)	-
Balance at the end	-	-	-	5,181	91,893	19,181	9,018	-
Accumulated depreciation								
At 1 January	-	**-**	**-**	**3,231**	**22,998**	**11,915**	**3,264**	**-**
Depreciation for the year (see note 16)	-	-	-	518	21,615	2,297	1,754	-
Eliminated on Disposal	-	-	-	-	(20,000)	-	(632)	-
Balance at the end	-	-	-	3,749	24,613	14,212	4,386	-
Carrying amounts:								
Balance at 31 December 2021	**-**	**-**	**-**	**914**	**22,969**	**11,130**	**7,802**	**-**
Balance at 31 December 2020	-	-	-	1,432	67,280	4,969	4,632	-

(i) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December 2020: nil).

(ii) There were no restrictions on title of any property and equipment.

(iii) There were no property and equipment pledged as security for liabilities.

(iv) There were no contractual commitments for the acquisition of property and equipment.

(v) There were no impairment losses on any class of property and equipment during the period (31 December 2020: nil).

Notes to the consolidated and separate financial statements

	GROUP		COMPANY	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
31 Intangible assets				
(a) **Software**				
Cost				
At 1 January	**14,055,712**	11,683,006	**3,851**	3,851
Additions during the year	**1,283,740**	1,492,340	**-**	-
Work-in-progress - additions during the year	**1,126,533**	864,342	**-**	-
Capitalised during the year	**-**	(20,435)	**-**	-
Effect of movement in exchange rates	**21,450**	36,459	**-**	-
Balance at the end	**16,487,435**	14,055,712	**3,851**	3,851
Accumulated amortisation				
At 1 January	**9,073,029**	7,397,478	**3,851**	3,851
Amortisation for the period / year (see note 16)	**1,564,874**	1,779,564	**-**	-
Effect of movement in exchange rates	**17,635**	(104,013)	**-**	-
Balance at the end	**10,655,538**	9,073,029	**3,851**	3,851
Carrying amount	**5,831,897**	4,982,683	**-**	-

(b) There were no capitalised borrowing costs related to any acquisition during the period (31 December 2020: nil)

(c) There was no impairment loss on the Bank's software during the period (31 December 2020: nil)

	GROUP		COMPANY	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
(d) **Goodwill**				
At 1 January	**11,338,977**	11,338,977	**-**	-
Impairment charge	**-**	-	**-**	-
Carrying amount	**11,338,977**	11,338,977	**-**	-
	17,170,874	16,321,660	**-**	-
Current	**-**	-	**-**	-
Non-current	**17,170,874**	16,321,660	**-**	-
	17,170,874	16,321,660	**-**	-

In thousands of Naira

32 Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

		Liabilities	Net	Assets	Liabilities	Net
	31 DEC 2021			31 DEC 2020		
Property and equipment	1,446,402	(242,743)	1,203,659	1,075,387	(316,090)	759,297
Allowances for loan losses	2,403,788	-	2,403,788	2,470,369	-	2,470,369
Tax loss carried forward	4,399,083	-	4,399,083	4,399,083	-	4,399,083
Net tax assets/ (liabilities)	8,033,426	(242,743)	8,006,530	7,944,839	(316,090)	7,628,749

	GROUP		COMPANY	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Deferred tax assets				
Current	**-**	-	**-**	-
Non-current	**8,033,426**	7,944,839	**-**	-
	8,033,426	7,944,839	**-**	-

(b) Movements in temporary differences during the year ended 31 December 2021

	GROUP			
	Balance at 1 January 2021	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December 2021
Property and equipment	1,203,659	-	-	1,203,659
Allowances for loan losses	2,403,788	-	-	2,403,788
Tax loss carried forward	4,399,083	-	-	4,399,083
	8,006,530	-	-	8,033,425

Movements in temporary differences during the year ended 31 December 2020

	GROUP			
	Balance at 1 January 2020	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December 2020
Property and equipment	729,534	345,853	-	1,075,387
Allowances for loan losses	2,470,369	-	-	2,470,369
Tax loss carried forward	4,399,083	-	-	4,399,083
	7,598,986	345,853	-	7,944,839

In thousands of Naira

(c) **Unrecognised deferred tax assets**

The amount of deductible temporary differences for which no deferred tax asset is recognised in the Bank & Group is detailed below:

	31 DEC 2021		31 DEC 2020	
	Gross amount	**Tax Impact**	**Gross amount**	**Tax Impact**
Tax losses	88,661,051	26,598,315	85,467,694	25,640,308
Allowance for loan losses and other losses	2,993,710	957,987	11,441,723	3,661,351
Property and equipment (unutilised capital allowance)	37,130,293	11,139,088	31,216,922	9,365,077
Other deductible temporary differences	-	-	16,763,484	5,364,315
	128,785,054	**38,695,390**	144,889,823	44,031,051

Deferred tax assets have not been recognized in respect of these items because it is not presently probable that future taxable profits will be available against which the Group can use the benefits therefrom.

(d) The tax losses for which no deferred tax asset was recognised, will never expire.

In thousands of Naira

	GROUP		COMPANY	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
33 Deposits from banks				
Money market deposits	**52,848,339**	119,365,158	**-**	-
Trade related obligations to foreign banks	**103,647,289**	-	**-**	-
	156,495,628	119,365,158	**-**	-
Current	**156,495,628**	119,365,158	**-**	-
Non-current	**-**	-	**-**	-
	156,495,628	119,365,158	**-**	-
Deposits from banks comprise:				
Rand Merchant Bank Limited	**5,002,027**	-	**-**	-
Fidelity Bank Plc	**15,005,479**	-	**-**	-
Coronation Merchant Bank Limited	**4,001,096**	-	**-**	-
Greenwich Merchant Bank Limited	**8,002,630**	-	**-**	-
Union Bank Plc	**5,002,055**	-	**-**	-
Standard Bank, London	**1,203,651**	-	**-**	-
Wema Bank Plc, Nigeria	**-**	20,197,786	**-**	-
Titan Trust Bank Limited, Nigeria	**-**	5,617,075	**-**	-
Standard Bank, London	**-**	28,431,270	**-**	-
Keystone Bank Limited, Nigeria	**-**	6,023,382	**-**	-
FSDH Merchant Bank Limited, Nigeria	**-**	2,003,150	**-**	-
FBN Merchant Bank Limited, Nigeria	**-**	4,012,196	**-**	-
Other foreign banks	**118,278,690**	53,080,299	**-**	-
	156,495,628	119,365,158	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
34 Deposits from customers				
Retail customers:				
Term deposits	**330,600,406**	186,937,238	**-**	-
Current deposits	**471,375,249**	360,858,855	**-**	-
Savings	**414,087,367**	403,633,266	**-**	-
	1,216,063,022	951,429,359	**-**	-
Corporate customers:				
Term deposits	**142,399,572**	92,291,220	**-**	-
Current deposits	**200,062,485**	213,410,328	**-**	-
	342,462,057	305,701,548	**-**	-
	1,558,525,079	1,257,130,907	**-**	-
Current	**1,543,277,588**	1,204,826,502	**-**	-
Non-current	**15,247,491**	52,304,405	**-**	-
	1,558,525,079	1,257,130,907	**-**	-

Corporate customers represents deposits from corporate bodies, government agencies while retail customers represents deposits from individuals, unregistered small and medium scale business ventures.

35 Retirement benefit obligations

Defined contribution scheme

The Group and its employees make a joint contribution, 18% of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators. During the year, the Group complied with the Pension Reform Act 2014 and contributed 10% while employees contributed 8%. The payment made to the pension fund administrators ae up to date.

Total contributions to the scheme for the year were as follows:	GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
At 1 January	**325,557**	132,542	**-**	-
Charged to profit or loss for the period / year (see note 15)	**668,091**	657,573	**10,788**	10,162
Employee contribution for the period / year	**469,735**	526,058	**8,630**	8,130
Total amounts remitted for the period / year	**(744,005)**	(990,616)	**(19,418)**	(18,292)
Balance at the end	**191,470**	325,557	**-**	-
Current	**191,470**	325,557	**-**	-
Non-current	**-**	-	**-**	-
	191,470	325,557	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
36 Other liabilities				
(a) **Other financial liabilities:**				
Customers' deposit for letters of credit	**38,998,580**	22,133,779	**-**	-
Bank cheques/drafts	**5,773,225**	4,408,673	**-**	-
Negotiated letters of credits	**16,236,590**	9,439,250	**-**	-
E-settlement payables	**3,780,036**	4,911,404	**-**	-
Withholding tax and value added tax payables	**1,169,555**	834,107	**45,743**	3,801
Collections account balances (see note (c))	**92,697,835**	38,165,949	**-**	-
Unclaimed items	**6,268,231**	7,169,671	**-**	-
Undisbursed intervention funds (see note (d))	**2,302,269**	5,728,312	**-**	-
AMCON Sinking fund accounts payable (see note (e))	**973,061**	1,140,140	**-**	-
Accounts payable - others	**19,516,360**	8,604,612	**5,954,147**	919,011
Accounts payable - unclaimed dividend	**1,377,491**	1,214,752	**1,377,491**	1,214,752
	189,093,233	103,750,649	**7,377,381**	2,137,564
(b) **Other non-financial liabilities:**				
Deferred income & Rent received in advance (see note (f))	**659,695**	23,070	**-**	-
Accrued expenses	**4,409,912**	5,174,335	**309,703**	305,268
Lease liability (see note (g))	**2,524,184**	2,509,561	**-**	-
	7,593,791	7,706,966	**309,703**	305,268
	196,687,024	111,457,615	**7,687,084**	2,442,832
Current	**172,237,589**	51,988,881	**110,114,201**	1,228,080
Non-current	**24,449,435**	59,468,734	**-102,427,117**	1,214,752
	196,687,024	111,457,615	**7,687,084**	2,442,832

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

(d) This relates to onlending facilities undisbursed as customers are yet to meet conditions precedent to drawdown.

(e) This relates to AMCON sinking fund contribution for prior years as advised by Central Bank of Nigeria, based on the recalculation in line with the AMCON Amendment Act 2015. This amount is payable over a period of five years commencing in year 2019.

(f) This relates to outstanding rent paid in advances from sublet and Included deferred income are fees on financial guarantee contracts, which represents the amount initially recognised less cumulative amortisation.

(g) The Group does not face any significant risk with regards to the lease liability. Also the Bank's exposure to liquidity risk as a result of leases are monitored by the Bank's enterprise risk management unit.

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
37 Provision				
Legal claims (see note (b))	**6,356,591**	4,170,311	**-**	-
Financial guarantee contracts and loan commitments issued (see note (a))	**1,632,481**	1,530,012	**-**	-
Deferred income	**-**	625,052	**-**	-
	7,989,072	6,325,375	**-**	-
Current	**-**	-	**-**	-
Non-current	**7,989,072**	6,325,375	**-**	-
	7,989,072	6,325,375	**-**	-

(a) The amount represents the sum of ECL provision of N1.33billion (31 December 2020: N1.25billion) on financial guarantee contracts and N300.84million (31 December 2020: N274.85million on undrawn loan commitments respectively in respect of financial guarantee contracts and loan commitment issued.

(b) Legal claims: This represents provision reserved for pending probable legal cases that may crystallize.

In thousands of Naira	GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
38 On-lending facilities				
Bank of industry (BOI) (see note (a) below)	**41,148,858**	2,000,851	**-**	-
Commercial Agriculture Credit Scheme (CACS) (see note (b) below)	**6,230,748**	6,230,748	**-**	-
Real Sector Support Facility (RSSF) (see note (c) below)	**11,702,747**	11,702,747	**-**	-
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (d) below)	**62,858,927**	-	**-**	-
Power & Aviation Intervention Fund (see note (e) below)	**15,026,312**	18,026,312	**-**	-
Micro, Small and Medium Enterprises Development Fund (MSMEDF) (see note (f) below)	**3,649,219**	3,649,219	**-**	-
Development Bank of Nigeria (DBN) (see note (g) below)	**14,756,963**	18,756,963	**-**	-
	155,373,774	60,366,840	**-**	-

(a) **Bank of Industry (BOI) Intervention**

The Bank of Industry (BOI) - SME / Manufacturing Intervention Fund represents an intervention credit granted to the Bank for the purpose of refinancing / restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and Manufacturing Companies. The facility is secured by Nigerian Government Securities. The value of Government securities pledged as collateral is N11.30billion for 31 December 2021 (31 December 2020: N11.30billion), (see note 27 (c)). The maximum tenor for term loans under the programme is 15 years while the tenor for working capital is one year, renewable annually subject to a maximum tenor of five years. A management fee of 1% per annum is deductible at source in the first year, and quarterly in arrears thereafter, is paid by the Bank under the intervention programme and the Bank is under obligation to on-lend to customers at an all-In interest rate of 7% per annum. The Bank is the primary obligor to BOI and assumes the credit risk. In response to the COVID-19 pandemic, the Bank Of Industry granted concessions to cushion the impact of the pandemic by downward reduction in the rate from 7% to 5% effective on 1 April 2020 to elapse on 31 March 2021, which has been extended to elspe on 31 March 2022 and subsequently reverse to status quo. Also, granted a further moratorium of three-month for principal deferment.

(b) **Commercial Agriculture Credit Scheme (CACS)**

The fund received under the Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme represents a credit line granted to the Bank for the purpose of providing concessionary funding to the agricultural sector. The facility has a tenor of 16 years with effect from 2009 and will expire in September 2025. The facility attracts an interest rate of 2% per annum and the Bank is under obligation to on-lend to the Bank's qualified customers at an all-in interest rate of not more than 9% per annum. Based on the structure of the facility, the Bank assumes the credit risk of all amounts lent to the Bank's customers. This facility is not secured. In response to the COVID-19 pandemic, the Central Bank Of Nigeria granted concessions to cushion the impact of the pandemic by downward reduction in the rate from 9% to 5% effective on 1 March 2020 to elapse on 28 February 2021, which has been extended to elspe on 28 February 2022 and subsequently reverse to status quo. Also, granted a further moratorium of one year on all principal repayments.

(c) **Real Sector Support Facility (RSSF)**

The Central Bank of Nigeria, as part of the efforts to unlock the potential of the real sector to engender output growth, productivity and job creation has established a N300 billion Real Sector Support Facility (RSSF). The facility is disbursed to large enterprises and startups with financing needs of N500 million up to a maximum of N10.0 billion. The activities targeted by the Facility are manufacturing, agricultural value chain and selected service sub-sectors. The funds are received from the CBN at 3%, and disbursed at 9% to the beneficiary. The facility is secured by Nigerian Government Securities. The value of Government securities pledged as collateral is N20.32billion for 31 December 2021 (31 December 2020: N20.32billion). In response to the COVID-19 pandemic, the Central Bank Of Nigeria granted concessions to cushion the impact of the pandemic by downward reduction in the rate from 9% to 5% effective on 1 March 2020 to elapse on 28 February 2021, which has been extended to elspe on 28 February 2022 and subsequently reverse to status quo. Also, granted a further moratorium of one year on all principal repayments.

(d) **Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR)**

The amount of N62.86billion represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria (CBN) in respect of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) established by CBN supporting the Real Sector (agriculture and manufacturing). The facility is for a minimum period of 7 years inclusive of 24 months moratorium at all-in 9% interest rate on a quarterly basis.

(e) **Power & Aviation intervention Fund**

The purpose of granting new loans and refinancing / restructuring existing loans to companies in the power and aviation industries is to support Federal Government's focus on the sectors. The facility is secured by Irrevocable Standing Payment Order (ISPO). The maximum tenor for term loans under the programme is 15 years while the tenor for working capital is one year, with option to renew the facility annually subject to a maximum tenor of five years. The facility attracts an interest rate of 1% per annum payable quarterly in arrears and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. This facility is not secured. In response to the COVID-19 pandemic, the Central Bank Of Nigeria granted concessions to cushion the impact of the pandemic by downward reduction in the rate from 9% to 5% effective on 1 March 2020 to elapse on 28 February 2021, which has been extended to elspe on 28 February 2022 and subsequently reverse to status quo. Also, granted a further moratorium of one year on all principal repayments.

(f) **Micro, Small and Medium Enterprises Development Fund (MSMEDF)**

The Micro Small & Medium Scale Enterprises Development Fund (MSMEDF) is an intervention fund received from Central Bank of Nigeria, established to support the channeling of low interest funds to the Micro Small & Medium Scale Enterprises sub-sector of the Nigerian economy. The facility attracts an interest rate of 2% per annum and the Bank is obligated to on-lend to SMEs at 9% per annum. The maximum tenor is 5 years while the tenor for working capital is 1 year. This facility is not secured. In response to the COVID-19 pandemic, the Central Bank Of Nigeria granted concessions to cushion the impact of the pandemic by downward reduction in the rate from 9% to 5% effective on 1 March 2020 to elapse on 28 February 2021, which has been extended to elspe on 28 February 2022 and subsequently reverse to status quo. Also, granted a further moratorium of one year on all principal repayments.

(g) **Development Bank of Nigeria (DBN)**

The Development Bank of Nigeria (DBN) is a N24billion line of credit granted to the Bank for the purpose of providing on lending concessionary loans to MSMEs,including agricultural sector, manufacturing sector and gender loans. The facility has a maximum tenor of 10 years for term loans and a maximum tenor of 3 years for working capital requirements. The facility attracts an interest rate of between 9.76% - 11.76% per annum for loan tenors up to 3 year and above and the Bank is under obligation to on-lend to customers at an all-in interest spread of 6% per annum. This facility is secured by government securities valued N9.87billion (31 December 2020: N9.87billion). In response to the COVID-19 pandemic, the fund provider, Development Bank of Nigeria granted concessions to cushion the impact of the pandemic by granting a three-month moratorium on principal and interest repayments and also a three-month tenor extension on all outstanding facilities to accomodate the moratorium, which is in place on the facility.

(h) The onlending facilities granted at below the market rate were measured at fair value on initial recognition and subsequently at amortised cost. The fair value gain on initial recognition was recognised in the profit or loss.

(i) Movement in on-lending facilities during the year was as follows:

	GROUP		COMPANY	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
At 1 January	**60,366,840**	70,912,203	**-**	-
Additions during the period / year	**93,837,380**	21,611,275	**-**	-
Repayments during the period / year	**1,169,554**	(32,156,638)	**-**	-
Balance at the end	**155,373,774**	60,366,840	**-**	-

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In thousands of Naira		GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
39	**Debt securities issued**				
	Debt securities at amortised cost:				
	Bond issued (see note (a) below)	**5,797,355**	31,355,527	**-**	-
	Note issued (see note (b) below)	**19,736,586**	18,675,395	**-**	-
	Note issued (see note (c) below)	**20,904,883**	20,301,231	**-**	-
	Note issued (see note (d) below)	**29,995,411**	29,998,062	**-**	-
	Note issued (see note (e) below)	**2,065,250**	1,200,990	**-**	-
		78,499,485	101,531,205	**-**	-

(a) The amount of N32.60billion (31 December 2020: N31.36billion) represents the amortised cost of unsecured corporate bonds issued in tranches at par respectively, see the table below, while the coupon is paid semi-annually. The amount represents the first and third tranches of a N100 billion debt issuance programme. The Group has not had any defaults of principal or interest or other breaches with respect to its debt securities as at year ended 31 December 2021:

Tranche	Face value N'000		Carrying amount 31 Dec 2021 N'000	Carrying amount 31 Dec 2020 N'000	Coupon rate	Issued date	Maturity date
Tranche 1 - N26 billion, 7years	26,000,000		27,326,843	26,334,396	14.25%	07-Nov-2014	22-Nov-2021
Tranche 3 - N5.104billion, 7years	5,104,000		5,269,018	5,021,131	17.25%	09-Dec-2016	08-Dec-2023
Total	**31,104,000**		**32,595,861**	**31,355,527**			

The Group has not had any defaults of principal or interest or other breaches with respect to its debt securities at at the year ended 31 December 2021.

(b) The amount of N19.74billion (31 December 2020: N18.68billion) represents the amortised cost of $46.65million, 5years and 6months 9.5% Fixed Rate Unsecured Note Due 2025 issued at par on 31 December 2019. The Principal amount is repayable on 30 June 2025 while the coupon is paid semi-annually.

(c) The amount of N20.90billion (31 December 2020: N20.30billion) represents the amortised cost of $50million, 5years 8.53% Flunctuating Rate Unsecured Note Due 2030 issued on 3 September 2020. The Principal amount is repayable on 20 quarterly instalmental effective from 20 September 2025 to 20 June 2030 while the coupon is paid quarterly.

(d) The amount of N30.00billion (31 December 2020: N30.00billion) represents the amortised cost of N30.00billion, 7year 6.1% Fixed Rate Unsecured Note Due 2030 issued on 30 November 2020. The Principal amount is repayable in November 2030 while the coupon is paid semi-annually.

(e) The amount of N2.65billion, ($5million) (31 December 2020: N1.20billion) represents the amortised cost of N1.2billion, ($3million), 10years 6.0% Fixed Rate Unsecured Note Due 2030 issued on 31 December 2020. The Principal amount is repayable in December 2030 while the coupon is paid semi-annually. An additional $2billion was recieved during the year ended 31 December 2021 at the Group.

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 31 DEC 2021	GROUP 31 DEC 2020	COMPANY 31 DEC 2021	COMPANY 31 DEC 2020
40 Borrowings				
(a) Borrowings comprise:				
Netherlands Development Finance Company (FMO) (See note (b)(i) below)	**18,055,233**	-	**-**	-
European Investment Bank (EIB) (See note (b)(i) below)	**4,577,508**	6,525,414	**-**	-
African Export-Import Bank (Afrexim) (See note (b)(ii) below)	**41,305,000**	-	**-**	-
African Export-Import Bank (Afrexim) (See note (b)(iii) below)	**-**	6,673,823	**-**	-
Standard Bank, London (See note (b)(iv))	**-**	12,012,352	**-**	-
African Export-Import Bank (Afrexim) (See note (b)(v))	**-**	10,049,937	**-**	-
African Export-Import Bank (Afrexim) (See note (b)(vi))	**-**	10,123,922	**-**	-
International Finance Corporation (IFC) (See note (b)(vii) below)	**-**	20,299,847	**-**	-
International Finance Corporation (IFC) (See note (b)(viii) below)	**-**	8,082,124	**-**	-
International Finance Corporation (IFC) (See note (b)(xix) below)	**-**	4,004,140	**-**	-
African Export-Import Bank (Afrexim) (See note (b)(x) below)	**-**	28,647,386	**-**	-
African Export-Import Bank (Afrexim)/ Cargill (See note (b)(xi) below)	**-**	9,960,458	**-**	-
Standard Chatered Bank / Monafri International Trading Company (See note (b)(xii) below)	**-**	6,064,236	**-**	-
Standard Bank/ Bunge SA (See note (b)(xiii) below)	**-**	2,011,824	**-**	-
Standard Chatered Bank/ Sky British (See note (b)(xiv) below)	**-**	408,506	**-**	-
Standard Chatered Bank/ Sky British (See note (b)(xv) below)	**-**	1,667,512	**-**	-
Standard Chatered Bank/ Sky British (See note (b)(xvi) below)	**-**	1,373,551	**-**	-
Standard Chatered Bank/ Sky British (See note (b)(xvii) below)	**-**	1,075,497	**-**	-
Standard Chatered Bank/ Sky British (See note (b)(xviii) below)	**-**	1,495,600	**-**	-
British Arab Commercial Bank (BACB) UK / Louis Dreyfuss (See note (b)(xxix) below)	**-**	1,972,362	**-**	-
BMCE Bank International Plc / Louis Dreyfuss (See note (b)(xx) below)	**-**	1,951,388	**-**	-
KGI Bank / Cargill (See note (b)(xxi)	**-**	1,901,203	**-**	-
Standard Chatered Bank / Monafri International Trading Company (See note (b)(xxii) below)	**-**	1,965,735	**-**	-
BMCE Bank International Plc / Bunge (See note (b)(xxiii) below)	**-**	1,898,376	**-**	-
ABSA Bank / Monafri International Trading Company (See note (b)(xxiv) below)	**-**	4,659,748	**-**	-
FCMB Asset Management (See note (b)(xxxx) below)	**17,264,470**	14,893,096	**-**	-
	81,202,211	159,718,037	**-**	-
Current	**-**	153,137,112	**-**	-
Non-current	**81,202,211**	6,580,925	**-**	-
	81,202,211	159,718,037	**-**	-

(b) i) The amount of N4,577,508,800.81 (31 December 2020: N6,525,414,000.00 (USD 16,367,752.58) represents an unsecured facility granted by European Investment Bank (EIB) repayable after a tenor of 8 years maturing 22 September 2022 with an interest rate of 1 months LIBOR + 4.00%.

ii) The amount of N41,305,000,000, $100million (31 December 2020: Nil) represents an unsecured facility granted by African Export-Import Bank (Afrexim) repayable after a tenor of 3 years maturing 30 June 2024 with an interest rate of 3 months LIBOR + 5.65%.

iii) This represents a facility that has been repaid as at 14 September 2021 (31 December 2020: N6,673,823,000 (USD100,000,000) granted by African Export-Import Bank (Afrexim).

iv) This represents a facility that has been repaid as at 23 January 2021 (31 December 2020: N12,012,352,000 (USD30,000,000) granted by Standard Bank, London.

v) This represents a facility that has been repaid as at 30 September 2021 (31 December 2020: N10,049,937,000 (USD25,000,000) granted by African Export-Import Bank (Afrexim).

vi) This represents a facility that has been repaid as at 29 July 2021 (31 December 2020: N10,123,922,000 (USD25,000,000) granted by African Export-Import Bank (Afrexim).

vii) This represents a facility that has been repaid as at 4 August 2021 (31 December 2020: N20,299,847,000 (USD50,000,000) granted by International Finance Corporation (IFC).

viii) This represents a facility that has been repaid as at 4 August 2021 (31 December 2020: N8,082,124,000 (USD20,000,000) granted by International Finance Corporation (IFC).

xix) This represents a facility that has been repaid as at 28 February 2021 (31 December 2020: N4,004,140,000 (USD10,000,000) granted by International Finance Corporation (IFC).

x) This represents a facility that has been repaid as at 2 April 2021 (31 December 2020: N28,647,386,000 (USD71,000,000) granted by African Export-Import Bank (Afrexim).

xi) This represents a facility that has been repaid as at 1 February 2021 (31 December 2020: N9,960,458,000 (USD25,000,000) granted by African Export-Import Bank (Afrexim).

xii) This represents a facility that has been repaid as at 22 February 2021 (31 December 2020: N6,064,236,000 (USD14,999,850) granted by Standard Chatered Bank.

xiii) This represents a facility that has been repaid as at 22 March 2021 (31 December 2020: N2,011,824,000 (USD5,099,999) granted by Standard Bank, South Africa.

xiv) This represents a facility that has been repaid as at 10 March 2021 (31 December 2020: N408,506,000 (USD1,030,873) granted by Standard Chatered Bank.

xv) This represents a facility that has been repaid as at 10 March 2021 (31 December 2020: N1,667,512,000 (USD4,208,000) granted by Standard Chatered Bank.

xvi) This represents a facility that has been repaid as at 10 March 2021 (31 December 2020: N1,373,551,000 (USD3,464,000) granted by Standard Chatered Bank.

xvii) This represents a facility that has been repaid as at 5 March 2021 (31 December 2020: N1,075,497,000 (USD2,712,000) granted by Standard Chatered Bank.

xviii) This represents a facility that has been repaid as at 10 March 2021 (31 December 2020: N1,495,600,000 (USD3,774,000) granted by Standard Chatered Bank.

xxix) This represents a facility that has been repaid as at 19 March 2021 (31 December 2020: N1,972,388,000 (USD5,00,000) granted by British Arab Commercial Bank (BACB), United Kingdom.

xx) This represents a facility that has been repaid as at 22 March 2021 (31 December 2020: N1,951,388,000 (USD4,949,657) granted by BMCE Bank International Plc.

xxi) This represents a facility that has been repaid as at 30 September 2021 (31 December 2020: N1,901,203,000 (USD5,000,000) granted by KGI Bank.

xxii) This represents a facility that has been repaid as at 30 September 2021 (31 December 2020: N1,965,735,000 (USD5,000,000) granted by Standard Chatered Bank.

xxiii) This represents a facility that has been repaid as at 30 September 2021 (31 December 2020: N1,898,376,000 (USD5,000,000) granted by BMCE Bank International Plc.

Notes to the consolidated and separate financial statements

xxiv) This represents a facility that has been repaid as at 21 June 2021 (31 December 2020: N4,659,748,000 (USD12,000,000) granted by BMCE Bank International Plc.

The Group has not defaulted in the payment of principal or interest neither has the Group been in breach of any covenant relating to the liabilities during the period (31 December, 2020: nil).

		GROUP		COMPANY	
In thousands of Naira		**31 DEC 2021**	**31 DEC 2020**	**31 DEC 2021**	**31 DEC 2020**
(c)	Movement in borrowings account during the period was as follows:				
	At 1 January	**159,718,037**	133,344,085	**-**	-
	Additions during the year	**41,305,000**	114,189,234	**-**	-
	Repayments during the year	**(140,247,433)**	(99,012,958)	**-**	-
	Effects of movement in exchange rates	**20,426,607**	11,197,676	**-**	-
	Balance at the end	**81,202,211**	159,718,037	**-**	-

		GROUP		COMPANY	
In thousands of Naira		**31 DEC 2021**	**31 DEC 2020**	**31 DEC 2021**	**31 DEC 2020**
41	**Share capital**				
(a)	**Authorised**				
	30billion ordinary shares of 50k each (31 December 2020: 30billion)	**15,000,000**	15,000,000	**15,000,000**	15,000,000
(b)	**Issued and fully paid**				
	19.8billion ordinary shares of 50k each (31 December 2020: 19.8billion)	**9,901,355**	9,901,355	**9,901,355**	9,901,355

42 Share premium and reserves

The nature and purpose of the reserves in equity are as follows:

(a) **Share premium:** is the excess paid by shareholders over the nominal value for their shares. Premiums from the issue of shares are reported in share premium.

(b) **Retained earnings**: Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves.

(c) **Other reserves**: comprises of these reserves;

(i). **Statutory reserve**: 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 1991 (amended), 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. The Bank transferred 15% of its 'profit after tax to statutory reserves as at period end (31 December 2019: 15%).

(ii). AGSMEIS reserve: The AGSMEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but Banks' contributions shall thereafter reduce to 5% of profit after tax. The small and medium scale industries equity investment scheme reserves are non-distributable. In the CBN Circular dated 5 April 2017, all DMBs are required to set aside and remit 5% of the annual profit after tax for equity investments.

(iii). Fair Value Reserve: The fair value reserves comprise:
- the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income and
- the cumulative net change in fair value of debt securities at fair value through other comprehensive income until the assets are derecognised or reclassified. The amount is reduced by the amount of loss allowance.

(iv). Regulatory risk reserve: The regulatory risk reserve warehouses the difference between the impairment of loans and advances under the Nigerian GAAP and Central Bank of Nigeria prudential guidelines and the expected loss model used in calculating the impairment balance under IFRS.

(v). Foreign currency translation reserve (FCTR): Records exchange movements on the Group's net investment in foreign subsidiaries.

(vi) Forbearance reserve: this is a non-distributable reserve which arose from forbearance granted by Central Bank of Nigeria being an additional appropriation of 15% of profit after tax to account for potential future provisions valid until 31 December 2020.

Notes to the consolidated and separate financial statements

43 Non-controlling Interest (NCI)

Disclosure of NCI in the Group's subsidiary

The following table summarises the information relating to the Group's subsidiaries, FCMB Pensions Limited and CSL Capital (UK) Limited

	CSL CAPITAL (UK) LIMITED		FCMB PENSIONS LIMITED		GROUP	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
NCI Percentage	**25.00%**	25.00%	**7.20%**	7.20%		
Total Assets	1,368,830	1,169,306	12,162,420	4,764,366	13,531,250	5,933,672
Total Liabilities	319,582	657,803	3,446,816	1,268,824	3,766,398	1,926,627
Net Assets	1,049,248	511,504	8,715,604	3,495,542	9,764,852	4,007,046
Net assets attributable to NCI	262,312	127,876	627,523	251,679	889,835	379,555
Movement in NCI						
Balance at 1 January	127,876	-	251,679	232,418	379,555	232,418
Dividend paid/declared	-	-	-	(4,032)	-	(4,032)
(Reduction)/ Addition due to acquisition of shares by the Group	-	(3,568)	300,138	(36,052)	300,138	(39,621)
Share of post acquisition profit	127,656	131,445	75,707	59,346	203,363	190,791
Share of other comprehensive income	6,780	-	-	-	6,780	-
Total NCI at 31 December	**262,312**	**127,876**	**627,523**	**251,679**	**889,836**	**379,555**

44 Contingencies

(a) Legal Proceedings

The Group in its ordinary course of business is presently involved in 446 cases as a defendant (31 December 2020: 388) and 21 cases as a plaintiff (31 December 2020: 11). The total amount claimed in the 446 cases against the Bank is estimated at N20.44billlion (31 December 2020: N22.17billion) while the total amount claimed in the 21 cases instituted by the Bank is N642.62million (31 December 2020: N642.62million). The Directors of the Bank are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Group and are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements. Based on the realistic reserves as recommended by solicitors in charge of these ongoing litigations, a provision has been made for the period ended 30 September 2021 of N5.67billion (31 December 2020: N4.17billion), See note 37(a) for the provisions made in the books for claims.

Other contingent liabilities and commitments

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

Nature of instruments

An acceptance is an undertaking 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. 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 customs and performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customer's creditworthiness. 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 following tables summarise the nominal principal amount of contingent liabilities and commitments with contingent risk.

Acceptances, bonds, guarantees and other obligations for the account of customers:

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Performance bonds and guarantees	**141,733,924**	111,304,898	**-**	-
Loan commitments	**-**	9,560,707	**-**	-
Clean line letters of credit	**135,225,605**	102,137,841	**-**	-
	276,959,529	223,003,446	**-**	-
Other commitments	**349,643**	275,201	**-**	-
	277,309,172	223,278,647	**-**	-
Current	**150,439,010**	117,276,804	**-**	-
Non-current	**126,870,162**	106,001,843	**-**	-
	277,309,172	223,278,647	**-**	-

Clean line letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations, carry the same credit risk as loans.

45 Group subsidiaries and related party transactions

(a) **Parent and Uitimate controlling party**

FCMB Group Plc is the ultimate parent company and its subsidiaries are as listed in note 45(b) below.

(b) **Subsidiaries:**

Transactions between FCMB Group Plc and its subsidiaries which are eliminated on consolidation are not separately disclosed in the consolidated financial statements. The Group's effective interests and investments in subsidiaries as at 31 December 2021 are shown below.

Entity	Form of holding	Effective holding	Nominal share capital held	Country of incorporation	Nature of Business
(1) First City Monument Bank Limited	Direct	100.00%	115,422,326	Nigeria	Banking
(2) FCMB Capital Markets Limited	Direct	100.00%	240,000	Nigeria	Capital Market
(3) CSL Stockbrokers Limited (CSLS)	Direct	100.00%	3,053,777	Nigeria	Stockbroking
(4) FCMB Trustees Limited	Direct	100.00%	220,000	Nigeria	Trusteeship
(5) FCMB Microfinance Bank Limited	Direct	100.00%	150,000	Nigeria	Micro-lending
(6) FCMB Pensions Limited	Direct	92.80%	7,925,884	Nigeria	Pension Fund Ma
(7) Credit Direct Limited (CDL)	Direct	100.00%	366,210	Nigeria	Micro-lending
(8) FCMB (UK) Limited (FCMB UK)	Indirect	100.00%	7,791,147	United Kingdom	Banking
(9) FCMB Asset Management Limited	Indirect	100.00%	50,000	Nigeria	Asset Manageme
(10) FCMB Financing SPV Plc.	Indirect	100.00%	250	Nigeria	Capital Raising
(11) CSL Capital (UK) Limited	Indirect	75.00%	35,468	United Kingdom	Financial Advisor

(c) **Significant restrictions**

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which its banking subsidiaries operate. The carrying amounts of banking subsidiaries' assets and liabilities are N2456.26billion andN2248.12billion respectively (31 December 2020: N176.29billion and N158.15billion respectively).

The Group does not have any subsidiary that has material non-controlling interest.

(d) **Condensed Financial Information**

(i) The condensed financial data of the consolidated entities as at 31 December 2021 were as follows:

RESULTS OF OPERATIONS

In thousands of Naira	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	CSL STOCKBROKERS LIMITED GROUP	FCMB TRUSTEES LIMITED	FCMB MFB LIMITED	FCMB PENSIONS LIMITED	CREDIT DIRECT LIMITED	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Interest and discount income	433,307	149,532,452	41,619	167,599	68,425	29,673	165,509	11,638,883	162,077,467	(496,183)	161,581,284
Interest expense	-	(69,598,958)	-	(9,297)	(18,915)	(1,230)	-	(1,979,877)	(71,608,277)	496,181	(71,112,096)
Net interest income	**433,307**	**79,933,494**	**41,619**	**158,302**	**49,510**	**28,443**	**165,509**	**9,659,006**	**90,469,190 -**	**2.00**	**90,469,188**
Other income	6,001,066	31,208,204	666,248	3,053,591	114,253	2,299	3,585,722	546,915	45,178,298	(5,723,080)	39,455,218
Operating income	**6,434,373**	**111,141,698**	**707,867**	**3,211,893**	**163,763**	**30,742**	**3,751,231**	**10,205,921**	**135,647,488**	**(5,723,082)**	**129,924,406**
Operating expenses	(1,349,891)	(86,269,683)	(457,475)	(1,642,082)	(98,029)	(28,932)	(2,248,997)	(5,665,739)	(97,760,828)	819,959	(96,940,869)
Impairment losses on financial instruments	(17,387)	(8,079,445)	-	155,887	(15,102)	9,430	-	(1,110,517)	(9,057,134)	-	(9,057,134)
Profit before tax	**5,067,095**	**16,792,570**	**250,392**	**1,725,698**	**50,632**	**11,240**	**1,502,234**	**3,429,665**	**28,829,526**	**(4,903,123)**	**23,926,403**
Income tax expense	-	(900,000)	(82,629)	(449,498)	(14,176)	(3,709)	(450,754)	(1,131,789)	(3,032,555)	-	(3,032,555)
Profit after tax	**5,067,095**	**15,892,570**	**167,763**	**1,276,200**	**36,456**	**7,531**	**1,051,480**	**2,297,876**	**25,796,971**	(4,903,123)	**20,893,848**
Other comprehensive income	-	(3,486,662)	-	57,600	-	-	-	-	(3,429,062)	2.00	(3,429,060)
Total comprehensive income for the period	**5,067,095**	**12,405,908**	**167,763**	**1,333,800**	**36,456**	**7,531**	**1,051,480**	**2,297,876**	**22,367,909**	**(4,903,121)**	**17,464,788**

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For the year ended

FINANCIAL POSITION

In thousands of Naira	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	CSL STOCKBROKERS LIMITED GROUP	FCMB TRUSTEES LIMITED	FCMB MFB LIMITED	FCMB PENSIONS LIMITED	CREDIT DIRECT LIMITED	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Assets											
Cash and cash equivalents	1,860,649	360,477,844	322,175	4,527,862	891,398	241,592	1,285,135	2,831,620	372,438,275	(3,325,848)	369,112,427
Restricted reserve deposits	-	340,032,852	-	-	-	-	-	-	340,032,852	-	340,032,852
Non-pledged trading assets	-	29,125,447	-	1,570,984	-	-	-	-	30,696,431	-	30,696,431
Derivative assets held for risk management	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	-	1,039,181,986	75,430	270,365	1,061	(4,869)	78,494	23,954,625	1,063,557,092	1.00	1,063,557,093
Assets pledged as collateral	-	115,441,804	-	-	-	-	-	-	115,441,804	-	115,441,804
Investment securities	4,771,086	371,105,053	1,361,906	793,230	149,410	9,000	8,174,022	-	386,363,707	(3,436,472)	382,927,235
Investment in subsidiaries	127,378,197	-	-	-	-	-	-	-	127,378,197	(127,378,197)	-
Property and equipment	42,815	42,112,193	33,041	385,766	16,721	9,409	1,752,237	2,484,819	46,837,001	1.00	46,837,002
Intangible assets	-	11,484,299	-	55,702	1,846	-	35,053	248,860	11,825,760	5,345,114	17,170,874
Deferred tax assets	-	8,008,182	25,244	-	-	-	-	-	8,033,426	-	8,033,426
Other assets	7,989,693	109,229,704	108,712	604,669	105,196	3,494	837,479	536,972	119,415,919	(11,184,178)	108,231,741
	142,042,440	**2,426,199,364**	**1,926,508**	**8,208,578**	**1,165,632**	**258,626**	**12,162,420**	**30,056,896**	**2,622,020,464**	**(139,979,579)**	**2,482,040,885**
Financed by:											
Trading liabilities	-	-	-	-	-	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-	-	-	-	-	-
Deposits from banks	-	156,077,148	-	-	-	-	-	-	156,077,148	418,480	156,495,628
Deposits from customers	-	1,561,876,028	-	-	-	14,045	-	379,335	1,562,269,408	(3,744,329)	1,558,525,079
Borrowings	-	63,937,741	-	-	-	-	-	17,264,470	81,202,211	-	81,202,211
On-lending facilities	-	155,373,774	-	-	-	-	-	-	155,373,774	-	155,373,774
Debt securities issued	-	81,891,084	-	-	-	-	-	-	81,891,084	(3,391,599)	78,499,485
Retirement benefit obligations	-	7,764	-	-	-	-	176,871	6,835	191,470	-	191,470
Current income tax liabilities	31,313	3,062,300	106,977	416,155	13,504	3,709	827,718	1,175,418	5,637,094	-	5,637,094
Deferred tax liabilities	-	-	25,243	6,158	1,859	5,037	109,004	95,442	242,743	-	242,743
Provision	-	7,989,072	-	-	-	-	-	-	7,989,072	-	7,989,072
Other liabilities	7,687,084	188,166,644	252,652	3,121,853	685,409	7,732	2,333,223	2,713,497	204,968,094	(8,281,070)	196,687,024
Share capital	9,901,355	5,000,000	500,000	943,577	50,000	150,000	800,000	500,000	17,844,932	(7,943,577)	9,901,355
Share premium	115,392,414	97,846,691	-	1,057,250	170,000	-	4,742,524	-	219,208,879	(103,816,465)	115,392,414
Retained earnings	9,027,457	54,384,399	1,041,636	2,520,998	244,860	32,421	2,319,561	5,637,039	75,208,371	(11,183,333)	64,025,038
Other reserves	2,817	50,586,719	-	142,587	-	45,682	853,519	2,284,860	53,916,184	(2,927,522)	50,988,662
Non-controlling Interests	-	-	-	-	-	-	-	-	-	889,836	889,836
	142,042,440	**2,426,199,364**	**1,926,508**	**8,208,578**	**1,165,632**	**258,626**	**12,162,420**	**30,056,896**	**2,622,020,464**	**(139,979,579)**	**2,482,040,885**
Acceptances and guarantees	**-**	**277,309,172**	**-**	**-**	**-**	**-**	**-**	**-**	**277,309,172**	**-**	**277,309,172**