Guaranty Trust Holding Company Plc.

Audited Consolidated and Separate Financial Statements Together with Directors' and Auditor's Reports

June 2022

Introduction

Guaranty Trust Holding Company Plc ("the Parent" or the "Company") and its Subsidiaries (hereafter referred to as 'the Group') Consolidated Financial Statements complies with the applicable legal Requirements of the Nigerian Securities and Exchange Commission regarding Annual Financial Statements and comprises Separate and Consolidated Financial Statements of the Group for the period ended 30 June 2022. The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the Financial Reporting Council of Nigeria. For better understanding, certain disclosures and some prior year figures have been presented in line with current year figures. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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Corporate Governance

Introduction

Guaranty Trust Holding Company Plc (GTCO) remains committed to its founding values which endeared the brand to millions of people across Africa and beyond, and which continues to drive financial success. As a Proudly African and Truly International brand, the Company will continue to live by these values of excellence, hard work and integrity, even as we create faster, cheaper, safer and more diverse products for people and businesses of varied types and sizes.

As a Company, we will continue to subject our operations to the highest standards of corporate governance, which is an essential foundation for sustainable corporate success. In view of globalization, digitalization and increased penetration of artificial intelligence in the World and specifically in the financial industry, the resolve to maintain good corporate governance principles is important to us. We are committed to upholding the creed and principles of good Corporate Governance in all our operations and implementing initiatives that will improve corporate governance for the benefit of all stakeholders.

The Company is publicly quoted on The Nigerian Exchange Limited with Global Depositary Receipts (GDRs) listed on the London Stock Exchange and we remain dedicated to our duties and pledge to safeguard and increase investor value through transparent corporate governance practices. Our Code of Corporate Governance provides a robust framework for the governance of the Board and the Company. The Company ensures compliance with the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission ("the SEC Code"), the revised Code of Corporate Governance for Banks and Discount Houses in Nigeria issued by the Central Bank of Nigeria ("the CBN Code") in May 2014, the Financial Reporting Council's National Code of Corporate Governance, 2018 ("the FRC Code"), as well as disclosure requirements under the Disclosure and Transparency Rules of the Financial Conduct Authority (FCA), United Kingdom, which are applicable to non-United Kingdom companies with Global Depositary Receipts (GDRs) listed on the London Stock Exchange.

The Company's Code of Corporate Governance aligns with legal and regulatory requirements and global best practices, in order to remain a pace setter in the area of good corporate governance practices. In addition to the Code, the Company aggressively promotes its core values to its employees through its Code of Professional Conduct; its Ethics Policy as well as Communications Policy, which regulate employee relations with internal and external parties. This is a strong indicator of the Company's determination to ensure that its employees remain professional at all times in their business practices. The Company also has a culture of openness in which healthy discourse is encouraged and employees are mandated to report improper activities.

The Company's subsidiaries handle Banking, Payments, Pension Fund Administration and Asset Management. The Subsidiaries will be guided by established governance principles which are aligned to the Company's standards in addition to meeting the relevant regulatory requirements in their areas of operation. The subsidiaries have their own distinct boards and comply with the statutory and regulatory requirements of the businesses they operate. The subsidiaries operate under a corporate governance structure that enables their boards to balance their roles in performing their oversight and strategic functions in ensuring compliance with the regulatory requirements that apply in their areas of operation and the standards and acceptable risk tolerance parameters adopted by the Company. In this regard, the Subsidiaries are aligned with the corporate governance framework of the Company.

The Company complies with the requirements of the Central Bank of Nigeria ("CBN") in respect of internal review of its compliance status with defined corporate governance practices and submits reports on the Company's compliance status to the CBN. The Company also conducted an Annual Board and Directors' Evaluation and Appraisal covering all aspects of the Boards' structure, composition, responsibilities, processes and relationships, in compliance with the requirement of the CBN and FRC Codes. To conduct the Annual Board Evaluation and Appraisal for the financial year ended December 31, 2021, the Board engaged the consultancy firm of Ernst & Young. The independent consultants carried out a comprehensive review of the effectiveness of the Board by evaluating the performance of the Board, the Board Committees and Directors. The report of the Evaluation and Appraisal was presented to Shareholders at the 1st Annual General Meeting of the Company.

The Board Evaluation and Appraisal report for the financial year ended December 31, 2021, by the independent consultants to the Board revealed that the Company was in substantial compliance with the provisions of the FRC Code.

Governance Structure

The Board

The Board of Directors is responsible for the governance of the Company and is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business.

The Board is committed to the highest standards of business integrity, ethical values and governance; it recognises the responsibility of the Company to conduct its affairs with transparency, prudence, fairness, accountability and social responsibility, thereby safeguarding the interests of all stakeholders.

The Board ensures that an appropriate level of checks and balances is maintained, in order to ensure that decisions are taken with the best interest of the Company's stakeholders in mind. Directors of the Company possess the right balance of expertise, skills and experience, which translates to an effective Board and an executive management team capable of steering the affairs of the Company in an ever changing and challenging environment. The Board has put in place a robust appointment and effective succession planning framework to ensure continuity in the right people to drive the business of the Company in the desired direction.

The Board determines the overall strategy of the Company and follows up on its implementation, supervises the performance of the Subsidiaries and ensures adequate management, thus actively contributing to developing the Group as a focused, sustainable and global brand.

The synergy between the Board and Management fosters interactive dialogue in setting broad policy guidelines in the management and direction of the Group to enhance optimal performance and ensure that associated risks are properly managed. Furthermore, the Board plays a central role in conjunction with Management in ensuring that the Group is financially strong, well governed and risks are identified and well mitigated.

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through three (3) Standing Committees in addition to the Statutory Audit Committee of the Company, namely; Board Risk Management and Audit Committee, Board Governance, Nominations and Remuneration Committee and Board Information Technology Strategy Committee. In addition to the Board Committees, the Statutory Audit Committee of the Company also performs its statutory role as stipulated by the Companies and Allied Matters Act (2020).

Members of the Board of Directors are seasoned professionals, who have excelled in various sectors including banking, accounting, oil and gas and Corporate Strategy. They possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board and decisions of the Board (without prejudice to Directors' right to earn Directors' fees and hold interest in shares). They have a good understanding of the Group's businesses and affairs to enable them properly evaluate information and responses provided by Management, and to provide objective challenge to management.

Directors are prepared to challenge each other's assumptions, beliefs or viewpoints as necessary for the good of the Company and question intelligently, debate constructively and make decisions dispassionately.

Two (2) of the Non-Executive Directors are "Independent Directors", appointed based on the core values enshrined in the Company's Code of Corporate Governance and the criteria laid down by the CBN for the appointment of Independent Directors. In compliance with the provisions of the new requirements of the Companies and Allied Matters Act (2020), the Company is in the process of appointing the third Independent Non-Executive Director and appropriate announcements will be made upon receipt of relevant regulatory approvals. The Independent Directors do not have any significant shareholding interest or any special business relationship with the Company.

The Board meets quarterly and additional meetings are convened as required. Material decisions may be taken between meetings by way of written resolutions, as provided for in the Articles of Association of the Company. The Directors are provided with comprehensive group information at each of the quarterly Board meetings and are also briefed on business developments between Board meetings.

The Board met twice during half year ended June 30, 2022.

Responsibilities of the Board

The Board has ultimate responsibility for determining the strategic objectives and policies of the Company to deliver long-term value by providing overall strategic direction within a framework of rewards, incentives and controls.

The Board has delegated the responsibility for day-to-day operations of the Company to Management and ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board acknowledges the relationship between good governance and risk management practices, in relation to the achievement of the Group's strategic objectives and good financial performance.

Notwithstanding the delegation of the operation of the Company to Management, the Board reserved certain powers which include the approval of quarterly, half-yearly and full year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices; approval of major changes to the Company's corporate structure and changes relating to the Company's capital structure or its status as a public limited company; the determination and approval of the strategic objectives and policies of the Company to deliver long-term value; approval of the Company's strategy, medium and short term plan and its annual operating and capital expenditure budget; appointment or removal of Group Company Secretary; recommendation to shareholders of the appointment or removal of auditors and the remuneration of Auditors; approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal regulatory filings with the Regulators.

Other powers reserved for the Board are the determination of Board structure, size and composition, including appointment and removal of Directors, succession planning for the Board and senior management and Board Committee membership; approval of mergers and acquisitions, establishment of subsidiaries; approval of remuneration policy and packages of the Group Chief Executive Officer and other Board members, approval of the Board performance evaluation process, corporate governance framework; approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Corporate governance, and approval of all matters of importance to the Company as a whole because of their strategic, financial, risk or reputational implications or consequences.

Roles of Chairman and Chief Executive

The roles of the Chairman and Group Chief Executive are separate and no one individual combines the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions and provide advice to promote the success of the Group. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors, both inside and outside the Boardroom.

The Board has delegated the responsibility for the day-to-day management of the Company to the Group Chief Executive Officer, who is supported by Executive Management. The Group Chief Executive Officer executes the powers delegated to him in accordance with guidelines approved by the Board of Directors. Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Board regularly reviews group performance, matters of strategic concern and any other matter it regards as material.

Director Nomination Process

The Board Governance, Nominations and Remuneration Committee is charged with the responsibility of leading the process for Board appointments and for identifying and nominating suitable candidates for the approval of the Board.

With respect to new appointments, the Board Governance, Nominations and Remuneration Committee identifies, reviews and recommends candidates for potential appointment as Directors. In identifying suitable candidates, the Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, including gender as well as the balance and mix of appropriate skills and experience.

Shareholding in the Company is not considered a criterion for the nomination or appointment of a Director. The appointment of Directors is subject to the approval of the shareholders and the Central Bank of Nigeria.

Induction and Continuous Training

Upon appointment to the Board and to Board Committees, all Directors receive an induction tailored to meet their individual requirements.

The induction, which is arranged by the Group Company Secretary, may include meetings with senior management staff and key external advisors, to assist Directors in acquiring a detailed understanding of the Company's operations, its strategic plan, its business environment, the key issues the Company faces, and to introduce Directors to their fiduciary duties and responsibilities.

The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education from onshore and offshore institutions to its Directors, in order to enhance their performance on the Board and the various committees to which they belong.

Members of the Board

The Board is comprised of Mr. Sola Oyinlola as Chairman, Mr. Segun Agbaje as the Group Chief Executive Officer, Mrs. Cathy Echeozo as Non-Executive Director, Mr. Suleiman Barau and Mrs. Helen Bouygues as Independent Non-Executive Directors and Mr. Adebanji Adeniyi as Executive Director. The Central Bank of Nigeria has approved the appointments and the Directors were approved by Shareholders at the 1st Annual General Meeting.

Changes on the Board

In the course of the half year ended June 30, 2022, there was no change on the Board.

Non-Executive Directors' Remuneration

The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the CBN Code which stipulates that Non-Executive Directors' remuneration should be limited to sitting allowances, Directors' fees and reimbursable travel and incidental expenses.

Details of remuneration paid to Executive and Non-Executive Directors is contained in Note of this report.

Board Committees

The Board carries out its responsibilities through its Standing Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has three (3) Standing Committees in addition to the Statutory Audit Committee of the Company, namely; Board Risk Management and Audit Committee, Board Governance, Nominations and Remuneration Committee and Board Information Technology Strategy Committee.

Through these Committees, the Board will be able to effectively carry out its oversight responsibilities and take advantage of individual expertise to formulate strategies for the Company and its Subsidiaries. The Committees make recommendations to the Board, which retains responsibility for final decision making.

All Committees in the exercise of their powers so delegated conform to the regulations laid down by the Board, with well-defined terms of reference contained in the Charter of each Committee. The Committees render reports to the Board at the Board's quarterly meetings.

A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are as stated hereunder:

Board Risk Management and Audit Committee

This Committee is tasked with the responsibility of setting and reviewing the Company's risk policies and has oversight of audit functions, without prejudice to the statutory Audit Committee established in compliance with CAMA, which is not considered a board committee.

The Terms of Reference of the Board Risk Management and Audit Committee includes to:

• Review and recommend for the approval of the Board, the Company's Risk Management Policies including the risk profile and limits;

• Determine the adequacy and effectiveness of the Company's risk detection and measurement systems and controls;

• Evaluate the Group's internal control and assurance framework annually, in order to satisfy itself on the design and completeness of the framework relative to the activities and risk profile of the Company and its subsidiaries;

• Oversee Management's process for the identification of significant risks across the Company and the adequacy of risk mitigation, prevention, detection and reporting mechanisms;

• Review and recommend to the Board for approval, the contingency plan for specific risks;

• Review the Company's compliance level with applicable laws and regulatory requirements which may impact on Company's risk profile;

• Conduct periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile;

• Keep the effectiveness of the Company's system of accounting, reporting and internal control under review and to ensure compliance with legal and agreed ethical requirements;

• Review the activities, findings, conclusions and recommendations of the external auditors relating to the Company's annual audited financial statements;

• Review the Management Letter of the External Auditor and Management's response thereto;

• Review the appropriateness and completeness of the Company's statutory accounts and its other published financial statements;

• Oversee the independence of the external auditors;

• Receive a summary of whistle blowing cases reported and the result of the investigation from the Head of Internal Audit;

• Handle any other issue referred to the Committee from time to time by the Board.

The Heads of Risk and Compliance and Internal Audit of the Company present regular briefings to the Committee at its meetings.

The Committee meets quarterly and additional meetings are convened as required. The Committee met twice during the half year ended June 30, 2022.

The Board Risk Management and Committee comprised the following members during the period under review:

S/NO	NAME	STATUS	DESIGNATION	Dates of Attendance
1.	Mrs. C. N. Echeozo	Non-Executive Director	Chairman	28-Jan-2022 25-Apr-2022
2.	Mr. J. K. O. Agbaje	Group Chief Executive Officer	Member	28-Jan-2022 25-Apr-2022
3.	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Member	28-Jan-2022 25-Apr-2022
4.	Mr. A. I. Adeniyi	Executive Director	Member	28-Jan-2022 25-Apr-2022

Board Governance, Nominations and Remuneration Committee

This Committee is responsible for the approval of human resource matters, identification and nomination of candidates for appointment to the Board and Board governance issues such as induction and continuous education, approval of promotion of top management staff, corporate governance, succession planning, conflict of interest situations and compliance with legal and regulatory provisions. The Committee is also responsible for setting the principles and parameters of Remuneration Policy across the Company, determining the policy of the Company on the remuneration of the Group Chief Executive Officer and other Executive Directors and to approve the policy relating to all remuneration schemes and long-term incentives for employees of the Company.

The Committee has oversight on strategic people issues, including employee retention, equality and diversity as well as other significant employee relations matters.

The membership of the Committee is as follows:

S/NO	NAME	STATUS	DESIGNATION
1	Mr. S. Barau	Non-Executive (Independent) Director	Chairman
2	Mrs. C. N. Echeozo	Non-Executive Director	Member
3	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Member

The Committee is required to meet at least twice a year, and additional meetings may be convened as the need arises. The Committee met once during the half year ended June 30, 2022.

Board Information Technology Strategy Committee

The Board Information Technology Strategy Committee is responsible for the provision of strategic guidance to Management on Information Technology issues and monitoring the effectiveness and efficiency of Information Technology within the Group and the adequacy of controls.

The Terms of Reference of the Board Information Technology Strategy Committee include to:

- provide advice on the strategic direction of Information Technology issues in the Group;
- inform and advise the Board on important Information Technology issues in the Group;
- monitor overall Information Technology performance and practices in the Group.

The Board Information Technology Strategy Committee comprised the following members during the period under review:

S/No	Name	Status	Designation
1	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Chairman
2	Mr J. K. O. Agbaje	Group Chief Executive Officer	Member
3.	Mrs. C. N. Echeozo	Non-Executive Director	Member

The Committee is required to hold its Meetings twice in a year. The Committee met once during the half year ended June 30, 2022.

Statutory Audit Committee

This Committee is responsible for ensuring that the Company complies with all the relevant policies and procedures both from the regulators and as laid-down by the Board of Directors. Its major functions include the approval of the annual audit plan of the internal auditors, review and approval of the audit scope and plan of the external auditors, review of the audit report on internal weaknesses observed by both the internal and external auditors during their respective examinations and to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

The Committee also reviews the Company's annual and interim financial statements, particularly the effectiveness of the Company's disclosure controls and systems of internal control as well as areas of judgment involved in the compilation of the Company's results. The Committee is responsible for the review of the integrity of the Company's financial reporting and oversees the independence and objectivity of the external auditors, review and ensure that adequate whistle blowing procedures are in place and that a summary of issues reported are highlighted to the Committee and review the independence of the external auditors and ensure that where non-audit services are provided by the external auditors and there is no conflict of interest. The Committee has access to external auditors to seek explanations and additional information, while the internal and external auditors have unrestricted access to the Committee, which ensures that their independence is in no way impaired.

The Committee is made up of two (2) Non-Executive Directors and three (3) Shareholders of the Company appointed at Annual General Meetings. The membership of the Committee at the Board level is based on relevant experience of the Board members, while one of the shareholders serves as the Chairman of the Committee.

The internal and external auditors are invited from time to time to attend the Meetings of the Committee. The Chief Financial Officer and appropriate members of Management also attend the meetings upon invitation. The Committee is required to meet quarterly and additional meetings may be convened as the need arises.

The Statutory Audit Committee of the Company met twice during the year. The following members served on the Committee during the half year ended June 30, 2022:

S/No	Name	Status	Designation	Dates of Attendance
1	Mrs. S. O. J. Mbagwu-Fagbemi	Shareholders' Representative	Chairman	28-Jan-2022 25-Apr-2022
2	Alhaji M. O. Usman	Shareholders' Representative	Member	28-Jan-2022 25-Apr-2022
3	Mrs. A. Kuye	Shareholders' Representative	Member	28-Jan-2022 25-Apr-2022
4	Mrs. C. N. Echeozo	Non-Executive Director	Member	28-Jan-2022 25-Apr-2022
5	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Member	28-Jan-2022 25-Apr-2022

Attendance of Board and Board Committee Meetings

The table below shows the frequency of meetings of the Board of Directors and Board Committees, as well as Members' attendance for the half year ended June 30, 2022.

S/N	DIRECTORS	BOARD	BOARD RISK MANAGEMENT AND AUDIT COMMITTEE	BOARD GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE	BOARD I.T. STRATEGY
	DATE OF MEETINGS	29-Jan-2022 26-Apr-2022	28-Jan-2022 25-Apr-2022	28-Jan-2022	25-Apr-2022
	NUMBER OF MEETINGS	**2**	**2**	**1**	**1**
1	Mr. H. A. Oyinlola[1]	2	N/A	N/A	N/A
2	Mr. J. K. O Agbaje	2	**2**	N/A	1

3	Mrs. C. N. Echeozo	2	**2**	1	1
4	Mr. S. Barau	2	N/A	1	N/A
5	Mrs. H. L. Bouygues	2	**2**	1	1
6	Mr. A. I. Adeniyi	2	**2**	N/A	N/A

[1] The Chairman is not a member of any Committee in compliance with the CBN Code which prohibits the chairman of the Board from being a member of any Committee;
N/A -Not Applicable

Tenure of Directors

In order to ensure both continuity and injection of fresh ideas, the tenure for Non-Executive Directors is limited to a maximum of two (2) terms of three (3) years each, i.e. six (6) years whilst the maximum tenure for Independent Non-Executive Directors is limited to a maximum of two (2) terms of three (3) years each, i.e. six (6) years. This is in compliance with the directives of the CBN and FRC Codes.

Board Evaluation and Appraisal

In the Company's customary manner of imbibing the best corporate governance practices, the Board engaged an Independent Consultant, Ernst & Young, to carry out the annual Board and Directors appraisal for the 2021 financial year. The annual appraisal covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies and respective roles in the Board performance, as well as the Company's compliance status with the provisions of the CBN and SEC Codes.

The Annual Board and Director Evaluation and Appraisal Report for the 2021 financial year was presented to shareholders at the 1st Annual General Meeting of the Company.

Shareholders

The General Meeting of the Company is the highest decision-making body of the Company. The Company's General Meetings will be conducted in a transparent and fair manner. Shareholders have the opportunity to express their opinions on the Company's financial results and other issues affecting the Company. The Annual General Meeting is attended by representatives of regulators such as the Central Bank of Nigeria, the Securities and Exchange Commission, the Nigerian Stock Exchange, the Corporate Affairs Commission as well as representatives of Shareholders' Associations.

The Company has an Investors Relations Unit, which deals directly with enquiries from shareholders and ensures that Shareholders' views are escalated to Management and the Board. In addition, quarterly, half-yearly and annual financial results are published in widely read national newspapers.

The Company ensures that institutional investors and international holders of the Global Depositary Receipts get frequent updates on the Company's progress via interactive conference calls, local and international investor presentations and meetings. These conference calls and investor meetings provide our investors with direct access to senior and executive Management.

Protection of Shareholders' Rights

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.

Communication Policy

The Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the Company to shareholders, stakeholders and the public is timely, accurate and continuous, to give a balanced and fair view of the Company's financial and non-financial matters. Such information, which is in plain language, readable and understandable, is available on the Company's website, http://www.gtcoplc.com. The website is constantly updated with information as events occur.

The website also has an Investors Relations portal where the Company's financial Reports and other relevant information about the Company is published and made accessible to its shareholders, stakeholders and the public.

The main objective of the Company's Communication Policy is to support the Company in achieving the overall goals described in the Company's core values which strengthens the Company's culture of transparency in pursuit of best corporate governance practices.

In order to reach its overall goal on information dissemination, the Company is guided by the following principles:

(i) **Compliance with Rules and Regulations**: : The Company complies with the legislation and codes of corporate governance of the jurisdictions within which it operates. These include the Banks and other Financial Institutions Act (BOFIA), the Companies and Allied Matters Act (CAMA) and the codes of Corporate Governance issued by the Central Bank of Nigeria, the Financial Reporting Council, the Securities and Exchange Commission, as well as the disclosure and transparency rules of the United Kingdom Listing Authority ("UKLA") (by virtue of the listing of Global Depositary Receipts by the Company on The London Stock Exchange in July 2007);

(ii) **Efficiency**: The Company uses modern communication technologies in a timely manner to convey its messages to its target groups. Synergies are sought when it comes to using different communication channels. The Company replies without unnecessary delay to information requests by the media and the public;

(iii) **Transparency:** As an international financial institution, the Company strives in its communication to be as transparent and open as possible while considering the concept of confidentiality between the Company and its subsidiaries. This contributes to maintaining a high level of accountability;

(iv) **Pro-activity**: The Company proactively develops contacts with its target groups and identifies topics of possible mutual interest;

(v) **Clarity**: The Company aims at clarity, i.e. to send uniform and clear messages on key issues;

(vi) **Cultural awareness**: As an international financial institution, the Company operates in a multicultural environment and accordingly recognizes the need to be sensitive to the cultural peculiarities of its operating environment;

(vii) **Feedback**: The Company actively and regularly seeks feedback on its image and communication activities both from the media as well as from its key target groups. This feedback is used to fine-tune communication activities.

Information Flow

It is the responsibility of Executive Management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities.

The Group Company Secretary

The Group Company Secretary provides a point of reference and support for all Directors. The Group Company

Secretary also consults regularly with Directors to ensure that they receive required information promptly. The Board may obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly.

The Group Company Secretary is also responsible for assisting the Board and Management in the implementation of the Code of Corporate Governance of the Company, coordinating the orientation and training of new Directors and the continuous education of Non-Executive Directors; assisting the Chairman and Group Chief Executive Officer to formulate an annual Board Plan and with the administration of other strategic issues at the Board level; organizing Board meetings and ensuring that the minutes of Board meetings clearly and properly capture Board discussions and decisions.

Independent professional advice is available, on request, to all Directors at the Company's expense when such advice is required to enable a Member of the Board effectively perform certain responsibilities.

The Company meets the costs of independent professional advice obtained jointly or severally by a Director or Directors where such advice is necessary to enable the obligations imposed on an individual, through membership of the Board, to be properly fulfilled.

Insider Trading and price sensitive information

The Company has in place a policy regarding trading in its shares by its Directors and employees within the Group on the terms and conditions similar to the standards set out by the Nigerian Exchange Limited. The policy is periodically circulated on the Company's internal communication network ("Intranet") to serve as a reminder to staff of their obligations thereunder.

Directors, insiders and their related persons in possession of confidential price sensitive information ("insider information") are prohibited from dealing with the securities of the Company where such would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a "lock up" period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

In addition to the above, the Company makes necessary disclosure as required under Rule 111 of the Securities and Exchange Commission ("SEC") Rules and Regulations which stipulates that Directors and top Management employees and other insiders of public companies shall notify the SEC of any sale or purchase of shares in the company, not later than forty-eight (48) hours after such activity.

The Directors of the Company comply strictly with the laid down procedure and policy regarding trading in the Company's shares.

Management Committees

These are Committees comprising senior management staff of the Company. The Committees are risk driven as they are basically set up to identify, analyze, synthesize and make recommendations on risks arising from day to day activities of the Company. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as necessary to immediately take action and decisions within the confines of their powers.

The standing Management Committees in the Company are:

i. Talent;

ii. Data Steering;

iii. Information Technology;

iv. Risk and Compliance; and

v. Sourcing

Talent Committee

This Committee is responsible for driving initiatives that oversees the governance and management of Top Talent, and other related matters such as succession planning and professional development within the Group that supports the Group in achieving its strategic objectives. The Committee meets from time to time. The Committee provides inputs for the Board Governance, Nominations and Remuneration Committee and ensures that the decisions and polices emanating from the Committee's meeting are implemented.

Data Steering Committee

This Committee is responsible for ensuring that the Group leverages Data & Analytics to drive value and make business decisions through the development and implementation of use cases. They are also responsible for ensuring strong ownership and buy-in of Data and Analytics activities by Business units. Lastly, to capture economies of scale, they are responsible for centralizing talent-data scientists and engineers-and deploying them across the Group as needed.

Information Technology (IT) Steering Committee

This Committee is responsible for ensuring there is a standardized information technology management approach across the Group, consistent high IT performance across the Group such as application development and maintenance, service quality etc and delivering economics of scale through shared IT infrastructure and services. The Committee provides inputs for the Board Information Technology and Strategy Committee and ensures that the decisions and polices emanating from the Committee's meeting are implemented.

Risk and Compliance Committee

This Committee is responsible for safeguarding the Group against internal and external material surprises. They oversee risk, information security and compliance with regulatory requirements of the Group's activities. Each subsidiary has a head of risk and a head of compliance who are responsible for the day to day management of risk and compliance. Both report to the Group Chief Risk and Compliance Officer. The Committee provides inputs for the Board Risk Management and Audit Committee and also ensures that the decisions and polices emanating from the Committee's meeting are implemented.

Sourcing Committee

This Committee is responsible for driving initiatives and taking key decisions that will ensure the Group derives value from its procurement shared services especially in terms of cost and operational efficiency.

Monitoring Compliance with Corporate Governance

Head, Risk and Compliance

The Head, Risk and Compliance monitors compliance with money laundering requirements within the Group and the implementation of the Corporate Governance Code of the Company.

The Group Company Secretary and the Head, Risk and Compliance forward regular returns to the Central Bank of Nigeria on all whistle-blowing reports and corporate governance breaches.

Whistle Blowing procedures

In line with the Company's commitment to instill the best corporate governance practices, the Company has established a whistle blowing procedure that ensures anonymity for whistle-blowers. The Company has two (2) hotlines and a direct link in the Company's website provided for the purpose of whistle-blowing. The hotline numbers are 01-4480905 and 01- 4480906, and the Company's website is www.gtcoplc.com..

Internally, the Company has a direct link on its Intranet for dissemination of information, to enable members of staff report all identified breaches of the Company's Code of Corporate Governance.

Code of Conduct

The Company has an internal Code of Professional Conduct for Employees "the Company's Code" which all members of staff subscribe to upon assumption of duties. Staff are also required to reaffirm their commitment to the Company's Code annually.

All members of staff are expected to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the Code of Professional Conduct which prescribes the common ethical standards, policies and procedures of the Company relating to employee values. The Company also has a Code of Conduct for Directors.

Human Resources Policy

The Human Resources policy of the Company is contained in the Directors' Report on page 37 of this Half year Report.

Employee Share-ownership Scheme

The Company has in place an employee share ownership scheme called the Staff Investment Trust (SIT) scheme for the Company and its Subsidiaries. The Scheme is authorised to hold up to a specified percentage of ordinary shares of the Company for the benefit of eligible employees of the Company and its Nigerian Subsidiary companies.

The scheme was established as an incentive mechanism enabling eligible staff invest in ordinary shares of the Company at a discount (the prevailing Net Assets Value (NAV), and buying-back their stock from the Company at the market price, subject to terms including attaining a determined length of service at the point of disengagement and proper conduct at disengagement.

Internal Management Structure

The Company operates an internal management structure where all officers are accountable for duties and responsibilities attached to their respective offices and there are clearly defined and acceptable lines of authority and responsibility.

Subsidiary Governance

Subsidiary governance is an integral part of our Group's risk management framework that provides the structure through which the performance objectives of the subsidiaries are defined, measured and performance monitoring is conducted.

GTCO's governance strategy is implemented through the establishment of robust systems and processes - that ensure our subsidiaries reflect same values, ethics, processes and control as the parent company, while remaining independent in the conduct of their business and abiding within the confines of local extant regulations.

As at December 31, 2021, the Group had eight (8) International banking subsidiaries and two (2) sub-subsidiaries. The operations and management of these subsidiaries are monitored and controlled by GTBank Limited as described below:

Oversight function

The Group Finance Directorate is responsible for the coordination and implementation of the Group's international expansion strategy. It plays a pivotal role in driving and monitoring the performance of existing subsidiaries. In this respect, it performs an advisory role to the subsidiaries' senior management and serves as an interface between the parent and its subsidiaries, while ensuring synergies between them.

Subsidiary Board Representation

The Group has controlling representation on the Board of each subsidiary. The Board representatives are seasoned professionals with high level of integrity and proven track records in their respective fields. The Subsidiaries' Board of Directors are responsible for the governance of the Bank and accountable for creating and delivering sustainable value through the management of the Subsidiaries.

Subsidiary Board Committees

The Subsidiaries' Board also exercises its oversight responsibilities through four major committees as follows:

- **Board Audit Committee (BAC)** reviews accounting policies, practices, procedures and controls established by management for compliance with regulatory and financial reporting requirements.
- **Board Risk Management Committee (BRC)** oversees and advises the Board on risk-related matters and risk governance.
- **Board Credit Committee (BCC)** exercises its responsibility to maintain a healthy risk portfolio for the Bank, by performing the control actions of approving new credit facilities or extending existing credit facilities within a proposed aggregate exposure limit defined by the Board of Directors.
- **Board Asset and Liability Committee (BALC)** oversees a variety of risks arising from the Subsidiaries' business including market and liquidity risk management, loan to deposit ratio analysis, cost of funds analysis, establishing guidelines for pricing on deposit and credit facilities, exchange rate risks analysis, balance sheet structuring, regulatory considerations and monitoring of the status of implemented assets and liability strategies.

Furthermore, the Subsidiary Boards and their respective Committees are responsible for creating, evaluating and managing the subsidiaries throughout their lifecycles while promoting best practice corporate governance standards. They exercise responsibility in the nomination of best fits for both board and management positions, while adopting suitable renumeration packages to match their wealth of skills and experience.

Each of these Board Committees meet at least once per quarter to review the affairs of the Bank.

Representation on the Local Board and Board Committees

A minimum of two Non-executive directors representing GTCO sit on the board/board committees of the subsidiaries. The Board Committees are responsible for defining capital structure, approving appropriate risk management policies necessary for the effective management of subsidiaries, providing advisory and strategic guidance on the direction of the bank as well as suitable technology required to effectively dominate the local markets.

Management of Subsidiaries

The Group appoints one of its Management staff to run the subsidiary. This is achieved by appointing a staff from the parent company to act as the Managing Director of the subsidiary. In addition, another management staff is seconded to act as a backup to the Managing Director and Head of Support and Operations Divisions within the Bank.

The objective is to ensure enculturation, adoption and continuity of GTCO values in the subsidiary. It is also to ensure that the tried and tested approach to corporate governance, systems and controls, innovation and technology, credit approval and management processes likewise customer service excellence is applied in a seamless manner.

Existence of Group Finance Function

The business activities and performance of GTCO's Subsidiaries are monitored through the Group Finance Function. The Unit is saddled with the responsibility of monitoring the subsidiaries, providing necessary support and addressing issues arising from their activities. The unit also prepares monthly reports on the performance of the subsidiaries and bi-annual risk management reports to the Board of Directors of the Bank. The performance of the unit is assessed based on the extent to which the subsidiaries are effectively monitored and attended to.

Monthly Management Reporting

Subsidiaries furnish Group Finance Directorate with reports on their business activities and operating environment monthly. The reports cover the subsidiaries' financial performance, risk assessment, regulatory activities among others.

Business Performance Review Session

The Managing Directors of the respective GTBank Subsidiaries attend the quarterly Group Business Performance Review sessions during which their performance is analyzed and recommendations made towards achieving continuous stability and improved profitability. This session also serves as a platform for sharing and dissemination of best practices and information among the Subsidiaries' executives.

Annual System and Control Audit

An annual audit is carried out by the system and control group of GTCO to review all operational areas of the offshore banks. This exercise is distinct from the daily operations audit carried out by the respective Internal Audit units within the subsidiaries.

Annual Risk Management Audit

This audit is carried out by the Credit Administration unit in GTCO. The areas of concentration during this audit include asset quality, loan performance, review of security pledged, loan conformity with credit policy, documentation check and review of central liability report among others.

Group Compliance Function

To ensure an effective and consistent compliance culture across all entities, the Group Compliance team determines the scope of parental oversight required to manage compliance risk, promote awareness and implement industry best practices across our subsidiaries, thereby affirming the Group's commitment to a zero-tolerance for regulatory breach.

Group Treasury Function

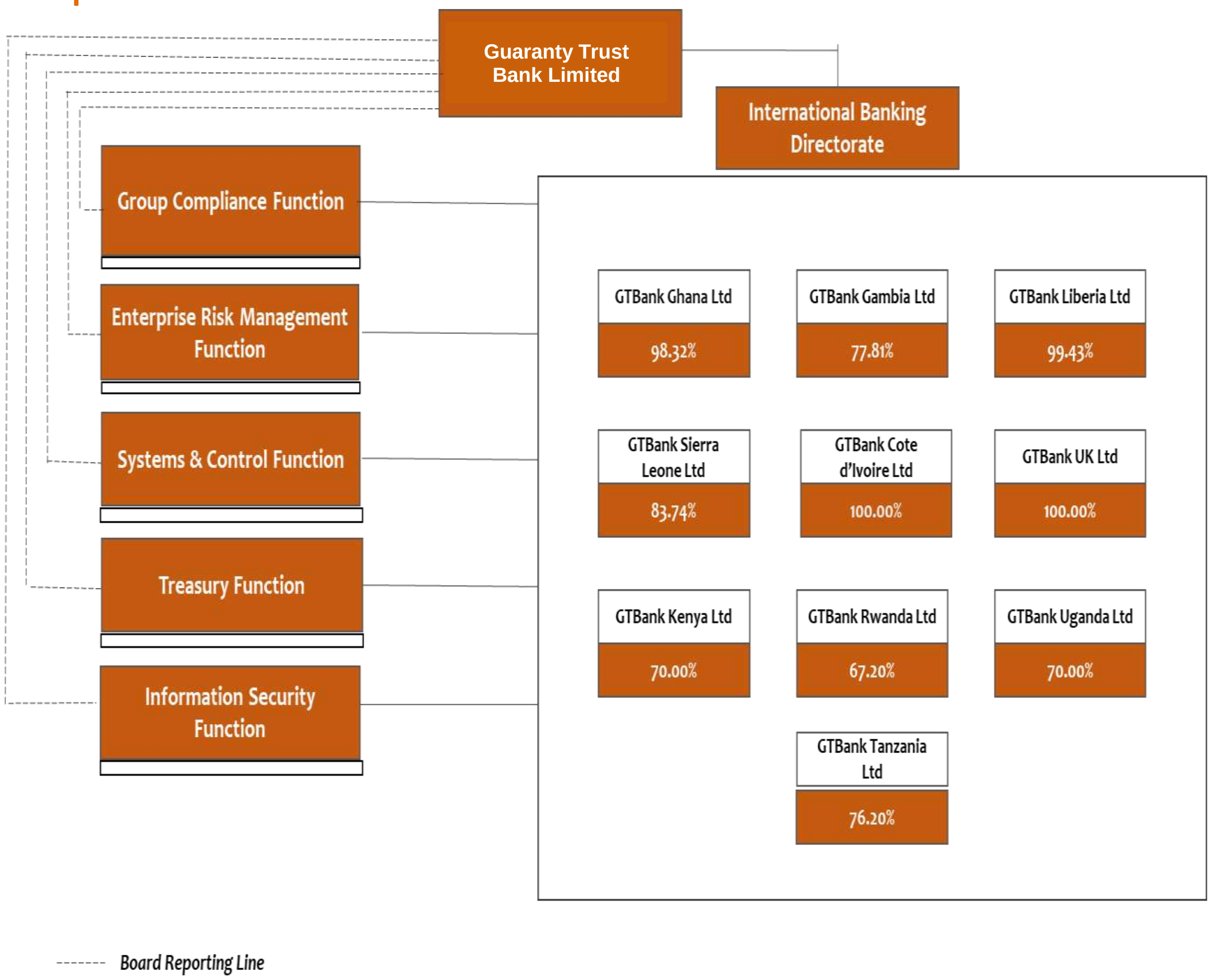
The Group Treasury function is responsible for providing required guidance in optimizing the deployment of resources in the subsidiaries except GTBank UK. The key focus is efficiency of the Balance Sheet. Monthly Assets and Liabilities review meetings are held with the Group treasury team to create synergies and facilitate transfer of knowledge, skills and competencies. The report is presented to the Board Assets and Liabilities or Risk Committee where applicable.

Group Information Security Assurance

The Group Information Security team is responsible for rendering requisite guidance to subsidiaries on the security of their information assets and infrastructure. They conduct regular off-site and on-site reviews of the adequacy of the existing information security infrastructures in all the Subsidiaries. They also guide the subsidiaries on all cybersecurity related issues.

External Auditors' Report

GTCO conducts a review of the management letters provided by the subsidiaries' auditors on completion of periodic audits. The objective is to ensure that all identified deficiencies are promptly corrected, and recommendations implemented in line with approved best practices and local regulatory guidelines.


Guaranty Trust Bank Limited
International Banking Directorate
Group Compliance Function
Enterprise Risk Management Function
Systems & Control Function
Treasury Function
Information Security Function
GTBank Ghana Ltd
98.32%
GTBank Gambia Ltd
77.81%
GTBank Liberia Ltd
99.43%
GTBank Sierra Leone Ltd
83.74%
GTBank Cote d'Ivoire Ltd
100.00%
GTBank UK Ltd
100.00%
GTBank Kenya Ltd
70.00%
GTBank Rwanda Ltd
67.20%
GTBank Uganda Ltd
70.00%
GTBank Tanzania Ltd
76.20%
Board Reporting Line

Sustainability Report

Introduction

At GTCO, we are committed to creating long-term value for our esteemed stakeholders. Through our responsible banking approach, we continue to develop and implement initiatives to enrich the lives of our stakeholders (investors, shareholders, customers, employees, suppliers, regulators, and communities). As a leading financial service provider, we fully integrate sustainability in our strategy as we operate a model that not only assesses economic considerations but equally evaluates the impact of our business operations and activities on people and the environment. We ensure that our Environmental and Social Management System (ESMS) aligns with the requirements of IFC Performance Standards and CBN's Nigerian Sustainable Banking Principles (NSBP).

As an improvement-driven organization, we continue to develop innovative ways to enhance our environmental, social, and economic performance. Our banking practices gravitate towards resource efficiency, improving stakeholder relationship, effective risk management, and excellent service delivery. In our attempt at promoting sustainable banking practices and the UN SDGs, we have formed a partnership with several organizations as well as other global bodies. We are a member of the United Nations Environment Programme Finance Initiatives (UNEP-FI). We also remain development partners with International Finance Corporation (IFC) and the Central Bank of Nigeria. This bi-annual Sustainability Report is a reflection of our journey in the year 2021, highlighting various initiatives undertaken by the Company to ensure that we are an economically viable and financially sustainable organisation. The scope of our report covers the Marketplace, Community, Environment, Workplace as well as our scorecard in the implementation of the Central Bank of Nigeria's Sustainable Banking Principles and some of the UN SDGs.

Marketplace

At GTCO, we are aware of the impact of sustainable financing in the advancement of economic growth and development. This drives our lending activities as we remain a top player in the active funding of the real sector of the economy such as Agriculture, Manufacturing, Real Estate, Infrastructure, Health, Education, Power, Oil and Gas, among others. We continue to support the economic diversification efforts of the Nigerian government by allocating capital to these essential sectors.

The Company's Environmental & Social Risk Management (ESRM) framework is integrated into our credit approval process to ensure that our lending activities do not have adverse environmental and social implications on the environment. Thus, in the reporting period, we screened all the 690 corporate credits approved by GTBank Limited for E&S risks. Our ESRM team categorizes project-related transactions into high, medium and low risks. We conducted enhanced due diligence for customers operating in the high-risk sectors; and moderate due diligence for customers in medium-risk sectors, as classified by the Central Bank of Nigeria (CBN) to review their E&S practices against key national regulations and international best practices. We applied an exclusion checklist to all credits (High, medium & low). Through our due diligence assessment, we came up with Environmental and Social Action Plans (ESAP). We require our customers to implement the ESAP, and we monitor the progress of implementation over time.

In line with our commitment to developing all-inclusive financial products and ensuring the access of critical services to all, GTbank limited approved the issuance of 1,000,000 free Naira debit cards to both new and existing customers who have never been issued a debit card.
As part of the Company's initiative to extend financial services to unbanked individuals, the Company currently has 21 agent banking locations across the country. Through these agent banking locations, we received deposits of about N6.4 billion in the first half of the year 2022. From our partnership with CBN SANEF initiative, we opened 472,629 accounts in the reporting period.

As a brand renowned for innovation, the Company continues to develop self-service options to serve our customers. During the year, we introduced a new payment solution "SQUAD", a platform that enables all types of businesses to make and receive payments from anywhere in the world. With SQUAD, users can:

- Accept and initiate payments online or via social media channels using our payment links, e-invoices and storefront features.
- Receive and confirm in-store transfers instantly using our virtual account service.
- Get unique USSD codes for their business to receive payments; and
- Use their mobile phones to accept card payments by downloading the squad app

Throughout the year, we continued to deploy the card printing machines to some of our branches. With this fully digitalized initiative, customers can now print their instant ATM cards by themselves without having to fill any form or queue at our locations. We continue to add to the bouquet of services available on our e-channels- Internet-banking, GTWorld, USSD, among others. Through our Habari platform, our customers can shop for diverse products online, pay bills, watch videos, listen to music, among others. We continue to improve the platform to meet and support the lifestyles of everyone.
The Company continues to lead across all key parameters in the banking sector and was recognized with multiple awards in the reporting period. Some of these awards include:

Leading Digital Bank Nigeria, 2022
For its pioneering commitment towards digital transformation, the Company was awarded the Leading Digital Bank in Nigeria, 2022 by the World Business Outlook.

Most Socially Responsible Bank Nigeria, 2022
In recognition of its commitment towards social development in Nigeria, the Company was awarded the Most Socially Responsible Bank in Nigeria 2022, by the World Business Outlook.

Outstanding Contribution in the Banking Sector Nigeria, 2022
For his sustained appetite for excellence, and exceptional leadership in Nigeria's banking sector, the GMD/CEO, Guaranty Trust Holding Company Plc, Segun Agbaje was awarded Outstanding Contribution in the Nigeria Banking Sector for 2022.

12th Annual Brand Africa 100: Africa's Best Brands 2022
At the 12th annual Brand Africa 100: Africa's Best Brands 2022 rankings of the Top 100 Most Admired Brands in Africa, the Company was awarded for four major categories including:
- Most Admired Financial Services Brand in Africa,
- Most Admired Financial Services Brand in Nigeria,
- Most Admired Financial Services Brand in West Africa, and
- Most Admired Nigerian Financial Services Brand

Community
At GTCO, we remain committed to creating sustainable impact through Corporate Social Responsibility. Our CSR strategy is designed to enrich lives through four pillars: community development, education, environment, and arts. These four pillars are essential for the development and growth of communities. In line with the UN SDGs to create shared prosperity and protect the environment, we implemented multiple initiatives guided by the four pillars to contribute in no small measure to the overall development of our host communities.

For community development, we sponsored the Lagos International Polo Tournament, which has grown over the years to become one of the most anticipated social and sporting events. GTCO continues to demonstrate its strong belief in the role of sports in developing and uniting the society. We also sponsored (Lead Sponsor) the 2022 edition of the NUGA Games, a weeklong sporting event where different sporting activities were sponsored including an entertainment night. The NUGA Games aims to foster unity amongst universities and educate youths on how to participate in sports without discrimination, in the spirit of friendship, solidarity, and fair play, in keeping with the Olympic spirit.

Complaints and Feedback

To promote financial literacy across schools in Nigeria, the Company engaged students in selected schools in Osun, Plateau and Kwara states. They were educated on finances, saving culture and the need to be prudent. The students were also given branded gift items. A total of 413 students benefited from this initiative.

The Central Bank of Nigeria (CBN), in collaboration with the Bankers' Committee, introduced the Race to US$200 Billion in Foreign Exchange (FX) Repatriation (RT200) as a set of plans, policies, and programmes designed to increase the nation's earnings exclusively from non-oil exports to US$200 billion in FX repatriation, over the next five (5) years. In view of this, the RT200 Non-Oil Export Summit was organised and put together by the Bankers' Committee. GTCO's GMD/CEO, Segun Agbaje was chairman of the Committee that spearheaded the organisation and administration of the summit.

The annual Food and Drink Festival which was held from Saturday, April 30th to Monday, May 2nd, 2022, returned for its 5th Edition. The festival hosted millions of people and featured enlightening and engaging masterclasses by world-renowned chefs and food business experts. The Food and Drink festival continues to contribute to the development of local SMEs, while enabling retail customers and small business owners thrive by giving them more opportunities to connect with consumers from around the world.

A summary of CSR projects facilitated by the Company in first half of 2022 are listed below:

Area of Focus	Project Description	Beneficiaries
Sports	**Support Towards Polo Tournament** – This sponsorship was for the two weeks long polo tournament competition which happened in Lagos with several teams playing to win different cups	10,000 participants
	NUGA 2022-- A week-long activity for the Nigeria University Games Association where different sporting activities were sponsored including an entertainment night - The Company spent – ₦58,905,717	500,000 participants
Education (₦ 19,715,000)	**Financial Literacy for students in Osun--** Students in a selected school in Osun (Ilesa Grammar School), were educated on finances, saving culture and the need to be prudent. The students were also given branded gift items.	189 participants
	Financial Literacy for students in Plateau-- Students in a selected school in Plateau (Founders International School), were educated on finances, saving culture and the need to be prudent. The students were also given branded gift items.	131 participants
	Financial Literacy for students in Kwara-- Students in a selected school in Kwara State (Aderoju Model College), were educated on finances, saving culture and the need to be prudent. The students were also given branded gift items.	93 participants
Others	**RT200 Non-Oil Export Summit--** The Central Bank of Nigeria (CBN), in collaboration with the Bankers' Committee, introduced the Race to US$200 Billion in Foreign Exchange (FX) Repatriation (RT200) as a set of plans, policies, and programmes designed to increase the nation's earnings exclusively from non-oil exports to US$200 billion in FX repatriation, over the next five (5) years.	600 participants

Environment

As a first-class financial service provider, we remain committed to environmental protection. As such, we implement a hands-on approach in minimizing our Greenhouse Gas (GHG) emissions which include but not limited to the timely shutdown of our branches, replacement of physical meetings with virtual meetings, cut down of business travels, implementation of duplex printing, among others. We track the performance of our GHG minimization strategies by monitoring our electricity, fuel, water, solid waste, CO2 footprint, and paper usage. The full resumption of staff to work post-COVID has resulted in an increase in our carbon footprints in the aspect of paper, energy and water usage in the year 2021 and consequentially, in the first half of 2022. However, we have launched several energy efficient initiatives to ensure the reduction of our carbon footprints while optimally utilizing resources.

The Company presently has 35 main branches/business locations, 1 e-branch and 39 offsite locations powered by a hybrid of solar and conventional energy supply (Grid and Diesel Generators). These branches have ATMs and communication devices powered by solar panels. We currently have 28 ATMs powered by alternative sources of energy (solar energy). There were no significant negative environmental and social impacts issues reported on any of our branches or projects financed.

Workplace

Our workforce remains our most valued asset at GTCO as we continue to channel resources towards human capital development and maintaining a safe workplace. During this reporting period, the Company continued to ensure that measures put in place to combat the COVID-19 pandemic were strictly adhered to by all employees. As COVID-19 measures continue to be relaxed around the world, GTCO continues to prioritise the health and safety of its employees by investing in health and safety practices. The mandatory bank wide annual medical check-up for all employees was already in progress as at the time of compiling this report.

In line with our commitment to support employees, the Company has an Employee Assistance Programme accessible to all employees to provide psychological and emotional support whenever they need it. The Human Resources Group releases weekly educational slides on the intranet tagged Wellness Wednesday, which encourages employees to adopt a healthy lifestyle, and Finance Fridays which provides savings and investment-related tips. Periodic seminars and webinars are also organised for employees on wellness, security and health to improve their awareness and well-being.

Complaints and Feedback

In line with our drive for capacity building, we trained 1,533 employees on subject matters ranging from Financial Inclusion, Governing Sustainable Finance, Market and Liquidity Risk Management, Credit Risk Analysis, AML/CFT: Customer Profiling and Risk Rating, Business Continuity, among others. A webinar focusing on amplifying mentoring in the workplace was also organised. Core topics such as cracking the career code and developing your personal brand were the highlights of the webinar.

GTCO remains committed to promoting gender equality and women empowerment. The ratio of women in the employment of the Company and in senior management positions is currently 45% and 41% respectively. The percentage of women on our Board of Directors is currently at 57%. To celebrate 2022 International Women's Day, "Breaking the Bias", the Company held a panel session for the female employees focusing on the theme "The Winning Woman". This was a capacity building session that shed light on the innate potentials of a woman and the mentality to push through barriers.

<u>Progress on CBN's Nigerian Sustainable Banking Principles (NSBP)</u>

GTCO as a signatory to the CBN's Nigerian Sustainable Banking Principles (NSBP) aligns with relevant international standards. Our business activities and operations are in line with the provisions of the nine (9) principles of NSBP. The table below highlights some of our key achievements in the implementation of CBN's NSBP in the first half of the year:

NSBP PRINCIPLES	DEFINITION	PROGRESS UPDATE
Principle 1	**Our Business Activities: Environmental & Social Risk Management:** Integration of environmental and social consideration into our lending activities.	• All our transactions (284) were screened for E&S risks in the period under review. • To date, we have visited/conducted desktop Due Diligence Assessments for 147 customers. Based on the review of relevant documents and information provided by the client, we came up with action plans to be closed out by the customers.
Principle 2	**Our Business Operations: Environmental & Social Footprint:** Avoidance of the negative impact of our Business Operations.	• We presently have 35 branches powered by alternative power source (ATMs and communication equipment). We currently have 67 ATMs powered by alternative sources of energy (solar energy).
Principle 3	**Human Rights:** Respect for the rights of all in Business Operations.	• All 284 transactions booked were assessed for human rights risks such as child labour and forced labour. Assessment comprises of initial screening with the Exclusion Checklist for all customers and Further Due Diligence Assessment for High-Risk customers.
Principle 4	**Women's Economic Empowerment:** Promote economic empowerment through a gender inclusive workplace culture and provide products and services for women.	• There was a slight increase (70) in the number of female employees in the work force. • The number of women on our board increased by 1 from the last reporting period. Therefore, the percentage of women on the board increased by 14% (from 43% in December 2020 to 57%).

		• The number of women in management positions decreased from 19 to 16. However, the percentage of women in management increased from 40% to 41%. • A capacity building session was conducted for the women in the bank to celebrate the 2022 International Women's Day.
Principle 5	**Financial Inclusion:** Promotion of financial inclusion and provision of financial services to individuals and communities that have limited or no access to the formal financial sector.	• Through our agent banking locations, we received deposits of ₦6.4 Billion. • From our partnership with CBN SANEF initiative, we opened 472,629 accounts in the reporting period • During the review period, the Company taught financial literacy skills to Secondary School Students across Nigeria.
Principle 6	**E&S Governance:** Implementation of a transparent E&S governance practices within the institution and assessing the E&S governance of our clients.	• Our internal audit team (SYSCON) conducts monthly visit to track and monitor our progress on E&S using our annual plan. • We provide biannual reports to CBN to give update on our Sustainability journey. • We provide quarterly reports on our E&S journey to the Company's Management and Board.
Principle 7	**Capacity Building:** Development of capacity to identify, assess and manage E&S risks and opportunities associated with the Company's business activities and operations.	• Over 700 employees were trained on various Sustainable Banking subject matters within the reporting period. • We published E&S learning case studies on critical E&S issues on the intranet.
Principle 8	**Collaborative Partnerships:** Collaboration across the sector and leveraging international partnerships to develop the financial services sector and ensure consistency with international standards.	• The Company remains a member of the network of Sustainability Champions in Nigeria. • IFC and PROPARCO conduct annual review of the Company's sustainability performance as part of the partnership with the Company.
Principle 9	**Reporting:** Regular review and implementation progress report.	• The Company rendered the Bi-Annual Sustainability Report to the regulator (CBN) and dedicated a chapter on the Company's sustainability journey in the financials. • We also provide periodic updates to our investors such as IFC on the integration of ESRM in the Company's framework. • Report on our sustainability journey and Social Key Performance Indicators (KPI)

		also shared with the Board of Directors on a quarterly basis.

The United Nations Sustainable Development Goals (SDGs)

At GTCO, our business strategy is geared towards making impactful contributions towards the Sustainable Development Goals (SDGs). The 17 SDGs represent an ambitious agenda to achieve a sustainable future by 2030. As a leading African Bank, our business operations positively contribute to achieving all the 17 interrelated goals, however, we directly impact the 8 goals below:

SDG 1- End poverty in all its forms everywhere

- GTCO continues to finance poverty alleviation initiatives through payment of taxes to the government and introduction of collateral free credits for low-income earners such as Quick credit, Fashion Credit, Food Credit; among others. Since inception, our commitment has always been to give back to the society and we ensure this through various CSR initiatives such as provision of scholarship to indigent students, renovation of schools, among others.

SDG 2- End hunger, achieve food security, improved nutrition and promote sustainable agriculture.

- Through our financing activities, we continue to eradicate hunger by a strategic allocation of capital and lending to customers in the agribusiness such as AFEX commodities, PRESCO, GY Farmers Limited, Olam Hatcheries, Great Northern, CHI Farms, Life Care Ventures, among several others. Using various initiatives such as food credit for SMEs in the food industry, we provided access to cheap and affordable food, thereby reducing hunger.

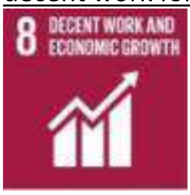
SDG 3 - Ensure healthy lives and promote well-being for all at all ages

- At GTCO, we have a long line of innovative products and services aimed at adding value to people's everyday lives. During the year, we launched #GiveHerBetaHealth campaign to draw attention to the need for universal essential healthcare coverage, especially for women in the informal sector. Through the initiative, we provided 1000 self-employed women with BetaHealth for a year, at no cost. The BetaHealth initiative was targeted at low-income families. With BetaHealth, beneficiaries can walk into designated hospitals nationwide for selected medical services at a discounted fee of N500 monthly. The Company continues to prioritise health and safety of its employees by investing in health and safety practices, including the mandatory companywide annual medical check-up for all employees

SDG 4- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- Education remains a critical part of our CSR initiatives, as we recognize that education has multiplier effects on the economic growth and development of a nation. We continue to finance educational facilities and lending to schools. We also continually implement several initiatives to promote education such as provision of support for school activities in secondary schools and universities, renovation of school hostels, provision of outdoor benches for students in six universities in Nigeria, financial literacy training and World Savings Day initiatives for secondary schools, hosting of the Master's Cup, amongst others.

SDG 8- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



- At GTCO, we operate an inclusive system that provides equal employment opportunities for all. Through our strategic credit model, we lend to businesses across development-oriented sectors to promote sustainable economic growth and decent work for all. Through this model, we are able to indirectly provide more job opportunities for people. This is in addition to the direct job that we create through recruitment of staff to meet the needs of our customers. We continue to offer competitive salary and benefits to promote decent living for all our employees.

SDG 9- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- We remain committed to using our value-adding banking products and services to improve the condition of Nigeria's social infrastructure. We ensure that our investments in infrastructure is environmentally friendly and respond to the needs of low-income users, women and other marginalized groups (including persons with disabilities, indigenous persons, racial and ethnic minorities and older persons).

SDG 13- Take urgent action to combat climate change and its impacts

- At GTCO, we are aware of the impact of climate change on our business activities and operations. As such, we integrate environmental considerations in our lending process by conducting enhanced due diligence for customers operating in high risk sectors and moderate due diligence for customers in medium risk sectors. This is with a view to minimizing the effects of climate change in the operations of our customers.

As an organization, we measure our carbon footprint such as water, fuel, paper and electricity usage and develop several initiatives to minimize it. We report our tracking of carbon emissions to the Central Bank of Nigeria through our Nigerian Sustainable Banking Principles (NSBP) Report. Additionally, the Company is currently finalizing its Climate Change Policy.

SDG 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development

- We are aware of the vital role partner organisations play in realizing the UN SDGs. As such, we have formed partnership with several organizations as well as other global bodies. Some of these organizations are United Nations Environment Programme Finance Initiative (UNEP-FI), Nigerian Sustainable Banking Principles Champions, Central Bank of Nigeria (CBN), International Finance Corporation (IFC), amongst others.

Summary of our ESG Materiality

At GTCO, we continue to thrive towards becoming a single, integrated platform. Thus, we are dedicated to the development of innovative initiatives to meet the needs of all our stakeholders. We continue to conduct stakeholders' analysis and develop strategies to meet the expectations of our stakeholders. Our material ESG issues are summarized below:

- **Access and affordability:** At GTCO, we continue to improve access to our services and create affordable services. In the year 2021, we deployed the card printing machine to some of our locations for customers to print their instant ATM cards by themselves. We also continue to enhance the features of our Alternative Delivery Channels such as GTworld, *737#, internet banking among others to improve access to the bank's financial services. During the period, we provided 1,000 self-employed women with free access to essential healthcare services for a year, at no cost. We also extended the beta health service to low income earners at a discounted rate of ₦500 monthly.

- **Labour practices:** We continue to train and provide competitive welfare package to all our employees. This is based on our awareness of the importance of our workforce in achieving our strategic business objective.

- **Data security and customer privacy:** Considering the importance of data security, we have put in place sophisticated tools to prevent cyber-attacks and promote data security. We also ensure customer privacy by aligning with best international practice. We continue to create awareness to all our staff, customers and vendors to prevent fraud.

- **Lifecycle impacts of products and services:** We have fully integrated environmental and social considerations into all our business activities and operations. This is to ensure that our lending activities do not have adverse environmental and social implications on the environment.

- **Business ethics:** As our brand signifies, we maintain strong business ethics and professionalism. We promote our core values to employees through our Code of Professional Conduct; our Ethics Policy as well as Communications Policy, which helps to regulate employee relations with internal and external parties.

- **Systemic risk management:** The Company's Enterprise Risk Management (ERM) division works with relevant units in the Company in managing risks in our business operations and activities. There are several risk management units in charge of managing different risks such as environmental and social, credit, operational, reputational, market, legal, cyber risks, among others.

COMPLAINTS AND FEEDBACK

Introduction

At GTCO, our vision is to deliver the utmost in customer service. We understand the importance of our customers' satisfaction to the achievement of our set goals. Hence, we have incorporated the 'treating customers fairly' principles into our business strategy to enable us deliver on our promises to our stakeholders.

We recognize that customer feedback is an important tool in monitoring and responding to customer expectations hence we continued to embed good conduct practice across our business, with a range of initiatives to further improve the service and experience we offer to customers.

In a bid to improve our products and services, we analyze data and feedback received to identify recurring issues. The information gathered is used for detailed analysis which is reviewed by the relevant stakeholders for learning purposes and to prevent a reoccurrence of identified issues.

The Feedback Channels/ Customer Touchpoints

We value the feedback provided by our customers, as such the following channels/touch points are available to encourage our customers' interaction with the Bank:

- The Complaints received via the complaint portal on the Company's website and letters;
- GT Connect (our 24 hours self-service interactive call center);
- Social Media feedback platform;
- The Customer Information Service desk at any of our branches;
- The Whistle Blowing portal on the Company's website.

Customers' opinion on products, services and processes

The Company constantly evaluates valuable insights provided by customers and other stakeholders on our products, services and policies in order to improve the business, products and overall customer experience. The review and evaluation are conducted using various methods including:

- Customer feedback survey on the Company's website, in-branch and on Internet banking applications;
- One-on-one focus/ business review meetings with customers;
- Business review sessions/ Interviews with randomly picked customers.

- Our 'Call the MD' sessions

Complaints Handling and Resolution Structure

GTCO is committed to effective complaint handling and values feedback through complaints when they arise. The complaints and feedback structure ensure the prompt resolution of customers' complaints. The Complaints Unit of the Company is charged with the responsibility for oversight of the resolution of customers' complaints. It also serves as the liaison between the Company and its customers as well as regulatory authorities.

Complaints received are given a unique identifier number for tracking purposes, acknowledged and addressed promptly. Where a resolution can be provided immediately, the customer is provided with feedback, if not, the issue raised is referred to the appropriate team in the Company for prompt resolution. The customer is kept informed throughout the process until final feedback is provided and resolution attained. The complaint is then marked as closed.

The complaints handling process is reviewed periodically and complaints received are categorized and reviewed properly with the aim of enhancing the Company's delivery of efficient and effective services.
The Company ensures that complaints are dealt with in an equitable, objective and unbiased manner. We also endeavor to align our procedures with regulatory requirements and international best practice in a bid to ensure that the complaint handling process is fair and reasonable.

REPORTS TO THE CBN

In line with the Central Bank of Nigeria (CBN) guidelines on resolution of customers' complaints, the Company provides periodic reports to the CBN.

Below is a breakdown of Complaints received and resolved by the Company between January and June 2022 pursuant to CBN Consumer Protection Regulation dated December 20, 2019.

	Description	Number		Amount Claimed (N'000)		Amount Refunded (N'000)	
		2022	2021	2022	2021	2022	2021
1	Pending Complaints brought forward from prior period	0	0	0	0		-
2	Received Complaints	505,076	673,772	1,505,892	3,097,835		-
3	Resolved Complaints	496,463	673,772	1,486,738	3,097,805	51,659	363,588
4	Unresolved Complaints escalated to CBN for intervention		-		-		-
5	Unresolved Complaints pending with the Bank carried forward **	8,613	0	19,154	30		-

** Some of the outstanding complaints include complaints on dispense errors on other Bank terminal, failed bill payment, excess charges, etc.

The table below show Complaints received and resolved by the Company in other currencies for the half year 2022 and 2021 respectively.

RECEIVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed	
		2022	2021
1	United States Dollars	$37,438	$41,229,927
2	Great Britain Pounds	£15,600	£9,052
3	Euros	€ 0	€ 0

RESOLVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed		Amount Refunded	
		2022	2021	2022	2021
1	United States Dollars	$37,423	$41,229,901	$20,424	$6,555
2	Great Britain Pounds	£15,600	£9,052	£0	£0
3	Euros	€ 0	€ 0	€ 0	€ 0

UNRESOLVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed	
		2022	2021
1	United States Dollars	$14	$26
2	Great Britain Pounds	£0	£0
3	Euros	€ 0	€ 0

REPORTS TO THE CBN ON FRAUD AND FORGERIES

In line with Section 5.1.2 (L) of the CBN Code of Corporate governance, the breakdown of fraud and forgeries for the year is provided below:

Fraud and Forgeries	Jun-2022	Dec-2021
Number of Fraud Incidents	15,004	15,024
Amount Involved (N'000)	1,547,383.56	1,211,892.59
Amount Involved (USD$'000)	50.70	101.02
Actual/Expected Loss (N'000)	158,371.94	511,962.54
Actual/Expected Loss (USD$'000)	0.00	0.00

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) framework

GTCO, is dedicated to the fight against all forms of financial crime, including, money laundering, terrorism financing, bribery and corruption, etc. To demonstrate this dedication, the Company has continually ensured implementation of its framework for Anti-Money Laundering ("AML"), Combating the Financing of Terrorism ("CFT") and the Prevention of the Financing and Proliferation of Weapons of Mass Destruction across the Group. Strict adherence to this framework is mandatory for subsidiaries of the Company.

The Group's framework ensures compliance with AML/CFT legislation and regulations in Nigeria and has incorporated leading best practices including, but not limited to:

- The Financial Action Task Force (FATF) 40 Recommendations;
- Money Laundering (Prohibition) Act 2011(as amended);
- Terrorism (Prevention) Act 2011 (as amended):
- CBN AML/CFT Regulations 2013;
- Terrorism Prevention Regulations 2013;
- Corrupt Practices and Other Related Offences Act, Cap. C31, Laws of the Federation of Nigeria, 2004 ("the Act");
- Nigerian Financial Intelligence Unit Act (NFIU);
- UK Bribery Act 2010;
- USA Foreign Corrupt Practices Act;
- Central Bank of Nigeria (CBN) Circulars.

Structure of the Framework

The Group ensures that its policies and procedural guidelines are regularly reviewed/revised such that they remain relevant and current in line with the evolving regulatory requirements and best practices. These policies and procedures clearly articulate the Group's AML and CFT stance in the global fight against financial crime and are available to all employees of the Company and its subsidiaries.

The Group's Compliance Policies are reviewed and approved by the Board of Directors and where it is necessary to update the policy between cycles, an addendum is drafted for implementation and incorporated in the Policy at the next review.

The Group has moved away from a "rule based, tick box" approach for combating financial crime risk to a risk-based approach. Consequently, the Group identifies and assesses the risks from a proactive stance and allocates the requisite resources which center around systems and controls to manage these risks.

Scope of the Framework

Across the Group, the scope of the AML/CFT framework includes the following:

(i) Board and Management Responsibilities:

In accordance with AML/CFT global best practice, the "tone is set from the top". The Board of Directors of the Group have oversight responsibilities for the AML/CFT framework of the Group. The Board ensures that the Groups' Management monitor strict adherence to all regulatory and internal procedures relating to AML/CFT and maintain a zero-tolerance threshold to regulatory infraction.

(ii) Reports to Senior Management and the Board:

On a monthly and quarterly basis, AML/CFT reports are submitted to the Group's Senior Management and the Board members respectively. These reports provide the Board and Senior Management with information to enable them to assess the Group's compliance with its regulatory obligations. The reports also ensure that Directors and Senior Management are kept abreast of current trends and developments in the financial industry, particularly in the area of AML/CFT risk management.

(iii) Know Your Customer (KYC) Procedures:

In order to ensure that only customers that align with the Group's risk appetite are on-boarded, duly completed account opening forms, identification document and other relevant information and documents are provided. This is the foundation/ bedrock for on boarding a customer by banking subsidiaries in the Group.

Customer Due Diligence (CDD) is conducted by the subsidiaries prior to entering any banking relationship with a customer. This includes at a minimum, identity and address verification as well as ascertaining the source of income and wealth of the customer.

Customers that are identified as high risk are subjected to an Enhanced Due Diligence (EDD). EDD is conducted on such customers including Politically Exposed Persons (PEPs) to assess and manage the risks that the customers may pose. The approval of Senior Management and the Compliance team is required prior to the commencement of a banking relationship with such high-risk customers

In compliance with regulatory requirements and perceived AML/CFT risk threats, Designated Non-Financial Businesses and Professionals (DNFBPs) and other similar businesses are required to undertake requisite and regulatory measures prior to account opening.

As part of the Group's KYC and CDD procedures, identification documents are requested and obtained to confirm the ultimate beneficial owners of a business and the organization's control and structure.

The Group has procedures in place to ensure subsidiaries conduct sanction screening prior to entering into a relationship as well as prior to effecting a transaction, so that we do not enter into a relationship with a sanctioned person/entity.

(iv) Transaction Monitoring:

Transaction monitoring is done using manual and automated methods across the Group. The former is performed by employees, who regularly identify red flags in transactions/activities and the latter resides within the Compliance team with the aid of transaction monitoring solutions.

Employees are aware that suspicious activities/ transactions should immediately be referred to the Compliance team.

Suspicious Transactions are brought to the attention of the Compliance team on a manual or automated basis; the former by way of employees filing internal suspicious transaction reports to the Compliance team and the latter by way of transaction monitoring tools reviewed by Compliance Officers. If deemed appropriate, reports are filed to the respective Financial Intelligence Units (FIU).

To properly monitor transactions passing through the subsidiaries in the Group, the SAS AML tool, has been deployed and it provides an advancement in the means by which transactions are monitored and investigated.

(v) Transaction Reporting:

Regulatory and statutory requirements stipulate that certain reports and returns are made to regulatory bodies. The Group ensures that all regulatory and statutory returns are submitted as and when due to the relevant authorities.

(vi) Relationship with Regulators and Law Enforcement Agencies:

The Group maintains a cordial and supportive relationship with all regulatory and law enforcement agencies. The Group promptly complies with and responds to all requests made, pursuant to the law, and provides information to regulators including the NFIU, the CBN and other relevant agencies.

We are also at the forefront of cooperating with regulators to give feedback on new regulations and means to mitigate the risks that are being encountered in the financial industry brought on by new innovations and developing trends.

(vii) Sanctions Compliance Management:

As a policy, the Group does not enter any relationship with sanctioned individuals/entities. All subsidiaries are required to screen names of individuals and organizations who have or plan to enter a business relationship or carry out a transaction with/through the any subsidiary against the Group's internal watch list.

The internal watch list contains amongst others, the names of individuals and entities, who have been blacklisted by various regulatory bodies worldwide: Office of Foreign Asset Control (OFAC); European Union (EU); Her Majesty's Treasury (HMT); The Ministry of Economy, Finance and Industry in France (MINEFI); The United Nations (UN) and The Local List as provided by local regulatory and enforcement bodies.

Employees are required, as part of the Group's policy, to refrain from any relationship and/or transaction which yield a true or positive match and follow the escalation procedure. Sanctions screening is done at account opening and on a real time basis for all SWIFT transactions.

(viii) Politically Exposed Persons (PEPs)

PEPs are individuals who are or have been entrusted with prominent public functions and the classification includes people or entities associated with them. Enhanced due diligence measures are applied to PEPs, as with other high-risk customers to mitigate the AML/CFT risk they pose. This is to ensure that the Group is not unknowingly supporting activities such as money laundering and/or the financing of terrorism.

In line with Financial Action Task Forces recommendation, the Group employs the use of an automated monitoring tool in identifying and monitoring PEP transactions. This is achieved through the thorough review of information provided by customers and their transaction trends. Continuous monitoring is also carried out on these accounts.

On-boarding of new PEP accounts, as well as continuity of such accounts (for those already existing in the system) is subject to the approval of Senior Management or an Executive Director and the Compliance Team.

(ix) AML/CFT principles for Correspondent Banking:

The Group only on-boards and maintains correspondent banking relationships with financial institutions that have implemented adequate AML/CFT policies and procedures. The Group does not enter any form of relationships with shell banks nor maintain any payable through accounts. The Group ensures that due diligence, including adverse media searches, are performed annually on our correspondent relationships to mitigate potential AML/CFT risks.

(x) Prohibited Business Relationships

In line with international best practice, the Group does not open accounts or conduct transactions for customers using pseudonyms or numbers instead of actual names or maintain relationships with individuals or entities that have been sanctioned.

(xi) Risk Assessment

The Group ensures Risk Assessment is conducted on its customers, products and services. This is to ensure that AML/CFT risks are identified, assessed and mitigated.

(xii) Anti-Bribery and Corruption (ABC) and Anti-Fraud)

The Group upholds the highest standards of ethical conducts in all its activities and interactions. The Group has zero tolerance for any form of bribery, corruption, fraud and unethical practices. The Group also expects the same standards to be applied by third parties acting on behalf of the Group. The Group's Board Approved Ethics policy provides the requisite standards and principles on ethical conducts and practices expected and required across the Group and our related stakeholders.

(xiii) AML/CFT Training:

The Bank places a great importance on the training of its employees. Training is conducted to ensure employees are well informed and up to date on the AML/CFT laws, KYC principles and the red flags of money laundering or terrorism financing which may occur in their job functions.

Annual Compliance training is mandatory for the Board members and all levels of staff, including Senior Management. Trainings are conducted via e-learning, face to face or on an ad hoc basis by email or via intranet slides to the appropriate personnel in relation to topical national and international findings. Tests are also conducted annually after the trainings to ensure that all employees have understood the training contents.

(xiv) AML/CFT Audits:

To ensure compliance with laws and regulations and to ensure an ever-evolving fit for use of the Compliance function, the internal audit of the AML/CFT function is conducted on a quarterly basis. The purpose of the audit is to test the adequacy of the AML/CFT functions and ensure that the AML/CFT measures put in place by the Group are up to date and effective.

The reports and findings of the audit are circulated to Senior Management. A follow-up to the audits takes place to ensure that the relevant issues are closed out and that the highlighted recommendations have been implemented. The Compliance function also undergoes a periodic independent audit by an external consultant in accordance with regulatory requirements.

(xv) Record Retention:

In accordance with regulations, customer identification documents are retained throughout the life of the account and for five (5) years after the cessation of the banking relationship. Transaction instruments are retained for five (5) years after the transaction date. In litigation and/or regulatory investigations, the records will be kept for as long as they are required.

(xvi) Data Protection:

The Group's Data Protection Policy is revised on an ad-hoc basis to reflect the legal, regulatory and operating environment. The Group adheres strictly to both local and international data protection policies such as the National Data Protection Regulations in countries where we operate and the European Union General Data Protection Regulation (EU-GDPR.)

(xvii) Subsidiaries:

In compliance with international best practice, the Group ensures that its subsidiaries AML/CFT provisions are consistent with its framework. These measures are applied to the extent that the respective subsidiary's local laws and regulations permit; however, where there is a variance the stricter regulation will always apply. Greater collaboration has been fostered and control measures taken based on the current international best practices. This is to ensure that all our subsidiaries maintain the highest standards for AML/CFT controls.

Internal control and Risk Management Systems in relation to the financial reporting

GTCO's internal control and risk Management systems ensure that material errors or inconsistencies in the financial statements are identified and corrected. The Company's internal control framework is patterned after the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Framework.

COSO defines internal control as "a process effected by an entity's Board of Directors, Management and other personnel, to provide reasonable assurance regarding the achievement of objectives" in three categories--effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations. The scope of internal control therefore extends to policies, plans, procedures, processes, systems, activities, functions, projects, initiatives, and endeavors of all types at all levels of the Company.

The internal control and risk Management systems comprise the following areas:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Control Environment

The Group has the Board Risk and Audit Committee that have oversight function on the Company's Risk Management Processes. The Committees are responsible for setting risk Management policies that ensure material risks inherent in the Group's business are identified and mitigated or controlled. The Group also has an Audit Committee which is made up of three shareholders' representatives and three Non- Executive Directors; one of the shareholders' representatives is the Chairman. The Audit Committee is therefore independent. Its oversight functions include among others, ensuring that quality accounting policies, internal controls, independent and objective statutory auditors are in place to prevent and detect fraud and material errors in financial reporting.

The Group's Management committees are responsible for implementing risk Management policies set out by the Board. They are also responsible for setting internal control policies and monitoring the effectiveness of the internal control systems. They ensure proper books of accounts are kept and accounting policies are in conformity with: International Financial Reporting Standards; Prudential Guidelines for licensed Banks; Circulars issued by the Central Bank of Nigeria; The requirements of the Banks and Other Financial Institutions Act; and The requirements of the Companies and Allied Matters Act.

Risk Assessment

The Board and Senior Management regularly assess the risks the Group is exposed to, including risks relating to financial reporting. Management Committees meets on a regular basis to assess all risks facing the Group. Senior Management also regularly considers whether the existing internal controls are effective in relation to the risks identified in the financial reporting process.

The Board also assesses the effectiveness of the Group's internal control over financial reporting on an ongoing basis and specifically at mid-year and year end. The Management letter issued by the external auditors which contains the auditors' observations on the control environment in the Group is discussed at the Audit Committee meetings.

Periodic Independent Assessment of the Internal Audit Function

In line with the Nigerian Code of Corporate Governance, companies are to undergo an independent Quality Assurance Review (QAR) of their Internal Audit function. The objective of this review is to assess the Internal

Audit function's conformance to regulatory standards and requirements, as well as to identify improvement opportunities. This review will be conducted periodically as mandated by the Code.

Control Activities

Control activities are an integral part of the Group's day to day operations. Senior Management has set up control structure to ensure control activities are defined at every business area.

Examples of the Group's control activities include the following;

Top Management Reviews

- Internal Audit Reports eliciting control weaknesses are presented periodically to Management and Board Audit Committee.
- Preparation of financial statements on a daily basis for Management review.
- Monthly and quarterly profitability review, where the Group's financial performance is reviewed and compared with set budgets. Quarterly reports of the Chief Risk Officer to the Board, eliciting the existing and potential risks facing the Group and the mitigants deployed.

Whistle Blowing

The Group has instituted a strong whistle blowing culture among staff and also created awareness among its stakeholders. The whistle blowing platform is accessible to all and the aim is primarily to ensure that all cases of irregularities are made known and addressed by the Company.

Information and Communication/ Monitoring

The Company's Management understands the need for a timely, reliable and accurate information flow within the Company, for effective decision making and enhanced financial reporting. Every activity of the Group is codified in the Group's standard operating procedure (SOP), which outlines the process flow and specifies the duties and responsibilities of every officer in relation to the activity. The SOP further highlights requirement for reporting, the frequency of reporting as well as those within the organization to whom the report would be directed to.

The following are some of the generic internal reports used by Management for decision making and monitoring purposes:

- FINSTAT- Financial Statements Report
- BPR- Business Performance Review Report
- MPR- Monthly Profitability Report
- Liquidity Ratio Report
- OPR - Operations Performance Report
- APR- Account Profitability Report
- ECR- Expense Control Report
- CAC- Criticized Asset Committee Report
- CLR- Criticized Loans Report
- ALCO- Asset and Liability Committee Report
- Overdraft Efficiency Report

Directors' Report

For the Half year ended June 30, 2022

The Directors of Guaranty Trust Holding Company Plc ("the Company") are pleased to present their report on the affairs of the Company and its subsidiaries ("the Group"), together with the Group audited financial statements and the auditor's report for the half year ended June 30, 2022.

Legal form and principal activity

Guaranty Trust Holding Company Plc was incorporated as public limited company on July 24, 2020. The Company was licensed as a non-operating financial holding company on April 14, 2021, with the listing of its shares on The Nigerian Exchange Limited on June 24, 2021. The Company commenced operations on August 1, 2021.

The Company is a financial holding company and its subsidiaries handle Banking, Payments, Pension Fund Administration and Asset Management.

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

Operating results

The Snapshot of the Group's operating results for the period ended June 30, 2022, are shown below:

	Group Jun-22 N'000	**Group Jun-21 N'000**	**Company Jun-22 N'000**	**Company Jun-21 N'000**
Gross Earnings	239,288,952	207,914,405	79,464,184	-
Profit before income tax	103,249,347	93,056,059	78,604,886	-
Income tax expense	(25,692,310)	(13,641,336)	-	-
Profit for the period	77,557,037	79,414,723	78,604,886	-
Profit attributable to:				
Equity holders of the parent entity	75,798,757	78,140,614	78,604,886	-
Non-controlling interests	1,758,280	1,274,109	-	-
Earnings Per Share (Kobo) - Basic	270	279	267	-
Earnings Per Share (Kobo) - Diluted	270	279	267	-

Dividends

During the period under review, Directors proposed the payment of an interim dividend in the sum of 30 Kobo per ordinary share on the issued capital of 29,431,179,224 Ordinary Shares of 50 Kobo each payable to Shareholders on the register of shareholding at the closure date. Withholding tax will be deducted at the time of payment.

There was no income tax consequence on the Company as a result of the dividend pay-out, as the Company is only required to deduct this tax at source on behalf of Tax authorities in Nigeria. The tax so withheld represents advance payment of income tax by the recipient shareholders.

Directors and their interest

The Directors who held office during the year, together with their direct and indirect interests in the issued share capital (including the Global Depositary Receipts (GDRs)) of the Company as recorded in the register of Directors' Shareholding and/or as notified by the Directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act and the listing requirements of The Nigerian Exchange Limited is noted below:

	Names	Direct Holding June 2022	*Indirect Holding June 2022	Direct Holding June 2021	*Indirect Holding June 2021
		Shares of 50k each			
1	Mr. H. A. Oyinlola		552,900		352,900
2	Mr. Olusegun Agbaje	32,146,651	9,481,350[1]	32,146,651	9,481,350[1]
3	Mrs. C. N. Echeozo	2,108,118	2,940,300	2,108,118	2,940,300
4	Mr. S. Barau	-	-	-	-
5	Mrs. H. L. Bouygues	-	-	-	-
6	Mr. A. I. Adeniyi	263,312	74,400	263,312	74,400

[1]Indirect shareholding includes underlying shares of GDRs (Global Depository Receipts)

Directors' Remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the codes of corporate governance issued by its regulators.

In compliance with Section 34(5) of the Code of Corporate Governance for Public Companies as issued by Securities and Exchange Commission, the Company makes disclosure of the remuneration paid to its directors as follows:

Type of package Fixed	Description	Timing
Basic Salary	- Part of gross salary package for Executive Directors only. - Reflects the financial industry competitive salary package and the extent to which the Company's objectives have been met for the financial year	Paid monthly during the financial year
13th month salary	- Part of gross salary package for Executive Directors only. - Reflects the financial industry competitive salary package and the extent to which the Company's objectives have been met for the financial year	Paid last month of the financial year
Director fees	- Paid annually on the day of the Annual General Meeting ('AGM') to Non-Executive Directors only	Paid annually on the day of the AGM
Sitting allowances	- Allowances paid to Non-Executive Directors only for attending Board and Board Committee Meetings.	Paid after each Meeting

Members of the Board

The Board is comprised of Mr. Sola Oyinlola as Chairman, Mr. Segun Agbaje as the Group Chief Executive Officer, Mrs. Cathy Echeozo as Non-Executive Director, Mr. Suleiman Barau and Mrs. Helen Bouygues as Independent Non-Executive Directors and Mr. Adebanji Adeniyi as Executive Director. The Central Bank of Nigeria has approved the appointments and the Directors were approved by Shareholders approval at the 1st Annual General Meeting.

Changes on the Board

In the course of the half year ended June 30, 2022, there was no change on the Board.

Shareholding analysis

The analysis of the distribution of the shares of the Company as at June 30, 2022, is as follows:

Share Range			Number of Shareholders	% of Shareholder	Number of Holdings	% Shareholding
1	-	10,000	253,559	76.6495	751,215,932	2.5524
10001	-	50,000	57,052	17.2465	1,238,265,987	4.2073
50001	-	100,000	9,250	2.7962	655,018,520	2.2256
100001	-	500,000	8,311	2.5124	1,719,621,985	5.8429
500001	-	1,000,000	1,155	0.3492	816,903,463	2.7756
1000001	-	5,000,000	1,118	0.3380	2,219,925,366	7.5428
5000001	-	10,000,000	148	0.0447	1,004,198,680	3.4120
10000001	-	50,000,000	141	0.0426	3,038,948,615	10.3256
50000001	-	100,000,000	27	0.0082	1,975,714,441	6.7130
100000001	-	500,000,000	33	0.0100	5,970,145,061	20.2851
500000001	-	1,000,000,000	4	0.0012	2,802,037,155	9.5206
1000000001	-	2,000,000,000	4	0.0012	5,880,734,032	19.9813
SUB TOTAL: -			**330,802**	**99.9997**	**28,072,729,237**	**95.3843**
GTCO GDR UNDERLYING SHARES			**1**	**0.0003**	**1,358,449,987**	**4.6157**
TOTAL			**330,803.00**	**100.00**	**29,431,179,224**	**100.00**

According to the Register of Members as at June 30, 2022, no individual shareholder held more than 5% of the issued share capital of the Bank except for the following:

SHAREHOLDER	NO OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
** Stanbic Nominees Nigeria Limited	5,863,688,028	19.92

** Stanbic Nominees Nigeria Limited ("Stanbic") held 19.92% of the Company 's shares largely in trading accounts on behalf of various investors. Stanbic does not exercise personal voting rights on the said shares..

Donations and charitable gifts

In order to identify with the aspirations of various sections of the society, the Group donated a total sum of ₦147,691,122 (June 30 2021: ₦2,484,099,482) as donations and charitable contributions during the year. It comprises contributions to Educational organizations, Art and Cultural organizations, and Professional organizations amongst others.

A listing of the beneficiary organizations and the amounts donated to them is shown in the table:

SECTOR	BENEFICIARY/PROJECT	AMOUNT (₦)
Community Development	Contributions towards UNEP Finance Initiative membership	14,663,260
	Provision of Basic Healthcare for underpriviledged children in partnership with SRC	45,221,296
	Support for Community Health Initiatives	300,000
	Support for people living with Autism	1,000,000
	Support for Women achievement globally (IWD)	693,750
Education	Financial Literacy Training for Schools	19,815,000
	Sponsorship of School Sports (NUGA Games)	58,905,717
	Support for Children's Day Initiative	1,000,000
	Support for School Agriculture Project	2,000,000
	Support for School Extra-curricular Activities	1,915,000
Others	Others	2,177,100
Grand Total		**147,691,122**

Post balance sheet events

There were no post balance sheet events which could have a material effect on the financial position of the Group as at June 30, 2022 and profit attributable to equity holders on the date other than as disclosed in the financial statements.

Research and development

The Company - on a continuous basis - carries out research into new financial products and services.

Gender Analysis

The average number and percentage of males and females employed during the half year ended June 30 2022 vis-a-vis total workforce is as follows:

Group

	Male	Female	Total	Male	Female
		Number		%	
Employees	2,721	2,173	4,894	56%	44%

Gender analysis in terms of Board and Top Management as at June 30, 2022 is as follows:

	Male	Female	Total	Male	Female
		Number		%	
Board	4	2	6	66%	34%
Top Management	51	30	81	62%	38%
Total	**55**	**32**	**87**	**63%**	**37%**

Detailed Gender analysis in terms of Board and Top Management as at June 30, 2022 is as follows:

	Male	Female	Total	Male	Female
		Number		**%**	
Assistant General Manager	17	15	32	53%	47%
Deputy General Manager	14	9	23	61%	39%
General Manager	7	4	11	64%	36%
Executive Director (Subsidiaries)	2	0	2	100%	0%
Managing Director (Group Entities)	10	2	12	83%	17%
Deputy Managing Director (Subsidiaries)	1	0	1	100%	0%
Executive Director (Holdco)	1	0	1	100%	0%
Group CEO	1	0	1	100%	0%
Non-Executive Directors	2	2	4	50%	50%
Total	**55**	**32**	**87**	**63%**	**37%**

Human Resources Policy

(1) Recruitment

The Company conforms with all regulatory requirements in the employment of staff, whilst also ensuring that only fit and proper persons are approved for appointment to board or top management positions. All prescribed pre-employment screening for prospective employees and other requirements for regulatory confirmation of top management appointments are duly implemented.

(2) Diversity and Inclusion

The Company treats all employees, prospective employees and customers fairly and equally, regardless of their gender, sexual orientation, family status, race, colour, nationality, ethnic or national origin, religious belief, age, physical or mental disability, or any such factor.

The Company seeks to achieve a minimum of 30% and 40% female representation at Board and Top Management levels respectively, subject to identification of candidates with appropriate skills. For the purpose of this statement, “Board” refers to Group Chief Executive Officer, Executive Directors and Non-Executive Directors while “Top Management” refers to General Manager, Deputy General Manager and Assistant General Manager grades.

(3) Employment of Physically Challenged Persons

The Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from physically challenged persons.

In the event of any employee becoming physically challenged in the course of employment, where possible, the Company is in a position to arrange training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. In the period under review, the Company had three persons on its staff list with physical challenges.

(4) Employee Involvement and Training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their well-being through various forums including town hall meetings. Towards this end, the Company provides opportunities where employees deliberate on issues affecting the Company and employee interests, with a view to making inputs to decisions thereon.

The Company places a high premium on the development of its workforce. Consequently, the Company sponsored its employees for various training courses, both locally and overseas, in the year under review. The Company has also gone into partnership with top-notch executive business schools in Europe and North America to deliver world-class technical and leadership training to employees in Nigeria.

(5) Health, Safety and Welfare of Employees

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Company provides medical facilities to its employees and their immediate families at its expense. In line with the status of the Company as a family-friendly organization, we operate a crèche facility at our Head Office and have plans to expand to other locations in due course. There is a state-of-the-art gymnasium for staff at our Head Office. This is in addition to the registration of staff members at fitness centres (within their vicinity) and social clubs towards achieving employee wellness.

The Company has in place a number of training programmes, workshops and enlightenment programmes/publications designed to equip staff members with basic health management tips, First Aid, fire prevention and other occupational safety skills.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company operates a Group Life and Group Personal Accident (formerly known as Workmen's Compensation) Insurance covers and Employee Compensation Act contributions for the benefits of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004 (amended in 2014) as well as a terminal gratuity scheme for its employees.

BY ORDER OF THE BOARD

Erhi Obebeduo
Company Secretary
FRC/2017/NBA/00000016024
Plot 635, Akin Adesola Street, Victoria Island, Lagos
19 August 2022

Statement of Directors' Responsibilities in Relation to the Financial Statements for the half year ended June 30, 2022

The Directors accept responsibility for the preparation of the financial statements set out from pages 53 – 287 that give a true and fair view in accordance with the requirements of the International Financial Reporting Standards.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Going Concern:

The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Bank will not remain a going concern in the years ahead.

Resulting from the above, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Thus, directors continued the adoption of the going concern basis of accounting in preparing the financial statements.

SIGNED ON BEHALF OF THE DIRECTORS BY:

BANJI ADENIYI	SEGUN AGBAJE
CHIEF FINANCIAL OFFICER	GROUP MANAGING DIRECTOR
FRC/2013/ICAN/00000004318	FRC/2013/CIBN/00000001782
30 July 2022	30 July 2022

Report of the Audit Committee

For the half year ended June 30, 2022

To the members of Guaranty Trust Holding Company Plc

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2004, the members of the Audit Committee of Guaranty Trust Holding Company Plc hereby report as follows:

- We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act, 2004 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Company and Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the half year ended June 30, 2022, were satisfactory and reinforce the Group's internal control systems.
- We are satisfied that the Company has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February, 2004 on "Disclosure of directors' related credits in the financial statements of Companys", and hereby confirm that an aggregate amount of N4,250,413,264 (December 31, 2021: N6,859,721,453) was outstanding as at June 30, 2022. The status of performance of insider related credits is as disclosed in Note 46.
- We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and the effectiveness of the Bank's system of accounting and internal control.

Mrs. Sandra Mbagwu-Fagbemi
Chairman, Audit Committee
July 29, 2022
FRC/2020/002/00000020305

Members of the Audit Committee are:

1. Mrs. Sandra Mbagwu-Fagbemi Chairman
2. Alhaji M.A. Usman
3. Mrs. A. Kuye
4. Mrs. C. N. Echeozo
5. Mrs. H. L. Bouygues

Shareholder's Representatives

Corporate Responsibility for Financial Statements as at June 30, 2022

The Group Chief Executive Officer and the Group Chief Financial Officer of Guaranty Trust Holding Company Plc. have reviewed the audited financial statements and accept responsibility for the financial and other information within the annual report. The following certifications and disclosures regarding the true and fair view of the financial statements as well as the effectiveness of the Internal Controls established within the Group are hereby provided below:

Financial Information

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

II. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of and for the period ended June 30, 2022.

Effective Internal Controls

I. Effective internal controls have been designed to ensure that material information relating to the Company and its Subsidiaries are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.
II. The effectiveness of the Group's Internal controls have been evaluated within 90 days prior to June 30, 2022
III. The Group's Internal Controls are effective as at June 30, 2022.

Disclosures

I. There were no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarize and report financial data. Furthermore, there were no identified material weaknesses in the Group's Internal Control systems.
II. There were no fraud events involving Senior Management or other employees who have a significant role in the company's Internal control.
III. There were no significant changes in internal controls or in other factors that could significantly affect internal controls.

SIGNED BY:

CHIEF FINANCIAL OFFICER	GROUP MANAGING DIRECTOR
BANJI ADENIYI	SEGUN AGBAJE
FRC/2013/ICAN/00000004318	FRC/2013/CIBN/00000001782
28 July, 2022	28 July, 2022

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GUARANTY TRUST HOLDING COMPANY PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Guaranty Trust Holding Company ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate income statements, the consolidated and separate statements of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the six months then ended, and a summary of significant accounting policies and notes to the consolidated and separate financial statements.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 30 June 2022 and its consolidated and separate financial performance and consolidated and separate cash flows for the six months then ended in accordance with the International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act 2020, the Banks and Other Financial Institutions Act (BOFIA) 2020, and relevant circulars issued by the Central Bank of Nigeria (CBN) and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GUARANTY TRUST HOLDING COMPANY PLC - Continued

Key Audit Matters - Continued

The Key Audit Matter apply to the audit of the consolidated financial statements.

Key Audit Matter	How the matter was addressed in the audit
Impairment of loans and advances to customers and off-balance sheet loan commitments The determination of the adequacy of the allowance for expected credit losses (ECL) for loans and advances and off-balance sheet loan commitments is highly subjective and judgmental. As at 30 June 2022, the Group reported total gross loans and advances to customers and total credit risk exposure relating to off-balance sheet of N1,917.3 billion and N632.4 billion, respectively; allowance for ECL of N84.2billion; and ECL impairment charges of N3.3 billion. Given the subjective nature of the calculation of ECL there is a heightened risk that the extent of allowances could be misstated. The ECL model involves the application of considerable level of judgement and estimation in determining inputs for ECL calculation such as: • determining criteria for significant increase in credit risk (SICR) for the purpose of stage assessment. • assessing the relationship between default and macro-economic variables. • incorporating forward looking information in the expected credit loss and establishing multiple scenarios with related probability weights. • validating the completeness and accuracy of historical data used to recalibrate the models • validating the completeness and accuracy of data used to run the models; and • factors incorporated in determining the Probability of Default (PD), the Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD). • factors considered in cash flow estimation including timing and amount. • factors considered in collateral valuation. • factors considered in determining Credit Conversion Factor (CCF) for off balance sheet exposures such as bonds and guarantees and loan commitments.	Our audit approach was a combination of control reliance and substantive procedures. We reviewed IT General and Application controls governing the IT systems used to calculate expected credit losses such as the process for data migration and upload, access controls over inputs into the system, change management controls and staging configuration within the system. We reviewed management's criteria for default and significant increase in credit risk (SICR) by reviewing customer files and account statements for selected obligors to identify quantitative and qualitative indicators of SICR and default. In addition, for stage 3 exposures, we assessed all the assumptions considered in the estimation of recovery cash flows, the discount factor, collateral valuation, and timing of realization. Working with our credit risk modelling specialists, we gained an understanding of how the PD, LGD and EAD were derived by reviewing the ECL model documentation and performing walkthroughs. Our specialists evaluated and performed the following in respect of the ECL parameters: *Probability of default (PD)* • Assessed the Group's rating scale based on their homogenous categories. • Re-computed the through-the-cycle PDs, by observing yearly migration of balances from a performing state to a non-performing state rating over a four-year period. • Re-calculated the conversion of through-the-cycle PDs to conditional PDs. *Loss given default (LGD)* • Reviewed the assumptions used in determining LGD. • Tested historical data for recoveries on unsecured exposures and re-computed unsecured LGD in order to assess the reasonableness of the Group's LGD computations. • Reviewed and challenged the reasonableness of collateral parameters.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARANTY TRUST HOLDING COMPANY PLC - Continued

Key Audit Matters - Continued

Key Audit Matter	How the matter was addressed in the audit
The determination of ECL on loans and advances to customers and off-balance sheet accounts is considered a key audit matter given the significant balances of loans and advances to customers, off balance-sheet accounts, and related ECL allowances and charges, and the level of complexity and judgement involved in the process. See Note 3(V) for the related Accounting policies and Notes 29 and 43 of the Consolidated and Separate Financial Statements for the details of the balances.	***Exposure at default (EAD)*** We re-computed the Lifetime exposures at default using the EAD parameters contained in the loan book. ***Disclosures*** We evaluated the adequacy of disclosures in the financial statements including the appropriateness of assumptions and sensitivities disclosed. We tested the data and calculations supporting the disclosures.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Guaranty Trust Holding Company Plc Audited Consolidated and Separate Financial Statements Together with Directors' and Auditor's Reports for the period ended 30 June 2022", which includes the Corporate Governance, Subsidiaries Governance, Sustainability Report, Complaints and Feedback, Anti-Money Laundering and Combating Terrorist Financing Framework, Internal Control and Risk Management Systems, Directors' Report, Statement of Directors' Responsibilities, Report of the Audit Committee, Corporate Responsibility for Financial Statements, and Other National Disclosures as required by the Companies and Allied Matters Act 2020, and the Financial Reporting Council Act, No. 6, 2011, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act 2020, the Banks and Other Financial Institutions Act (BOFIA) 2020, and relevant circulars issued by the Central Bank of Nigeria (CBN) and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal controls as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARANTY TRUST HOLDING COMPANY PLC - Continued

Responsibilities of the Directors for the Consolidated and Separate Financial Statements - Continued

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARANTY TRUST HOLDING COMPANY PLC - **Continued**

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements - Continued

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) In our opinion, proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books.

iii) The consolidated and separate statements of financial position, the consolidated and separate income statements, and the consolidated and separate statements of other comprehensive income are in agreement with the books of account; and

iv) In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARANTY TRUST HOLDING COMPANY PLC - Continued

Report on Other Legal and Regulatory Requirements - Continued

In compliance with the Banks and Other Financial Institutions Act 2020, and circulars issued by Central Bank of Nigeria, we confirm that:

i) Related party transactions and balances are disclosed in Note 46 to the consolidated and separate financial statements in compliance with Central Bank of Nigeria circular BSD/1/2004.

ii) Returns on customers' complaints are disclosed in Other Information - Complaints and Feedback in compliance with Central Bank of Nigeria circular PDR/DIR/CIR/01/20.

iii) As stated in Note 47 to the consolidated and separate financial statements, Guaranty Trust Bank Limited (formerly Guaranty Trust Bank Plc) paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act 2020 and circulars issued by Central Bank of Nigeria during the year ended 30 June 2022.

Anthony Oputa
FRC/2013/ICAN/00000000980

For: Ernst & Young
Lagos, Nigeria
18 August 2022

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0008567

Financial statements

Consolidated and separate statements of financial position

As at 30 June 2022

In thousands of Nigerian Naira	*Notes*	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Assets					
Cash and bank balances	22	1,038,773,906	933,591,069	-	-
Financial assets at fair value through profit or loss	23	262,320,001	104,397,651	-	-
Derivative financial assets	24	14,289,305	24,913,435	-	-
Investment securities:	-				
– Fair value through profit or loss	25	3,904,458	3,904,458	-	-
– Fair value through other comprehensive income	25	273,662,395	276,041,190	-	-
– Held at amortised cost	25	766,157,451	846,923,215	-	-
Assets pledged as collateral	26	123,258,000	79,273,911	-	-
Loans and advances to banks	27	1,597,490	115,014	-	-
Loans and advances to customers	28	1,833,097,144	1,802,587,381	-	-
Restricted deposits and other assets	33	1,137,835,972	1,137,554,208	284,063	1,407,460
Investment in subsidiaries	29	-	-	162,956,559	141,811,575
Property and equipment, and Right of use assets	30	199,278,338	203,971,924	938,699	496,969
Intangible assets	31	29,103,787	19,573,604	-	-
Deferred tax assets	32	2,720,129	3,187,937	-	-
Total assets		**5,685,998,376**	**5,436,034,997**	**164,179,321**	**143,716,004**
Liabilities					
Deposits from banks	34	131,799,616	118,027,576	-	-
Deposits from customers	35	4,262,634,826	4,012,305,554	-	-
Financial liabilities at fair value through profit or loss	36	1,614,361	-	-	-
Derivative financial liabilities	24	1,228,279	1,580,971	-	-
Other liabilities	37	316,277,220	231,519,271	27,398,670	6,076,055
Current income tax liabilities	20	15,467,593	22,676,168	-	-
Other borrowed funds	39	99,961,020	153,897,499	-	-
Deferred tax liabilities	32	11,324,398	12,800,866	-	-
Total liabilities		**4,840,307,313**	**4,552,807,905**	**27,398,670**	**6,076,055**

Consolidated and separate statements of financial position (Continued)

In thousands of Nigerian Naira	*Notes*	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Capital and reserves	40				
Share capital		14,715,590	14,715,590	14,715,590	14,715,590
Share premium		123,471,114	123,471,114	123,471,114	123,471,114
Treasury shares		(8,125,998)	(8,125,998)	-	-
Retained earnings		164,068,117	198,358,025	(1,406,053)	(546,755)
Other components of equity		532,375,954	535,938,145	-	-
Capital and reserves attributable to equity holders of the parent entity		**826,504,777**	**864,356,876**	**136,780,651**	**137,639,949**
Non-controlling interests in equity		19,186,286	18,870,216	-	-
Total equity		**845,691,063**	**883,227,092**	**136,780,651**	**137,639,949**
Total liabilities and equity		**5,685,998,376**	**5,436,034,997**	**164,179,321**	**143,716,004**

Approved by the Board of Directors on 30 July 2022:

Group Chief Financial Officer
Banji Adeniyi
FRC/2013/ICAN/00000004318

Non Exective Director
Cathy Echeozo
FRC/2013/ICAN/00000001319

Group Chief Executive Officer
Segun Agbaje
FRC/2013/CIBN/00000001782

The accompanying notes to the financial statements form an integral part of these financial statements.

Consolidated and separate income statements

For the period ended 30 June 2022

In thousands of Nigerian Naira	*Notes*	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Interest income calculated using the effective interest method	9	134,985,729	116,864,807	-	-
Interest income on financial assets at fair value through profit or loss	9	12,213,878	9,226,294	-	-
Interest expense	10	(26,351,379)	(19,035,826)	-	-
Net interest income		**120,848,228**	**107,055,275**	**-**	**-**
Loan impairment charges	11	(3,519,038)	(4,714,675)	-	-
Net interest income after loan impairment charges		**117,329,190**	**102,340,600**	**-**	**-**
Fee and commission income	12	46,479,355	38,284,192	-	-
Fee and commission expense	13	(6,713,478)	(1,428,928)	-	-
Net fee and commission income		**39,765,877**	**36,855,264**	**-**	**-**
Net trading gains on financial instruments held at fair value through profit or loss	14	23,598,680	17,685,428	-	-
Other income	15	22,011,310	25,853,684	79,464,184	-
Net impairment charge on other financial assets	16	(543)	(341,707)	-	-
Personnel expenses	17	(18,539,903)	(17,234,789)	(615,026)	-
Depreciation and amortisation	18	(17,345,473)	(17,761,788)	(43,250)	-
Other operating expenses	19	(63,569,791)	(54,340,633)	(201,022)	-
Profit before income tax		**103,249,347**	**93,056,059**	**78,604,886**	**-**
Income tax expense	20	(25,692,310)	(13,641,336)	-	-
Profit for the period		**77,557,037**	**79,414,723**	**78,604,886**	**-**
Profit attributable to:					
Equity holders of the parent entity		75,798,757	78,140,614	78,604,886	-
Non-controlling interests		1,758,280	1,274,109	-	-
		77,557,037	**79,414,723**	**78,604,886**	**-**
Earnings per share attributable to the equity holders of the parent entity during 'the period (expressed in naira per share):					
– Basic	21	2.70	2.79	2.67	-
– Diluted	21	2.70	2.79	2.67	-

The accompanying notes to the financial statements form an integral part of these financial statements.

Consolidated and separate statements of other comprehensive income

For the period ended 30 June 2022

In thousands of Nigerian Naira	***Notes***	**Group Jun-2022**	**Group Jun-2021**	**Company Jun-2022**	**Company Jun-2021**
Profit for the period		77,557,037	79,414,723	78,604,886	-
Other comprehensive income to be reclassified to profit or loss in subsequent Periods:					
Foreign currency translation differences for foreign operations		(29,316,647)	(2,731,600)	-	-
Income tax relating to foreign currency translation differences for foreign operations	20	8,794,994	819,480	-	-
Net change in fair value of other financial assets FVOCI		(21,580,616)	(19,839,760)	-	-
Income tax relating to change in fair value of other financial assets FVOCI	20	6,474,185	5,951,928	-	-
		(35,628,084)	(15,799,952)	-	-
Other comprehensive (loss) for the period, net of tax		(35,628,084)	(15,799,952)	-	-
Total comprehensive income for the period		**41,928,953**	**63,614,771**	**78,604,886**	**-**
Total Comprehensive Income attributable to:					
Equity holders of the parent entity		**41,612,883**	**61,670,623**	**78,604,886**	**-**
Non-controlling interests		**316,070**	**1,944,148**	**-**	**-**
Total comprehensive income for the period		**41,928,953**	**63,614,771**	**78,604,886**	**-**

The accompanying notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
For the period ended 30 June 2022
Group

In thousands of Nigerian Naira	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Treasury shares	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total equity attributable to parent	Non-controlling interests	Total equity
Balance at 1 January 2022	**14,715,590**	**123,471,114**	**87,614,884**	**424,084,348**	**(8,125,998)**	**6,604,907**	**17,634,006**	**198,358,025**	**864,356,876**	**18,870,216**	**883,227,092**
Total comprehensive income for the year:											
Profit for the period	-	-	-	-	-	-	-	75,798,757	75,798,757	1,758,280	77,557,037
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	(18,950,025)	-	(18,950,025)	(1,571,628)	(20,521,653)
Fair value adjustment	-	-	-	-	-	(15,235,849)	-	-	(15,235,849)	129,418	(15,106,431)
Total other comprehensive loss	**-**	**-**	**-**	**-**	**-**	**(15,235,849)**	**(18,950,025)**	**-**	**(34,185,874)**	**(1,442,210)**	**(35,628,084)**
Total comprehensive income/(loss	**-**	**-**	**-**	**-**	**-**	**(15,235,849)**	**(18,950,025)**	**75,798,757**	**41,612,883**	**316,070**	**41,928,953**
Transactions with equity holders, recorded directly in equity:											
Transfers for the period	-	-	6,311,696	11,557,128	-	12,663,867	-	(30,532,691)	-	-	-
Dividend to equity holders[2]	-	-	-	-	-	-	-	(79,464,184)	(79,464,184)	-	(79,464,184)
Increase/ decrease from Subsidiaries acquisition	-	-	-	28,872	-	62,120	-	(91,790)	(798)	-	(798)
	-	**-**	**6,311,696**	**11,586,000**	**-**	**12,725,987**	**-**	**(110,088,665)**	**(79,464,982)**	**-**	**(79,464,982)**
Balance at 30 June 2022	**14,715,590**	**123,471,114**	**93,926,580**	**435,670,348**	**(8,125,998)**	**4,095,045**	**(1,316,019)**	**164,068,117**	**826,504,777**	**19,186,286**	**845,691,063**

[1] Please refer to Note 41

[2] Please refer to Note 42

The accompanying notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
For the period ended 30 June 2021
Group

In thousands of Nigerian Naira	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Treasury shares	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total equity attributable to parent	Non-controlling interest	Total equity
Balance at 1 January 2021	**14,715,590**	**123,471,114**	**62,428,155**	**386,056,504**	**(6,928,103)**	**4,016,558**	**20,933,240**	**193,921,810**	**798,614,868**	**15,780,809**	**814,395,677**
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	-	78,140,614	78,140,614	1,274,109	79,414,723
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	(1,921,134)	-	(1,921,134)	9,014	(1,912,120)
Fair value adjustment	-	-	-	-	-	(14,548,857)	-	-	(14,548,857)	661,025	(13,887,832)
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**(14,548,857)**	**(1,921,134)**	**-**	**(16,469,991)**	**670,039**	**(15,799,952)**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**(14,548,857)**	**(1,921,134)**	**78,140,614**	**61,670,623**	**1,944,148**	**63,614,771**
Transactions with equity holders, recorded directly in equity:											
Transfers for the period	-	-	6,400,304	22,327,311	-	-	-	(28,727,615)	-	-	-
(Acquisition)/disposal of own shares[1]	-	-	-	-	(609,245)	-	-	-	(609,245)	-	(609,245)
Dividend to equity holders[2]	-	-	-	-	-	-	-	(79,464,184)	(79,464,184)	(354,556)	(79,818,740)
	-	**-**	**6,400,304**	**22,327,311**	**(609,245)**	-	-	**(108,191,799)**	**(80,073,429)**	**(354,556)**	**(80,427,985)**
Balance at 30 June 2021	**14,715,590**	**123,471,114**	**68,828,459**	**408,383,815**	**(7,537,348)**	**(10,532,299)**	**19,012,106**	**163,870,625**	**780,212,062**	**17,370,401**	**797,582,463**

[1] Please refer to Note 41

[2] Please refer to Note 42

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Changes in Equity
For the period ended 30 June 2022
Company

In thousands of Nigerian Naira	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves[1]	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2022	**14,715,590**	**123,471,114**	**-**	**-**	**-**	**(546,755)**	**137,639,949**
Total comprehensive income for the Period:							
Profit for the period	-	-	-	-	-	78,604,886	78,604,886
Other comprehensive income, net of tax							
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	-	-	-	-	-	78,604,886	**78,604,886**
Transactions with equity holders, recorded directly in equity:							
Dividend to equity holders[2]	-	-	-	-	-	(79,464,184)	(79,464,184)
	-	**-**	**-**	**-**	-	**(79,464,184)**	**(79,464,184)**
Balance at 30 June 2022	**14,715,590**	**123,471,114**	**-**	**-**	**-**	**(1,406,053)**	**136,780,651**

[1] Please refer to Note 41

[2] Please refer to Note 42

The accompanying notes to the financial statements form an integral part of these financial statements.

Consolidated and separate statements of cash flows

For the period ended 30 June 2022

In thousands of Nigerian Naira	***Notes***	**Group Jun-2022**	**Group Jun-2021**	**Company Jun-2022**	**Company Jun-2021**
Cash flows from operating activities					
Profit for the period		77,557,037	79,414,723	78,604,886	-
Adjustments for:					
Depreciation of property and equipment	18	14,656,302	15,469,516	43,250	-
Amortisation of Intangible assets	18	2,689,171	2,292,272	-	-
Gain on disposal of property and equipment	15	(34,808)	64,725	-	-
Gain on repossessed collateral	15	-	-	-	-
Impairment on financial assets		3,519,581	5,056,382	-	-
Net interest income		(120,848,228)	(107,055,275)	-	-
Foreign exchange gains	15	(8,199,905)	(13,489,614)	-	-
Fair value changes for assets at FVTPL		(2,400,487)	(1,638,035)	-	-
Dividend income	15	(248,271)	(179,750)	(79,464,184)	-
Income tax expense	20	25,692,310	13,641,336	-	-
Other non-cash items		888,836	60,175	-	-
		(6,728,462)	(6,363,545)	(816,048)	-
Net changes in:					
Financial assets at fair value through profit or loss		(167,152,491)	(6,988,465)	-	-
Assets pledged as collateral		(45,973,803)	(7,252,872)	-	-
Loans and advances to banks and placements with banks		20,165,958	1,349,324	-	-
Loans and advances to customers		(80,130,342)	33,769,261	-	-
Restricted deposits and other assets		23,872,882	159,119,864	1,123,397	-
Deposits from banks		34,730,074	25,221,281	-	-
Deposits from customers		364,706,076	109,223,817	-	-
Financial liabilities at fair value through profit or loss		1,614,361	3,086,939	-	-
Other liabilities		88,879,003	(26,867,306)	21,322,615	-
		240,711,718	290,661,843	22,446,012	-
Interest received		137,888,091	122,353,670	-	-
Interest paid		(26,328,519)	(18,121,172)	-	-
		111,559,572	104,232,498	-	-
		345,542,828	388,530,796	21,629,964	-
Income tax paid	20(b)	(25,301,380)	(24,235,132)	-	-
Net cash flow provided by operating activities		**320,241,448**	**364,295,664**	**21,629,964**	**-**

The accompanying notes to the financial statements form an integral part of these financial statements.

Consolidated and separate statements of cash flows

For the period ended 30 June 2022

In thousands of Nigerian Naira	***Notes***	**Group Jun-2022**	**Group Jun-2021**	**Company Jun-2022**	**Company Jun-2021**
Cash flows from investing activities					
Redemption of investment securities		1,484,964,473	1,186,139,664	-	-
Purchase of investment securities		(1,456,983,351)	(1,382,683,572)	-	-
Dividends received	15	248,271	179,750	79,464,184	-
Purchase of property and equipment and Right of use assets	30	(12,639,874)	(18,318,910)	(484,980)	-
Proceeds from the sale of property and equipment		133,387	491,387	-	-
Purchase of intangible assets	31	(12,306,851)	(1,927,565)	-	-
Net cash flow (used in)/ from investing activities		3,416,055	(216,119,246)	78,979,204	-
Cash flows from financing activities					
Repayment of long term borrowings	39(b)	(58,968,718)	(20,245,350)	-	-
Proceeds from long term borrowings	39(b)	5,480,157	16,613,140	-	-
Additional investment in subsidiary	31	-	-	(21,144,984)	-
Purchase of treasury shares	40(b)	-	(609,245)	-	-
Lease liabilities	37(f)	(1,675,802)	(1,511,110)	-	-
Dividends paid to owners	41	(79,464,184)	(79,464,184)	(79,464,184)	-
Dividends paid to non-controlling interests	41	-	(354,556)	-	-
Net cash flow used in financing activities		(134,628,547)	(85,571,305)	(100,609,168)	-
Net increase in cash and cash equivalents		189,028,956	62,605,113	-	-
Cash and cash equivalents at beginning of the period		905,657,236	711,429,420	-	-
Effect of exchange rate fluctuations on cash held		(62,196,144)	(12,581,811)	-	-
Cash and cash equivalents at end of the period	22(b)	1,032,490,048	761,452,722	-	-

The accompanying notes to the financial statements form an integral part of these financial statements.

1. Reporting entity

Guaranty Trust Holding Company Plc ("the Parent" or the "the Company") is a company incorporated in Nigeria. The address of the Company's registered office is Plot 635, Akin Adesola Street, Victoria Island, Lagos. These separate and consolidated financial statements, for the period ended 30 June 2022, are prepared for the Company and the Group (Holding Company and its subsidiaries, separately referred to as "Group entities") respectively. The Group is primarily involved in the provision of banking and other financial services to corporate and individual customers.

Guaranty Trust Holding Company Plc (GTCO Plc) commenced operations on August 1, 2021, after the transitioning of Guaranty Trust Bank plc into a financial holding company in accordance with the Central Bank of Nigeria (CBN)'s Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria, 2014 on July 1, 2021.

The transition was sequel to receipt of shareholders' approval in November 2020 by way of a scheme of arrangement which allows the Group to hold equity investments in non-core banking businesses under a subsidiary arrangement.

It is therefore expected that the restructuring would afford the Group greater strategic agility to harness opportunities across the financial services landscape while strengthening the Group's resilience in the face of regulatory/consumer behaviour changes.

Under the terms of the approved scheme of arrangement, the Bank's shareholders agreed to exchange their shares on a one-for-one basis for shares in Guaranty Trust Holding Company Plc (the Holding Company), and holders of global depositary receipts (GDRs) representing shares issued by the Bank (the Bank GDRs) have agreed to exchange their GDRs on a one-for-one basis for GDRs representing shares issued by the Holding Company.

The Holding Company's shares were admitted on the Official List of the Nigerian Exchange (NGX) on June 24, 2021 and the GDRs were admitted to trading on the main market of the London Stock Exchange on July 1, 2021. Pursuant to the listings, the Bank was registered as a limited liability company with the Corporate Affairs Commission (Nigeria) under the name Guaranty Trust Bank Limited.

2. Basis of preparation

The consolidated and separate annual financial statement for the period ended 30 June 2022 has been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). The financial statements comply with the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act, the Financial Reporting Council of Nigeria Act and other relevant Cental Bank of Nigeria circulars.

IFRS does not explicitly specify the accounting treatment for a group restructuring / re-organisation but provides guidance on the choices available in accounting for such transactions. In accounting for this restructuring, the Group applied the pooling of interests method of accounting after taking the following into consideration:

- The assets and liabilities of the company and subsidiaries are reflected at their carrying amounts as no adjustments have been made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination. The accounting policies of the company and subsidiaries are well aligned upon the reorganization.

- No 'new' goodwill is recognised as a result of the reorganization.

- The consolidated income statement reflects the results of the company and its subsidiaries.

Although Guaranty Trust Holdings Plc commenced operations on August 1, 2021, the accounting information has been prepared as if the Group had always been in existence in its current form and prior period comparatives presented accordingly.

The Financial Statements were authorized for issue by the directors on 30th July 2022.

3. (a) Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. All entities within the Group apply the same accounting policies.

(a) Functional and presentation currency

These Consolidated and Separate financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

(b) Basis of measurement

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

- Derivative financial instruments which are measured at fair value.
- Non-derivative financial instruments, carried at fair value through profit or loss, are measured at fair value.
- Fair value through other comprehensive income (FVOCI) financial assets are measured at fair value through equity.
- Liabilities for cash-settled share-based payment arrangements are measured at fair value.
- The Employee benefit asset is recognized as the present value of the defined benefit obligation less the fair value of the plan assets.
- The plan assets for defined benefit obligations are measured at fair value.
- Assets and liabilities at fair value through profit or loss are measured at fair value.
- Assets and Liabilities held to maturity are measured at amortised cost.
- Loans and Receivables are measured at amortised cost.

(c) Use of Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparently from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Changes to accounting policies

New and amended standards and interpretations
The accounting policies adopted are consistent with those of the previous financial period.

Standards and interpretations effective during the reporting period

Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2022. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

Amendment to IAS 16 – Property, Plant and Equipment: proceeds before intended use

The IASB issued amendment to IAS 16 – Property, Plant and Equipment which is effective for annual reporting periods beginning on or after 1 January 2022. The amendment prohibits the deduction from the cost to an item of property, plant and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognize the sale proceeds and related production cost of those items in Profit or loss.

The amendment must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendments.

The amendment did not have an impact on the Group’s financial statements.

Amendment to IAS 37 – Provisions, Contingent liabilities and Contingent assets

The IASB published amendment to IAS 37 – Provisions, Contingent liabilities and Contingent assets in May 2020. The amendment which is effective for annual reporting periods beginning on or after 1 January 2022 specifies the costs an entity needs to include when assessing whether a contract is onerous.

The amendment clarifies that the costs that relate to a contract comprise both incremental costs of fulfilling the contract and an allocation of other direct costs related to the contract activities. The amendment is not expected to have any material impact on the Group.

IFRS 3 – Reference to the Conceptual Framework

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendment did not have an impact on the Group’s financial statements.

IFRS 9: Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022.

The amendment did not have an impact on the Group’s financial statements.

Standards and interpretations issued/amended but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2022:

Standard	Content	Effective Date
IAS 1	Amendment to IAS 1- Classification of Liabilities as Current or Noncurrent	01-Jan-23
IFRS 17	Insurance Contracts	01-Jan-23
IFRS 8	Amendment to IFRS 8-Definition of Accounting Estimates	01-Jan-23
IAS 12	Amendment to IAS 12-Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01-Jan-23
IAS 1	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01-Jan-23

The Group has not applied the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates. Commentaries on these new standards/amendments are provided below.

IFRS 17 – Insurance Contracts

The IASB issued IFRS 17 in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard.

The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the Group in anyway as the Bank and its subsidiary companies do not engage in insurance business.

Amendment to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.The amendment clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.
The amendment does not have any material impact on the Group.

IFRS 8 – Definition of Accounting Estimates

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore,

such changes are not corrections of errors. This aspect of the definition was retained by the Board.
The amendment does not have any material impact on the Group.

IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

The amendment do not have any material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies

And

- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosure.

The amendment is not expected to have any material impact on the Group.

3. (b) Other Accounting Policies

Other accounting policies that have been applied are:

(a) Consolidation

The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as of the holding company's reporting date. The consolidation principles are unchanged as against the comparative period.

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

Acquisition of subsidiaries

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company. The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure at the acquisition date components of non-controlling interests in the acquiree at its fair value, or at its proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by IFRS. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Structured entity

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity is consolidated if the Group is exposed, or has rights to variable returns from its involvement with the Structured Entity and has the ability to affect those returns through its power over the Structured Entity. Power is the current ability to direct the activities that significantly influence returns.

(iii) Accounting method of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The results of the subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective acquisition date and or up to the effective date on which control ceases, as appropriate. The integration of the subsidiaries into the consolidated financial statements is based on consistent accounting and valuation methods for similar transactions and other occurrences under similar circumstances.

(iv) Transactions eliminated on consolidation

Intra-group balances, income and expenses (except for foreign currency translation gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with subsidiaries are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Profits and losses resulting from intra-group transactions are also eliminated.

(v) Non-controlling interest

The Group applies IFRS 10 Consolidated Financial Statements (2011) in accounting for acquisitions of non-controlling interests. Under this accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on the proportionate amount of the net assets of the subsidiary.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions and balances

Foreign currency transactions, that is transactions denominated, or that require settlement in a foreign currency, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the year end translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

All foreign exchange gains and losses recognised in the Income statement are presented net in the Income statement within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

In the case of changes in the fair value of monetary assets denominated in foreign currency classified as fair value through other comprehensive income, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in equity.

(iii) Group Entities

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each Income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
- All resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as 'Foreign currency translation reserve'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to 'Other comprehensive income'. When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(c) Interest

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

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, the next re-pricing date) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

The calculation of the effective interest rate includes contractual fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the Income statement include:

- Interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis.

- Interest on financial assets measured at fair value through OCI calculated on an effective interest rate basis.

Whilst interest revenue is always required to be presented as a separate line item, it is calculated differently according to the status of the asset with regard to credit impairment.

For a financial asset that has not become credit impaired since initial recognition, interest revenue is calculated using a 'gross method' of applying the effective interest rate method to the gross carrying amount of the asset (i.e. its carrying amount excluding the loss allowance).

For a financial asset that subsequently has become credit-impaired, from the beginning of the next reporting period, interest revenue is calculated using a 'net method' of applying the effective interest rate to the net amortised cost balance (i.e. including the loss allowance).

(d) Fees and commission

Fees and Commission that are integral to the effective interest rate on a financial asset are included in the measurement of the effective interest rate. These fees are management fees on non revolving credit facilities.

Other fees and commissions which relates mainly to transaction and service fees, including commitment fees which are charged on undisbursed portion of credit facilities, investment management and other fiduciary activity fees, sales commission, placement line fees, syndication fees and guarantee issuance fees are recognised at a point in time, or over time as the related services are provided / performed.

(e) Net gains on financial instruments held at fair value through profit or loss

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

(f) 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 derivatives held for risk management purposes that do not form part of qualifying hedge relationships.

Fair value changes on other derivatives held for risk management purposes, and other financial assets and liabilities carried at fair value through profit or loss, are presented in Other Income – Mark to market gain/(loss) on trading investments in the Income statement.

(g) Dividend income

Dividend income is recognised when the right to receive income is established. Dividends on trading equities are reflected as a component of Net gains on financial instruments held at fair value through profit or loss. Dividend income on long term equity investments is recognised as a component of other income.

(h) Leases

Leases (right-of-use asset) are accounted for in accordance with IFRS 16 and are accounted for in line with the following based on whether the Group is the Lessor or the Lessee:

(i) The Group is the lesse

At the commencement date, the Group recognises a right-of-use asset at cost and a lease liability, where applicable, at the present value of the lease payments that are not paid at that date.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability, the right-of-use asset is included in Restricted deposit and other assets. The Group subsequently measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The corresponding lease liabilities, where applicable, are included in other liabilities. The interest element of the lease liabilities is charged to the Income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) The Group is the lessor

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

(I) Income Tax

(i) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction and it consists of Company Income Tax, Education tax, NITDEF tax and Nigeria Police Trust Fund levy. Company Income tax is assessed at a statutory rate of 30% of total profit or Dividend Declared, whichever is higher. Education tax is computed as 2% of assessable profit, NITDEF tax is a 1% levy on Profit before tax of the Bank, and Nigeria Police Trust Fund Levy is 0.005% of Net profit.

Current income tax is recognised as an expense for the period except to the extent that current tax is related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, deferred tax is charged or credit to other comprehensive income or to equity (for example, current tax on FVOCI).

Where the Group has tax losses that can be relieved only by carrying it forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position.
The Group evaluates positions stated in tax returns; ensuring information disclosed are in agreement with the underlying tax liability, which has been adequately provided for in the financial statements. The Group 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

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
However, the deferred income 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 where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised when it is probable that future taxable profit will be available against which these temporary differences can be utilised. The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised. Deferred tax related to fair value re-measurement of FVOCI investments and cash flow hedges, which are recognised in other comprehensive income, is also recognised in the other comprehensive income and subsequently in the income statement together with the deferred gain or loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(j) Financial assets and liabilities

I. Recognition

The Group on the date of origination or purchase recognizes loans, debt and equity securities, deposits and subordinated debentures at the fair value of consideration paid. For non-revolving facilities, origination date is the date the facility is disbursed, origination date for revolving facilities is the date the line is availed, while origination date for credit card is the date the credit limit is availed on the card. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

II. Classification and Measurement

Initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss. Financial assets include both debt and equity instruments.

Financial assets are classified into one of the following measurement categories:

- Amortised cost
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVTPL) for trading related assets

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

Business Model Assessment

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Bank assesses business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model the Bank takes into consideration the following factors:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets
- how the performance of assets in a portfolio is evaluated and reported to Group heads and other key decision makers within the Bank's business lines;
- the risks that affect the performance of assets held within a business model and how those risks are managed;
- how compensation is determined for the Bank's business lines' management that manages the assets; and

- the frequency and volume of sales in prior periods and expectations about future sales activity.

Management determines the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:

- Business Model 1(BM1): Financial assets held with the sole objective to collect contractual cash flows;
- Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling; and
- Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These are basically financial assets held with the sole objective to trade and to realize fair value changes.

The Group may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- When the Group sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Group considers sale of financial assets that may occur in BM1 to be infrequent if the sales is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the financial year.
- Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.
- Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.
- When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.
- Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:

    - Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
    - Selling the financial asset to manage credit concentration risk (infrequent).
    - Selling the financial assets as a result of changes in tax laws (infrequent).
    - Other situations also depends upon the facts and circumstances which need to be judged by the management.

Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money.

a) Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortisation is included in Interest income in the Consolidated and Separate Income Statement. Impairment on financial assets measured at amortised cost is calculated using the expected credit loss approach.

Loans and debt securities measured at amortised cost are presented net of the allowance for credit losses (ACL) in the statement of financial position.

b) Financial assets measured at FVOCI

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets’ cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive Income (OCI), unless the instrument is designated in a fair value hedge relationship. Upon derecognition, realized gains and losses are reclassified from OCI and recorded in Other Income in the Consolidated and Separate Income Statement. Foreign exchange gains and losses that relate to the amortised cost of the debt instrument are recognized in the Consolidated and Separate Income Statement. Premiums, discounts and related transaction costs are amortised over the expected life of the instrument to Interest income in the Consolidated and Separate of Income Statement using the effective interest rate method. Impairment on financial assets measured at FVOCI is calculated using the expected credit loss approach.

c) Financial assets measured at FVTPL

Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Consolidated and Separate Statement of Financial Position, with transaction costs recognized immediately in the Consolidated and Separate Income Statements as part of Other Income. Realized and unrealized gains and losses are recognized as part of Other Income in the Consolidated and Separate Income Statements.

d) Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, any contract that evidences a residual interest in the issuer's net assets.

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized as part of Other Income in the Consolidated and Separate Income Statement. The Bank can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes. The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Consolidated and Separate Income Statement. Dividends received are recorded in other income in the Consolidated and Separate Income Statement. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Consolidated and Separate Income Statement on sale of the security. Transaction cost on disposal of equity instruments is recognised as an expense in the income statement.

Financial liabilities are classified into one of the following measurement categories:

- Amortised cost
- Fair Value through Profit or Loss (FVTPL)

e) Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the income statement and are reported as 'Net gains/(losses) on financial instruments held at fair value through profit or loss'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'.

Financial Liabilities are designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value are recognized in Other Income in the Consolidated and Separate Statement of Income, except for changes in fair value arising from changes in the Bank's own credit risk which are recognized in OCI. Changes in fair value of liabilities due to changes in the Bank's own credit risk, which are recognized in OCI, are not subsequently reclassified to the Consolidated and Separate Income Statement upon derecognition/extinguishment of the liabilities.

f) Financial Liabilities at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost are deposits from banks or customers, other borrowed funds, debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

Cash and cash equivalents

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

III. 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. A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations; for example an acquisition of a private asset management company that might necessitate transfer and sale of loans to willing buyers, this action will constitute changes in business model and subsequent reclassification of the Loan held from BM1 to BM2 Category
- Disposal of a business line i.e. disposal of a business segment
- Any other reason that might warrant a change in the Group's business model as determined by management based on facts and circumstances.

The following are not considered to be changes in the business model:

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

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. For example, if the Group decides to shut down the retail business segment on 31 January 2018, the reclassification date will be 1 April, 2019 (i.e. the first day of the entity's next reporting period), the Group shall not engage in activities consistent with its former business model after 31 January, 2018. Gains, losses or interest previously recognised are not restated when reclassification occurs.

IV. Modification of financial assets and liabilities

a. Financial assets

The Group sometimes modifies the contractual cashflows of loans to customers. Where the terms of a financial asset are modified via amendments to the loan agreements, the Group evaluates whether the cash flows of the modified asset are substantially different from the original cashflows. If the cash flows are substantially different, then the contractual rights 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. Any difference between the amortised cost of the original financial asset and the present value of the estimated future cashflows of the new asset is debited or credited to the customer's account.

Scenarios where modifications will lead to derecognition of existing loan and recognition of a new loan include but not limited to:

• The exchange of a loan for another financial asset with substantially different contractual terms and conditions such as the restructuring of a loan to a bond; conversion of a loan to an equity instrument of the borrower

• Roll up of interest into a single bullet payment of interest and principal at the end of the loan term

• Conversion of a loan from one currency to another currency

• Extension of maturity dates will lead to modification and derecognition of existing loan and recognition of a new loan.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Group shall recalculate the gross carrying amount of the financial asset and shall recognize a modification gain or loss in profit or loss. For example, contractual cashflows of loan to customers may also be modified due to blanket payment holidays imposed by law and regulations and effective automatically without amendments being made to the loan agreements. In this scenario, the bank revises the expected gross carrying amount by discounting the rescheduled payments at original effective interest rate and the resulting loss is recognised immediately in Other income in Profit or loss as a cumulative catch-up adjustment.

Fees that are considered in determining the fair value of modified financial asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset and form part of the effective interest on the modified financial asset while other fees are included in profit or loss as part of the gain or loss on derecognition.

Impairment assessment is performed on modified financial assets before modification.

b. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The Group derecognises a financial liability when its terms are modified and the cash flows 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.

De-recognition of financial instruments

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), 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 recognized in other comprehensive income is recognized in profit or loss.

V. Impairment of Financial Assets

In line with IFRS 9, the Group assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortised cost financial assets;
- Debt securities classified as at FVOCI;
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

Equity instruments and financial assets measured at FVPL are not subjected to impairment under the standard.

Expected Credit Loss Impairment Model

The Group's allowance for credit loss calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group adopts a three-stage approach for impairment assesment based on changes in credit quality since initial recognition.

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

Measurement of Expected Credit Losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
    - 12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The Bank obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.

- Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for ‘stage 2’ and ‘stage 3’ exposures. PDs are limited to the maximum period of exposure required by IFRS 9. The Bank obtains 3 years forecast for the relevant macroeconomic variables and adopts exponentiation method to compute cumulative PD for future time periods for each obligor.

- EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

To estimate expected credit loss for off balance sheet exposures, credit conversion factor (CCF) is usually computed. CCF is a modelled assumption which represents the proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring. It is a factor that converts an off balance sheet exposure to its credit exposure equivalent. In modelling CCF, the Bank considers its account monitoring and payment processing policies including its ability to prevent further drawings during periods of increased credit risk. CCF is applied on the off balance sheet exposures to determine the EAD and the ECL impairment model for financial assets is applied on the EAD to determine the ECL on the off balance sheet exposures.

Forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires that:

- The Group uses internal subject matter experts from Risk, Treasury and Business Divisions to consider a range of relevant forward looking data, including macro-economic forecasts and assumptions, for the determination of unbiased general economic adjustments in order to support the calculation of ECLs.
- Macro-economic variables taken into consideration include, but are not limited to, unemployment, interest rates, gross domestic product, inflation, crude-oil prices and exchange rate, and requires an evaluation of both the current and forecast direction of the macro-economic cycle.

- Macro-economic variables considered have strong statistical relationships with the risk parameters (LGD, EAD, CCF and PD) used in the estimation of the ECLs, and are capable of predicting future conditions that are not captured within the base ECL calculations.
- Forward looking adjustments for both general macro-economic adjustments and more targeted at portfolio / industry levels. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Macroeconomic factors

The Group relies on a broad range of forward looking information as economic inputs, such as: GDP growth, unemployment rates, central bank base rates, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.
The macroeconomic variables and economic forecasts as well as other key inputs are reviewed and approved by management before incorporated in the ECL model. Any subsequent changes to the forward looking information are also approved before such are inputted in the ECL model.

The macro economic variables are obtained for 3 years in the future and are reassessed every 6 months to ensure that they reflect prevalent circumstances and are up to date.

Where there is a non-linear relationships, one forward-looking scenario is never sufficient as it may result in the estimation of a worst-case scenario or a best-case scenario. The Bank's ECL methodology considers weighted average of multiple economic scenarios for the risk parameters (basically the forecast macroeconomic variables) in arriving at impairment figure for a particular reporting period. The model is structured in a manner that the final outcome, which is a probability cannot be negative.

SICR is assessed once there is an objective indicator of a deterioration in credit risk of customer. In addition, the Bank as part of its routine credit processes perform an assessment on a quarterly basis to identify instances of SICR.

Multiple forward-looking scenarios

The Group determines allowance for credit losses using three probability-weighted forward-looking scenarios. The Group considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Group prepares the scenarios using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), Nigeria Bureau of Statistics (NBS), World Bank, Central Bank of Nigeria (CBN), Financial Markets Dealers Quotation (FMDQ), and Trading Economics.

The Group estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) – Normal, Upturn and Downturn, which in turn is used in the estimation of the multiple scenario ECLs.
The ' normal case' represents the most likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments

and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

Assessment of significant increase in credit risk (SICR)

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors.The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region.

The Group adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Bank's internal rating system or External Credit Assessment Institutions (ECAI) while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau, etc.

A backstop is typically used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the 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 lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

- The disappearance of an active market for a security because of financial difficulties.
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
- Others include death, insolvency, breach of covenants, etc.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired. In addition, loans that are more than 90 days past due are 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' assessments of creditworthiness.
- The country's 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 mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

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

- Debt instruments measured at FVOCI: 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 disclosed and is recognised in the fair value reserve.
- 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.

VI. Write-off

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, where there is no reasonable expectation of recovery as set out in IFRS 9, paragraph 5.4.4. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;

- The bank's recovery method is foreclosing collateral and the value of the collateral is such that there is reasonable expectation of recovering the balance in full.

All credit facility write-offs shall require endorsement at the appropriate level, as defined by the Bank. Credit write-off approval shall be documented in writing and properly initialed by the approving authority.

A write-off constitute a derecognition event. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

VII. Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host—with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty, is not an embedded derivative, but a separate financial instrument. Where a hybrid contains a host that is a financial asset in the scope of IFRS 9, the entire hybrid contract, including the embedded features, is measured at FVTPL.

VIII. Offsetting financial instruments

Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the company or the counterparty.

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

(k) Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs and subsequently accounted for depending on their classification as amortised cost, fair value through profit or loss or fair value through other comprehensive income. See description in accounting policy Note J (ii) above.

(l) Derivatives held for risk management purposes

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset where there is a legal right of offset of the recognised amounts and the parties intend to settle the cash flows on a net basis, or realise the asset and settle the liability simultaneously.

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; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value with changes in fair value recognised in profit or loss.

(m) Repossessed Collateral

In certain circumstances, property is repossessed following the foreclosure on loans that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less costs to sell and reported within 'Other assets'.

(n) Investment in subsidiaries

Investments in subsidiaries are reported at cost less any impairment (if any) in the separate financial statement of the Bank.

A subsidiary is not consolidated but classified as 'held for sale' if it is available for immediate sale in its present condition and its sale is highly probable. A sale is 'highly probable' where: there is evidence of management commitment; there is an active programme to locate a buyer and complete the plan; the asset is actively marketed for sale at a reasonable price compared to its fair value; the sale is expected to be completed within 12 months of the date of classification; and actions required to complete the plan indicate that it is unlikely that there will be significant changes to the plan or that it will be withdrawn.

(o) Property and equipment

(i) Recognition and measurement

The bank recognizes items of property and equipment at the time the cost is incurred. These costs include costs incurred initially to acquire or construct an item of property and equipment as well as the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of using the item during a particular period.

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. 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.

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 (q) 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 the income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement 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. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives.

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

The estimated useful lives for the current and comparative periods are as follows:

Item of Property and Equipment	Estimated Useful Life
Leasehold improvements and buildings:	
Leasehold improvements	Over the shorter of the useful life of the item or lease term
Buildings	50 years
Leasehold Land	Over the remaining life of the lease
Furniture and equipment:	
Furniture and fittings	5years
Machine and equipment	5years
Computer hardware	3years
Motor vehicles	4years
Aircraft	6years

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

Cost of leasehold land is amortised over the remaining life of the lease as stated in the certificate of occupancy issued by Government.

(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 the income statement in the year the asset is derecognised.

(p) 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 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 identified in accordance with IFRS 8. 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.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. Development costs previously expensed cannot be capitalised. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

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

Amortisation is recognised in 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 five years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

q) Impairment of Non financial assets

The carrying amounts of the Group's non-financial assets, inclusive of 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.

An impairment loss is recognised in the income statement 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 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 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.

(r) Deposits, debt securities issued

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

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

Deposits and debt securities issued are initially measured at fair value plus 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.

(s) Provisions

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

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. The Group recognizes no provision for future operating losses.
A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(t) Financial guarantees and loan commitments

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. After initial recognition, guarantee contracts are subsequently measured at the higher of:

a) The amount of the loss allowance, and

b) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Financial guarantees, principally consisting of letters of credit are included within other liabilities.
Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. The Group recognises a provision in accordance with IAS 37 if the contract was considered to be onerous.

(u) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity. The rate of contribution by the Bank and its employee is 10% and 8% respectively of basic salary, housing and transport allowance. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered Pension Fund Administrators (PFA) on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in the Statements of Comprehensive Income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognised in the Statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of the Statements of financial position less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation.

Remeasurements arising from experience adjustments and changes in actuarial assumptions in excess of the plan assets or of the defined benefit obligation are charged or credited to Other Comprehensive Income in the financial year in which they arise. Past-service costs are recognised immediately in the Income statement.

(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 terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) Short-term employee benefits

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

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

(v) Share-based payment transactions

Guaranty Trust Bank operates a cash settled share based compensation scheme managed by a Special Purpose Vehicle (SPV) - Guaranty Trust Bank Staff Investment Trust. The scheme was introduced as a compensation plan for the bank's management personnel to enhance employee retention, by offering the shares acquired by the SPV by way of Share Appreciation Rights (SARs) and Stock Options (hybrid plan) to qualifying members of staff at prevailing net book value.

Acquisition of the bank's shares by the SPV was by means of an overdraft facility extended to the scheme. The hybrid nature (i.e. mix of SARs and Stock Options) entitles the scheme to cash dividend which it uses to defray its obligations on the facility, make dividend payments to members that furnished consideration and extinguish its liability to exiting members. Employees exiting the scheme are granted the right to redeem their holdings for cash at the prevailing market price on fulfilment of specified vesting conditions.

At each reporting period, the fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. Any change in the fair value of the liability is recognized as personnel expense in the bank's income statement.

(v) Share capital and reseves

(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 Bank's ordinary shares

Dividends on the Bank's ordinary shares are recognised in equity when approved by the Bank's shareholders.

(iii) Treasury shares

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

(w) Earnings per share

The Group presents Basic Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for effects of all dilutive potential ordinary shares.

(x) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Executive Management Committee to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs directly traceable to the operating segments are allocated to the segment concerned, while indirect cost are allocated based on the benefits derived from such costs.

(y) Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- Those outflows of resources that are within the scope of other Standards (such as income taxes that are within the scope of IAS 12 Income Taxes); and

- Fines or other penalties that are imposed for breaches of the legislation

The Group recognises a levy when the obligating event that gives rise to a liability as identified by the legislation, occurs. This triggers the obligation to pay the levy and recognise the expense for the period.

(z) Stocks

Stocks include consumables and cards held for resale or subsequent issuance to customers. They are measured at lower of cost and net realizable value. Cost comprises of purchase and other costs incurred in bringing the items of stock to their present location and condition. Net realizable value is the estimated issuance price. When items of stocks are issued to customers, their carrying amount is recognized as an expense in the period in which the relevant revenue is recognized.

4. Financial Risk Management

(a) Introduction and overview

Guaranty Trust Holding Company Plc has a robust risk culture and embrace the best practice Enterprisewide Risk Management. The risk management framework is designed to align people, strategy, policies, processes, technology and business intelligence in order to evaluate, manage and optimize the opportunities and threats it may face in maximising sustainable stakeholders' value within its defined risk appetite.

To continually sustain this strong risk culture, the Group adopted the COSO definition of Enterprise Risk Management which depicts ERM as a process driven by an entity's Board of Directors, Management and other personnel, applied in strategy setting and across the enterprise, to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of the entity's objectives.

This involves the application of risk management principles and processes in every business activity to determine potential threats, and adopt appropriate control measures, to curtail risks in achieving the desired objectives.

The Group has recognised its major risk areas to include Credit, Operational, Information Technology, Cyber Security, Market and Liquidity Risks. Risk identification in these areas is carried out by the relevant risk owners, in collaboration with the Enterprise Risk Management

(b) Risk Management Philosophy

The Group's risk management philosophy describes its attitude to risk taking. It is the driving force behind all the decisions made in the conduct of business activities and operations from a risk perspective. This is fittingly summarized in the following statement:

"To enhance shareholders' value by creating and maintaining a culture of intelligent risk-taking"

This philosophy is further cascaded into working statements through the following risk principles:

- The Group's decisions will be based on careful analysis of its operating environment as well as the implications of the identified risks to the achievement of its strategic goals.
- The Group will not take any action that will compromise its integrity
- Risk control will serve to enhance the achievement of strategic objectives.
- The Group will always comply with all government regulations and continually espouse global best practice.
- Risk management will form a key part of the Group's strategy setting process
- The Group will only assume risks that fall within its risk appetite with appropriate returns.
- The Group shall adhere to the risk management cycle of identifying, measuring, controlling and reporting risks.
- The Group shall continually review its activities to determine the level of inherent risks and deploy appropriate risk responses at all time.

Risk Appetite

The Group recognises that there are inherent risks associated with the pursuit of growth opportunities in achieving its strategic objectives. While the risk philosophy articulates how inherent risks are considered when making decisions, the Board and Management of the Company determine the risks that are acceptable based on its capabilities in terms of people, capital and technology.

Risk Appetite Statement

"Guaranty Trust Bank Holding Company will maintain a moderate risk appetite in pursuit of its core strategies to dominate its priority sectors, expand its franchise on Africa continent, contain its operating cost whilst leveraging on technology and remain the most profitable, without taking unnecessary risks."

The Group's risk appetite statement expresses the attitude and position of the Board and Management on the approach to risk adopted across all the businesses in relation to the set strategic objectives. This statement is interpreted in quantitative and qualitative risk factors that measure the risk profile. The identified risk factors include:

- Capital Adequacy
- Earnings Growth (Profit Before Tax)
- Earnings Quality (Net Interest Margin)
- Return on Asset
- Issuer Debt Rating
- Return on Equity
- Cost-to-Income
- Asset quality (Non-Performing Loan) and Coverage,
- Cost of Risk
- Liquidity and Coverage Ratio
- Risk Asset Funding
- Obligor and Sector Concentration
- Staff Attrition
- Stop Loss Limit
- Operational Risk Loss

Risk Tolerance

To achieve the desired impact of the risk appetite statement across all business divisions, the Group defined the risk tolerances applicable to the risk factors for measurement and monitoring purposes to enhance decision making. The tolerances are measured via a three-leg limit system which measures an extreme upper region signifying high risk or unacceptable risk level, a middle range region known as trigger point and a lower region signifying a low risk or acceptable risk level. These classifications establish the acceptable levels of variation relative to the Group's desired objective.

The set risk tolerances levels are subject to the approval of the Board of Directors and can be changed when there are compelling regulatory and operating factors.

The risk tolerance limits are monitored periodically using a dashboard which estimates the status of each risk factor. The result of the dashboard is made available to the Management and Board of Directors for informed decision(s).

(c) Risk Management Framework

The Group's Risk Management Framework is built on a well-defined organisational structure and established policies to guide in the function of identifying, analysing, managing and monitoring the various risks inherent in the business as well as setting appropriate risk limits and controls to align the risks with the strategic objectives.

The risk management policies are subject to review at least once a year. However more frequent reviews may be conducted at the instance of the Board, when changes in laws, regulations, market conditions or the Group's activities are material enough to impact on the continued adoption of the existing policies. The Group, through its trainings and management standards and procedures, aims to develop a disciplined, engaging and controlled environment, in which all employees understand their roles and obligations.

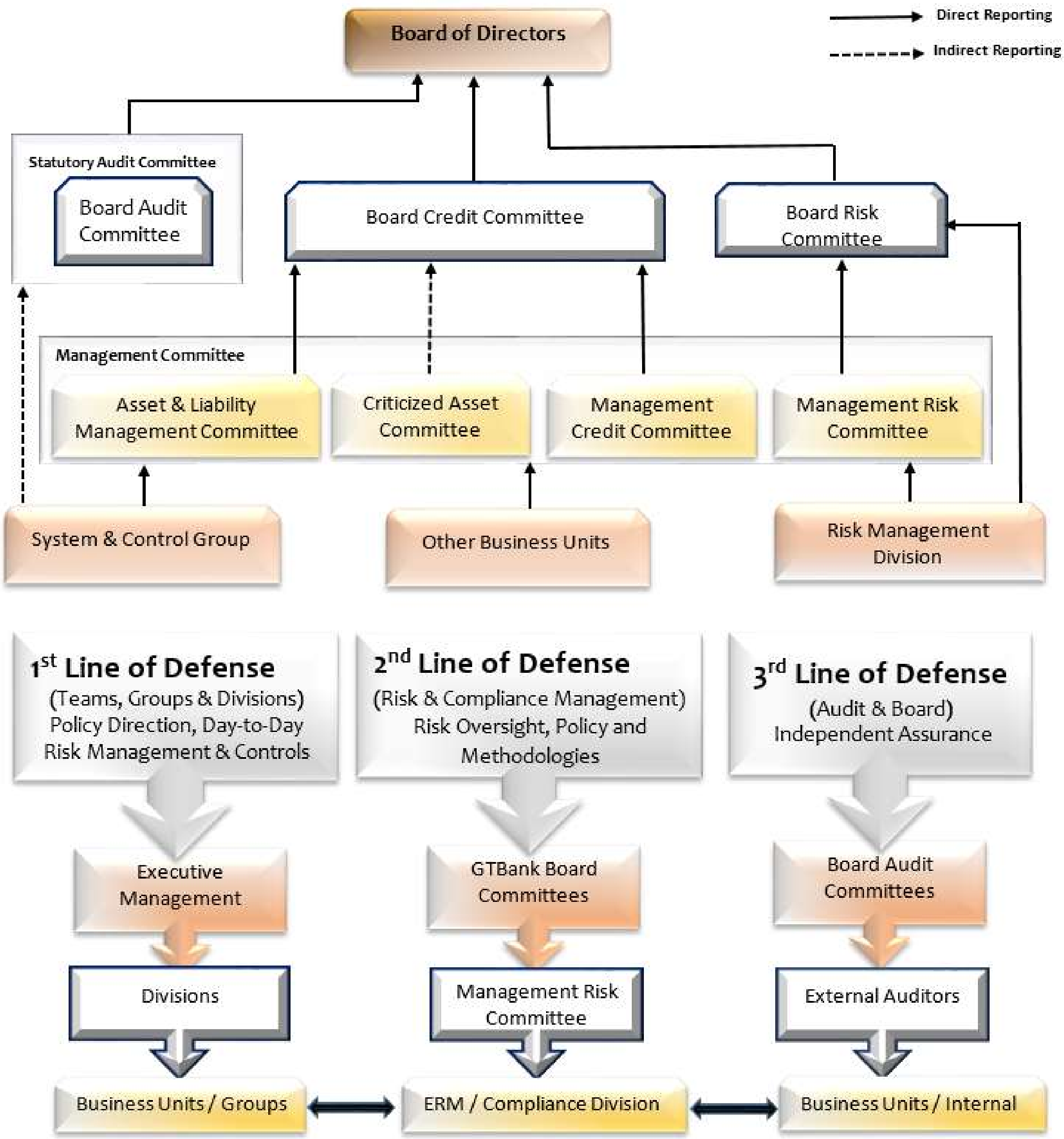
The Board of Directors has overall responsibility for the establishment of the Group's Risk Management framework and exercises its oversight function over all the Group's prevalent risks via its various committees; Board Risk Committee, Board Credit Committee, and Board Audit Committee. These committees are responsible for developing and monitoring risk policies in their specific areas and report regularly to the Board of Directors. All Board committees have both executive and non-executive members.

The Board Committees are assisted by the various Management Committees in identifying and assessing risks arising from day to day activities of the Group. These committees include:

- The Management Credit Committee
- Criticized Assets Committee
- Asset and Liability Management Committee (ALMAC)
- Management Risk Committee
- Information Technology (IT) Steering Committee
- Information Technology (IT) Risk Management Committee
- Other Ad-hoc Committees

These committees meet on a regular basis while others are set up on an ad-hoc basis as dictated by situations.

The Risk Governance Structure of the Group



The three lines of defense model differentiated amongst the three groups involved in effective risk management include:

- Functions that own and manage risks.
- Functions that oversee risks.
- Functions that provide independent assurance.

First Line of Defense: Owns and manage the risks. They are responsible for implementing corrective actions to address process and control deficiencies; maintaining effective internal controls and executing risk and control procedures on a day-to-day basis. They also identify, assess, control and mitigate risks to ensure the achievement of set goals and objectives.

Second Line of Defense: Established to perform a policy-setting and monitoring role. It is a risk management function (and/or committee) that facilitates and monitors the implementation of effective risk management practices and a compliance function that monitors various specific risks such as non-compliance with applicable laws and regulations. Other functions include identifying known and emerging issues, providing risk management framework, assisting management in developing processes and controls to manage risks, monitoring the adequacy and effectiveness of internal control, accuracy and completeness of reporting and timely remediation of deficiencies.

Third Line of Defense: Provides objective assurance on the effectiveness of governance, risk management and internal controls. The scope of the assurance, which is reported to Senior Management and Board, covers a broad range of objectives, including efficiency and effectiveness of operations, safeguarding of assets, reliability and integrity of reporting processes, and compliance with laws, regulations, policies, procedures and contracts. It also includes all elements of the risk management and internal control framework.

The **Board Risk Committee** is responsible for reviewing and recommending risk management policies, procedures and profiles including risk management philosophy, risk appetite and risk tolerance of the Company. Its oversight functions cut across all risk areas including credit risk, market and interest rate risk, liquidity risk, operational risk, reputation risk, technology risk and other major risks that may arise from time to time. The committee monitors the Group's plans and progress in meeting regulatory and risk-based supervision requirements including Basel II compliance as well as the overall regulatory and economic capital adequacy. It also reviews and approves the contingency plan for specific risks.

The Company's **Board Audit Committee** is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Group. The Audit Committee is assisted by the Internal Audit Group, in carrying out these functions. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's Board of Directors has delegated responsibility for the management of credit risk to the **Board Credit Committee**. The Board Credit Committee considers and approves all lending exposures, including treasury investment exposures, as well as insider-related credits in excess of limits assigned to the Management Credit Committee by the Board. The committee also ensures that the Group's internal control procedures in the area of risk assets remain fool-proof to safeguard the quality of the Group's risk assets.

Management Risk Committee examines risk in its entirety by reviewing and analysing environmental issues and policies impacting the Group, either directly or remotely, and makes recommendations to the Board Risk Committee.

Management Credit Committee formulates credit policies in consultation with business units, covering credit assessment, risk grading and reporting, collateral, regulatory and statutory requirements. The committee also assesses and approves all credit exposures in excess of the Managing Director's limit set by the Board.

The **Asset & Liability Management Committee** establishes the Group's standards and policies covering the various components of Market Risk Management. These include Interest Rate Risk, Liquidity Risk, Investment Risk and Trading Risk. It ensures that the authority delegated by the Board and Management Risk Committees with regard to Market Risk is exercised, and that Market Risk exposures are monitored, reported and managed. Furthermore, the Committee limits and monitors the potential impact of specific pre-defined market movements on the comprehensive income of the Group through stress tests and simulations.

Criticised Assets Committee is responsible for the assessment of the Group's credit risk asset portfolio. It highlights the status of the risk assets in line with the internal and external regulatory framework and ensures that triggers are sent in respect of delinquent credit risk assets. It also ensures adequate provisions are taken in line with the regulatory and internal guidelines.

The **Credit Risk Management Group** through Credit Risk Control is responsible for identifying, controlling, monitoring and reporting credit risk related issues while Credit Administration serves as the secretariat for the Management Credit Committee meetings and managing the credit exposures related to lending and investment activities as well as other unfunded credit exposures that have default probabilities; such as contingent liabilities.

Credit risk is the most critical risk for the Group as credit exposures, arising from lending activities account for the major portion of the Group's assets and source of its revenue. Thus, the Group ensures that credit risk related exposures are properly monitored, managed and controlled.

(d) Risk Management Methodology

The Group recognizes that it is in the business of managing inherent risks to derive optimal value for all the stakeholders. It has therefore, over the years detailed its approach to risk management through various policies and procedures, which include the following:

- ERM Policy
- Credit Policy Guide
- Human Resources Policy Manual
- Quality Manual
- Standard Operating Procedures
- IT Policy

To ensure adherence to the policies and procedures, several exception reports on activities are generated by the various audit/control function units for management decision making. These include:

- Monthly Performance Review (MPR) for the marketing teams
- Monthly Operations Performance Reports (OPR) for the support teams
- Quarterly Business Performance Review
- Annual Bank-wide performance appraisal systems
- Monthly Expense Control Monitoring Report
- Criticized Asset Committee Report

(e) Risk Management Overview

The Enterprise-wide Risk Management Division is responsible for optimising the risks and returns inherent in the business through the effective collaboration with the business facing units. The risk management infrastructure encompasses a comprehensive approach to identifying, managing, monitoring and reporting risks with focus on the following:

(i) Inherent Risk Groups – Credit, Market, Operational, Liquidity and Information Security.
(ii) Other Risk Areas – Reputational and Strategic Risk

In line with best global practices and to align with Basel II Capital requirements, the Group incorporated a strategic framework for the efficient measurement and management of risks and capital. The Group has implemented the Basel II recommended capital measurement approaches for the estimate of economic capital required to cope with unexpected losses using Oracle Financial Services Analytical Applications. The Group has also put in place other qualitative and quantitative measures that will assist with enhancing risk management processes and creating a platform for more risk-adjusted decision-making.

(f) Credit risk

Lending and other financial activities form the core business of the Group and in recognition of this, great emphasis is placed on effective management of its exposure to credit risk. The Group defines credit risk as the risk of failure by a counterparty to meet the terms of any lending contracts with the Group or otherwise to perform as agreed. Credit risk arises anytime funds are extended, committed, invested or otherwise exposed through actual or implied contractual agreements.

The specific credit risk objectives, as contained in the Credit Risk Management Framework, are:

- Maintenance of an efficient loan portfolio
- Institutionalization of sound credit culture
- Adoption of international best practices in credit risk management
- Development of Credit Risk Management professionals.

Each business unit is required to implement the credit policies and procedures in line with the the credit policy guide as approved by the Board. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolio, including those subject to Management Credit Committee’s approval. The Internal Audit and Credit Administration respectively undertake regular reviews of business units and credit quality reviews.

The Group continues to focus attention on intrinsic and concentration risks inherent in its businesses in order to effectively manage the portfolio risk. The credit portfolio concentration limits that are set and measured under concentration limits per obligor, business lines, sector, rating grade, geography and collateral.

The Group drives the credit risk management processes using appropriate scalable technology to achieve global best practices. To comply with the CBN requirements on implementation of Basel II, especially with the computation of capital adequacy ratio and market disclosure, the Group invested in two major softwares namely: Lead to Loan Credit Solution and OFSAA Basel II solution. These softwares are customised to suit the internal processes and seamlessly interact with the bank’s core banking application.

To meet the Basel II (Pillar 2) requirements, the Group developed a comprehensive Internal Capital Adequacy

Assessment Process (ICAAP) document, which detailed approaches and procedures on how the Group measures and compute its various risks and capital requirements. The document also contain details of the capital planning process and it is updated annually.

Lead to Loan is an integrated credit solution software which manages credit customers' profiles, rating scores, documents and collateral management, credit workflow processes, disbursement, recoveries and collection.

OFSAA Basel II solution is an Oracle Financial Services Analytical Application which is capable of handling the complete range of calculations covered in the Basel II Accord.

For capital adequacy computation under Basel ll Pillar l, the Group has implemented the Standardized Approach for the three risk areas – Credit, Market & Operational risk and the Advanced Internal Rating Based (AIRB) Approah using the OFSAA Basel II solution software. The advanced measurement approach for credit risk uses PD, LGD and EAD as the input parameters.

(i) Management of Credit Risk

The Board of Directors has delegated responsibility for the management of credit risk to its Board Credit Committee. The Management Credit Committee reporting to the Board Credit Committee is responsible for oversight of the Group's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentation and legal procedures, and compliance with regulatory and statutory requirements.

- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit heads. Larger facilities require approval by the Deputy Managing Director, Managing Director, Management Credit Committee, and the Board Credit Committee/Board of Directors as appropriate.

- Reviewing and assessing credit risk. Management Credit Committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

- Developing and maintaining the Group's risk rating in order to categorise exposures according to the degree of risk of financial loss faced and to attention management on the attendant risks. The current risk rating framework consists of ten grades reflecting varying degrees of risk of default with rating "1" as the best and "10" as lost. The risk ratings are subject to regular reviews by Credit Risk Management Group.

- Reviewing compliance of business units with agreed exposure limits. Regular review and reports are provided by the Risk Management Group on the credit quality and appropriate corrective actions are taken.

- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

Business units are required to implement the Group's credit policies and procedures, with credit approval authorised by the Board Credit Committee.

(ii) Credit Risk Measurement

In line with IFRS 9, the Group has adopted Expected Credit Loss (ECL) approach effective January 1, 2018. IFRS 9 adopts dual measurement approach to determining expected credit loss. The 12 month ECL is applicable to credit exposure in Stage 1 where there is no significant deterioration in credit quality. It is computed as loss allowance. The lifetime ECL is the loss allowance computed for credit exposures in Stage 2 and 3. As part of the envolving risk culture, the company developed internal rating models along the Group's business segments (Corporate, Commercial, Retail and Small and Medium Enterprises) consistent with international rating agencies with historical data of over five years. This has enabled the Group to successfully implement the Internal Rating Based Approach as well as the implementation of Expected Credit Loss measurement.

IFRS 9 Expected Credit Loss measurement approach is a proactive way of determining the extent of future loss(es) associated with risk exposures in the Group's portfolio. Key aspect of ECL approach is the incorporation of the macroeconomic indicators (forecast) into the computation of the future credit loss. The credit impairment under IFRS 9 is determined using a forward looking method of impairment evaluation by assuming that every risk exposures have inherent credit loss.

The Group undertakes lending activities after careful analysis of the borrowers' character, capacity to repay, cash flow, credit history, industry conditions and other factors. In the analysis, the applied parameters are determined by each business segment because of the differences in the inherent risks.

The Group's rating grades reflect the range of parameters internally developed to predict the default probabilities of each rating class in line with international best practices and in compliance with BASEL II requirements. The grades reflect granularities and are handled by Account Officers and Relationship Managers with validation by Credit Risk Management Group.

Rating Grade	Description	Characteristics
1 (AAA)	Exceptional Credit	• Exceptional credit quality • Obligors with overwhelming capacity to meet obligation • Top multinationals / corporations • Good track record • Strong brand name • Strong equity and assets • Strong cash flows • Full cash coverage
2 (AA)	Superior Credit	• Very high credit quality • Exceptionally high cash flow coverage (historical and projected) • Very strong balance sheets with high liquid assets • Excellent asset quality • Access to global capital markets • Typically large national corporate in stable industries and with significant market share
3 (A)	Minimal Risk	• High quality borrowers • Good asset quality and liquidity position • Strong debt repayment capacity and coverage • Very good management • Though credit fundamentals are strong, it may suffer some temporary setback if any of them are adversely affected

		• Typically in stable industries
4 (BBB)	Above Average	• Good asset quality and liquidity • Very good debt capacity but smaller margins of debt service coverage • Good management in key areas • Temporary difficulties can be overcome to meet debt obligations • Good management but depth may be an issue • Good character of owner • Typically good companies in cyclical industries
5 (BB)	Average	• Satisfactory asset quality and liquidity • Good debt capacity but smaller margins of debt service coverage • Reasonable management in key areas • Temporary difficulties can be overcome to meet debt obligations • Good management but depth may be an issue • Satisfactory character of owner • Typically good companies in cyclical industries
6 (B)	Acceptable Risk	• Limited debt capacity and modest debt service coverage • Could be currently performing but susceptible to poor industry conditions and operational difficulties • Declining collateral quality • Management and owners are good or passable • Typically borrowers in declining markets or with small market share and operating in cyclical industries
7 (CCC)	Watch-list	• Eliciting signs of deterioration as a result of well defined weaknesses that may impair repayment • Typically start- ups / declining markets/deteriorating industries with high industry risk • Financial fundamentals below average • Weak management • Poor information disclosure
8 (CC)	Substandard Risk	• Well-defined weaknesses though significant loss unlikely; orderly liquidation of debt under threat • Continued strength is on collateral or residual repayment capacity of obligor • Partial losses of principal and interest possible if weaknesses are not promptly rectified • Questionable management skills
9 (C)	Doubtful Risk	• High probability of partial loss • Very weak credit fundamentals which make full debt repayment in serious doubt • Factors exist that may mitigate the potential loss but awaiting appropriate time to determine final status • Demonstrable management weaknesses, poor repayment weaknesses and poor repayment profile

10 (D)	Lost	• A definite loss of principal and interest • Lack of capacity to repay unsecured debt • Bleak economic prospects • Though it is still possible to recover sometime in the future, it is imprudent to defer write - offs

Risk ratings models form the building blocks for the determination of default risk of counterparties. The models are backtested to ascertain the predicitive capabilities relative to actual performance and make necessary amendments as necessary to enhance their effectiveness.

Because significant increase in credit risk is the main factor that determines movement of a financial asset from Stage 1 to Stage 2, all obligors with downward movement of credit rating of more than 3 notches or any movement into rating 7 are migrated to Stage 2. An obligor is moved into Stage 3 when there is rating migration to rating grade 8 to 10.

A facility in Stage 3 can subsequently be deemed "cured". A facility is deemed to be "cured" when there is a significant reduction in the credit risk of the financial instrument. "Cured" facilities within Stage 2 are monitored for a probationary period of 90 days to confirm if the credit risk has decreased sufficiently before they can be migrated from Stage 2 to Stage 1 while "Cured" facilities within Stage 3 are monitored for a probationary period of 180 days before migration from Stage 3 to Stage 1. The decrease in risk of default is reflected in the obligor's Risk Rating which is a critical input for Staging.

In computing the Expected Credit Loss (ECL), the Group considers four components listed below:

1. **Probability of Default (PD) –** This is an estimate of the likelihood of default over a given time horizon (e.g. 12 months or lifetime). The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. The tools have been developed internally using rigorous statistical analysis and the professional judgement of credit analysts.

   The rating tool combines both qualitative and quantitative factors comparable to internationally available standards. The rating methods are subject to backtest to ensure that they reflect the latest projection in the light of all actually observed defaults.

   The Group uses a statistical approach in estimating the PD considering macroeconomic indicators and obligor specific data. The statistical model specifies the relationship between the inputs and the outcome - PD. The parameters determined depend on the data used to develop the model.

   For the purpose of estimating an IFRS 9 complaint PD, the Group adopts Logistic Regression method, one of the highly recommended statistical techniques. This is a statistical method for analysing a dataset in which there are one or more independent variables (macro-economic/obligor specific data) that determine an outcome (probability of default).

   The default status of an obligor (a function of customer rating) is used as dependent variable while macro-economic variables (such as interest rate, GDP growth rate, unemployment rate etc.) and customer specific information (e.g. changes in obligor's rating and interest rate) are used as independent variables. The default status reflects the credit ratings assigned to customers. These ratings are generated based on due consideration of obligor specific quantitative (financial) and qualitative (non-financial) information such as age, loan type, industry, management structure, business risk etc.

The core input used to determine PDs are the internal ratings generated by the Group's Credit Analysis sub-system (Lead to Loan). These ratings are assigned to customers after careful review of quantitative and qualitative factors specific to the obligor, macro indicators and industry information. The Group's rating model currently considers past and current economic information, however, the accounting standard requires that forward looking information is incorporated into the PD determination.

To achieve an IFRS 9 compliant PD, the Group adopted Logistic Regression model which incorporates the macroeconomic forecasts into the PD determination process. The Normal scenario macroeconomic variables used for the purpose of the forecast is obtained from credible sources while the Upturn and Downturn scenarios are derived based on historical trend analysis and management's unbiased estimates of forward looking macroeconomic indicators.

The Group uses Simplified approach in determining PDs for other financial instruments below:

1. Investments in securities issued by Sovereign

2. Investments in securities issued by State Government

3. Interbank Placements

2. **Exposure at Default (EAD) –** This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest , and expected drawdown on committed facilities.

   EAD measures the utilised exposure at default. For on-balance sheet exposures, the gross value of the exposure is taken into account, and off-balance sheet exposures a credit conversion factor (CCF) is used to estimate future utilisation. The off balance sheet exposures are considered when performing staging and ECL calculations.
   The modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms. This expected changes includes:

   - Contractual repayments/amortization schedule
   - Prepayments (i.e. early repayment)
   - Changes in utilization of an undrawn commitment within agreed credit limits in advance of default.

   This cash-flow model further reflects movements in the EAD in the months before default. Interest payments receivable on the account as at the reporting date is included in the EAD to reflect an expectation that these interest payments could be missed in the eventuality/occurrence of a default.
   The inputs into the EAD model are reviewed to assess their suitability for IFRS 9 and adjusted, where required, to ensure an unbiased, probability-weighted ECL calculation reflecting current expectations and forward-looking information.

3. **Loss Given Default (LGD**) – This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. It typically varies by type of counterparty, type of exposure and seniority of claim and availability of collateral or other credit support.

   The Group uses the Workout and Recovery Approach in determining its LGD. This approach models LGD based on the actual cash flows that can be recovered from a firm by the workout process, once default has occurred. The methodology involves prediction of the future cash flows that can be recovered from an obligor, after it has defaulted on its payments. It takes into account all cash flows from the distressed asset linked to the recovery.

The forecasted cash flows are discounted using the EIR. These discounted cash flows are summed up to provide the expected recovery amount. The total exposure of the firm at the time of default minus the expected recovery amount gives the loss given default in absolute terms. The ratio of loss given default in absolute value to exposure at default gives the LGD in percentage terms.

The Group incorporates FLI into the LGD model through adjustments to the collateral values to reflect their fair value and the EAD to reflect prepayment rates and foreign currency adjustments (on foreign currency denominated facilities).

4. **Discount Rate** – This is used to discount an expected loss to a present value at the reporting date using the effective interest rate (EIR) (or where applicable, other rate permitted by IFRS 9) determined at initial recognition.

(iii) Risk Limit Control and Mitigation Policies

The Group applies limits to control credit risk concentration and diversification of its risk assets portfolio. Limits are maintained for individual borrowers and groups of related borrowers, business lines, sectors, rating grade, collateral type and geographical area.

The obligor limit as set by the regulators and it is currently at 20% of the Bank's shareholders' funds is adopted and it covers exposures to counterparties and related parties.

In addition to the regulatory limit, other parameters are applied internally to determine the suitable limits that an individual borrower should have. These include: obligor rating, position in the industry and perceived requirements of key players (e.g. import finance limit may be determined by the customer's import cycle and volume during each cycle), financial analysis, etc.

Economic sector limits are imposed to guide against concentration risk as a result of exposures to set of counterparties operating in a particular industry. The industry limits are arrived at after rigorous analysis of the risks inherent in the industries/economic sectors.

These limits are usually recommended by Credit Risk Management Group and approved by the Board. The limits set for each industry or economic sector depend on the historical performance of the sector as well as the intelligence report on the outlook of the sector.

During a review period, limits can be realigned (by way of outright removal, reduction or increase) to meet the exigencies of the prevailing macroeconomic events.

Approval decisions are guided by strategic focus as well as the stated risk appetite and other limits established by the Board of Directors or Regulatory authorities such as Aggregate Large Exposure Limits, Single Obligor Limits, Geographical Limits, Industry/ Economic sector limits etc. Internal credit approval limits are set for various levels of officers in the credit approval process to enhance turnaround time.

The lending authority in the Group flows through the management hierarchy with the final authority residing with the Board of Directors as indicated below:

Designation	Limit
Board of Directors	Up to the single obligor limit as advised by the regulatory authorities from time to time but currently put at 20% of shareholders' funds (total equity)
Management Credit Committee	Up to N2 Billion
Managing Director	Up to N500 Million
Deputy Managing Director	Up to N300 Million
Other Approving Officers	as delegated by the Managing Director

The above limits are subject to the following overriding approvals:

- The deposit required for all cash collateralized facilities (with the exception of bonds, guarantees and indemnities) must be 125% of the facility amount to provide a cushion for interest and other charges.
- All new facilities, up till the Deputy Managing Director approval limit, require one-up approval i.e. approval at a level higher than that of the person that would ordinarily approve it.

Master Netting Arrangements

Master netting arrangements are entered into to manage its exposure to credit losses, where applicable, with counterparties with which it undertakes a significant volume of transactions. The right to set off is triggered at default. By so doing, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis.

The overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

Off-balance sheet engagements

These instruments are contingent in nature and carry the same credit risk as loans and advances. As a policy, all off-balance sheet exposures are subjected to the same rigorous credit analysis, like that of the on-balance sheet exposures, before availment. The major off-balance sheet items in the books are Bonds and Guarantees, which will only issue where it has full cash collateral or a counter guarantee from a first class bank, or any other acceptable security.

Contingencies

Contingent assets/liabilities which include transaction related to bonds and guarantees, letters of credit and short term foreign currency related transactions, are not recognized in the annual financial statements but are disclosed.

Placements

Placement lines cover the settlement risks inherent in the activities with these counterparties. The approved limits are arrived at after conducting fundamental analysis of the counterparties, presentation of findings to, and approval by the Management Credit Committee. The lines are monitored by the Enterprise-wide Risk Management Division. As a rule, placements with local banks are backed by treasury bills.

IFRS 7 requires the Group to disclose the amounts that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not qualify for offset in accordance with IAS 32). This disclosure is presented below for the Company and Group as at 30 Jun 2022 and 31 Dec 2021.

Credit risk exposure relating to On-Balance Sheet

In thousands of Nigerian naira	**Maximum exposure Group**		**Maximum exposure Company**	
Classification	**Jun-2022**	**Dec-2021**	**Jun-2022**	**Dec-2021**
Cash and bank balances:				
- Unrestricted balances with central banks	105,301,475	156,998,908	-	-
- Balances held with other banks	457,367,862	318,218,071	-	-
- Money market placements	325,894,737	328,926,030	-	-
Loans and advances to banks	1,597,490	115,014	-	-
Loans and advances to customers[1]:				
- Loans to individuals	269,988,875	233,099,810	-	-
- Loans to non-individuals	1,563,108,269	1,569,487,571	-	-
Financial assets at fair value through profit or loss:				
- Debt securities	262,320,001	104,397,651	-	-
- Derivative financial instruments	14,289,305	24,913,435	-	-
Investment securities:				
- Debt securities	1,037,811,700	1,121,298,587	-	-
Assets pledged as collateral:				
- Debt securities	123,258,000	79,273,911	-	-
Restricted deposits and other assets[2]	1,097,505,743	1,106,445,803	-	18,183
Total	**5,258,443,457**	**5,043,174,791**	**-**	**18,183**
Loans exposure to total exposure	35%	36%	0%	0%
Debt securities exposure to total exposure	27%	26%	0%	0%
Other exposures to total exposure	38%	38%	0%	0%

As shown above, 35% (Company: 0%) of the total maximum exposures is derived from loans and advances to banks and customers (2021: 36% ; Company: 0%); while 27% (Company: 0%) represents exposure to investments in debt securities (2021: 26% ; Company: 0%%). The Directors are confident in their ability to continue to control exposure to credit risk within a specified risk appetite which can result from both its Loans and Advances portfolio and Debt securities.

[1] Further classification of Loans to Customers along product lines are provided on the next page.

[2] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations,Prepayment and Stock have been excluded.

Credit risk exposure relating to Off-Balance Sheet

In thousands of Nigerian naira	**Maximum exposure Group**		**Maximum exposure Company**	
	Jun-2022	**Dec-2021**	**Jun-2022**	**Dec-2021**
Financial guarantees	555,103,060	361,977,858	-	-
Other contingents	77,394,109	70,841,704	-	-
Total	**632,497,169**	**432,819,562**	**-**	**-**

Contingencies are disclosed on Note 43

Classification of Maximum Exposure on Loans to Customers by Product

Loans and advances have been classified into Overdraft, Loans and Others throughout the Financials Statement.
- Overdraft are lines of credit which allow customers to write cheques for more than the actual balance on their accounts usually to finance working capital.
- Loans include non-revolving facilities given to finance specific transactions, capital projects or a customer’s expansion Programme.
- Others include Usances and Usance Settlement.

Maximum exposure on Loans and advances to customers is analysed below:

	Group		**Company**	
	Jun-2022	**Dec-2021**	**Jun-2022**	**Dec-2021**
Loans to individuals:				
Overdraft	20,267,213	17,695,430	-	-
Loans	249,561,302	215,316,091	-	-
Others	160,360	88,289	-	-
	269,988,875	**233,099,810**	**-**	**-**
Loans to non-individuals:				
Overdraft	173,959,219	165,998,815	-	-
Loans	1,338,388,862	1,379,749,552	-	-
Others	50,760,188	23,739,204	-	-
	1,563,108,269	**1,569,487,571**	**-**	**-**

Credit quality of Financial Assets

IFRS 7 requires information about the credit quality of financial assets.This information is provided below for balances held with counterparty, money market placements, Financial assets at fair value through profit or loss and investment securities.

Unrestricted balances with central banks, Balances held with other banks, Money Market placements, financial assets at fair value through profit or loss and Investment Securities

Unrestricted balances with central banks

The credit quality of Unrestricted balances with central banks are assessed by reference to external credit ratings information about counterparty default rates.

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	**Jun-2022**	**Dec-2021**	**Jun-2022**	**Dec-2021**
Sovereign Ratings				
Nigeria (B-) S&P	18,975,969	89,799,456	-	-
Nigeria (BB-)	-	2,880,839	-	-
Fitch:				
BB-	7,691,092	-	-	-
B-	47,060,379	28,438,893	-	-
B	14,018,657	17,381,198	-	-
unrated	17,555,378	18,498,522	-	-
	105,301,475	**156,998,908**	**-**	**-**

Restricted and Unrestricted balances with Central Bank of Nigeria are assigned Sovereign rating of B- from S&P.

A significant portion of the Group's unrated financial assets relates to cash balances held with central banks as well as sovereign debt securities for which no external ratings are available. For such assets, the Group considers the credit quality of the counterparty, taking into account its financial position, past experience and other factors. Exposure limits are set and compliance is monitored by management.

Balances held with other banks

The credit quality of Balances held with other banks are assessed by reference to external credit ratings information about counterparty default rates.

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	**Jun-2022**	**Dec-2021**	**Jun-2022**	**Dec-2021**
Counterparties with external credit rating (S&P)				
AA+	19,352,404	-	-	-
AA	692,358	44,300	-	-
AA-	-	26,077,470	-	-
A+	392,275,156	139,934,336	-	-
A	-	104,838,270	-	-
A-	27,932,267	18,026,062	-	-
BBB+	-	-	-	-
BBB	-	11,548,467	-	-
BBB-	-	-	-	-
BB+	232,986	-	-	-
BB	-	32,892	-	-
BB-	758	1,320,414	-	-
B-	-	2,349,000	-	-
B	-	1,020,135	-	-
Unrated	16,881,933	13,026,726	-	-
	457,367,862	**318,218,071**	**-**	**-**

Money Market placements

The credit quality of Money Market placements are assessed by reference to external credit ratings information about counterparty default rates.

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	**Jun-2022**	**Dec-2021**	**Jun-2022**	**Dec-2021**
Counterparties with external credit rating (S&P)				
A-1+	26,654,370	-	-	-
A-1	196,627,941	145,673,165	-	-
A-2	13,711,449	151,366,705	-	-
A-3	-	1,088,805	-	-
BBB+	-	-	-	-
B+	6,468,626	-	-	-
B	35,013,151	13,142,868	-	-
Unrated	-	351,858	-	-
	278,475,536	**311,623,401**	**-**	**-**
Sovereign Ratings				
Nigeria (B-) S&P	-	1,000,122	-	-
	-	**1,000,122**	**-**	**-**
Counterparties without external credit rating				
Unrated	47,419,201	16,302,507	-	-
Foreign Subsidiaries	-	-	-	-
	47,419,201	**16,302,507**	**-**	**-**
	325,894,737	**328,926,030**	**-**	**-**

Financial Assets at Fair value through profit or loss

The credit quality of Financial Assets at fair value through profit or loss are assessed by reference to external credit ratings information about counterparty default rates.

	Group		Company	
In thousands of Nigerian naira	**Jun-2022**	**Dec-2021**	**Jun-2022**	**Dec-2021**
Soverign Ratings				
Nigeria (B) S&P	262,320,001	104,397,651	-	-
Other Sovereign (B) S&P	-	-	-	-
	262,320,001	**104,397,651**	**-**	**-**

Investment Securities

The credit quality of investment securities are assessed by reference to external credit ratings information about counterparty default rates.

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	**Jun-2022**	**Dec-2021**	**Jun-2022**	**Dec-2021**
Sovereign Ratings:				
AA	67,660,509	45,969,920	-	-
BB-	54,441,635	44,615,162	-	-
B+	-	-	-	-
Nigeria (B-) S&P	659,292,433	805,655,214	-	-
Other Sovereign Rating (B-) S&P	101,086,222	2,871,621	-	-
Other Sovereign Rating (B) S&P	59,588,476	135,445,841	-	-
Counterparties without external credit rating :				
Unrated	95,742,426	86,740,830	-	-
	1,037,811,700	**1,121,298,587**	**-**	**-**

Of the Group's Investment Securities of N1,037,811,700,000 (Dec 2021: N1,121,298,587,000) the sum of N659,292,433,000 (2021: N805,655,214,000) relates to investment in treasury bills and bond issued by the Federal Government of Nigeria and bears the sovereign risk of the Federal Government of Nigeria. The Federal Republic of Nigeria currently has a foreign long term issuer credit rating of B- (S&P).

Assets pledged as collateral

The credit quality of Assets pledged as collateral are assessed by reference to external credit ratings information about counterparty default rates.

	Group		Company	
In thousands of Nigerian naira	**Jun-2022**	**Dec-2021**	**Jun-2022**	**Dec-2021**
Soverign Ratings				
Nigeria (B-) S&P	109,324,370	68,430,170	-	-
Other Sovereign Rating (B+) S&P	13,933,630	10,843,741	-	-
	123,258,000	**79,273,911**	**-**	**-**

Restricted deposits and other assets

The credit quality of Restricted deposits and other assets are assessed by reference to external credit ratings information about counterparty default rates.

	Group		Company	
In thousands of Nigerian naira	**Jun-2022**	**Dec-2021**	**Jun-2022**	**Dec-2021**
Soverign Ratings				
Other Sovereign Rating (B+) S&P	-	-	-	-
Nigeria (B-) S&P	994,662,952	992,731,135	-	-
Counterparties with external credit rating (S&P)				
A-1	25,962,257	18,931,625	-	-
A-1+	11,792,618	33,922,425	-	-
A-2	3,538,862	5,898,363	-	-
B	-	-	-	-
Other Sovereign Rating (B-) S&P	16,533,873	29,575,420	-	-
Unrated	45,015,181	25,386,835	-	18,183
	1,097,505,743	**1,106,445,803**	**-**	**18,183**

Rating Legend:

External credit rating (S&P)
AA+:Very Strong Capacity to Repay
AA:Very Strong Capacity to Repay
AA-:Very Strong Capacity to Repay
A+: Strong Capacity to Repay
A: Strong Capacity to Repay
A-: Strong Capacity to Repay

External credit rating (S&P)
BB+:Moderate Capacity to Repay
BB: Speculative credit rating
B+: Highly Speculative Credit Rating
B: Highly Speculative Credit Rating
B-: Highly Speculative Credit Rating
C: Speculative Credit Rating

External credit rating (Agusto):
A- : Strong capacity to meet obligations
B: Weak Financial condition but obligations are still being met as and when they fall due

External credit rating (Fitch)
AA-: High grade
A: High grade

A-1+ : Prime Rating	**External credit rating (Moody's)**	A-: Upper medium grade
A-1 : Upper Medium Credit Rating	P-3: Moderate Capacity to Repay	BBB+: Lower medium grade
A-2 : Upper Medium Credit Rating	F1+:Strong capacity to repay	BBB-: Lower medium grade
A-3 : Lower Medium Credit Rating	F1:Strong capacity to repay	BB: Non investment grade speculative
BBB+:Adequate Capacity to Repay	**External credit rating (Agusto):**	BB-: Non investment grade speculative
BBB:Adequate Capacity to Repay	Aa- : Very strong capacity to repay	B: Speculative credit rating
BBB-:Adequate Capacity to Repay	A : Strong capacity to repay	B+: Speculative credit rating

Credit Concentration

IFRS 7 requires disclosures on credit risk concentration. Concentration of risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. This information has been provided along geographical areas and economic sectors.

(i) Geographical Sector

Concentration of risks of financial assets with credit risk exposure

The following table breaks down the Group's credit exposure (without taking into account any collateral held or other credit support), as categorised by geographical region as at the reporting date. For this table, the Group has allocated exposures to regions based on the country of domicile of its counterparties.

Credit risk exposure relating to On-Balance Sheet

Group

Jun-2022

In thousands of Nigerian naira

Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Cash and bank balances:				
- Unrestricted balances with central banks	18,975,969	86,325,506	-	105,301,475
- Balances held with other banks	4,947,974	29,876,993	422,542,895	457,367,862
- Money market placements	55,415,068	41,652,389	228,827,280	325,894,737
Loans and advances to banks	1,597,490	-	-	1,597,490
Loans and advances to customers [1] :				
- Loans to individuals	206,880,677	32,889,812	30,218,386	269,988,875
- Loans to non-individuals	1,324,887,171	238,221,098	-	1,563,108,269
Financial assets at fair value through profit or loss:				
- Debt securities	248,097,235	14,222,766	-	262,320,001
- Derivative financial instruments	14,289,305	-	-	14,289,305
Investment securities:				
- Debt securities	660,496,679	309,654,779	67,660,242	1,037,811,700
Assets pledged as collateral:				
- Debt securities	109,324,370	13,933,630	-	123,258,000
Restricted deposits and other assets[2]	1,008,155,887	36,773,342	52,576,514	1,097,505,743
	3,653,067,825	**803,550,315**	**801,825,317**	**5,258,443,457**

Of the Group's Credit risk exposure outside Africa relating to On-balance sheet, 24% relates to exposures in United States of America, 75% relates to exposures in United Kingdom and 1% relates to exposures in other countries.

[1] Further classification of Loans & Advances to Customers along product lines is provided on the next page.

[2] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations,Prepayment andStock have been excluded.

Credit risk exposure relating to Off-Balance Sheet

Credit Risk Exposure relating to off-balance sheet items are as follows:

Group
Jun-2022

In thousands of Nigerian naira

	Nigeria	Rest of Africa	Outside Africa	Total
Financial guarantees	448,186,212	33,032,737	73,884,111	555,103,060
Other contingents	23,020,925	40,370,520	14,002,664	77,394,109
	471,207,137	**73,403,257**	**87,886,775**	**632,497,169**

Contingencies are disclosed on Note 43

Classification of Credit Concentration on Loans to Customers by Product

The maximum credit exposure of Loans & advances across geographical region and product lines is shown below:

Group
Jun-2022

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Loans to individuals:				
Overdraft	18,639,192	1,608,166	19,855	20,267,213
Loans	188,163,274	31,264,669	30,133,359	249,561,302
Others	78,211	16,977	65,172	160,360
	206,880,677	**32,889,812**	**30,218,386**	**269,988,875**
Loans to non-individuals:				
Overdraft	126,205,523	47,753,696	-	173,959,219
Loans	1,150,286,516	188,102,346	-	1,338,388,862
Others[#]	48,395,132	2,365,056	-	50,760,188
	1,324,887,171	**238,221,098**	**-**	**1,563,108,269**

[#] Others include Usances and Usance Settlement.

Credit risk exposure relating to On-Balance Sheet

Group
Dec-2021

In thousands of Nigerian naira

Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Cash and bank balances:				
- Unrestricted balances with central banks	89,799,456	67,199,452	-	156,998,908
- Balances held with other banks	3,104,475	42,440,715	272,672,881	318,218,071
- Money market placements	916,980	33,645,422	294,363,628	328,926,030
Loans and advances to banks	115,014	-	-	115,014
Loans and advances to customers [1] :				
- Loans to individuals	168,688,042	30,598,853	33,812,915	233,099,810
- Loans to non-individuals	1,306,986,118	262,501,453	-	1,569,487,571
Financial assets at fair value through profit or loss:				
- Debt securities	42,643,770	61,753,881	-	104,397,651
- Derivative financial instruments	24,913,435	-	-	24,913,435
Investment securities:				
- Debt securities	809,698,346	263,335,070	48,265,171	1,121,298,587
Assets pledged as collateral:				
- Debt securities	68,430,170	10,843,741	-	79,273,911
Restricted deposits and other assets[2]	1,004,063,425	73,203,104	29,179,274	1,106,445,803
	3,519,359,231	**845,521,691**	**678,293,869**	**5,043,174,791**

Of the Group's Credit risk exposure outside Africa relating to On-balance sheet, 18% relates to exposures in United States of America, 81% relates to exposures in United Kingdom and 1% relates to exposures in other countries.

[1] Further classification of Loans & Advances to Customers along product lines is provided on the next page.

[2] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations have been excluded.

Credit risk exposure relating to Off-Balance Sheet

Credit Risk Exposure relating to off-balance sheet items are as follows:

Group
Dec-2021

In thousands of Nigerian naira

	Nigeria	Rest of Africa	Outside Africa	Total
Financial guarantees	277,674,438	35,961,646	48,341,774	361,977,858
Other contingents	22,927,960	41,478,607	6,435,137	70,841,704
	300,602,398	**77,440,253**	**54,776,911**	**432,819,562**

Contingencies are disclosed on Note 43

Classification of Credit Concentration on Loans to Customers by Product

The maximum credit exposure of loans and advances across geographical regions and product lines is shown below

Group
Dec-2021

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Loans to individuals:				
Overdraft	16,201,817	1,470,999	22,614	17,695,430
Loans	152,486,225	29,113,794	33,716,072	215,316,091
Others	-	14,060	74,229	88,289
	168,688,042	**30,598,853**	**33,812,915**	**233,099,810**
Loans to non-individuals:				
Overdraft	103,196,694	62,802,121	-	165,998,815
Loans	1,181,225,598	198,523,954	-	1,379,749,552
Others[1]	22,563,826	1,175,378	-	23,739,204
	1,306,986,118	**262,501,453**	**-**	**1,569,487,571**

[1] Others include Usances and Usance Settlement.

Credit risk exposure relating to On-Balance Sheet

Company

Jun-2022

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Restricted deposits and other assets[2]	-	-	-	-
	-	**-**	**-**	**-**

Credit risk exposure relating to On-Balance Sheet

Company

Dec-2021

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Restricted deposits and other assets[2]	18,183	-	-	18,183
	18,183	**-**	**-**	**18,183**

(ii) Industry sectors

The following table breaks down the Group's credit exposure at gross amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Group's counterparties.

Credit Risk Exposure to on-balance sheet items

Group
Jun-2022
In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Cash and bank balances:												
- Unrestricted balances with central banks	-	-	-	-	-	105,301,475	-	-	-	-	-	105,301,475
- Balances held with other banks	-	457,367,862	-	-	-	-	-	-	-	-	-	457,367,862
- Money market placements	-	290,881,586	-	-	-	35,013,151	-	-	-	-	-	325,894,737
Loans and advances to banks	-	1,597,490	-	-	-	-	-	-	-	-	-	1,597,490
Loans and advances to customers [3] :												
- Loans to individuals	-	-	-	-	-	-	-	-	-	269,988,875	-	269,988,875
- Loans to non-individuals	90,584,427	59,477,208	47,830,721	4,638,531	105,220,090	50,642,160	271,005,123	654,609,908	155,889,090	-	123,211,011	1,563,108,269
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	262,320,001	-	-	-	-	-	262,320,001
- Derivative financial instruments	-	13,955,229	-	-	144,365	-	60,652	3,907	120,412	-	4,740	14,289,305
Investment securities:												
- Debt securities	-	1,204,242	-	-	-	1,033,307,438	-	-	-	-	3,300,020	1,037,811,700
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	123,258,000	-	-	-	-	-	123,258,000
Restricted deposits and other assets[4]	-	-	-	-	-	994,730,088	-	-	-	-	102,775,655	1,097,505,743
	90,584,427	**824,483,617**	**47,830,721**	**4,638,531**	**105,364,455**	**2,604,572,313**	**271,065,775**	**654,613,815**	**156,009,502**	**269,988,875**	**229,291,426**	**5,258,443,457**

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.

[2] Includes Telecoms, Logistics, Maritime and Haulage.

[3] Further classification of Loans to Customers along product lines are provided on the next page.

[4] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations, prepayment and stock have been excluded.

Credit Risk Exposure to off-balance sheet items

Group

Jun-2022

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Financial guarantees	1,017,036	78,363,558	222,743,172	1,090	14,423,728	4,398	31,612,717	179,528,706	3,016,089	46,592	24,345,974	555,103,060
Other contingents	92,046	19,886,501	588,686	-	9,728,798	41,442	21,033,453	9,125,696	2,911,918	868,673	13,116,896	77,394,109
Total	**1,109,082**	**98,250,059**	**223,331,858**	**1,090**	**24,152,526**	**45,840**	**52,646,170**	**188,654,402**	**5,928,007**	**915,265**	**37,462,870**	**632,497,169**

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.

[2] Includes Telecoms, Logistics, Maritime and Haulage.

Classification of Sectorial Credit Concentration on Loans to Customers by Product

Group

Jun-2022

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Loans to individuals:												
Overdraft	-	-	-	-	-	-	-	-	-	20,267,213	-	20,267,213
Loans	-	-	-	-	-	-	-	-	-	249,561,302	-	249,561,302
Others	-	-	-	-	-	-	-	-	-	160,360	-	160,360
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**269,988,875**	**-**	**269,988,875**
Loans to non-individuals:												
Overdraft	6,474,967	1,993,353	11,570,452	358,315	23,907,736	1,835,700	35,028,750	66,534,526	15,234,376	-	11,021,044	173,959,219
Loans	81,692,440	57,483,855	36,210,254	4,280,216	79,777,833	48,806,460	213,936,305	569,173,223	137,392,092	-	109,636,184	1,338,388,862
Others	2,417,020	-	50,015	-	1,534,521	-	22,040,068	18,902,159	3,262,622	-	2,553,783	50,760,188
	90,584,427	**59,477,208**	**47,830,721**	**4,638,531**	**105,220,090**	**50,642,160**	**271,005,123**	**654,609,908**	**155,889,090**	**-**	**123,211,011**	**1,563,108,269**

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.

[2] Includes Telecoms, Logistics, Maritime and Haulage.

Credit Risk Exposure to on-balance sheet items

Group

Dec-2021

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Cash and bank balances:												
- Unrestricted balances with central banks	-	-	-	-	-	156,998,908	-	-	-	-	-	156,998,908
- Balances held with other banks	-	318,218,071	-	-	-	-	-	-	-	-	-	318,218,071
- Money market placements	-	327,925,907	-	-	-	1,000,123	-	-	-	-	-	328,926,030
Loans and advances to banks	-	115,014	-	-	-	-	-	-	-	-	-	115,014
Loans and advances to customers [3] :												
- Loans to individuals	-	-	-	-	-	-	-	-	-	233,099,810	-	233,099,810
- Loans to non-individuals	116,576,862	56,904,283	54,594,488	8,172,529	80,726,128	57,797,529	246,127,145	658,654,311	148,144,607	-	141,789,689	1,569,487,571
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	104,397,651	-	-	-	-	-	104,397,651
- Derivative financial instruments	1,998	23,981,829	7,859	-	13,047	-	586,368	6,143	316,191	-	-	24,913,435
Investment securities:												
- Debt securities	-	1,171,511	-	-	-	1,118,173,845	-	-	-	-	1,953,231	1,121,298,587
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	79,273,911	-	-	-	-	-	79,273,911
Restricted deposits and other assets[4]	-	-	-	-	-	993,597,023	-	-	-	-	112,848,780	1,106,445,803
	116,578,860	**728,316,615**	**54,602,347**	**8,172,529**	**80,739,175**	**2,511,238,990**	**246,713,513**	**658,660,454**	**148,460,798**	**233,099,810**	**256,591,700**	**5,043,174,791**

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.

[2] Includes Telecoms, Logistics, Maritime and Haulage.

[3] Further classification of Loans to Customers along product lines are provided on the next page.

[4] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations, prepayment and stock have been excluded.

Credit Risk Exposure to off-balance sheet items

Group
Dec-2021

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Financial guarantees	446	53,560,098	207,682,169	1,288	16,088,455	1,234	30,326,812	38,034,069	4,634,129	98,248	11,550,910	361,977,858
Other contingents	762,572	13,627,164	4,770,315	-	8,313,440	29,518	19,023,070	4,876,146	5,122,979	2,204,827	12,111,673	70,841,704
Total	**763,018**	**67,187,262**	**212,452,484**	**1,288**	**24,401,895**	**30,752**	**49,349,882**	**42,910,215**	**9,757,108**	**2,303,075**	**23,662,583**	**432,819,562**

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.

[2] Includes Telecoms, Logistics, Maritime and Haulage.

Classification of Sectorial Credit Concentration on Loans to Customers by Product

Group
Dec-2021
In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Loans to individuals:												
Overdraft	-	-	-	-	-	-	-	-	-	17,695,430	-	17,695,430
Loans	-	-	-	-	-	-	-	-	-	215,316,091	-	215,316,091
Others	-	-	-	-	-	-	-	-	-	88,289	-	88,289
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**233,099,810**	**-**	**233,099,810**
Loans to non-individuals:												
Overdraft	8,633,575	2,541,323	9,707,629	551,795	25,885,207	2,004,761	29,091,145	60,221,673	9,399,215	-	17,962,492	165,998,815
Loans	107,327,081	54,362,960	44,379,343	7,620,734	52,372,645	55,792,768	207,560,216	596,724,363	131,456,292	-	122,153,150	1,379,749,552
Others	616,206	-	507,516	-	2,468,276	-	9,475,784	1,708,275	7,289,100	-	1,674,047	23,739,204
	116,576,862	**56,904,283**	**54,594,488**	**8,172,529**	**80,726,128**	**57,797,529**	**246,127,145**	**658,654,311**	**148,144,607**	**-**	**141,789,689**	**1,569,487,571**

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.

[2] Includes Telecoms, Logistics, Maritime and Haulage.

The following table breaks down the Parent's credit exposure at gross amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Parent's counterparties.

Credit Risk Exposure to on-balance sheet items

Company
Jun-2022

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Cash and bank balances:												
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Restricted deposits and other assets[4]	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.

[2] Includes Telecoms, Logistics, Maritime and Haulage.

[3] Further classification of Loans to Customers along product lines are provided on the next page.

[4] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations have been excluded.

The following tables show the analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

Maximum exposure to credit risk - Loans and advances

Group
Jun-2022
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	217,128,500	-	-	217,128,500
Very Strong Capacity	599,412,422	-	-	599,412,422
Strong Repayment Capacity	549,523,342	-	-	549,523,342
Acceptable risk	165,225,123	-	-	165,225,123
Significant increase in credit risk	-	269,089,136	-	269,089,136
Default	-	-	118,543,892	118,543,892
Total	**1,531,289,387**	**269,089,136**	**118,543,892**	**1,918,922,415**

Group
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	189,125,207	-	-	189,125,207
Very Strong Capacity	619,423,553	-	-	619,423,553
Strong Repayment Capacity	504,466,293	-	-	504,466,293
Acceptable risk	189,107,988	-	-	189,107,988
Significant increase in credit risk	-	270,366,922	-	270,366,922
Default	-	-	113,919,483	113,919,483
Total	**1,502,123,041**	**270,366,922**	**113,919,483**	**1,886,409,446**

Maximum exposure to credit risk - Money Market Placements

Group
Jun-2022
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	326,032,981	-	-	326,032,981

Group
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	329,063,731	-	-	329,063,731

Company
Jun-2022
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Company
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Maximum exposure to credit risk - Investment securities

Group
Jun-2022
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,041,716,158	-	-	1,041,716,158

Group
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,125,203,045	-	-	1,125,203,045

Company
Jun-2022
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Company
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Maximum exposure to credit risk - Restricted deposits and other assets

Group
Jun-2022
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,097,775,544	-	-	1,097,775,544

ith central banks (See note 34(i) below)

Group
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,106,715,604	-	-	1,106,715,604

ith central banks (See note 34(i) below)
/IEIS (See note 34(ii) below)

Company
Jun-2022
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

ith central banks (See note 34(i) below)

Company
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	18,183	-	-	18,183

ith central banks (See note 34(i) below)
/IEIS (See note 34(ii) below)

Maximum exposure to credit risk - off balance sheet

Group
Jun-2022
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	632,497,169	-	-	632,497,169

Group
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	432,819,562	-	-	432,819,562

Company
Jun-2022
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Company
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Disclosures of various factors that impact the ECL Model as at 30 June 2022.
These Factors revolves around:
1) Discounting of the expected future casflows from individual obligors with their respective Effective interest rate (EIR) on the set future dates to present value.
2) Application of varying haircut to underlying collateral and further discounting with their respective EIR
3) Application of varying forward looking information in relation to underlying macroeconomic assumptions and the degree of responsivenes of the obligors to the assumptions at different degree of normal, downturn and upturn scenarios. The weightings applied to the multiple economic scenarios are upturn - 40%; normal - 33%; and downturn - 27%.

The following macro-economic forecasts under the different scenarios were adopted for individual customers:

Macro-Economic variable assumptions:

	Scenario	**2023**	**2024**	**2025**
Exchange rate (₦/USD)	Upturn	381.73	386.42	390.31
	Normal	435.00	441.00	444.00
	Downturn	488.27	495.58	497.69
Inflation rate (%)	Upturn	13.72	14.31	13.40
	Normal	15.50	16.00	15.00
	Downturn	17.28	17.69	16.60
Unemployment (%)	Upturn	34.99	37.83	37.61
	Normal	40.00	44.00	44.00
	Downturn	45.01	50.17	50.39
GDP growth rate (%)	Upturn	4.74	4.70	4.62
	Normal	3.40	3.50	3.50
	Downturn	2.06	2.30	2.38

The following macro-economic forecasts under the different scenarios were adopted for corporate customers:

Macro-Economic variable assumptions:

	Scenario	**2023**	**2024**	**2025**
Exchange rate (₦/USD)	Upturn	381.73	386.42	390.31
	Normal	435.00	441.00	444.00
	Downturn	488.27	495.58	497.69
Inflation rate (%)	Upturn	13.72	14.31	13.40
	Normal	15.50	16.00	15.00
	Downturn	17.28	17.69	16.60
Crude oil prices (USD/barrel)	Upturn	198.50	215.69	224.59
	Normal	183.92	192.35	199.28
	Downturn	169.34	169.01	173.97
Crude oil Production (barrel)	Upturn	1,603,759	2,026,739	2,015,288
	Normal	1,420,000	1,850,000	1,850,000
	Downturn	608,386	1,673,261	1,684,712
GDP growth rate (%)	Upturn	4.74	4.70	4.62
	Normal	3.40	3.50	3.50
	Downturn	2.06	2.30	2.38

(vii) Impairment and provisioning policies

The following policies guide the Group's provisioning and impairment:

(1) Loan Categorization

All loans and advances are categorized as follows during the current year:

- **Stage 1 Loans and Advances:**

  These are loans and advances that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (where the optional simplification is applied) at the reporting date. The credit quality of the Stage 1 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned ratings 1-6.

  In addition to the above, Stage 1 loans and advances are loans that have experienced movement of credit rating of less than 3 notches migration from origination and are not in default

- **Stage 2 Loans and Advances:**

  These are loans and advances that have deteriorated significantly in credit quality since initial recognition but do not have objective evidence of a credit loss event. The credit quality of the Stage 2 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned rating 7.

  In addition to the above, Stage 2 loans and advances are loans that have experienced movement of credit rating of more than 3 notches migration from origination and are not in default.

- **Stage 3 Loans and Advances:**

  These are loans and advances that have objective evidence of a credit loss event. Stage 3 allocation is driven by either the identification of credit impairment or an exposure being classified as defaulted. The credit quality of the Stage 3 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned ratings 8-10.

(2) Allowances for impairment

The Group establishes an allowance for impairment losses that represents its estimate of expected credit losses in its loan portfolio. In accordance with IFRS 9 which requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (stage 1), and lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (stage 2) or which are credit impaired (stage 3).

Stage 1 – This is where credit risk has not increased significantly since initial recognition. For loans in stage 1, the Group recognises 12-month ECL and interest income is recognised on a gross basis – this means that interest will be calculated on the gross carrying amount of the loan before adjusting for ECL.

Stage 2 - This is where credit risk has increased significantly since initial recognition (stage 1). When a loan is transferred to stage 2, the Group recognises lifetime ECL but interest income will continue to be recognised on a gross basis.

Stage 3 – At stage 3, the loan is credit impaired. This is effectively the point at which there has been an incurred loss event. For loans in stage 3, the Group continues to recognise lifetime ECL but interest income is recognised on a net basis. This means that interest income will be calculated based on the gross carrying amount of the loan less ECL.

Realizable collaterals are important component of cash flows.

(3) Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured, it remains in this category independent of satisfactory performance after restructuring.

(4) Governance structure around the ECL model:

The governance around the ECL model centres on the monitoring of performance of obligors in accordance with the term and conditions of the underlying facilities and ensure that the ratings assigned to each counterparty reflects the outcome of the internal rating model of the Group, tailored to the various categories and sectors of the counterparties. For this purpose, the Group has set up 3 level of structure with oversights on the review of credit performance and assign credit ratings. The three levels of governance structure are:

i) **Chief Risk Officer:** The Chief Risk Officer (CRO) works with the divisional heads and relationship managers to monitor and provide feedback on the performance of the facilities less than or equal to ₦100 million. This gives him insight into what the appropriate rating migration for each facility in this band should be.

ii) **An Executive Director (ED) who is a member of the Board Risk Management Committee (BRMC):** An ED who is a member of the BRMC has been assigned responsibility for the facilities above ₦100 million but less than ₦500 million. The ED works with the CRO, divisional heads and the relationship managers to monitor the facilities in this category. He ensures that adequate information as to the level of performance of these facilities is promptly retrieved and the counterparties are correctly rated.

iii) **The Managing Director (MD):** The Managing Director presides over the review of facilities over ₦500 million. The Managing Director may also decide to retain the oversight on the performance of all facilities irrespective of the amount.

Every decision made with respect to the performance of these facilities must be approved by the MD.

All the above approving authorities in respect of credit ratings consider number of days past due as one of the quantitative variables in the determination of the credit ratings to be assigned to credit facilities. Facilities that are 30 days past due are assigned a credit rating of 7 except appropriate rebuttals are in place to justify a better credit rating while Facilities that are 90 days past due are assigned a rating of 8 except appropriate rebuttals are in place to justify a better credit rating.

(5) Policy around rebuttal:

When backstop is used and an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 respectively, the presumption can be rebutted only on the basis of the following:

i) The relationship manager and divisional head must provide reasonable and supportable evidence for the rebuttal. In doing this, the evidence must be provided to the CRO and credit risk management team within 10 working days failure of which the transfer will be made.

ii) For accounts that are moved to stage 2, the CRO and credit risk management team will review the evidence provided by the relationship manager and provide feedback to the relationship manager as regards the acceptability of the evidence.

iii) For accounts that are moved to stage 3, the CRO and credit risk management team will review the evidence provided by the relationship manager. The account is then scheduled to be presented to the Criticised Asset Committee (CAC).

iv) CAC takes decision with respect to the acceptability of the evidence presented to it.

v) Where the evidence is deemed acceptable as stated in (ii) and (iv) above, the account is immediately transferred back to the previous stage. Where the evidence is not acceptable, the account is left in the new stage except the relationship manager is able to provide fresh evidence which will follow the same step above.

(i) Credit quality of Stage 1 Loans and advances

The credit quality of the portfolio of Stage 1 loans and advances can be assessed by reference to the internal rating system adopted by the Group.

Group
Jun-2022
In thousands of Nigerian Naira

	Loans and advances to customers						Loans and advances to banks		
	Individuals			Non-individuals					
Rating	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Total**
Exceptional capacity	408,298	32,093,939	65,172	72,695,041	107,415,840	4,450,210	-	-	217,128,500
Very strong capacity	652,626	37,293,798	-	9,110,949	533,975,371	18,379,678	-	-	599,412,422
Strong repayment capacity	15,989,593	158,825,264	78,211	34,194,394	312,875,485	26,074,699	1,485,696	-	549,523,342
Acceptable risk	1,169,945	13,177,677	17,212	13,456,208	135,365,427	2,037,174	1,480	-	165,225,123
Total	**18,220,462**	**241,390,678**	**160,595**	**129,456,592**	**1,089,632,123**	**50,941,761**	**1,487,176**	**-**	**1,531,289,387**

Group
Dec-2021
In thousands of Nigerian Naira

	Loans and advances to customers						Loans and advances to banks		
	Individuals			Non-individuals					
Rating	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Total**
Exceptional capacity	24,526	31,078,140	74,229	53,542,703	95,531,829	8,873,780	-	-	189,125,207
Very strong capacity	1,486,568	8,855,544	-	13,706,428	587,067,316	8,307,697	-	-	619,423,553
Strong repayment capacity	13,323,801	161,144,488	-	50,188,907	274,910,183	4,883,548	15,366	-	504,466,293
Acceptable risk	1,024,704	4,925,589	14,060	18,798,666	162,682,377	1,582,477	64,901	15,214	189,107,988
Total	**15,859,599**	**206,003,761**	**88,289**	**136,236,704**	**1,120,191,705**	**23,647,502**	**80,267**	**15,214**	**1,502,123,041**

(ii) **Stage 2 Loans and Advances to Customers**

Group
Jun-2022
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	1,762,412	231,204,813	-	232,967,225
Overdraft	1,777,821	34,147,570	-	35,925,391
Others	-	196,520	-	196,520
	3,540,233	**265,548,903**	**-**	**269,089,136**
Impairment:				
Loans	11,147	15,274,627	-	15,285,774
Overdraft	68,124	1,937,689	-	2,005,813
Others	-	-	-	-
	79,271	**17,212,316**	**-**	**17,291,587**
Net Amount:				
Loans	1,751,265	215,930,186	-	217,681,451
Overdraft	1,709,697	32,209,881	-	33,919,578
Others	-	196,520	-	196,520
	3,460,962	**248,336,587**	**-**	**251,797,549**
FV of collateral[1]:				
Loans	42,563,712	6,275,480,290	-	6,318,044,002
Overdraft	42,935,852	137,399,537	-	180,335,389
Others	-	346,505	-	346,505
	85,499,564	**6,413,226,332**	**-**	**6,498,725,896**
Amount of undercollateralisation:				
Others	-	-	-	-
	-	**-**	**-**	**-**
Net Loans	**3,460,962**	**248,336,587**	**-**	**251,797,549**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

Group
Dec-2021
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	1,999,068	244,744,045	-	246,743,113
Overdraft	1,888,882	21,570,400	-	23,459,282
Others	-	164,527	-	164,527
	3,887,950	**266,478,972**	**-**	**270,366,922**
Impairment:				
Loans	14,645	17,327,334	-	17,341,979
Overdraft	216,199	853,508	-	1,069,707
Others	-	104	-	104
	230,844	**18,180,946**	**-**	**18,411,790**
Net Amount:				
Loans	1,984,423	227,416,711	-	229,401,134
Overdraft	1,672,683	20,716,892	-	22,389,575
Others	-	164,423	-	164,423
	3,657,106	**248,298,026**	**-**	**251,955,132**
FV of collateral[1]:				
Loans	47,855,555	6,292,769,910	-	6,340,625,465
Overdraft	45,217,820	86,180,061	-	131,397,881
Others	-	272,325	-	272,325
	93,073,375	**6,379,222,296**	**-**	**6,472,295,671**
Amount of undercollateralisation:				
Overdraft	-	-	-	-
	-	-	-	-
Net Loans	**3,657,106**	**248,298,026**	**-**	**251,955,132**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

(iii) **Stage 3 Loans and Advances to Customers**

The breakdown of gross amount of Stage 3 Loans, along with the fair value of related collateral held by the Group as security, are as follows:

Group
Jun-2022
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross loans:				
Loans	14,030,878	70,087,080	30,240	84,148,198
Overdraft	9,751,285	24,550,260	83,548	34,385,093
Others	-	10,601	-	10,601
	23,782,163	**94,647,941**	**113,788**	**118,543,892**
Impairment:				
Loans	6,399,315	32,828,475	1,587	39,229,377
Overdraft	9,110,457	9,570,642	1,810	18,682,909
Others	-	-	-	-
	15,509,772	**42,399,117**	**3,397**	**57,912,286**
Net Amount:				
Loans	7,631,563	37,258,605	28,653	44,918,821
Overdraft	640,828	14,979,618	81,738	15,702,184
Others	-	10,601	-	10,601
	8,272,391	**52,248,824**	**110,391**	**60,631,606**
FV of collateral[1]:				
Loans	11,210,248	92,182,930	50,299	103,443,477
Overdraft	7,790,983	23,173,525	57,885	31,022,393
Others	-	342,169	-	342,169
FV of collateral	**19,001,231**	**115,698,624**	**108,184**	**134,808,039**
Amount of undercollateralisation:				
Loans	2,820,630	-	-	-
Overdraft	1,960,302	1,376,735	25,663	3,362,700
Others	-	-	-	-
	4,780,932	-	5,604	-
Net Loans	**8,272,391**	**52,248,824**	**110,391**	**60,631,606**
Amount of undercollateralisation on net loans	-	-	2,207	-

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

Group
Dec-2021
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross loans:				
Loans	13,610,800	70,905,056	21,336	84,537,192
Overdraft	9,653,307	19,718,008	673	29,371,988
Others	-	10,303	-	10,303
	23,264,107	**90,633,367**	**22,009**	**113,919,483**
Impairment:				
Loans	5,541,566	35,008,540	1,522	40,551,628
Overdraft	9,023,896	7,917,498	673	16,942,067
Others	-	-	-	-
	14,565,462	**42,926,038**	**2,195**	**57,493,695**
Net Amount:				
Loans	8,069,234	35,896,516	19,814	43,985,564
Overdraft	629,411	11,800,510	-	12,429,921
Others	-	10,303	-	10,303
	8,698,645	**47,707,329**	**19,814**	**56,425,788**
FV of collateral[1]:				
Loans	11,116,780	96,090,993	44,924	107,252,697
Overdraft	7,884,451	20,461,284	-	28,345,735
Others	-	1,963,876	-	1,963,876
FV of collateral	**19,001,231**	**118,516,153**	**44,924**	**137,562,308**
Amount of undercollateralisation:				
Loans	2,494,020	-	-	-
Overdraft	1,768,856	-	673	1,026,253
Others	-	-	-	-
	4,262,876	**-**	**-**	**-**
Net Loans	**8,698,645**	**47,707,329**	**19,814**	**56,425,788**
Amount of undercollateralisation on net loans	-	-	2,207	2,207

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is assessed by reference to market price or indexes of similar assets.

Categorization of Loans and advances

The table below analyses the Group's Loans and advances based on the categorization by Performance of the Loans and the allowances taken on them.

Jun-2022

	Group Jun-2022				Company Jun-2022			
In thousands of Nigerian Naira	**Loans to Individual**	**Loans to non-Individual**	**Loans to Banks**	**Total**	**Loans to Individual**	**Loans to non-Individual**	**Loans to Banks**	**Total**
Stage 1 - 12 months ECL	259,771,735	1,270,030,476	1,487,176	1,531,289,387	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	3,540,233	265,548,903	-	269,089,136	-	-	-	-
Stage 3 - Non Performing Loans	23,782,163	94,647,941	113,788	118,543,892	-	-	-	-
Gross Loans and Advances	**287,094,131**	**1,630,227,320**	**1,600,964**	**1,918,922,415**	**-**	**-**	**-**	**-**
Less allowances for impairment:								
Stage 1 - 12 months ECL	1,516,213	7,507,618	77	9,023,908	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	79,271	17,212,316	-	17,291,587	-	-	-	-
Stage 3 - Non Performing Loans	15,509,772	42,399,117	3,397	57,912,286	-	-	-	-
Total allowance	**17,105,256**	**67,119,051**	**3,474**	**84,227,781**	**-**	**-**	**-**	**-**
Net Loans and Advances	**269,988,875**	**1,563,108,269**	**1,597,490**	**1,834,694,634**	**-**	**-**	**-**	**-**

Dec-2021

	Group Dec-2021				Company Dec-2021			
	Loans to Individual	**Loans to non-Individual**	**Loans to Banks**	**Total**	**Loans to Individual**	**Loans to non-Individual**	**Loans to Banks**	**Total**
Stage 1 - 12 months ECL	221,951,649	1,280,075,911	95,481	1,502,123,041	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	3,887,950	266,478,972	-	270,366,922	-	-	-	-
Stage 3 - Non Performing Loans	23,264,107	90,633,367	22,009	113,919,483	-	-	-	-
Gross Loans and Advances	**249,103,706**	**1,637,188,250**	**117,490**	**1,886,409,446**	**-**	**-**	**-**	**-**
Less allowances for impairment:								
Stage 1 - 12 months ECL	1,207,590	6,593,695	281	7,801,566	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	230,844	18,180,946	-	18,411,790	-	-	-	-
Stage 3 - Non Performing Loans	14,565,462	42,926,038	2,195	57,493,695	-	-	-	-
Total allowance	**16,003,896**	**67,700,679**	**2,476**	**83,707,051**	**-**	**-**	**-**	**-**
Net Loans and Advances	**233,099,810**	**1,569,487,571**	**115,014**	**1,802,702,395**	**-**	**-**	**-**	**-**

Each category of the gross loans is further analysed into Product lines as follows:

Jun-2022

	Group				Company			
	Jun-2022				Jun-2022			
In thousands of Nigerian Naira	Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Loans	241,390,079	1,089,632,006	-	1,331,022,085	-	-	-	-
Overdrafts	18,221,296	129,456,553	1,487,176	149,165,025	-	-	-	-
Others	160,360	50,941,917	-	51,102,277	-	-	-	-
Stage 1 - 12 Months ECL	**259,771,735**	**1,270,030,476**	**1,487,176**	**1,531,289,387**	**-**	**-**	**-**	**-**
Loans	1,762,412	231,204,813	-	232,967,225	-	-	-	-
Overdrafts	1,777,821	34,147,570	-	35,925,391	-	-	-	-
Others	-	196,520	-	196,520	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	**3,540,233**	**265,548,903**	**-**	**269,089,136**	**-**	**-**	**-**	**-**
Loans	14,030,878	70,087,080	30,240	84,148,198	-	-	-	-
Overdrafts	9,751,285	24,550,260	83,548	34,385,093	-	-	-	-
Others	-	10,601	-	10,601	-	-	-	-
Stage 3 - Non Performing Loans	**23,782,163**	**94,647,941**	**113,788**	**118,543,892**	**-**	**-**	**-**	**-**
Total Loans and Advances	**287,094,131**	**1,630,227,320**	**1,600,964**	**1,918,922,415**	**-**	**-**	**-**	**-**

The impairment allowance on loans is further analysed as follows:

	Group				Company			
	Jun-2022				Jun-2022			
	Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Stage 1: 12 Months ECL								
Loans	1,211,605	4,431,935	-	5,643,540	-	-	-	-
Overdrafts	304,608	2,686,833	77	2,991,518	-	-	-	-
Others	-	388,850	-	388,850	-	-	-	-
	1,516,213	**7,507,618**	**77**	**9,023,908**	**-**	**-**	**-**	**-**
Stage 2: Life Time ECL Not Credit Impaired								
Loans	11,147	15,274,627	-	15,285,774	-	-	-	-
Overdrafts	68,124	1,937,689	-	2,005,813	-	-	-	-
Others	-	-	-	-	-	-	-	-
	79,271	**17,212,316**	**-**	**17,291,587**	**-**	**-**	**-**	**-**
Stage 3: Non Performing Loans								
Loans	6,399,315	32,828,475	1,587	39,229,377	-	-	-	-
Overdrafts	9,110,457	9,570,642	1,810	18,682,909	-	-	-	-
Others	-	-	-	-	-	-	-	-
	15,509,772	**42,399,117**	**3,397**	**57,912,286**	**-**	**-**	**-**	**-**
Total allowance	**17,105,256**	**67,119,051**	**3,474**	**84,227,781**	**-**	**-**	**-**	**-**

Each category of the gross loans is further analysed into Product lines as follows:

Dec-2021

In thousands of Nigerian Naira	Group Dec-2021 Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Company Dec-2021 Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Loans	206,003,761	1,120,191,705	15,214	1,326,210,680	-	-	-	-
Overdrafts	15,859,599	136,236,704	80,267	152,176,570	-	-	-	-
Others	88,289	23,647,502	-	23,735,791	-	-	-	-
Stage 1 - 12 Months ECL	**221,951,649**	**1,280,075,911**	**95,481**	**1,502,123,041**	**-**	**-**	**-**	**-**
Loans	1,999,068	244,744,045	-	246,743,113	-	-	-	-
Overdrafts	1,888,882	21,570,400	-	23,459,282	-	-	-	-
Others	-	164,527	-	164,527	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	**3,887,950**	**266,478,972**	**-**	**270,366,922**	**-**	**-**	**-**	**-**
Loans	13,610,800	70,905,056	21,336	84,537,192	-	-	-	-
Overdrafts	9,653,307	19,718,008	673	29,371,988	-	-	-	-
Others	-	10,303	-	10,303	-	-	-	-
Stage 3 - Non Performing Loans	**23,264,107**	**90,633,367**	**22,009**	**113,919,483**	**-**	**-**	**-**	**-**
Total Loans and Advances	**249,103,706**	**1,637,188,250**	**117,490**	**1,886,409,446**	**-**	**-**	**-**	**-**

The impairment allowance on loans is further analysed as follows:

	Group Dec-2021 Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Company Dec-2021 Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Stage 1: 12 Months ECL								
Loans	741,327	3,755,380	-	4,496,707	-	-	-	-
Overdrafts	466,263	2,755,291	281	3,221,835	-	-	-	-
Others	-	83,024	-	83,024	-	-	-	-
	1,207,590	**6,593,695**	**281**	**7,801,566**	**-**	**-**	**-**	**-**
Stage 2: Life Time ECL Not Credit Impaired								
Loans	14,645	17,327,334	-	17,341,979	-	-	-	-
Overdrafts	216,199	853,508	-	1,069,707	-	-	-	-
Others	-	104	-	104	-	-	-	-
	230,844	**18,180,946**	**-**	**18,411,790**	**-**	**-**	**-**	**-**
Stage 3: Non Performing Loans								
Loans	5,541,566	35,008,540	1,522	40,551,628	-	-	-	-
Overdrafts	9,023,896	7,917,498	673	16,942,067	-	-	-	-
Others	-	-	-	-	-	-	-	-
	14,565,462	**42,926,038**	**2,195**	**57,493,695**	**-**	**-**	**-**	**-**
Total allowance	**16,003,896**	**67,700,679**	**2,476**	**83,707,051**	**-**	**-**	**-**	**-**

(v) Credit collateral

The Group ensures that each credit is reviewed and granted based on the strength of the borrowers' cash flow. However, the Group also ensures its credit facilities are well secured as a second way out. The policies that guide collateral for facilities are embedded within the Group's credit policy guide. These include the following policy statements amongst others:

Loans to individuals and non-individuals are to be secured by tangible, marketable collateral that has a market value that is supported by a valuation report from a registered estate valuer who is acceptable to the Group. The collateral must also be easy to check and easy to dispose of. This collateral must be in the possession of, or pledged to, the Group. Client's account balances must be within the scope of cover provided by its collateral.

All collateral offered must have the following attributes:

- There must be good legal title
- The title must be easy to transfer
- It should be easy and relatively cheap to value
- The value should be appreciating or at least stable
- The security must be easy to sell.

All collateral must be protected by insurance. Exceptions include cash collateral, securities in safe keeping, indemnity or guarantees, or where our interest is general (for instance in a negative pledge). The insurance policy has to be issued by an insurer acceptable to the Group. All cash collateralized facilities shall have a 20% margin to provide cushion for interest and other charges i.e. only 80% of the deposit or cash collateral may be availed to an obligor.

The main collateral types acceptable to the Group for loans and advances include:

- Mortgages over residential properties.

- Charges over business premises, fixed and floating assets as well as inventory.

- Charges over financial instruments such as equities, treasury bills etc.

The fair values of collaterals are based upon last annual valuation undertaken by independent valuers on behalf of the Group. The valuation techniques adopted for properties are based upon fair values of similar properties in the neighbourhood taking into cognizance the advantages and disadvantages of the comparatives over the subject property and any other factor which can have effect on the valuation e.g. subsequent movements in house prices, after making allowance for dilapidations. The fair values of non-property collaterals (such as equities, bond, treasury bills, etc.) are determined with reference to market quoted prices or market values of similar instrument.

The same Fair value approach is used in determining the collaterals value in the course of sale or realisation. The Group uses external agents to realize the value as soon as practicable, generally at auction, to settle indebtedness. Any surplus funds are returned to the borrower.

Notes to the financial statements

Summary of collaterals pledged by customers against loans and advances

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers and banks is shown below:

Group
Jun-2022

	Loans and advances to customers		Loans and advances to Banks	
In thousands of Nigerian Naira	Gross Loans	Collateral	Gross Loans	Collateral
Against Stage 1 Loans and Advances	1,529,802,211	26,501,015,685	1,487,176	4,006,000
Against Stage 2 Loans and Advances	269,089,136	6,498,725,896	-	-
Against Stage 3 Loans and Advances	118,430,104	134,699,855	113,788	108,184
Total	**1,917,321,451**	**33,134,441,436**	**1,600,964**	**4,114,184**

Group
Dec-2021

	Loans and advances to customers		Loans and advances to Banks	
In thousands of Nigerian Naira	Gross Loans	Collateral	Gross Loans	Collateral
Against Stage 1 Loans and Advances	1,502,027,560	19,850,087,258	95,481	119,081
Against Stage 2 Loans and Advances	270,366,922	6,472,295,671	-	-
Against Stage 3 Loans and Advances	113,897,474	137,517,384	22,009	44,924
Total	**1,886,291,956**	**26,459,900,313**	**117,490**	**164,005**

Notes to the financial statements

The type of Collaterals and Other Security enhancement held against the various loan classifications are disclosed in the table below:

Group

In thousands of Nigerian Naira	**Loans and advances to customers Jun-2022**	**Loans and advances to banks Jun-2022**
Against Stage 1 Loans and Advances:		
Property	8,850,782,138	4,006,000
Equities	2,319,921,769	-
Treasury bills	7,616,692	-
Cash	300,341,877	-
Guarantees	32,572,480	-
Negative pledge	3,758,943	-
ATC*, stock hypothecation and ISPO*	983,673	-
Others #	14,985,038,113	-
Total	**26,501,015,685**	**4,006,000**
Against Stage 2 Loans and Advances:		
Property	206,833,500	-
Equities	-	-
Cash	21,028,260	-
Treasury bills	-	-
Guarantees	2,664,017	-
Others #	6,268,200,119	-
Total	**6,498,725,896**	**-**
Against Stage 3 Loans and Advances:		
Property	105,260,984	99,885
Equities	41,404	-
Treasury bills	-	-
Cash	596,694	-
Guarantees	2,027,759	-
ATC*, stock hypothecation and ISPO*	554,887	-
Others #	26,218,127	8,299
Total	**134,699,855**	**108,184**
Grand total	**33,134,441,436**	**4,114,184**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Notes to the financial statements

The type of Collaterals and Other Security enhancement held against the various loan classifications are disclosed in the table below:

Group

In thousands of Nigerian Naira	**Loans and advances to customers Dec-2021**	**Loans and advances to banks Dec-2021**
Against Stage 1 Loans and Advances:		
Property	1,766,899,458	56,000
Equities	64,316,977	-
Treasury bills	7,142,506	63,081
Cash	120,799,293	-
Guarantees	30,384,813	-
Negative pledge	2,905,370	-
ATC*, stock hypothecation and ISPO*	56,823,057	-
Others #	17,800,815,784	-
Total	**19,850,087,258**	**119,081**
Against Stage 2 Loans and Advances:		
Property	79,316,781	-
Equities	10,727,529	-
Cash	141,719	-
Treasury bills	620,037	-
Guarantees	2,934,962	-
Negative pledge	-	-
Others #	6,378,554,643	-
Total	**6,472,295,671**	**-**
Against Stage 3 Loans and Advances:		
Property	87,748,851	42,000
Equities	41,404	-
Treasury bills	3,307,034	-
Cash	7,875,332	-
Guarantees	3,071,730	-
ATC*, stock hypothecation and ISPO*	693,272	-
Others #	34,779,761	2,924
Total	**137,517,384**	**44,924**
Grand total	**26,459,900,313**	**164,005**

*ISPO: Irrevocable standing payment order
*ATC: Authority to collect
#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Summary of collaterals pledged by customers against loans and advances

Analysis of credit collateral is further shown below:

Group
Jun-2022

	Loans and advances to customers				Loans and advances to banks			
	Term Loans	**Overdrafts**	**Others**	**Total**	**Term Loans**	**Overdrafts**	**Others**	**Total**
Against Stage 1 Loans and Advances:								
Property	8,111,229,020	178,268,867	561,284,251	8,850,782,138	-	4,006,000	-	4,006,000
Equities	2,317,416,495	1,338,199	1,167,075	2,319,921,769	-	-	-	-
Cash	150,936,292	9,918,783	139,486,802	300,341,877	-	-	-	-
Guarantees	9,628,139	2,111,339	20,833,002	32,572,480	-	-	-	-
Negative Pledge	1,809,554	1,023,938	925,451	3,758,943	-	-	-	-
Treasury Bills	7,616,692	-	-	7,616,692	-	-	-	-
ATC*, stock hypothecation and ISPO*	-	983,673	-	983,673	-	-	-	-
Others #	14,973,886,497	10,690,715	460,901	14,985,038,113	-	-	-	-
Total	**25,572,522,689**	**204,335,514**	**724,157,482**	**26,501,015,685**	**-**	**4,006,000**	**-**	**4,006,000**
Against Stage 2 Loans and Advances:								
Property	49,010,076	157,486,315	337,109	206,833,500	-	-	-	-
Equities	-	-	-	-	-	-	-	-
Cash	524,525	20,498,254	5,481	21,028,260	-	-	-	-
Treasury bills	-	-	-	-	-	-	-	-
Guarantees	1,107,319	1,554,161	2,537	2,664,017	-	-	-	-
Others #	6,267,402,082	796,659	1,378	6,268,200,119	-	-	-	-
Total	**6,318,044,002**	**180,335,389**	**346,505**	**6,498,725,896**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	78,191,283	26,728,387	341,314	105,260,984	42,000	57,885	-	99,885
Equities	37,704	3,700	-	41,404	-	-	-	-
Treasury bills	-	-	-	-	-	-	-	-
Cash	558,231	38,463	-	596,694	-	-	-	-
Guarantees	1,750,748	277,011	-	2,027,759	-	-	-	-
ATC*, stock hypothecation and ISPO*	554,887	-	-	554,887	-	-	-	-
Others #	22,300,325	3,916,947	855	26,218,127	8,299	-	-	8,299
Total	**103,393,178**	**30,964,508**	**342,169**	**134,699,855**	**50,299**	**57,885**	**-**	**108,184**
Grand total	**31,993,959,869**	**415,635,411**	**724,846,156**	**33,134,441,436**	**50,299**	**4,063,885**	**-**	**4,114,184**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Notes to the financial statements

Summary of collaterals pledged by customers against loans and advances

Analysis of credit collateral is further shown below:

Group
Dec-2021

In thousands of Nigerian Naira	Loans and advances to customers Term Loans	Overdrafts	Others	Total	Loans and advances to banks Term Loans	Overdrafts	Others	Total
Against Stage 1 Loans and Advances:								
Property	1,104,011,987	138,932,639	523,954,832	1,766,899,458	-	56,000	-	56,000
Equities	64,316,977	-	-	64,316,977	-	-	-	-
Cash	104,976,885	12,414,804	3,407,604	120,799,293	-	-	-	-
Guarantees	4,276,120	2,181,666	23,927,027	30,384,813	-	-	-	-
Negative Pledge	1,197,987	564,380	1,143,003	2,905,370	-	-	-	-
Treasury Bills	1,847,731	5,214,379	80,396	7,142,506	11,979	51,102	-	63,081
ATC*, stock hypothecation and ISPO*	55,694,522	1,128,535	-	56,823,057	-	-	-	-
Others #	17,692,517,465	76,835,134	31,463,185	17,800,815,784	-	-	-	-
Total	**19,028,839,674**	**237,271,537**	**583,976,047**	**19,850,087,258**	**11,979**	**107,102**	**-**	**119,081**
Against Stage 2 Loans and Advances:								
Property	53,942,097	25,220,794	153,890	79,316,781	-	-	-	-
Equities	10,727,529	-	-	10,727,529	-	-	-	-
Cash	32,572	109,143	4	141,719	-	-	-	-
Treasury bills	217,458	402,579	-	620,037	-	-	-	-
Guarantees	1,855,227	1,077,265	2,470	2,934,962	-	-	-	-
Negative pledge	-	-	-	-	-	-	-	-
Others #	6,273,850,582	104,588,100	115,961	6,378,554,643	-	-	-	-
Total	**6,340,625,465**	**131,397,881**	**272,325**	**6,472,295,671**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	67,212,245	20,185,652	350,954	87,748,851	42,000	-	-	42,000
Equities	37,704	3,700	-	41,404	-	-	-	-
Treasury bills	1,885,236	1,421,798	-	3,307,034	-	-	-	-
Cash	7,832,758	42,570	4	7,875,332	-	-	-	-
Guarantees	1,444,609	19,138	1,607,983	3,071,730	-	-	-	-
ATC*, stock hypothecation and ISPO*	693,272	-	-	693,272	-	-	-	-
Others #	28,101,949	6,672,877	4,935	34,779,761	2,924	-	-	2,924
Total	**107,207,773**	**28,345,735**	**1,963,876**	**137,517,384**	**44,924**	**-**	**-**	**44,924**
Grand total	**25,476,672,912**	**397,015,153**	**586,212,248**	**26,459,900,313**	**56,903**	**107,102**	**-**	**164,005**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Notes to the financial statements

(b) Credit risk (continued)

Debt securities

The table below shows analysis of debt securities into the different classifications:

Group
Jun-2022

In thousands of Nigerian Naira	Financial assets at fair value through profit or loss	Investment securities	Assets pledged as collateral	Total
Federal government bonds	28,383,972	237,612,535	13,496,315	279,492,822
Treasury bills	231,104,046	227,453,202	109,761,685	568,318,933
Special Bills	-	538,220,880	-	538,220,880
Corporate bonds	-	3,300,019	-	3,300,019
Euro bond	2,831,983	21,375,232	-	24,207,215
Promissory Notes	-	7,769,451	-	7,769,451
	262,320,001	**1,037,811,700**	**123,258,000**	**1,423,389,701**

The Group's investment in risk-free Government securities constitutes 98.1% of debt instruments portfolio (December 2021: 99.9%). Investment in Corporate and State Government bonds accounts for the outstanding 1.9% (December 2021: 0.1%).

Group
Dec-2021

In thousands of Nigerian Naira	Financial assets at fair value through profit or loss	Investment securities	Assets pledged as collateral	Total
Federal government bonds	53,005,868	125,898,799	6,953,359	185,858,026
State government bonds	-	-	-	-
Corporate bonds	-	1,953,231	-	1,953,231
Promissory Notes	-	7,628,456	-	7,628,456
FVPL Notes	-	-	-	-
Euro Bond	2,041,118	10,178,024	-	12,219,142
Treasury bills	49,350,665	414,833,941	72,320,552	536,505,158
Special Bills	-	560,806,136	-	560,806,136
	104,397,651	**1,121,298,587**	**79,273,911**	**1,304,970,149**

(g) Liquidity Risk

Liquidity risk is the risk that the Group, though having a solvent balance sheet, might not be able to generate sufficient cash resources to meet its obligations as they fall due, or is only able to do so at an excessive cost. The risk typically arises from mismatches in the timing of cash inflows and cash outflows.

The objective of the Group's liquidity risk management system is to ensure that all foreseeable funding commitments can be met when due, and that access to wholesale markets is controlled and cost effective. To this end the Group maintains a diversified funding base comprising of retail, small business, commercial and institutional customer deposits. The Group continues to develop and improve its liquidity risk management system with the aim of effectively identifying, measuring, monitoring and controlling liquidity risk across its network. Seeking at all times to balance safety, liquidity, profitability and regulatory requirements.

A brief overview of the Group's liquidity management processes during the year includes the following:

1. Control of liquidity risk by the setting of dynamic limits on metrics such as liquidity ratio, reserve ratio, asset and liability gap measures, amongst others. Internal limits are typically more stringent than regulatory limits across all jurisdictions of the Group's operation.

2. The limits are monitored regularly with exceptions reported to the Management Risk Committee (MRC) and the Board.

3. Based on its judgement of financial market trends, the Group actively adjusts its business strategies to manage liquidity risk.

4. Periodic cash flow projections considering its impact on internal and regulatory limits.

5. Control of non-earning assets proportion to manage its impact on the Group's overall financial position.

6. Conduct regular liquidity stress tests including testing of contingency plans.

7. Monitor diversification of funding sources in order to control concentration risk and ensure a satisfactorily funding mix.

8. Monitoring the level of undrawn commitments.

9. Maintain an updated liquidity and contingency funding plan. These plans will identify stress indicators and prescribe actions to be taken in event of firm specific or market-based crises.

10. Regular conduct of the Asset and Liability Management Committee (ALMAC) meetings.

The Group's Asset and Liability Management Committee (ALMAC) is charged with the following responsibilities.

1. Establishing policies and tolerance levels, from both risk and return perspectives, for liquidity, interest rate and balance sheet valuation management.

2. Manage the intra-day liquidity position to ensure that payment and settlement obligations are met

on a timely basis.

3. Strategic financial position planning from both risk and return perspective.
4. Strategically coordinate the management of the Bank's financial position in consideration of changing economic conditions.

(i) Funding approach

The Group's overall approach to funding is as follows:

1. Consistently grow customer deposits from diverse sources particularly along geographical and sectorial categories. The objective is to eliminate depositor concentration or undue reliance on individual depositors.
2. Generate funding at the most appropriate pricing in light of market realities.
3. Maintain an appropriate funding structure that enables the Group to operate under a variety of adverse circumstance, including potential firm-specific and/or market liquidity events.
4. Maintain appropriate capital to support the Group's risk level and strategic intent.

The Group was able to meet all its financial commitments and obligations without any liquidity risk exposure during the year under review.

(ii) Exposure to Liquidity Risk

One of the key measures used by the Group for managing liquidity risk is the ratio of liquid assets to short term liabilities. For this purpose, liquid assets include but is not limited to cash and its equivalents and investment grade debt securities for which there is an active and liquid market. Short term liabilities include local currency deposits from banks and customers. A similar calculation is used to measure the Group's compliance with the liquidity limit established by the Bank's lead regulator (The Central Bank of Nigeria).

	Jun-22	Dec-21
At end of period	38.85%	38.26%
Average for the period	39.44%	40.76%
Maximum for the period	41.37%	44.99%
Minimum for the period	37.58%	35.65%
Regulatory requirement	30.00%	30.00%

Liquidity ratio which is a measure of liquidity risk is calculated as a ratio of local currency liquid assets expressed as a percentage of its local currency customer deposits.

Financial risk management (continued)

The following tables show the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial assets and liabilities.

(iii) Gross nominal (undiscounted) maturities of financial assets and liabilities

Group
Jun-2022

In thousands of Nigerian Naira	*Note*	Carrying amount	Gross nominal inflow/outflow	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets								
Cash and bank balances	22	1,038,773,906	1,038,773,906	1,032,490,048	1,212,651	5,071,207	-	-
Financial assets at fair value through profit or loss	23	262,320,001	332,638,771	48,613,918	101,364,414	94,935,128	1,584,537	86,140,774
Derivative financial assets	24	14,289,305	14,670,740	3,950,973	4,807,402	5,912,365	-	-
Investment securities:	-							
– Fair Value through other comprehensive Income[2]	25	271,654,249	296,794,455	94,566,761	68,002,561	81,399,969	23,978,300	28,846,864
– Held at amortised cost	25	766,157,451	768,926,655	324,686,505	298,099,068	29,393,352	104,490,081	12,257,649
Assets pledged as collateral	26	123,258,000	123,770,630	122,133,315	1,637,315	-	-	-
Loans and advances to banks	27	1,597,490	1,600,964	1,600,964	-	-	-	-
Loans and advances to customers	28	1,833,097,144	2,203,628,493	596,004,068	214,969,033	315,399,705	831,199,410	246,056,277
Restricted deposits and other assets[3]	33	1,112,948,354	1,112,948,354	1,063,788,931	27,302,331	6,376,151	15,480,941	-
		5,424,095,900	**5,893,752,968**	**3,287,835,483**	**717,394,775**	**538,487,877**	**976,733,269**	**373,301,564**
Financial liabilities								
Deposits from banks	34	131,799,616	131,812,685	128,182,912	2,249,604	1,380,169	-	-
Deposits from customers	35	4,262,634,826	4,262,634,826	4,194,496,865	38,310,978	19,867,299	8,179,597	1,780,087
Financial liabilities at fair value through profit or loss	36	1,614,361	1,714,615	250,000	133,212	1,181,289	150,114	-
Derivative financial liabilities	24	1,228,279	1,235,297	1,229,440	5,857	-	-	-
Other liabilities[4]	37	312,521,604	334,792,967	244,627,542	31,661,691	34,393,638	9,660,901	14,449,195
Other borrowed funds	39	99,961,020	99,961,020	50,270,906	3,740,804	5,026,913	28,934,064	11,988,333
		4,809,759,706	**4,832,151,410**	**4,619,057,665**	**76,102,146**	**61,849,308**	**46,924,676**	**28,217,615**
Gap (asset - liabilities)				(1,331,222,182)	641,292,629	476,638,569	929,808,593	345,083,949
Cumulative liquidity gap				(1,331,222,182)	(689,929,553)	(213,290,984)	716,517,609	1,061,601,558

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under Gross Nominal consideration.

[3] Excludes Prepayments and Stock

[4] Excludes deferred Income, impairment on contingents and provision for litigations

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The Gross nominal maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Lease Liabilities	4,812,937	6,163,750	93,114	91,256	305,680	795,867	4,877,833
Non-Lease Liabilities	307,708,667	328,629,217	244,534,428	31,570,435	34,087,958	8,865,034	9,571,362
	312,521,604	**334,792,967**	**244,627,542**	**31,661,691**	**34,393,638**	**9,660,901**	**14,449,195**

Gross nominal (undiscounted) maturities of financial assets and liabilities
Group
Dec-2021

In thousands of Nigerian Naira	*Note*	Carrying amount	Gross nominal inflow/outflow	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets								
Cash and bank balances	22	933,591,069	932,878,481	904,941,761	22,348,781	5,587,939	-	-
Financial assets at fair value through profit or loss	23	104,397,651	116,059,042	15,881,110	6,886,674	36,647,652	15,179,672	41,463,934
Derivative financial assets	24	24,913,435	25,350,216	15,698,638	59,903	9,591,675	-	-
Investment securities:	-							
– Fair value through profit or loss[2]	25	-	-	-	-	-	-	-
– Fair Value through other comprehensive Income[2]	25	274,375,372	295,608,649	167,157,371	38,383,784	50,488,722	10,930,144	28,648,628
– Held at amortised cost	25	846,923,215	858,518,592	261,172,733	372,159,397	155,955,912	50,673,014	18,557,536
Assets pledged as collateral	26	79,273,911	81,837,740	10,436,053	-	71,401,687	-	-
Loans and advances to banks	27	115,014	116,666	104,274	4,329	8,063	-	-
Loans and advances to customers	28	1,802,587,381	2,055,543,361	542,353,180	160,474,524	282,312,960	880,739,100	189,663,597
Restricted deposits and other assets[3]	33	1,121,888,414	1,122,633,060	1,100,647,068	5,008,342	1,526,218	15,451,432	-
		5,188,065,462	**5,488,545,807**	**3,018,392,188**	**605,325,734**	**613,520,828**	**972,973,362**	**278,333,695**
Financial liabilities								
Deposits from banks	34	118,027,576	118,040,512	100,192,525	730,801	17,117,186	-	-
Deposits from customers	35	4,012,305,554	4,014,761,182	3,930,940,324	37,553,704	28,729,581	15,574,321	1,963,252
Financial liabilities at fair value through profit or loss	36	-	-	-	-	-	-	-
Derivative financial liabilities	24	1,580,971	1,584,438	1,526,224	58,214	-	-	-
Other liabilities[4]	37	227,576,293	228,515,345	172,449,043	29,869,810	10,853,176	8,204,803	7,138,513
Other borrowed funds	39	153,897,499	154,327,213	56,620,438	9,232,433	37,448,403	37,293,964	13,731,975
		4,513,387,893	**4,517,228,690**	**4,261,728,554**	**77,444,962**	**94,148,346**	**61,073,088**	**22,833,740**
Gap (asset - liabilities)				(1,243,336,366)	527,880,772	519,372,482	911,900,274	255,499,955
Cumulative liquidity gap				(1,243,336,366)	(715,455,594)	(196,083,112)	715,817,162	971,317,117

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under Gross Nominal consideration.

[3] Excludes Prepayments and Stock

[4] Excludes deferred income, impairment on contingents and provision for litigations

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The Gross nominal maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Lease Liabilities	6,318,113	7,905,457	122,127	119,588	399,912	1,029,042	6,234,788
Non-Lease Liabilities	221,258,180	220,609,888	172,326,916	29,750,222	10,453,264	7,175,761	903,725
	227,576,293	**228,515,345**	**172,449,043**	**29,869,810**	**10,853,176**	**8,204,803**	**7,138,513**

Gross nominal (undiscounted) maturities of financial assets and liabilities
Company
Jun-2022

In thousands of Nigerian Naira	***Note***	**Carrying amount**	**Gross nominal inflow/outflow**	**Less than 3 months[1]**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets								
Restricted deposits and other assets[3]	33	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities								
Other liabilities[4]	37	27,398,670	27,398,670	-	-	27,398,670	-	-
Other borrowed funds	39	-	-	-	-	-	-	-
		27,398,670	**27,398,670**	**-**	**-**	**27,398,670**	**-**	**-**
Gap (asset - liabilities)				-	-	(27,398,670)	-	-
Cumulative liquidity gap				-	-	(27,398,670)	(27,398,670)	(27,398,670)

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under Gross Nominal consideration.

[3] Excludes Prepayments and Stock

[4] Excludes deferred income, impairment on contingents and provision for litigations

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The Gross nominal maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Gross nominal inflow/outflow**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	-	-	-	-	-	-	-
Non-Lease Liabilities	27,398,670	27,398,670	-	-	27,398,670	-	-
	27,398,670	**27,398,670**	**-**	**-**	**27,398,670**	**-**	**-**

Financial risk management (continued)

(i) Residual contractual maturities of financial assets and liabilities

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk which is managed through a series of measures, tests and reports that are largely based on contractual maturity. The following table shows the contractual maturities at period end of the Group's financial assets and liabilities and represents actual and in some cases assumed obligation expected for the assets or liability to be recovered or settled. These figures do not include elements of future incomes or costs.

Group

Jun-2022

In thousands of Nigerian Naira	**Note**	**Carrying amount**	**Less than 3 months**[1]	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	22	1,038,773,906	1,032,490,048	1,212,651	5,071,207	-	-
Financial assets at fair value through profit or loss	23	262,320,001	48,371,284	99,038,630	91,540,510	1,494,495	21,875,082
Derivative financial assets	24	14,289,305	3,921,483	4,691,350	5,676,472	-	-
Investment securities:	-						
– Fair Value through other comprehensive Income[2]	25	271,654,249	94,512,309	67,222,909	79,514,091	18,268,682	12,136,258
– Held at amortised cost	25	766,157,451	324,530,087	297,530,975	29,393,352	104,396,731	10,306,306
Assets pledged as collateral	26	123,258,000	121,644,862	1,613,138	-	-	-
Loans and advances to banks	27	1,597,490	1,596,010	1,480	-	-	-
Loans and advances to customers	28	1,833,097,144	596,931,915	258,683,577	258,587,680	614,349,668	104,544,304
Restricted deposits and other assets[3]	33	1,112,948,354	1,063,788,931	27,302,331	6,376,151	15,480,941	-
		5,424,095,900	**3,287,786,929**	**757,297,041**	**476,159,463**	**753,990,517**	**148,861,950**
Financial liabilities							
Deposits from banks	34	131,799,616	128,169,843	2,249,604	1,380,169	-	-
Deposits from customers	35	4,262,634,826	4,194,765,658	38,114,366	19,795,689	8,179,453	1,779,660
Financial liabilities at fair value through profit or loss	36	1,614,361	249,616	131,310	1,121,363	112,072	-
Derivative financial liabilities	24	1,228,279	1,222,523	5,756	-	-	-
Other liabilities[4]	37	312,521,604	239,337,600	31,996,709	28,581,416	6,038,063	6,567,816
Other borrowed funds	39	99,961,020	50,270,905	3,740,804	5,026,913	28,934,065	11,988,333
		4,809,759,706	**4,614,016,145**	**76,238,549**	**55,905,550**	**43,263,653**	**20,335,809**
Gap (asset - liabilities)			(1,326,229,216)	681,058,492	420,253,913	710,726,864	128,526,141
Cumulative liquidity gap			(1,326,229,216)	(645,170,724)	(224,916,811)	485,810,053	614,336,194

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under liquidity consideration.

[3] Excludes prepayments and Stock

[4] Excludes deferred income, provision for litigations & impairment on contingents

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The residual maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	4,812,937	92,340	89,752	295,767	681,645	3,653,433
Non-Lease Liabilities	307,708,667	239,245,260	31,906,957	28,285,649	5,356,418	2,914,383
	312,521,604	**239,337,600**	**31,996,709**	**28,581,416**	**6,038,063**	**6,567,816**

Residual contractual maturities of contingencies

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. The maximum amount of the contingencies is allocated to the earliest period in which the contingencies could be called.

Group
Jun-2022

In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Transaction related bonds and guarantees	42	555,103,060	96,693,086	17,430,161	162,590,312	45,591,888	232,797,613
Clean line facilities and letters of credit	42	69,180,686	45,029,763	3,865,138	15,076,044	5,143,660	66,081
Other commitments	42	8,213,423	8,213,423	-	-	-	-
		632,497,169	**149,936,272**	**21,295,299**	**177,666,356**	**50,735,548**	**232,863,694**

[1] Includes balances with no specific contractual maturities

Residual contractual maturities of financial assets and liabilities
Group
Dec-2021

In thousands of Nigerian Naira	***Note***	**Carrying amount**	**Less than 3 months**[1]	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	22	933,591,069	905,657,236	22,345,894	5,587,939	-	-
Financial assets at fair value through profit or loss	23	104,397,651	15,870,535	6,877,431	35,318,133	15,179,672	31,151,880
Derivative financial assets	24	24,913,435	15,605,968	59,340	9,248,127	-	-
Investment securities:	-						
– Fair value through profit or loss[2]	25	-	-	-	-	-	-
– Fair Value through other comprehensive Income[2]	25	274,375,372	166,354,843	37,543,483	49,769,362	9,465,116	11,242,568
– Held at amortised cost	25	846,923,215	261,083,274	371,540,850	145,194,985	50,546,570	18,557,536
Assets pledged as collateral	26	79,273,911	10,436,054	-	68,837,857	-	-
Loans and advances to banks	27	115,014	103,764	3,750	7,500	-	-
Loans and advances to customers	28	1,802,587,381	707,524,888	139,158,448	230,885,809	644,016,862	81,001,374
Restricted deposits and other assets[3]	33	1,121,888,414	1,099,902,423	5,008,341	1,526,218	15,451,432	-
		5,188,065,462	**3,182,538,985**	**582,537,537**	**546,375,930**	**734,659,652**	**141,953,358**
Financial liabilities							
Deposits from banks	34	118,027,576	100,179,589	730,801	17,117,186	-	-
Deposits from customers	35	4,012,305,554	3,928,960,983	37,387,520	28,419,927	15,573,872	1,963,252
Financial liabilities at fair value through profit or loss	36	-	-	-	-	-	-
Derivative financial liabilities	24	1,580,971	1,523,305	57,666	-	-	-
Other liabilities[4]	37	227,576,293	171,698,715	29,642,350	11,079,039	8,188,836	6,967,353
Other borrowed funds	39	153,897,499	56,201,737	9,244,323	37,425,500	37,293,964	13,731,975
		4,513,387,893	**4,258,564,329**	**77,062,660**	**94,041,652**	**61,056,672**	**22,662,580**
Gap (asset - liabilities)			(1,076,025,344)	505,474,877	452,334,278	673,602,980	119,290,778
Cumulative liquidity gap			(1,076,025,344)	(570,550,467)	(118,216,189)	555,386,791	674,677,569

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under liquidity consideration.

[3] Excludes prepayments and Stock

[4] Excludes deferred income and provision for litigations

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The residual maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	6,318,113	121,218	117,821	388,264	894,819	4,795,991
Non-Lease Liabilities	221,258,180	171,577,497	29,524,529	10,690,775	7,294,017	2,171,362
	227,576,293	**171,698,715**	**29,642,350**	**11,079,039**	**8,188,836**	**6,967,353**

Residual contractual maturities of contingencies

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. The maximum amount of the contingencies is allocated to the earliest period in which the contingencies could be called.

Group
Dec-2021

In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Transaction related bonds and guarantees	42	361,977,858	79,056,259	18,252,744	34,616,437	59,030,955	171,021,463
Clean line facilities and letters of credit	42	65,055,611	48,410,009	8,700,869	5,849,349	1,896,568	198,816
Other commitments	42	5,786,093	5,786,093	-	-	-	-
		432,819,562	**133,252,361**	**26,953,613**	**40,465,786**	**60,927,523**	**171,220,279**

[1] Includes balances with no specific contractual maturities

Residual contractual maturities of financial assets and liabilities

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk which is managed through a series of measures, tests and reports that are largely based on contractual maturity. The following table shows the contractual maturities at period end of the Group's financial assets and liabilities and represents actual and in some cases assumed obligation expected for the assets or liability to be recovered or settled. These figures do not include elements of future incomes or costs.

Company
Jun-2022

In thousands of Nigerian Naira	***Note***	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets							
Restricted deposits and other assets[3]	33	-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Other liabilities[4]	37	27,398,670	-	-	27,398,670	-	-
Other borrowed funds	39	-	-	-	-	-	-
		27,398,670	**-**	**-**	**27,398,670**	**-**	**-**
Gap (asset - liabilities)			-	-	(27,398,670)	-	-
Cumulative liquidity gap			-	-	(27,398,670)	(27,398,670)	(27,398,670)

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under liquidity consideration.

[3] Excludes prepayments

[4] Excludes deferred income, provision for litigations & impairment on contingents

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The residual maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	-	-	-	-	-	-
Non-Lease Liabilities	27,398,670	-	-	27,398,670	-	-
	27,398,670	**-**	**-**	**27,398,670**	**-**	**-**

(ii) Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Group can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Group can vary the terms of the underlying financial asset or liabilities and analyses the Group's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Group
Jun-2022

In thousands of Nigerian Naira	*Note*	**Carrying amount**	**Less than 3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	22	1,038,773,906	1,032,490,048	1,212,651	5,071,207	-	-
Financial assets at fair value through profit or loss	23	262,320,001	48,371,284	99,038,630	91,540,510	1,494,495	21,875,082
Derivative financial assets	24	14,289,305	3,921,483	4,691,350	5,676,472	-	-
Investment securities:	-						
– Fair Value through other comprehensive Income[1]	25	271,654,249	94,512,309	67,222,909	79,514,091	18,268,682	12,136,258
– Held at amortised cost	25	766,157,451	324,530,087	297,530,975	29,393,352	104,396,731	10,306,306
Assets pledged as collateral	26	123,258,000	121,644,861	1,613,139	-	-	-
Loans and advances to banks	27	1,597,490	1,597,490	-	-	-	-
Loans and advances to customers	28	1,833,097,144	1,352,279,818	179,699,356	92,634,630	166,782,673	41,700,667
Restricted deposits and other assets[2]	33	1,112,948,354	1,063,788,931	27,302,331	6,376,151	15,480,941	-
		5,424,095,900	**4,043,136,311**	**678,311,341**	**310,206,413**	**306,423,522**	**86,018,313**
Financial liabilities							
Deposits from banks	34	131,799,616	128,169,843	2,249,604	1,380,169	-	-
Deposits from customers	35	4,262,634,826	4,194,765,658	38,114,366	19,795,689	8,179,453	1,779,660
Financial liabilities at fair value through profit or loss	36	1,614,361	249,616	131,310	1,121,363	112,072	-
Derivative financial liabilities	24	1,228,279	1,222,523	5,756	-	-	-
Other liabilities[3]	37	312,521,604	239,337,600	31,996,709	28,581,416	6,038,063	6,567,816
Other borrowed funds	39	99,961,020	50,270,905	3,740,804	5,026,913	28,934,065	11,988,333
		4,809,759,706	**4,614,016,145**	**76,238,549**	**55,905,550**	**43,263,653**	**20,335,809**
		614,336,194	**(570,879,834)**	**602,072,792**	**254,300,863**	**263,159,869**	**65,682,504**

[1] Excludes equity securities.
[2] Excludes prepayments
[3] Excludes deferred income, provision for litigations & impairment on contingents

The repricing maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	4,812,937	92,340	89,752	295,767	681,645	3,653,433
Non-Lease Liabilities	307,708,667	239,245,260	31,906,957	28,285,649	5,356,418	2,914,383
	312,521,604	**239,337,600**	**31,996,709**	**28,581,416**	**6,038,063**	**6,567,816**

Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Group can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Group can vary the terms of the underlying financial asset or liabilities and analyses the Group's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Group
Dec-2021

In thousands of Nigerian Naira	*Note*	**Carrying amount**	**Less than 3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	22	933,591,069	905,657,236	22,345,894	5,587,939	-	-
Financial assets at fair value through profit or loss	23	104,397,651	15,870,535	6,877,431	35,318,133	15,179,672	31,151,880
Derivative financial assets	24	24,913,435	15,605,968	59,340	9,248,127	-	-
Investment securities:	-						
– Fair value through profit or loss[1]	25	-	-	-	-	-	-
– Fair Value through other comprehensive Income[1]	25	274,375,372	166,354,843	37,543,483	49,769,362	9,465,116	11,242,568
– Held at amortised cost	25	846,923,215	261,083,274	371,540,850	145,194,985	50,546,570	18,557,536
Assets pledged as collateral	26	79,273,911	10,436,054	-	68,837,857	-	-
Loans and advances to banks	27	115,014	115,014	-	-	-	-
Loans and advances to customers	28	1,802,587,381	1,438,370,264	51,859,522	99,465,126	180,031,808	32,860,661
Restricted deposits and other assets[2]	33	1,121,888,414	1,099,902,423	5,008,341	1,526,218	15,451,432	-
		5,188,065,462	**3,913,395,611**	**495,234,861**	**414,947,747**	**270,674,598**	**93,812,645**
Financial liabilities							
Deposits from banks	34	118,027,576	100,179,589	730,801	17,117,186	-	-
Deposits from customers	35	4,012,305,554	3,928,960,983	37,387,520	28,419,927	15,573,872	1,963,252
Financial liabilities at fair value through profit or loss	36	-	-	-	-	-	-
Derivative financial liabilities	24	1,580,971	1,523,305	57,666	-	-	-
Other liabilities[3]	37	227,576,293	171,698,715	29,642,350	11,079,039	8,188,836	6,967,353
Other borrowed funds	39	153,897,499	56,201,737	9,244,323	37,425,500	37,293,964	13,731,975
		4,513,387,893	**4,258,564,329**	**77,062,660**	**94,041,652**	**61,056,672**	**22,662,580**
		674,677,569	**(345,168,718)**	**418,172,201**	**320,906,095**	**209,617,926**	**71,150,065**

[1] Excludes equity securities. [2] Excludes prepayments

[3] Excludes deferred income and provision for litigations

The repricing maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	6,318,113	121,218	117,821	388,264	894,819	4,795,991
Non-Lease Liabilities	221,258,180	171,577,497	29,524,529	10,690,775	7,294,017	2,171,362
	227,576,293	**171,698,715**	**29,642,350**	**11,079,039**	**8,188,836**	**6,967,353**

Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Parent can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Parent can vary the terms of the underlying financial asset or liabilities and analyses the Parent's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Company
Jun-2022

In thousands of Nigerian Naira	*Note*	**Carrying amount**	**Less than 3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Financial assets							
Restricted deposits and other assets[2]	33	-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Other liabilities[3]	37	27,398,670	-	-	27,398,670	-	-
Other borrowed funds	39	-	-	-	-	-	-
		27,398,670	**-**	**-**	**27,398,670**	**-**	**-**
		(27,398,670)	**-**	**-**	**(27,398,670)**	**-**	**-**

[1] Excludes equity securities.
[2] Excludes prepayments
[3] Excludes deferred income, provision for litigations & impairment on contingents

The repricing maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	-	-	-	-	-	-
Non-Lease Liabilities	27,398,670	-	-	27,398,670	-	-
	27,398,670	**-**	**-**	**27,398,670**	**-**	**-**

(h) Settlement Risk

The Treasury Group activities with counterparties may give rise to settlement risk at the time of settlement of trade transactions. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligations i.e. deliver cash, securities or other assets, as contractually agreed.

In order to ensure that these risks are mitigated and controlled, the Market & Liquidity Risk Management (MLRM) Group has put in place Settlement Limits. These limits are sought periodically using various criteria based on the counterparty's financial statement and some other non-financial parameters. The FX Settlement limits are approved at the Management Credit Committee meeting and / or Board level, depending on the limit of each counterparty.

(i) Market Risk

Market risk is the risk of loss in On- or Off-balance sheet positions, as a result of adverse movement in foreign exchange rate, interest rate, and equity or commodity prices. Whilst the Group may be faced with myriads of market risks, the Market & Liquidity Risk Management Group ensures these risks are managed and controlled within the Group's acceptable parameters, while optimising returns on risk.

(i) Management of Market Risk

The Market & Liquidity Risk Management Group separates its market risk exposures into the trading and banking books. Due to the various macro-economic indices and unanticipated market happenings, it has become more imperative for the Group to engage in continuous but proactive monitoring of market risks inherent in both trading and non-trading activities.

The trading portfolio resides with the Treasury & Sales Division of the Group, and they maintain positions arising from market making and proprietary trading activities. With the exception of translation risk arising from the Group's net investment in foreign currency, the Market & Liquidity Risk Group monitors the foreign exchange position in the trading and banking books.

The overall authority of the Market & Liquidity Risk Management Group is vested in the Management Risk Committee.

(ii) Exposure to Market Risks – Trading Book

The principal tools used by Market & Liquidity Risk Management Group to measure and control market risk exposure within the Group's trading portfolios are the Open Position limits, Mark-to-Market Analysis, Value-at-Risk Analysis, Sensitivity Analysis and the Earning-at-Risk Analysis. Specific limits (regulatory and in-house) across the trading portfolios have been clearly defined, in line with the Group's overall risk appetite. These set limits shall prevent undue exposure in the event of abrupt market volatility. The MLRM group ensures that these limits and triggers are adhered to by the Treasury & Sales Group.

The Group traded in the following financial instruments in the course of the period;

1. Treasury Bills
2. Bonds
3. Foreign Currencies (Spot and Forwards)
4. Money Market Instruments

(iii) Exposure to Interest Rate Risk – Banking Book

The principal risk to which non-trading portfolios are exposed to, is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally using interest rate gaps. The Asset & Liability Management (ALM) Group is responsible for managing and monitoring mismatches between the Group's assets and liabilities. The Asset & Liability Management Committee (ALMAC) is responsible for ensuring compliance with these limits while the limits are independently verified by Market & Liquidity Risk Management group.

The Group makes use of limit monitoring, earnings-at-risk and gap analyses to measure and control the market risk exposures within its banking book.

The Group also performs regular stress tests on its banking and trading books. In performing this, the Group ensures there are quantitative criteria in building the scenarios. The Group determines the effect of changes in interest rates on interest income; volatility in prices on trading income; and changes in funding sources and uses on the Group's liquidity.

During the period, the foreign exchange risk, interest rate risk and price risk, were the key risks the Group was exposed to. However, all potential risk exposures in the course of the year were successfully mitigated as mentioned above.

Value-at-Risk (VaR)

GTBank applies VaR, a statistical risk measure, to estimate the maximum potential loss the Bank can incur on trading positions at a given confidence level under normal market condition. VaR is the Bank's primary market risk management measure for assets and liabilities classified as trading positions. However, the Bank does not only base its risk estimates on VaR models, it uses sensitivity, scenario analysis and stress testing to further complement it.

GTBank uses the analytical variance-covariance method to estimate VaR, which takes cognizance of factor sensitivities of the trading portfolio, the volatilities and correlations of market risk factor. The model is employed across the Group and applies observable historical rates, yields and prices for the previous 12months to its current positions. It assumes that historical changes in market values are representative of the distribution of potential outcome in the immediate future. The Group's VaR is calculated assuming a one-day holding period and an expected tail loss methodology which approximates a 99% confidence level.

VaR statistics can be materially different across firms due to differences in portfolio composition, differences in VaR methodologies, and differences in model parameters. As a result, GTBank believes VaR statistics can be used more effectively as indicators of trends in risk-taking within a firm, rather than as a basis for inferring differences in risk-taking across firms.

The Bank trades on foreign currencies, Bonds and Treasury bills instruments, while its subsidiaries trade mainly in bills and bonds and an insignificant amount of foreign currencies. The resultant risk exposures are interest and foreign exchange risks.

The table below presents, risk by category, average VaR and end of period-end VaR as well as the high and low VaR for the period.

Group VaR by risk type			**Jun-22**	
In thousands of Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	19,747	83,693	189	19,915
Interest rate risk	558,890	1,715,490	7,999	2,427,866
Total	**578,637**	**1,799,184**	**8,188**	**2,447,781**

Group VaR by risk type			**Jun-21**	
In thousands of Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	29,747	107,089	1,326	11,529
Interest rate risk	1,758,539	4,996,541	12,603	70,124
Total	**1,788,287**	**5,103,630**	**13,929**	**81,653**

(iv) Other market risks: Sensitivity analysis of non-trading portfolios to various scenarios

The management of interest rate risk against interest rate gap limits is supplemented with monitoring the sensitivity of the Group's financial assets and liabilities to various scenarios. Credit spread risk (not relating to changes in the obligor / issuer's credit standing) on debt securities held by the Group and equity price risk is subject to regular monitoring by Group Management Risk committee but is not currently significant in relation to the overall results and financial position of the Group.

Interest rate movement have both cash flow and fair value effect depending on whether interest rate is fixed or floating. The impact resulting from adverse or favourable movement flows from either retained earnings or OCI and ultimately ends in equity in the following manner:

- Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.
- Fair value reserves arising from increases or decreases in fair value of financial instruments FVOCI reported directly in other comprehensive income.

At 30 June 2022, the group's interest rate risk arises principally from risk assets and borrowings i.e. (deposit liabilities and long-term borrowings). Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk.

The Group therefore analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for assets and liabilities that represent the major interest-earning and bearing positions. Major assumptions underlying the sensitivity are as follows:

- 100 basis point changes in floating interest rate on assets held at amortized cost; assets accounted at fair value through profit or loss as well as other comprehensive income (Jun 2022 – 100 basis points) with all other variables held constant, resulted in the impact on profit or loss as set out in the table on page 165.

- 100 basis point changes in floating interest rate for Borrowed funds, Financial liabilities held for trading, Term deposits; 30 basis point changes for Savings deposits; and 15 basis point changes for Current deposits.

  In arriving at the 100-basis point used for the sensitivity analysis of interest rate, the fluctuation in the interest rate of the Group's major assets and liabilities were considered as shown below:

- The prime lending rate on loans and advances which ranged between 11.68% and 12.29% over the period, a change of about 100 basis points is therefore probable.

- The discount rate on various maturities of treasury bills ranged between 1.74% and 10.1% over the financial period as published by Central Bank of Nigeria (CBN).

- A 100 basis point proportional change in the cost of fund was also assumed because costs of funds seldom vary beyond 100 basis point.

The table below shows the changes that would impact the income statement after carrying out interest rate sensitivity:

Group

In thousands of Nigerian Naira	Jun-22 Pre-tax	Jun-22 Post-tax	Jun-21 Pre-tax	Jun-21 Post-tax
Decrease	**(7,158,703)**	**(5,830,048)**	**(9,880,842)**	**(8,428,358)**
Asset	(12,957,133)	(10,552,289)	(14,857,405)	(12,673,366)
Liabilities	5,798,430	4,722,241	4,976,563	4,245,008
Increase	**7,158,703**	**5,830,048**	**9,880,842**	**8,428,358**
Asset	12,957,133	10,552,289	14,857,405	12,673,366
Liabilities	(5,798,430)	(4,722,241)	(4,976,563)	(4,245,008)

Parent

In thousands of Nigerian Naira	Jun-22 Pre-tax	Jun-22 Post-tax	Jun-21 Pre-tax	Jun-21 Post-tax
Decrease	**(4,518,508)**	**(3,893,147)**	**(7,522,657)**	**(6,725,256)**
Asset	(9,385,237)	(8,086,320)	(11,659,536)	(10,423,625)
Liabilities	4,866,729	4,193,173	4,136,879	3,698,370
Increase	**4,518,508**	**3,893,147**	**7,522,657**	**6,725,256**
Asset	9,385,237	8,086,320	11,659,536	10,423,625
Liabilities	(4,866,729)	(4,193,173)	(4,136,879)	(3,698,370)

The aggregated figures presented above are further segregated into their various components as shown in the following tables:

Components of Statement of financial position Interest Rate sensitivity (Fair Value and Cash Flow Interest Rate Risk)

Group In thousands of Nigerian Naira	**Jun-22 Pre-tax**	**Jun-22 Post-tax**	**Jun-21 Pre-tax**	**Jun-21 Post-tax**
Decrease				
Assets				
Cash and bank balances	(1,080,794)	(880,199)	(797,443)	(680,219)
Loans and advances to banks	(687,290)	(559,729)	472	403
Loans and advances to customers	(7,850,191)	(6,393,195)	(8,212,929)	(7,005,629)
Financial assets held for trading	(588,051)	(478,909)	(1,013,310)	(864,353)
Investment securities	(2,425,812)	(1,975,581)	(4,500,335)	(3,838,786)
Assets pledged as collateral	(324,995)	(264,676)	(333,860)	(284,782)
	(12,957,133)	**(10,552,289)**	**(14,857,405)**	**(12,673,366)**
Liabilities				
Deposits from banks	26,027	21,196	33,230	28,345
Deposits from customers	5,113,309	4,164,279	4,857,717	4,143,633
Financial liabilities held for trading	14,208	11,571	13,730	11,711
Debt Securities	0	0	0	0
Other borrowed funds	644,886	525,195	71,887	61,319
	5,798,430	**4,722,241**	**4,976,563**	**4,245,008**
Total	**(7,158,703)**	**(5,830,048)**	**(9,880,842)**	**(8,428,358)**
Increase				
Assets				
Cash and bank balances	1,080,794	880,199	797,443	680,219
Loans and advances to banks	687,290	559,729	-472	-403
Loans and advances to customers	7,850,191	6,393,195	8,212,929	7,005,629
Financial assets held for trading	588,051	478,909	1,013,310	864,353
Investment securities	2,425,812	1,975,581	4,500,335	3,838,786
Assets pledged as collateral	324,995	264,676	333,860	284,782
	12,957,133	**10,552,289**	**14,857,405**	**12,673,366**
Liabilities				
Deposits from banks	(26,027)	(21,196)	(33,230)	(28,345)
Deposits from customers	(5,113,309)	(4,164,279)	(4,857,717)	(4,143,633)
Financial liabilities held for trading	(14,208)	(11,571)	(13,730)	(11,711)
Debt securities	0	0	0	0
Other borrowed funds	(644,886)	(525,195)	(71,887)	(61,319)
	(5,798,430)	**(4,722,241)**	**(4,976,563)**	**(4,245,008)**
Total	**7,158,703**	**5,830,048**	**9,880,842**	**8,428,358**

Parent

In thousands of Nigerian Naira	Jun-22 Pre-tax	Jun-22 Post-tax	Jun-21 Pre-tax	Jun-21 Post-tax
Decrease				
Assets				
Cash and bank balances	(941,693)	(811,363)	(657,015)	(587,371)
Loans and advances to Banks	(687,290)	(592,169)	(466)	(417)
Loans and advances to Customers	(6,355,927)	(5,476,267)	(6,990,233)	(6,249,269)
Financial assets held for trading	(517,522)	(445,897)	(675,264)	(603,686)
Investment securities	(559,978)	(482,477)	(2,995,475)	(2,677,955)
Assets pledged as collateral	(322,826)	(278,147)	(341,082)	(304,928)
	(9,385,237)	**(8,086,320)**	**(11,659,536)**	**(10,423,625)**
Liabilities				
Deposits from banks	1,683	1,450	1,114	996
Deposits from customers	4,239,400	3,652,667	4,066,743	3,635,668
Financial liabilities held for trading	14,208	12,241	13,730	12,274
Other borrowed funds	611,438	526,815	55,292	49,431
	4,866,729	**4,193,173**	**4,136,879**	**3,698,370**
Total	**(4,518,508)**	**(3,893,147)**	**(7,522,657)**	**(6,725,256)**
Increase				
Assets				
Cash and bank balances	941,693	811,363	657,015	587,371
Loans and advances to Banks	687,290	592,169	466	417
Loans and advances to Customers	6,355,927	5,476,267	6,990,233	6,249,269
Financial assets held for trading	517,522	445,897	675,264	603,686
Investment securities	559,978	482,477	2,995,475	2,677,955
Assets pledged as collateral	322,826	278,147	341,082	304,928
	9,385,237	**8,086,320**	**11,659,536**	**10,423,625**
Liabilities				
Deposits from banks	(1,683)	(1,450)	(1,114)	(996)
Deposits from customers	(4,239,400)	(3,652,667)	(4,066,743)	(3,635,668)
Financial liabilities held for trading	(14,208)	(12,241)	(13,730)	(12,274)
Other borrowed funds	(611,438)	(526,815)	(55,292)	(49,431)
	(4,866,729)	**(4,193,173)**	**(4,136,879)**	**(3,698,370)**
Total	**4,518,508**	**3,893,147**	**7,522,657**	**6,725,256**

As for Cash flow interest rate risk, this risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates.

At 30 June 2022, if interest rates on borrowed funds at amortised cost increased or reduced by 100 basis points with all other variables held constant, the effect on cash flow would have been as set out below:

Group

In thousands of Nigerian Naira	Jun-22 Pre-tax	Jun-22 Post-tax	Jun-21 Pre-tax	Jun-21 Post-tax
Decrease	1,243,531	1,012,732	1,055,730	900,538
Increase	(1,243,531)	(1,012,732)	(1,055,730)	(900,538)

Parent

In thousands of Nigerian Naira	Jun-22 Pre-tax	Jun-22 Post-tax	Jun-21 Pre-tax	Jun-21 Post-tax
Decrease	1,176,080	1,013,310	1,022,265	913,905
Increase	(1,176,080)	(1,013,310)	(1,022,265)	(913,905)

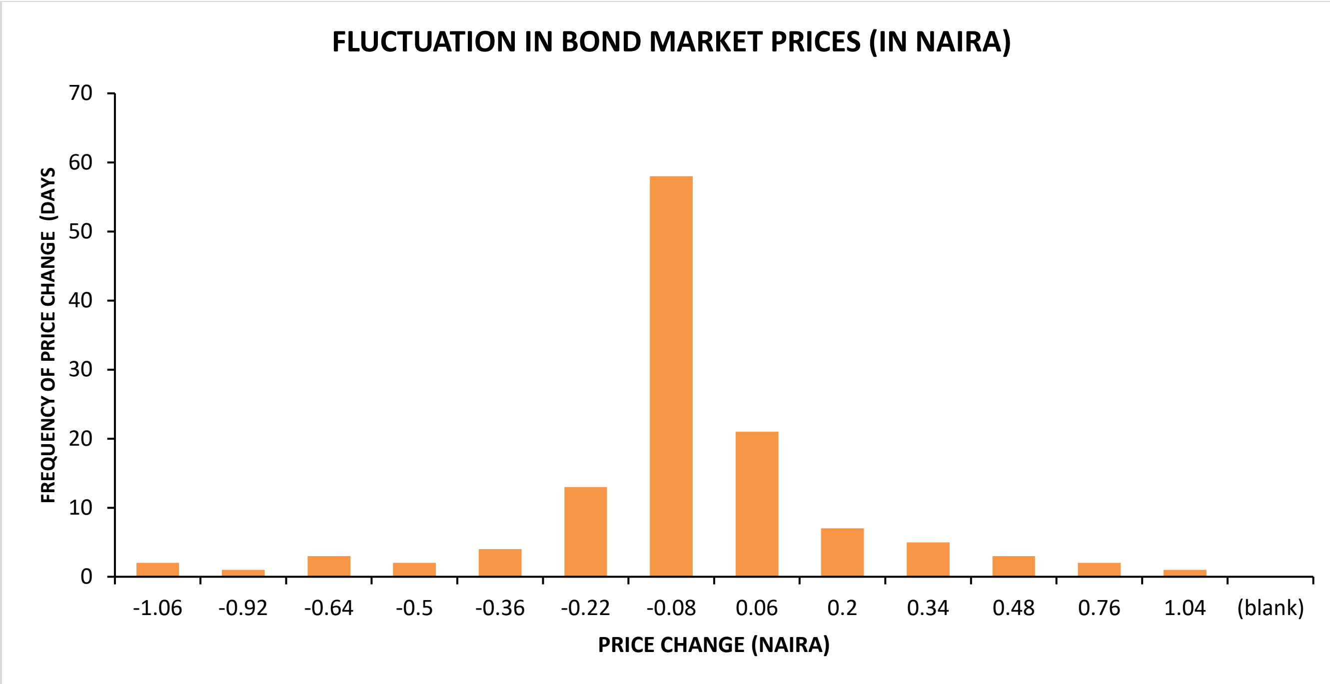
(v) Sensitivity Analysis of Fair Value Through Other Comprehensive Income Portfolio to Price

1. Financial Instrument held as Fair Value through Other Comprehensive Income

The Group recognized fair value changes for FVOCI Bonds, Bills and Equities as at 30 June 2022 and the comparative period in 2021. The Group carried out the following in determining sensitivity of its other comprehensive income to fluctuations in market prices of the financial assets:

Bonds to be Fair Valued through Other Comprehensive Income

- Daily bond prices were obtained and trended for the different series of Bonds in issue as at the reporting date.
- A reasonably possible change of (+1.04/-1.06) Naira was determined based on the distribution of one-year daily change in market prices. The results were that fluctuations were in the range of (+1.04/-1.06) Naira.
- The chosen reasonable change in market prices was then applied to the bank's holding of bonds designated as FVOCI as at end of the period.



The result of the price sensitivity i.e. impact on other comprehensive income as at 30 June 2022, when price of bonds designated as FVOCI increased or decreased by one Naira with all other variables held constant, would have been as set out in the tables below:

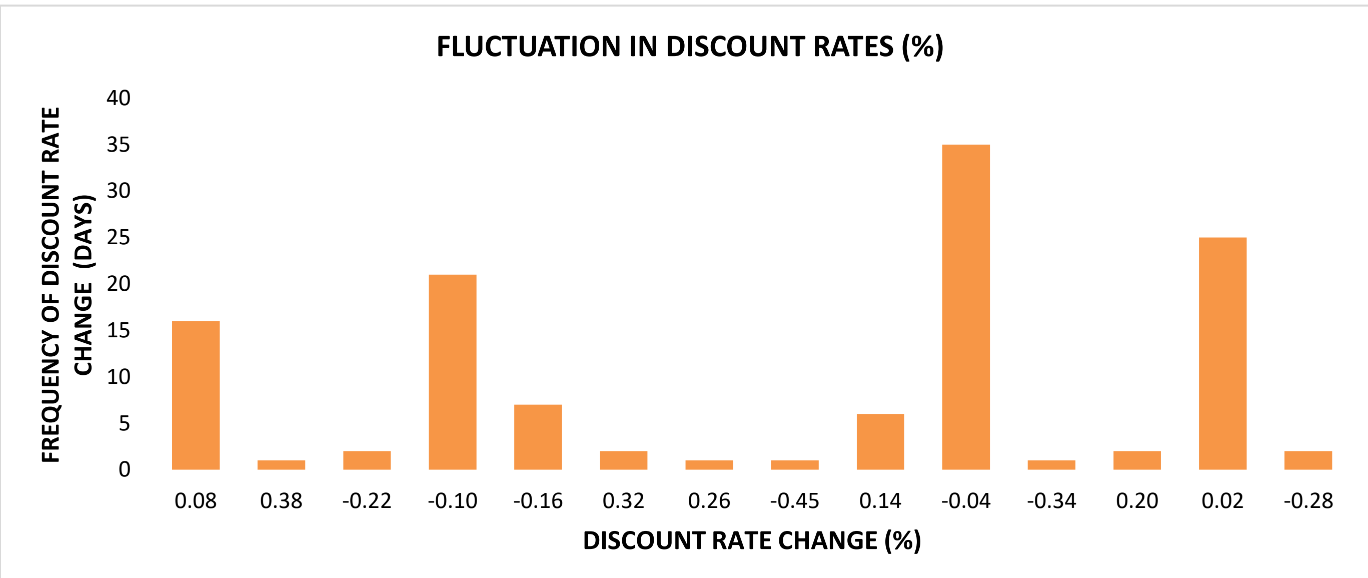
Group	**Jun-22**	**Jun-22**	**Jun-21**	**Jun-21**
In thousands of Nigerian Naira	**Pre-tax**	**Post-tax**	**Pre-tax**	**Post-tax**
Decrease	(1,654,382)	(2,064,317)	(190,954)	(134,909)
Increase	1,738,288	2,169,014	258,240	182,446

Parent	**Jun-22**	**Jun-22**	**Jun-21**	**Jun-21**
In thousands of Nigerian Naira	**Pre-tax**	**Post-tax**	**Pre-tax**	**Post-tax**
Decrease	(183,195)	(224,521)	(146,908)	(108,917)
Increase	267,101	327,356	214,194	158,803

Treasury Bills to be Fair Valued through Other Comprehensive Income OCI

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in market prices of treasury bills:

- Daily market discount rates were obtained and trended for the different maturities of treasury bills in issue as at the reporting date.
- A reasonably possible change of (+1.00/-0.90) was determined based on the distribution of one year daily change in discount rates on treasury bills. A large proportion of changes in discount rates falls in the range of (+1.00/-0.90).
- The chosen reasonable change in market discount rates was then applied to the bank's holding of Fair value through other comprehensive income treasury bills at end of the period.



The result of the price sensitivity i.e. impacts on other comprehensive income as at 30 June 2022, if discount rates of treasury bills designated as FVOCI, converted to prices, increased or reduced by (+0.08/-0.28) with all other variables held constant, would have been as set out in the tables below:

Group	**Jun-22**	**Jun-22**	**Jun-21**	**Jun-21**
In thousands of Nigerian Naira	**Pre-tax**	**Post-tax**	**Pre-tax**	**Post-tax**
Decrease	(1,073,917)	(1,340,020)	(1,923,436)	(1,358,908)
Increase	1,030,577	1,285,941	2,017,823	1,425,592

Parent In thousands of Nigerian Naira	Jun-22 Pre-tax	Jun-22 Post-tax	Jun-21 Pre-tax	Jun-21 Post-tax
Decrease	(433,397)	(531,167)	(849,486)	(629,809)
Increase	390,057	478,050	943,873	699,788

(vi)Sensitivity analysis of level 3 equity Instruments and its impact on OCI

The estimated fair value per share of each of the unquoted equity instruments has been determined using the relevant valuation models (where applicable/suitable). IFRS 13 outlines three approaches to fair value measurements. We have adopted the income approach in determining the fair values of these investments. Among the significant inputs into the models are the following:

1. Risk free rate (Rf) 2. Beta (B) coefficient 3. Market return (Rm)
4. Free cash flow (FCF) 5. Cost of debt/equity etc.

The inputs were used to determine appropriate weighted cost of capital which subsequently was used to discount the free cash flow of the company before arriving at the appropriate fair value of the share of the unquoted equity.

In determining the sensitivity of the fair value of the share of the unquoted equity to changes to the various inputs, we have assumed a 100 basis points increase or decrease to the risk free rate, the resultant impact to pre-tax and post-tax results arising from the sensitivity analysis are as shown in the table below:

Impact on Other Comprehensive Income

Group In thousands of Nigerian Naira	Jun-22 Pre-tax	Jun-22 Post-tax	Dec-21 Pre-tax	Dec-21 Post-tax
Decrease	196,570	147,717	196,570	156,910
Increase	(162,868)	(122,367)	(162,868)	(130,009)

Parent In thousands of Nigerian Naira	Jun-22 Pre-tax	Jun-22 Post-tax	Dec-21 Pre-tax	Dec-21 Post-tax
Decrease	185,111	143,350	185,111	152,922
Increase	(151,409)	(117,251)	(151,409)	(125,081)

Impact on Income statement

Group

In thousands of Nigerian Naira	Jun-22 Pre-tax	Jun-22 Post-tax	Dec-21 Pre-tax	Dec-21 Post-tax
Decrease	663,559	499,129	663,559	529,682
Increase	(494,870)	(372,241)	(494,870)	(395,027)

Parent

In thousands of Nigerian Naira	Jun-22 Pre-tax	Jun-22 Post-tax	Dec-21 Pre-tax	Dec-21 Post-tax
Decrease	663,559	513,860	663,559	548,174
Increase	(494,870)	(383,227)	(494,870)	(408,818)

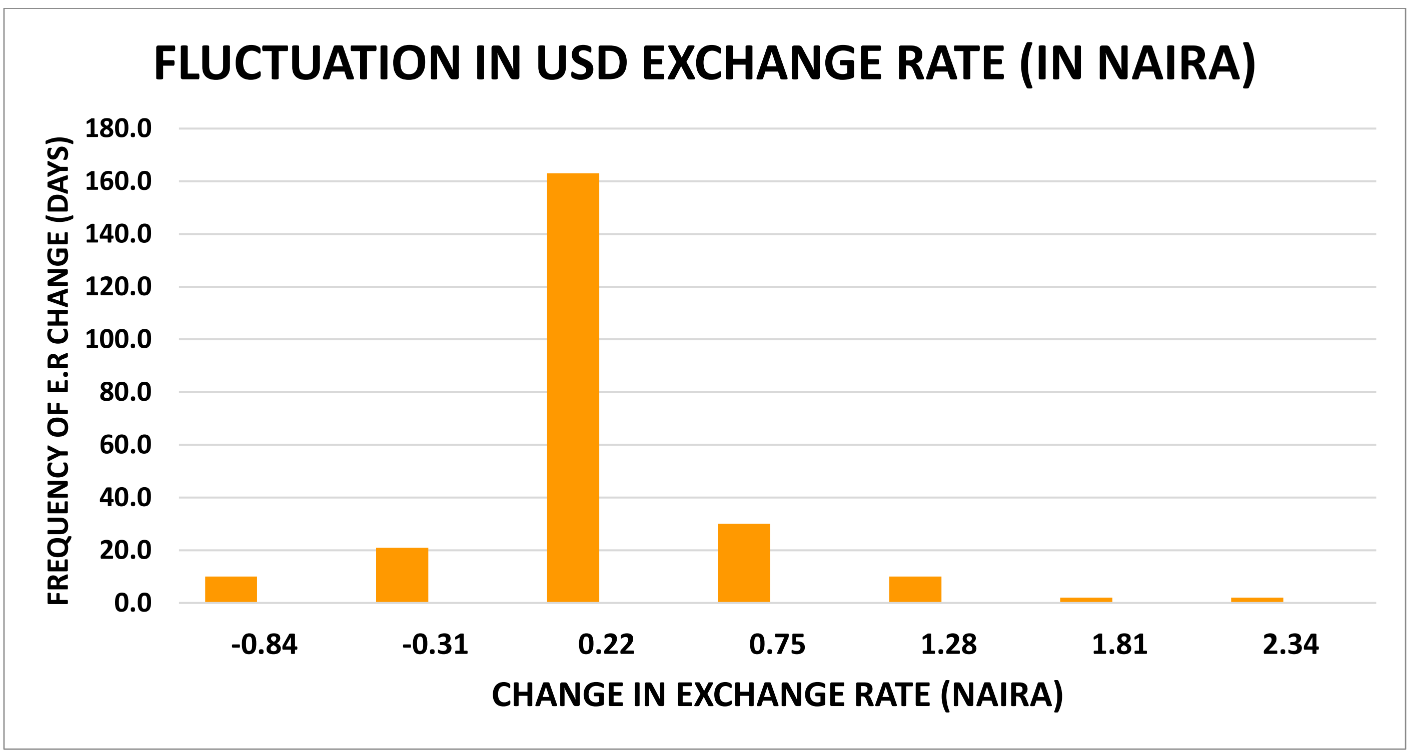
(iv) Exposure to foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollar, UK pound and Euro. Foreign exchange risk represents exposures to changes in the values of current holdings and future cash flows denominated in other currencies. The types of instruments exposed to this risk include investments in foreign subsidiaries, foreign currency-denominated loans and securities, future cash flows in foreign currencies arising from foreign exchange transactions, foreign currency denominated debt amongst others. The value of these instruments fluctuates with changes in the level or volatility of currency exchange rates or foreign interest rates**.** The Group deploys foreign derivative instruments whose values hedges currency debts to foreign currency loans and advances to eliminate exchange exposures on such borrowings.

Foreign exchange profit or loss (Dollars)

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in exchange rate of dollars:

- Daily dollar exchange rates were obtained for one year and trended
- A reasonably possible change of -0.84/2.34 (June 2021-1.49/2.16) was determined based on the distribution of six-months daily change in exchange rates. The graph below indicates that large proportion of changes in price falls in the range of -0.84/2.34 (June 2021-1.49/2.16)
- The chosen reasonable change in exchange rates was then applied to the bank's dollar position at the end of the period.



As at 30 June 2022, if the Naira had strengthened/weakened by -0.84/2.34 Naira against the Dollar with all other variables held constant, the pre-tax and post-tax profit for the period ended would have increased/(decreased) as set out in the table below mainly as a result of foreign exchange gains or losses on the translation.

Group

In thousands of Nigerian Naira	**Jun-2022 Pre-tax**	**Jun-2022 Post-tax**	**Jun-2021 Pre-tax**	**Jun-2021 Post-tax**
Decrease	(186,111)	(139,995)	(2,191,159)	(1,869,951)
Increase	518,451	389,986	5,734,520	4,893,882

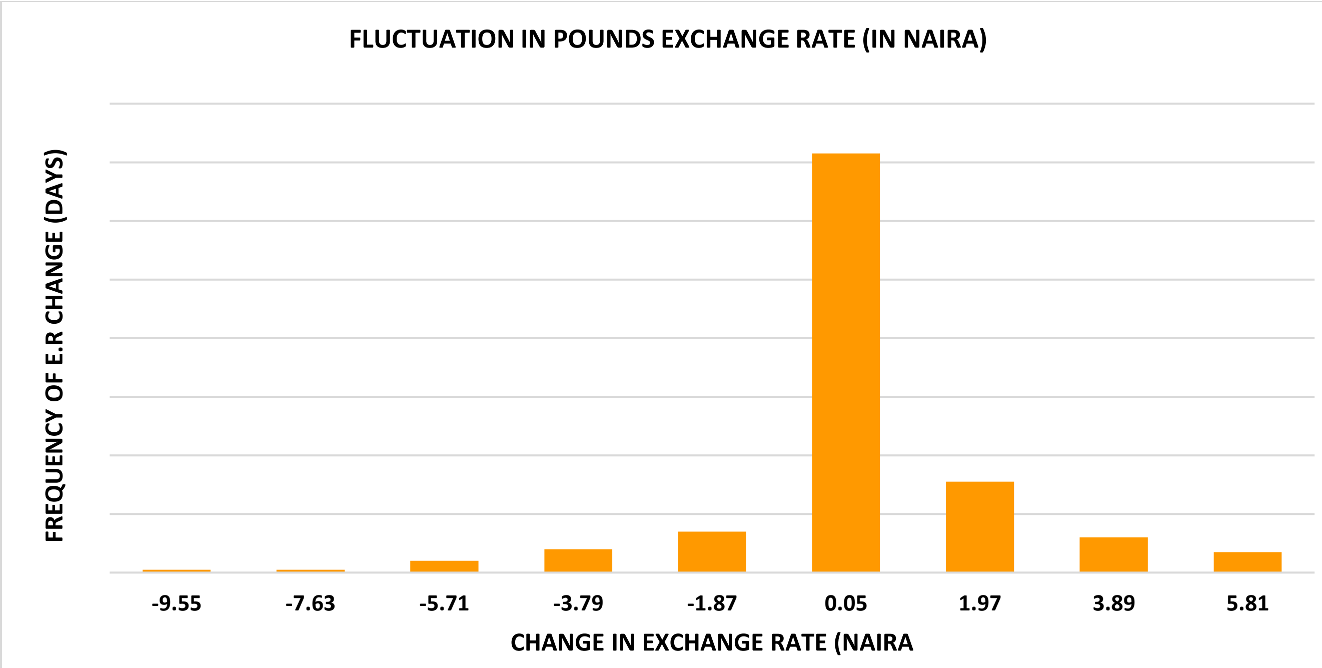
Parent

In thousands of Nigerian Naira	**Jun-2022 Pre-tax**	**Jun-2022 Post-tax**	**Jun-2021 Pre-tax**	**Jun-2021 Post-tax**
Decrease	(214,955)	(166,463)	(2,191,403)	(1,958,040)
Increase	598,802	463,719	5,735,157	5,124,420

Foreign exchange profit or loss (Pounds)

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in exchange rate of pounds:

- Daily pound exchange rates were obtained and trended
- A reasonably possible change of -9.55/5.81 (June 2021: -4.64/6.48) was determined based on the distribution of six-months daily change in exchange rates. The graph below indicates that large proportion of changes in price falls in the range of -9.55/5.81 (June 2021: -4.64/6.48)
- The chosen reasonable change in exchange rates was then applied to the bank’s position as at end of the period.



As at 30 June 2022, if the Naira had strengthened/weakened by -9.55/5.81 Naira against the Pounds with all other variables held constant the pre-tax and post-tax profit for the period ended would have increased/(decreased) as set out in the table below mainly as a result of foreign exchange gains or losses on the translation.

Group

In thousands of Nigerian Naira	Jun-2022 Pre-tax	Jun-2022 Post-tax	Jun-2021 Pre-tax	Jun-2021 Post-tax
Decrease	(110,297)	(82,966)	12,802	10,925
Increase	44,927	33,795	128,857	109,968

Parent

In thousands of Nigerian Naira	Jun-2022 Pre-tax	Jun-2022 Post-tax	Jun-2021 Pre-tax	Jun-2021 Post-tax
Decrease	(117,193)	(90,755)	11,917	10,648
Increase	47,736	36,967	119,951	107,177

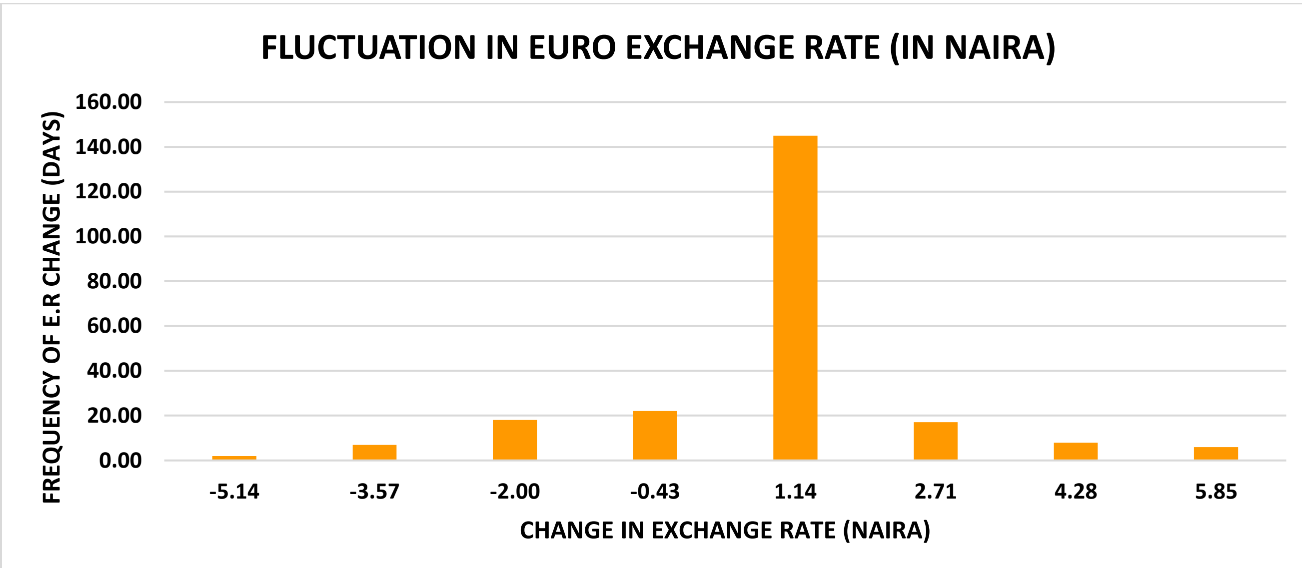
Foreign exchange profit or loss (Euros)

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in exchange rate of Euro:

- Daily Euro exchange rates were obtained and trended

- A reasonably possible change of -5.14/5.85 (June 2021 -8.15/8.70) was determined based on the distribution of six-month daily change in exchange rates. The graph below indicates that large proportion of changes in price falls in the range of -5.14/5.85 (June 2021 -8.15/8.70).

- The chosen reasonable change in exchange rates was then applied to the bank's euro position as at end of the period.



As at 30 June 2021, if the Naira had strengthened/weakened by -5.14/5.85 Naira against the Euro with all other variables held constant, the pre-tax and post-tax profit for the period ended would have increased/(decreased) as set out in the table below mainly as a result of foreign exchange gains or losses on the translation.

Group

In thousands of Nigerian Naira	**Jun-2022 Pre-tax**	**Jun-2022 Post-tax**	**Jun-2021 Pre-tax**	**Jun-2021 Post-tax**
Decrease	(2,296)	(1,727)	(31,094)	(26,536)
Increase	2,613	1,966	166,205	141,840

Parent

In thousands of Nigerian Naira	**Jun-2022 Pre-tax**	**Jun-2022 Post-tax**	**Jun-2021 Pre-tax**	**Jun-2021 Post-tax**
Decrease	(16,090)	(12,460)	(21,920)	(19,586)

Increase	18,313	14,181	117,166	104,689

Foreign Exchange Profit or Loss (Other Currencies)

As at 30 June 2022, if Naira had strengthened/weakened by -5.18/4.03 (June 2021: -1.49/2.16) against the other currencies with all other variables held constant the pre-tax and post-tax profit for the period, the impact of possible fluctuations in exchange rates on the overall foreign exchange revaluation profit of the bank is as shown below:

Group

In thousands of Nigerian Naira	**Jun-2022 Pre-tax**	**Jun-2022 Post-tax**	**Jun-2021 Pre-tax**	**Jun-2021 Post-tax**
Decrease	(10,734)	(8,074)	(13,198)	(10,445)
Increase	8,349	6,281	12,196	9,652

Parent

In thousands of Nigerian Naira	**Jun-2022 Pre-tax**	**Jun-2022 Post-tax**	**Jun-2021 Pre-tax**	**Jun-2021 Post-tax**
Decrease	(8,704)	(6,740)	(11,491)	(9,538)
Increase	6,770	5,243	10,618	8,813

(ix) Sensitivity analysis of derivative valuation

The fair value of foreign exchange contracts varies largely due to changes in foreign currency exchange rates. For the purpose of assessing specific risks, the Group carried out a sensitivity analysis to determine the effects that market risk exposures may have on the fair value of the Group's derivative financial instruments and results of operations. To perform the sensitivity analysis, daily U.S. Dollar exchange rates were obtained from the Investors & Exporters FX Window (I & E FX Window) and trended with all other variables kept constant. A proportional foreign exchange rate movement of ±₦0.5 (Jun 2022: ±₦0.5) depreciation of the Nigerian Naira and ±₦0.5 (Jun 2022: ±₦0.5) appreciation of the Nigerian Naira against the U.S. Dollar have been considered to be reasonably possible based on the distribution of one-year daily change in exchange rates of the U.S. Dollar.

The following table summarizes our derivatives financial instruments as at 30 June 2022 and analyzes the sensitivity of their fair values to an immediate change in foreign currency rates. Fair values represent the present value of forecasted future cash flows at market foreign currency exchange rates. A favourable change indicates a weakening of the Nigerian Naira against the U.S. Dollar and an unfavourable change indicates a strengthening of the Nigerian Naira against the U.S. Dollar. The selection of ± ₦0.5 (Jun 2022: ±₦0.5) favourable or unfavourable change in foreign currency exchange rates should not be construed as a prediction by the Group of future market events, but rather, to illustrate the potential impact of such an event. The modeling technique used to calculate the exposure does not take into account correlation among foreign currency exchange rates, or correlation among various markets such as the foreign exchange, equity and fixed-income markets. Actual experience may differ from the results in the table below due to the correlation assumptions utilized, or if events occur that were not included in the methodology, such as significant liquidity or market events.

The net impact of sensitivity for both favorable and unfavorable exchange rate of ± ₦0.5 will be ₦477,735,447 and (₦477,735,447) respectively.

Group
Jun-22
Total derivatives

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value	Asset/ (Liability)	Favourable changes (Pre-tax) Income Statement	Unfavourable changes (Pre-tax) Income Statement	Favourable changes (Post-tax) Income Statement	Unfavourable changes (Post-tax) Income Statement
Derivative Assets	331,050,753	14,289,305	Asset	382,013	68,904	285,402	51,478
Derivative Liabilities	58,488,021	(1,228,279)	Liability	(68,904)	(382,013)	(51,478)	(285,402)

Dec-21
Total derivatives

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value	Asset/ (Liability)	Favourable changes (Pre-tax) Income Statement	Unfavourable changes (Pre-tax) Income Statement	Favourable changes (Post-tax) Income Statement	Unfavourable changes (Post-tax) Income Statement
Derivative Assets	352,282,093	24,913,434	Asset	460,113	17,622	364,134	13,946
Derivative Liabilities	70,907,015	(1,580,970)	Liability	(17,622)	(460,113)	(13,946)	364,134

Sensitivity analysis on ECL Model

The following are the most significant assumption affecting the ECL allowance:

Corporate Portfolios

I. Crude Oil Prices, given the significant impact on the performance of companies in the oil and gas sector.
II. Exchange rate, given the significant impact on companies' ability to meet contractual payments denominated in foreign currency.
III. Inflation, given its significant impact on collateral valuations.
IV. GDP, given its impact on companies' performance and collateral valuations.
V. Interest rate, given its impact on the ability of companies to meet contractual cashflows on both local and foreign currency denominated obligations.

Retail Portfolios

I. Inflation, given its significant impact on purchasing power of individual borrowers and ultimately, the capacity to repay obligations.
II. Interest rate, given its impact on the ability of individual borrowers to meet contractual cashflows on both local and foreign currency denominated obligations.

In sensitising the variables above to determine their impact on Expected Credit Losses (ECL), the Group adjusted its Forward-Looking Information forecast as follows

- 100 basis points Increase / decrease in GDP growth rate over forecasted GDP growth rate
- 100 basis points Decrease / Increase in inflation rate over Inflation rate forecast
- 150 basis points Decrease / Increase in interest rate over Interest rate forecast
- Decrease / Increase in USD/NGN exchange rate by ₦20 over forecasted exchange rate
- Increase / Decrease in Crude Oil Price by $5pbl over forecasted Crude Oil Price

Set out below are the changes to the ECL as at 30 June 2022 and 31 December 2021 that would result from the possible changes in these parameters from the actual assumptions used in the Group's economic variables assumption.

Group

June-2022

	Improvement		**Worsening**	
In thousands of naira	**Pre-Tax**	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(4,082,380)	(2,857,666)	2,947,941	2,063,558
CORPORATE	(4,850,673)	(3,395,471)	5,826,361	4,078,453
PUBLIC SECTOR	(44,052)	(30,837)	46,888	32,822
RETAIL	(10,162,781)	(7,113,947)	227,168	159,017
SME	(2,392,511)	(1,674,758)	133,970	93,779
	(21,532,398)	**(15,072,678)**	**9,182,327**	**6,427,629**

Parent

In thousands of naira	Improvement Pre-Tax	Improvement Post Tax	Worsening Pre-Tax	Worsening Post Tax
COMMERCIAL	(3,887,981)	(2,721,586)	2,807,562	1,965,294
CORPORATE	(4,576,107)	(3,203,275)	5,496,567	3,847,597
PUBLIC SECTOR	(42,358)	(29,651)	45,085	31,559
RETAIL	(9,497,926)	(6,648,548)	212,306	148,614
SME	(2,278,582)	(1,595,007)	127,591	89,313
	(20,282,954)	**(14,198,068)**	**8,689,111**	**6,082,378**

Group

Dec-2021

In thousands of naira	Improvement Pre-Tax	Improvement Post Tax	Worsening Pre-Tax	Worsening Post Tax
COMMERCIAL	(11,102,228)	(7,771,559)	7,835,988	5,485,192
CORPORATE	(3,325,502)	(2,327,851)	8,330,792	5,831,554
PUBLIC SECTOR	(58,021)	(40,615)	101,662	71,163
RETAIL	(1,617,721)	(1,132,405)	2,058,851	1,441,196
SME	(324,834)	(227,384)	414,124	289,886
	(16,428,306)	**(11,499,814)**	**18,741,417**	**13,118,992**

Parent

In thousands of naira	Improvement Pre-Tax	Improvement Post Tax	Worsening Pre-Tax	Worsening Post Tax
COMMERCIAL	(10,573,550)	(7,401,485)	7,462,846	5,223,992
CORPORATE	(3,137,266)	(2,196,086)	7,859,238	5,501,466
PUBLIC SECTOR	(55,790)	(39,053)	97,752	68,426
RETAIL	(1,511,889)	(1,058,322)	1,924,160	1,346,912
SME	(309,366)	(216,556)	394,403	276,082
	(15,587,860)	**(10,911,502)**	**17,738,399**	**12,416,879**

The table below summaries the Group's financial instruments at carrying amount, categorised by currency:

Group
Jun-2022
Financial instruments by currency
In thousands of Nigerian Naira

	Note	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	22	1,038,773,906	95,837,677	730,039,681	67,526,699	45,694,419	99,675,430
Financial assets at fair value through profit or loss	23	262,320,001	245,265,314	2,831,983	-	-	14,222,704
Derivative financial assets	24	14,289,305	14,289,305	-	-	-	-
Investment securities:	-						
– Fair Value through other comprehensive Income	25	271,654,249	113,350,772	75,665,461	9,274,654	-	73,363,362
– Held at amortised cost	25	766,157,451	526,390,792	47,143,474	-	-	192,623,185
Assets pledged as collateral	26	123,258,000	109,324,371	-	-	-	13,933,629
Loans and advances to banks	27	1,597,490	1,597,490	-	-	-	-
Loans and advances to customers	28	1,833,097,144	765,670,878	847,393,630	30,954,720	2,110,480	186,967,436
Restricted deposits and other assets[1]	33	1,112,948,354	1,010,137,507	58,480,275	5,353,257	17,797,986	21,179,329
		5,424,095,900	**2,881,864,106**	**1,761,554,504**	**113,109,330**	**65,602,885**	**601,965,075**
Deposits from banks	34	131,799,616	35,840,274	85,666,586	1,460,844	7,725,660	1,106,252
Deposits from customers	35	4,262,634,826	2,658,679,961	1,009,545,958	79,761,618	30,401,915	484,245,374
Financial liabilities at fair value through profit or loss	36	1,614,361	1,614,361	-	-	-	-
Derivative financial liabilities	24	1,228,279	1,228,279	-	-	-	-
Other liabilities[2]	37	312,521,604	134,730,914	141,959,139	1,717,790	238,043	33,875,718
Other borrowed funds	39	99,961,020	93,215,904	6,390,940	-	-	354,176
		4,809,759,706	**2,925,309,693**	**1,243,562,623**	**82,940,252**	**38,365,618**	**519,581,520**
Financial Instrument Gap		**614,336,194**	**(43,445,587)**	**517,991,881**	**30,169,078**	**27,237,267**	**82,383,555**

[1] Excludes prepayments, Stocks, Employee defined benefit

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Group
Dec-2021
Financial instruments by currency

In thousands of Nigerian Naira	*Note*	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	22	933,591,069	84,324,593	633,365,589	93,757,182	37,158,839	84,984,866
Financial assets at fair value through profit or loss	23	104,397,651	42,643,770	2,383	-	-	61,751,498
Derivative financial assets	24	24,913,435	24,913,435	-	-	-	-
Investment securities:	-						
– Fair value through profit or loss	25	-	-	-	-	-	-
– Fair Value through other comprehensive Income	25	274,375,372	149,397,538	56,220,345	-	-	68,757,489
– Held at amortised cost	25	846,923,215	645,385,810	37,191,183	-	-	164,346,222
Assets pledged as collateral	26	79,273,911	68,430,171	-	-	-	10,843,740
Loans and advances to banks	27	115,014	114,915	99	-	-	-
Loans and advances to customers	28	1,802,587,381	731,131,771	819,327,165	35,042,115	7,642,921	209,443,409
Restricted deposits and other assets[1]	33	1,121,888,414	1,009,119,008	75,848,426	-	4,199,627	32,721,353
		5,188,065,462	**2,755,461,011**	**1,621,955,190**	**128,799,297**	**49,001,387**	**632,848,577**
Deposits from banks	34	118,027,576	658,166	90,667,389	16,429,281	9,346,480	926,260
Deposits from customers	35	4,012,305,554	2,533,471,934	896,946,970	86,256,170	31,318,610	464,311,870
Financial liabilities at fair value through profit or loss	36	-	-	-	-	-	-
Derivative financial liabilities	24	1,580,971	1,580,971	-	-	-	-
Other liabilities[2]	37	227,576,293	98,658,983	104,161,567	1,639,268	410,631	22,705,844
Other borrowed funds	39	153,897,499	133,289,197	20,202,138	-	-	406,164
		4,513,387,893	**2,767,659,251**	**1,111,978,064**	**104,324,719**	**41,075,721**	**488,350,138**
Financial Instrument Gap		**674,677,569**	**(12,198,240)**	**509,977,126**	**24,474,578**	**7,925,666**	**144,498,439**

[1] Excludes prepayments, Stocks, Employee defined benefit

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Company
Jun-2022
Financial instruments by currency
In thousands of Nigerian Naira

	Note	Total	Naira	USD	GBP	Euro	Others
Restricted deposits and other assets[1]	33	-	-	-	-	-	-
		-	-	-	-	-	-
Derivative financial liabilities	24	-	-	-	-	-	-
Other liabilities[2]	37	27,398,670	27,398,670	-	-	-	-
Other borrowed funds	39	-	-	-	-	-	-
		27,398,670	**27,398,670**	-	-	-	-
Financial Instrument Gap		**(27,398,670)**	**(27,398,670)**	-	-	-	-

[1] Excludes prepayments, Stocks, Employee defined benefit

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

5. Capital management and other risks

(a) Regulatory capital

Guaranty Trust Holding Company manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth and depositor confidence and providing competitive returns to shareholders. The Company's objectives when managing capital are (i) to comply with the capital requirements set by the regulators (Central Bank of Nigeria and the respective regulatory authorities in the countries in which the subsidiary banking operations are domiciled) (ii) to safeguard the Group's ability to continue as a going concern and (iii) to maintain a sufficient capital base to achieve the current regulatory capital requirement of the Company and its subsidiaries. The regulatory capital requirement for entities within the Group, as well as the internal target for capital management are as follows:

The regulatory capital requirement for entities within the group are as follows:

Name of Entity	Primary Regulator	Regulatory Requirement
Guaranty Trust Holding Company	Central Bank of Nigeria	₦57billion Capital *
Guaranty Trust Bank Limited	Central Bank of Nigeria	₦50billion Capital; and 16% Capital Adequacy Ratio
Guaranty Trust Pension Managers Limited	The National Pension Commission	₦5billion Capital
Habari Pay	Central Bank of Nigeria	₦2billion Capital

*The Capital Requirement of Guaranty Trust Holding Company represents the sum of the minimum paid up capital of all its subsidiaries.

The Central Bank of Nigeria (CBN) on 29th August 2014 issued Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria ("Guidelines"). According to the Guidelines, a financial holding company shall have a minimum paid up capital which shall exceed the sum of the minimum paid up capital of all its subsidiaries, as may be prescribed from time to time by the sector regulators. A review of the capital level as at 30 June 2022 shows that Guaranty Trust Holding Company complies with paragraphs 7.1 and 7.3 of the regulation, which stipulates that a financial holding company should maintain a minimum paid up capital which exceeds the aggregate of the minimum paid up capital of all its subsidiaries;

Entity	Minimum Share Capital N 'million	% Holding	Holdco Share N 'million
Guaranty Trust Bank Limited	50,000	100	50,000
Guaranty Trust Pension Managers Limited	5,000	100	5,000
Habari Pay	2,000	100	2,000
Aggregated minimum paid up Capital of Subsidiaries	**57,000**		**57,000**
Holdco Company (Share Capital and Reserves)			137,694
Surplus/(Deficit)			80,694

(b) Capital Adequacy Position in line with Basel II Accord

The International Convergence of Capital Measurement and Capital Standards: A Revised Framework, popularly known as the Basel II Framework was introduced in 2004 as a new set of international standards and best practices that define the minimum capital requirements for internationally active banks. The Basel II framework stipulates a minimum level of capital that banks must maintain to ensure that they can meet their obligations, cover unexpected losses; and can, very importantly, promote public confidence.

Basel II is a three-pronged approach relying on three Pillars -Minimum Capital Requirements (Pillar 1), Supervisory Review Process (Pillar 2) and Market Discipline (Pillar 3).

Pillar 1 Minimum Capital Requirements: It prescribes the capital allocation methodology against the core traditional credit, market and operational risks to ensure these are adequately measured and that banks have adequate capital to mitigate these risks.

Pillar 2 Supervisory Review: It requires banks to establish a risk management framework to identify, assess and manage major risks inherent in the institution and allocate adequate capital against those risks. It emphasizes that supervisors should be able to evaluate the soundness of these assessments.

Pillar 3 Market Discipline: It sets out to encourage market discipline by requiring a number of disclosure requirements in respect of a bank’s risk exposures, risk assessment process and capital adequacy.

The CBN specifies approaches for quantifying the risk weighted assets for credit, market and operational risk for the purpose of determining regulatory capital. Although the computations are consistent with the requirements of Pillar 1 Basel II Accord, certain sections have been adjusted to reflect the peculiarities of the Nigerian environment. In compliance with CBN, the Bank adopted the Standardized Approach (SA) in determining capital charge for Credit Risk and Market Risk while capital charge for Operational Risk was determined using the Basic Indicator Approach (BIA).

Pillar 1 focuses mainly on CAR, also known as Capital to Risk (Weighted) Assets Ratio (CRAR). This is the ratio of a bank’s capital to its risk. CBN requires the minimum requirement of 10% or 15% of Capital to risk weighted assets be maintained by Nigerian banks or banking groups with regional/national license and international banking license respectively.

CAR is measured as:

$$\frac{\text{Total Capital}}{\text{(Credit Risk Weighted Assets + Market Risk Weighted Assets + Operational Risk Weighted Assets)}}$$

The Bank's regulatory capital is analysed into two tiers:

Tier 1 capital includes ordinary share capital, share premium, retained earnings, statutory reserves, and other reserves excluding regulatory reserves. Intangible assets and investments in subsidiaries were also deducted from Tier I capital for capital adequacy purposes.

Tier 2 capital comprises Fair Value Reserves.

The Bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank's management of capital during the year.

Period under review

A fundamental part of the Group's overall business strategy is its sound capital management practices. It adopts a capital planning process that ensures that regulatory capital remains within approved ranges or above target levels across economic and business cycles. The Group is appropriately capitalized under normal and severe scenarios as well as a range of stress events.

Stress-testing models are used to gauge vulnerability of the Group to exceptional yet possible events. The result of stress-testing reveals the minimum capital requirements of the Group in the event that unforeseen negative events crystallize. The critical objective underpinning the stress-testing exercise is to identify as early as possible, any shortfall in capital requirements of the Group and take corrective actions which may be direct or indirect.

The Group throughout the review period, operated above its targeted capitalization range and well over the CBN-mandated regulatory minimum of 16% for Domestic Systemically Important. As at June 30, 2022, the Group's capital adequacy ratio was 22.02% (December 31, 2021- 23.83%).

The following table shows the composition of regulatory capital and risk weighted assets for the Group:

Capital adequacy ratio

	Group			
	Transitional Arrangement Impact	Transitional Arrangement Impact	Full Impact	Full Impact
In thousands of Nigerian Naira	Jun-2022	Dec-2021	Jun-2022	Dec-2021
Tier 1 capital				
Share capital	14,715,590	14,715,590	14,715,590	14,715,590
Share premium	123,471,114	123,471,114	123,471,114	123,471,114
Retained profits*	230,470,031	263,848,744	230,470,031	263,848,744
Statutory Reserve	390,972,797	379,415,669	390,972,797	379,415,669
SMEEIS and AGSMEIS Reserves	44,668,679	44,668,679	44,668,679	44,668,679
IFRS 9 Transitional Adjustment	-	-	-	-
RRR applied for IFRS 9 Impact	-	-	(65,490,719)	(65,490,719)
Non-Controlling Interest	19,186,286	18,870,216	19,186,286	18,870,216
Tier 1 Sub-Total	**823,484,497**	**844,990,012**	**757,993,778**	**779,499,293**
Less Regulatory deductions :				
Other intangible assets	(10,109,141)	(10,883,946)	(10,109,141)	(10,883,946)
Goodwill	(8,684,688)	(8,689,656)	(8,684,688)	(8,689,656)
Deferred Tax	(2,677,808)	(3,187,937)	(2,677,808)	(3,187,937)
Treasury Shares	(8,125,998)	(8,125,998)	(8,125,998)	(8,125,998)
Under Impairment	(7,825,121)	(7,825,121)	(7,825,121)	(7,825,121)
Excess exposure(s) over single obligor without CBN approval	-	(36,339,753)	-	(36,339,753)
100% of investments in unconsolidated Banking and financial subsidiary/associate companies	-	-	-	-
Unsecured Lending to subsidiaries within the same Group	-	-	-	-
Net Total Tier 1 Capital (A)	**786,061,741**	**769,937,601**	**720,571,022**	**704,446,882**
Tier 2 capital				
Foreign Exchange Adjustments	(1,316,019)	17,634,006	(1,316,019)	17,634,006
Fair Value Reserves	4,032,925	6,604,907	4,032,925	6,604,907
Net Total Tier 2 Capital (B)	**2,716,906**	**24,238,913**	**2,716,906**	**24,238,913**
Total Qualifying Capital (C= A+B)	**788,778,647**	**794,176,514**	**723,287,928**	**728,685,795**
Composition of Risk-Weighted Assets				
Credit Risk	2,678,711,589	2,495,964,312	2,613,220,870	2,430,473,593
Operational Risk	632,083,801	612,311,772	632,083,801	612,311,772
Market Risk	39,428,481	15,214,430	39,428,481	15,214,430
Aggregate	**3,350,223,871**	**3,123,490,513**	**3,284,733,152**	**3,057,999,794**
Total Risk-Weighted Capital Ratio	**23.54%**	**25.43%**	**22.02%**	**23.83%**
Tier 1 Risk-Based Capital Ratio	**23.46%**	**24.65%**	**21.94%**	**23.04%**

**Includes Regulatory Risk Reserve (RRR) of ₦65.5bn applied upon the adoption of IFRS 9 impact.*

TRANSITIONAL ARRANGEMENTS TREATMENT OF IFRS 9 EXPECTED CREDIT LOSS FOR REGULATORY PURPOSES BY BANKS IN NIGERIA

The Central Bank of Nigeria (CBN) issued a circular to provide guidance on the treatment of ECL provisions for regulatory purpose and introduced a four-year transitional arrangement to cushion the effect on tier 1 regulatory capital. The summary of the guidance is as follows:

1) Utilisation of Regulatory Risk Reserve (RRR) to cushion the impact of IFRS 9 ECL Provisions on Transition Date

In order to cushion the impact of IFRS 9 on regulatory capital banks are required, in the first instance, to apply the balance in their RRR to reduce the additional ECL provisions to be recognized in the opening retained earnings on January 1, 2018. The amount to be deducted from RRR shall be limited to the excess of ECL provisions over the IAS 39 provisions on the transition date. Accordingly, banks are required to effect appropriate accounting entries to reflect the transfer from RRR to the retained earnings.

2) Transitional Arrangement of the ECL Accounting Provisions for Regulatory Capital Purpose

Where the additional IFRS 9 ECL provision as stated in (1) above is higher than the balance in RRR, Banks are required to amortise the excess in line with the transitional arrangements provided by CBN. For the purpose of the transitional arrangement, the excess of the ECL provisions over IAS 39 provisions adjusted for the RRR is termed “Adjusted Day One Impact”, using the Static Approach. This approach requires banks to hold static the Adjusted Day One Impact and amortise on a straight-line basis over the four-year transition period by writing back to the Tier 1 capital as indicated in the table below:

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

Where the RRR fully absorbs the additional ECL provision, this transitional arrangement shall not apply.

The outcome of the application of the CBN guidance on the treatment of IFRS 9 ECL provisions is as presented in the capital adequacy computation on page 188.

(c) Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases, the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by the Group Enterprise Risk Management Division, and is subject to review by the Group Credit Committee or ALMAC as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Consideration is also given to synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer-term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

6. Use of estimates and judgments

These disclosures supplement the commentary on financial risk management (see note 4).

(a) Key sources of estimation uncertainty

Measurement of the expected credit losses

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, in the application of forward-looking information, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is as described in accounting policy 3b (j)(v).

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3b (j)(vii). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(b) Critical accounting judgements in applying the Group's accounting policies

Critical accounting judgements made in applying the Group's accounting policies include:

Financial asset and liability classification

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

1. In classifying financial assets as measured at amortised cost, the Group has determined that it meets the

description of financial assets set out in accounting policy **3b(j)(ii)(a).**

2. In designating financial assets as measured at FVOCI, the Group has determined that it has met the criteria for this designation set out in accounting policy **3b (j)(ii)(b).**

3. In classifying financial assets as measured at FVTPL, the Group has determined that it meets the description of financial assets set out in accounting policy **3b(j)(ii)(c).**

4. In accounting for financial liabilities as FVTPL, the Group has determined that it meets the description of financial liabilities set out in accounting policy **3b(j)(ii)(e).**

5. In carrying financial liabilities at amortised cost, the Group has determined that it meets the description of financial liabilities set out in accounting policy **3b(j)(ii)(f).**

Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

Determination of impairment of property and equipment, and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Translation of FX position during the year*:* This is referenced to the Investors & Exporters FX Window (I & E FX Window) rate quoted on FMDQ.

Defined benefits plan

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations.

The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

Impairment of Goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy in note 3(q). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of estimates. Goodwill and Goodwill Impairment testing are shown in note 32(c) below.

IFRIC 23 - Uncertain Tax Position

The tax legislation in relation to the treatment of expected credit loss on stage 2 loans is unclear with respect to whether the stage 2 impairment should be treated as specific or collective in the assessment of deferred tax.

The Group has opted to treat these stage 2 expected credit loss balances as collective in the determination and computation of deferred taxes because they are assessed as having a less significant increase in credit risk and their computation was based on lifetime expected credit losses in accordance with IFRS 9.

This treatment does not give rise to any deductible temporary difference. If the Group had not treated the stage 2 impairment as being a collective provision within the context of deferred tax assessment, a deferred tax asset of N4.9bn would not have been recognised.

Valuation of equity financial instruments

The Group's accounting policy on fair value measurements is discussed under note 3b (j)(iid).

The Group measures fair values using the following hierarchy of methods.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

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

All fair values are on a recurring basis. The sensitivity of investments and derivatives to fluctuation in market prices and yields are disclosed in note 4(i) under market risk above.

Group
Jun-2022
In thousands of Nigerian Naira

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
-Debt securities	24	262,320,001	-	-	262,320,001
Derivative financial assets	25	-	14,289,305	-	14,289,305
Investment securities:					
-Debt securities at FVOCI	26	255,870,687	15,783,562	-	271,654,249
-Equity securities at FVOCI	26	-	-	2,008,146	2,008,146
-Equity securities FVTPL	26	-	-	3,904,458	3,904,458
Assets pledged as collateral	27	109,324,371	13,933,629	-	123,258,000
Total assets		**627,515,059**	**44,006,496**	**5,912,604**	**677,434,159**
Liabilities					
Financial liabilities at fair value through profit or loss	37	1,614,361	-	-	1,614,361
Derivative financial liabilities	25	-	1,228,279	-	1,228,279
Total liabilities		**1,614,361**	**1,228,279**	**-**	**2,842,640**

Group
Dec-2021
In thousands of Nigerian Naira

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
-Debt securities	24	104,397,651	-	-	104,397,651
Derivative financial assets	25	-	24,913,435	-	24,913,435
Investment securities:					
-Debt securities at FVOCI	26	274,375,372	-	-	274,375,372
-Equity securities at FVOCI	26	-	-	1,665,818	1,665,818
-Investment securities - FVPL Notes	26	-	-	-	-
-Equity securities FVTPL	26	-	-	3,904,458	3,904,458
Assets pledged as collateral	27	68,430,170	10,843,741	-	79,273,911
Total assets		**447,203,193**	**35,757,176**	**5,570,276**	**488,530,645**
Liabilities					
Financial liabilities at fair value through profit or loss	37	-	-	-	-
Derivative financial liabilities	25	-	1,580,971	-	1,580,971
Total liabilities		**-**	**1,580,971**	**-**	**1,580,971**

Reconciliation of Level 3 Items

-Investment Securities (unquoted equity securities)

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Opening balance	5,570,276	4,939,779	-	-
Effect of exchange rate fluctuations	-	(190)	-	-
Total unrealised gains or (losses) in Profit and Loss	-	-	-	-
Total unrealised gains or (losses) in OCI	342,328	630,687	-	-
Additional investment during the year	-	-	-	-
	5,912,604	**5,570,276**	**-**	**-**

(e) Disclosure Requirement for Level 2 and 3 Financial Instruments

Valuation control framework

The key elements of the control framework for the valuation of financial instruments include model validation, product implementation review and independent price verification. These functions are carried out by an appropriately skilled finance team, independent of the business area responsible for the products.

Model validation covers both qualitative and quantitative elements relating to new models. In respect of new products, model validation examines the explanatory power of the implemented model, actively monitoring model parameters and comparing in-house pricing to external sources.

Independent price verification procedures cover financial instruments carried at fair value. The frequency of the review is matched to the availability of independent data, monthly being the minimum. Valuation differences in breach of established thresholds are escalated to senior management. The results from independent pricing and valuation reserves are reviewed monthly by senior management.

Valuation technique and Input used in Level 2 Fair Value Measurement

Where there is limited trading activity in financial instruments, the Group uses valuation models, consensus pricing information from third party pricing services and quotes to determine an appropriate valuation.

Disclosure Requirements for Level 3 Financial Instruments

Valuation Technique:

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

IFRS 13 - Fair Value Measurement outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in each of the unquoted equity securities at the end of the financial year using the income approach.

The Discounted Cash flow (DCF) technique of the income approach was adopted in valuing each of these equity investments taken into cognizance the suitability of the model to each equity investment and the available financial information.

Description of Valuation Methodology and inputs:

Discounted Cash flow Technique (DCF)

The fair value of the other unquoted equity securities was derived using the Discounted Cash Flow technique. The steps involved in estimating the fair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

Step 1: A five-year forecast of the Free Cash Flow to the Firm (FCFF) for each of the equity investments was made (see (a) below for the definition, explanation and derivation of FCFF).

Step 2: The yearly FCFF forecasts were discounted to present value using the company's WACC. (See (b) below for the definition, explanation and derivation of WACC).

Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFF by the capitalization rate (please see (c) below).

Step 4: The terminal value was discounted to present value using the company's WACC.

Step 5: The firm value was obtained by adding the present value of the five-year FCFF obtained in step (2) above to the present value of terminal value obtained in step (4) above.

Step 6: The equity value of the firm was obtained by deducting the value of the debt of the company from the firm value obtained in step (5) above (i.e. Firm value minus market value of debt = Equity value).

Step 7: The equity value per share was obtained by dividing the Equity value obtained in step (6) above by the number of shares outstanding in the company.

Step 8: The fair value of the group's investment in each of the relevant unquoted equity securities was derived by multiplying the number of the Groups' shares in the investee by the value per share obtained in step (7) above.

a. Free Cash flow to the Firm (FCFF):

A measure of financial performance that expresses the net amount of cash that is generated for the firm, consisting of expenses, taxes and changes in net working capital and investments. Free cash flow to the firm is the cash available to all investors, both equity and debt holders.

FCFF = NI + NCC + [Int x (1-tax rate)] – Changes in FCInv – Changes in WCInv

Where:

NI = Net Income

NCC = Non- Cash Charges

Int = Interest

T= tax rate

FCI = Fixed Capital Investment

WCI = Working Capital Investment

b. Weighted average Cost of Capital (WACC):

This is the average cost of both equity and debt capital used in financing a business.

WACC= {(D/D+E) x Kd(1-T)} + {(E/D+E) x Ke }
Where:
D = Value of Debt

E = Equity value
Ke = Cost of equity
Kd = Cost of debt
T = Tax rate

c. *Capitalization Rate= WACC – g*

Terminal value = ($FCFF_5$ *(1+g))/ (WACC – g)

Where:

FCFF = $Year_5$ FCFF
g = Growth rates
WACC = *Weighted average Cost of Capital*

Valuation Assumptions – Discounted Cash flow

1. The Bank applies Capital Asset Pricing Model in determining the cost of equities for its various unquoted equities which were fair valued at the reporting period.
2. The risk-free rate was determined using the yield on the 10-year Nigerian Government bond (for unquoted securities denominated in Naira) of 12.6% and the yield on the 10-year US Government bond (for unquoted securities denominated in US $) of 1.51%.
3. Market premium of 4.38% was adopted based on trend analysis and research of market premiums across the globe by Aswath Damodaran.
4. Beta = 1
5. Growth rate used is growth rate in earnings between the latest period and prior period.

The movement in equity securities at fair value through OCI during the period is as follows:

In thousands of Nigerian Naira	**Group Jun-22**	**Group Dec-21**
Balance, beginning of the period	1,665,818	1,666,008
Effect of exchange rate fluctuation	-	(190)
Derecognition via sales option	-	-
Additional investment during the year	342,328	-
Fair value movement recognised in OCI	-	-
Balance, end of the year	**2,008,146**	**1,665,818**

The movement in equity securities fair value through profit and loss during the period is as follows:

In thousands of Nigerian Naira	Jun-22	Dec-21
Historical cost	636,048	636,048
Unrealized Fair Value Gain recognized in FVPL	3,268,410	3,268,410
Fair value	**3,904,458**	**3,904,458**

The Group is eligible to present net on the balance sheet, certain financial assets and liabilities according to criteria described in Note 3 on Offsetting Financial Instruments. For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities.

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

Group **Jun-2022** *In thousands of Nigerian Naira*	**Gross amounts of Financial Assets/liabilities**	**Gross amounts set off on the SOFP**	**Net amounts presented on the SOFP**	**Related amount not set off in the SOFP**	**Cash collateral**	**Net amount**
Financial assets						
Cash and bank balances (a)	31,528,214	(33,777,265)	(2,249,051)	-	-	(2,249,051)
Other Assets (b)	63,097,791	-	63,097,791	-	63,097,791	-
	94,626,005	**(33,777,265)**	**60,848,740**	**-**	**63,097,791**	**(2,249,051)**
Financial liabilities						
Other Liabilities (b)	63,097,791	-	63,097,791	63,097,791	-	-
	63,097,791	**-**	**63,097,791**	**63,097,791**	**-**	**-**

Group **Dec-2021** *In thousands of Nigerian Naira*	**Gross amounts of Financial Assets/liabilities**	**Gross amounts set off on the SOFP**	**Net amounts presented on the SOFP**	**Related amount not set off in the SOFP**	**Cash collateral**	**Net amount**
Financial assets						
Cash and bank balances (a)	31,528,214	(33,777,265)	(2,249,051)	-	-	(2,249,051)
Other Assets (b)	63,097,791	-	63,097,791	-	63,097,791	-
	94,626,005	**(33,777,265)**	**60,848,740**	**-**	**63,097,791**	**(2,249,051)**
Financial liabilities						
Other Liabilities (b)	63,097,791	-	63,097,791	63,097,791	-	-
	63,097,791	**-**	**63,097,791**	**63,097,791**	**-**	**-**

7. Operating segments

The Group has six reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer varied products and services and are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Executive Management Committee reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- **Corporate banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products offered to very large corporate customers and blue chips.
- **Commercial banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for mid-size and fledgling corporate customers.
- **Business banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for mid-size commercial customers.
- **Retail banking** – Incorporates private banking services, private customer current accounts, savings deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- **SME banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for small and medium-size enterprises and ventures.
- **Public Sector** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for Government Ministries, Departments and Agencies.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

No single external customer accounts for 10% or more of the Group's revenue.

The measurement policies the Group uses for segment reporting are the same as those used in its financial statements, except that activities of Staff Investment Trust have not been consolidated in arriving at the operating profit, assets and liabilities of the operating segment (see note 30(b)). There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

Operating segments (Continued)

Information about operating segments

Group
Jun-2022

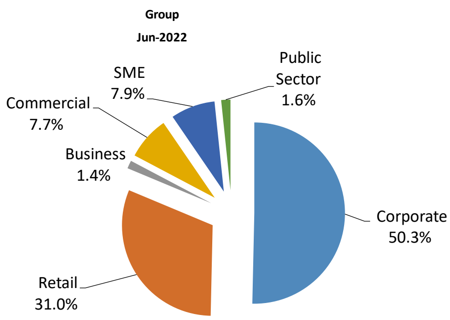
In thousands of Nigerian Naira	Corporate Banking	Retail Banking	Business Banking	Commercial Banking	SME Banking	Public Sector Banking	Total Continuing Operations	Total
Revenue:								
Derived from external customers	123,255,101	69,651,637	3,213,509	17,691,724	17,790,491	3,751,839	235,354,298	235,354,298
Derived from other business segments	(4,759,587)	3,201,855	155,165	450,701	829,379	122,487	-	-
Total revenue	**118,495,514**	**72,853,492**	**3,368,674**	**18,142,425**	**18,619,870**	**3,874,326**	**235,354,298**	**235,354,298**
Interest expenses	(19,464,728)	(3,549,430)	(277,703)	(1,483,506)	(793,029)	(782,982)	(26,351,379)	(26,351,379)
Fee and commission expenses	(1,764,057)	(3,920,597)	(76,291)	(512,288)	(403,440)	(36,804)	(6,713,478)	(6,713,478)
Net operating income	**97,266,728**	**65,383,464**	**3,014,679**	**16,146,630**	**17,423,400**	**3,054,539**	**202,289,441**	**202,289,441**
Expense:								
Operating expenses	(25,143,545)	(32,023,512)	(2,290,949)	(9,535,887)	(10,579,666)	(2,536,134)	(82,109,694)	(82,109,694)
Net impairment loss on financial assets	(2,649,462)	(1,656,865)	200,048	561,160	(784,903)	810,442	(3,519,581)	(3,519,581)
Depreciation and amortisation	(4,785,376)	(5,970,073)	(679,184)	(2,425,798)	(3,129,631)	(355,412)	(17,345,473)	(17,345,473)
Total cost	**(32,578,383)**	**(39,650,450)**	**(2,770,085)**	**(11,400,525)**	**(14,494,200)**	**(2,081,104)**	**(102,974,748)**	**(102,974,748)**
Profit before income tax from reportable segments	**64,688,345**	**25,733,014**	**244,594**	**4,746,105**	**2,929,200**	**973,435**	**99,314,693**	**99,314,693**
Tax	(16,773,159)	(6,628,382)	(63,003)	(1,222,515)	(754,512)	(250,740)	(25,692,310)	(25,692,310)
Profit after income tax from reportable segments	**47,915,186**	**19,104,632**	**181,591**	**3,523,590**	**2,174,688**	**722,695**	**73,622,383**	**73,622,383**
Assets and liabilities:								
Total assets	4,103,189,092	920,055,097	42,749,880	259,874,917	254,995,350	105,134,039	5,685,998,375	5,685,998,375
Total liabilities	(1,466,565,257)	(2,271,923,695)	(125,858,352)	(388,749,632)	(518,532,994)	(62,665,931)	(4,834,295,861)	(4,834,295,861)
Net assets/ (liabilities)	**2,636,623,835**	**(1,351,868,598)**	**(83,108,472)**	**(128,874,715)**	**(263,537,644)**	**42,468,108**	**851,702,514**	**851,702,514**
Additions to Non-Current Assets	**8,344,604**	**10,780,522**	**419,259**	**2,256,128**	**2,624,528**	**521,683**	**24,946,725**	**24,946,725**
Assets:								
Loans and advances to banks	1,597,490	-	-	-	-	-	1,597,490	1,597,490
Loans and advances to customers	1,443,485,092	184,685,900	1,484,677	115,596,719	29,606,281	58,238,474	1,833,097,144	1,833,097,144
Others	2,658,106,510	735,369,197	41,265,203	144,278,198	225,389,069	46,895,565	3,851,303,741	3,851,303,741
	4,103,189,092	**920,055,097**	**42,749,880**	**259,874,917**	**254,995,350**	**105,134,039**	**5,685,998,375**	**5,685,998,375**
Liabilities:								
Deposits from banks	131,799,616	-	-	-	-	-	131,799,616	131,799,616
Deposits from customers	964,565,407	2,273,443,668	117,538,881	355,648,496	512,533,498	38,904,877	4,262,634,826	4,262,634,826
Others	370,200,234	(1,519,973)	8,319,471	33,101,136	5,999,496	23,761,054	439,861,419	439,861,419
	1,466,565,257	**2,271,923,695**	**125,858,352**	**388,749,632**	**518,532,994**	**62,665,931**	**4,834,295,861**	**4,834,295,861**

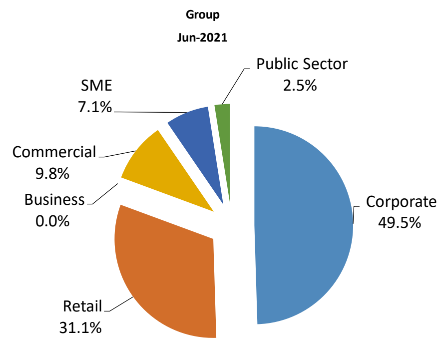
Group
Jun-2021

In thousands of Nigerian Naira	Corporate Banking	Retail Banking	Business Banking	Commercial Banking	SME Banking	Public Sector Banking	Total Continuing Operations	Total
Revenue:								
Derived from external customers	87,816,623	73,536,577	-	22,092,631	16,813,343	5,292,578	205,551,752	205,551,752
Derived from other business segments	13,956,015	(9,601,809)	-	(1,925,228)	(2,278,573)	(150,405)	-	-
Total revenue	**101,772,638**	**63,934,768**	**-**	**20,167,403**	**14,534,770**	**5,142,173**	**205,551,752**	**205,551,752**
Interest expenses	(15,491,350)	(1,554,953)	-	(981,065)	(439,004)	(569,454)	(19,035,826)	(19,035,826)
Fee and commission expenses	(263,755)	(944,285)	-	(130,577)	(82,212)	(8,099)	(1,428,928)	(1,428,928)
Net operating income	**86,017,533**	**61,435,530**	**-**	**19,055,761**	**14,013,554**	**4,564,620**	**185,086,998**	**185,086,998**
Expense:								
Operating expenses	(19,818,630)	(30,962,270)	-	(11,319,514)	(9,626,031)	(2,279,853)	(74,006,298)	(74,006,298)
Net impairment loss on financial assets	(3,613,548)	(110,838)	-	(666,403)	(624,093)	(41,500)	(5,056,382)	(5,056,382)
Depreciation and amortisation	(4,106,962)	(5,455,048)	-	(2,608,110)	(2,727,227)	(433,565)	(15,330,912)	(15,330,912)
Total cost	**(27,539,140)**	**(36,528,156)**	**-**	**(14,594,027)**	**(12,977,351)**	**(2,754,918)**	**(94,393,592)**	**(94,393,592)**
Profit before income tax from reportable segments	**58,478,393**	**24,907,374**	**-**	**4,461,734**	**1,036,203**	**1,809,702**	**90,693,406**	**90,693,406**
Tax	(8,795,826)	(3,746,357)	-	(671,096)	(155,857)	(272,200)	(13,641,336)	(13,641,336)
Profit after income tax from reportable segments	**49,682,567**	**21,161,017**	**-**	**3,790,638**	**880,346**	**1,537,502**	**77,052,070**	**77,052,070**
Dec-2021								
Assets and liabilities:								
Total assets	3,265,422,141	1,387,784,695	-	379,647,284	309,395,537	93,785,340	5,436,034,997	5,436,034,997
Total liabilities	(1,345,245,040)	(2,211,420,267)	-	(473,029,756)	(495,815,098)	(19,135,520)	(4,544,645,681)	(4,544,645,681)
Net assets/ (liabilities)	**1,920,177,101**	**(823,635,572)**	**-**	**(93,382,472)**	**(186,419,561)**	**74,649,820**	**891,389,316**	**891,389,316**
Additions to Non-Current Assets	**12,935,968**	**24,775,788**	**-**	**11,873,695**	**10,835,151**	**2,352,038**	**62,772,640**	**62,772,640**
Dec-2021								
Assets:								
Loans and advances to banks	115,014	-	-	-	-	-	115,014	115,014
Loans and advances to customers	1,407,971,349	192,721,372	-	101,516,994	31,191,834	69,185,832	1,802,587,381	1,802,587,381
Others	1,857,335,779	1,195,063,323	-	278,130,290	278,203,702	24,599,508	3,633,332,602	3,633,332,602
	3,265,422,142	**1,387,784,695**	**-**	**379,647,284**	**309,395,536**	**93,785,340**	**5,436,034,997**	**5,436,034,997**
Liabilities:								
Deposits from banks	118,027,576	-	-	-	-	-	118,027,576	118,027,576
Deposits from customers	904,803,210	2,175,636,896	-	429,864,769	484,323,261	17,677,418	4,012,305,554	4,012,305,554
Others	322,414,254	35,783,371	-	43,164,987	11,491,837	1,458,102	414,312,551	414,312,551
	1,345,245,040	**2,211,420,267**	**-**	**473,029,756**	**495,815,098**	**19,135,520**	**4,544,645,681**	**4,544,645,681**

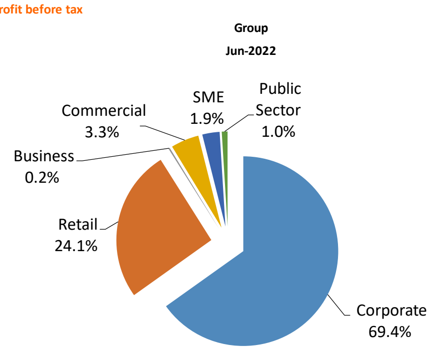
Operating segments (Continued)
Information about operating segments

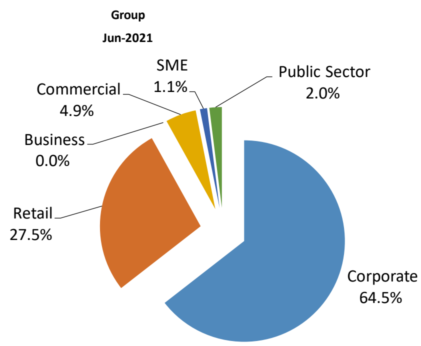
Revenue



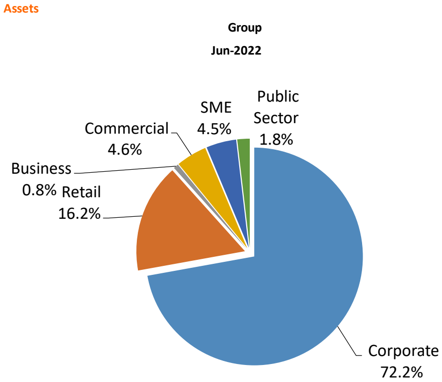


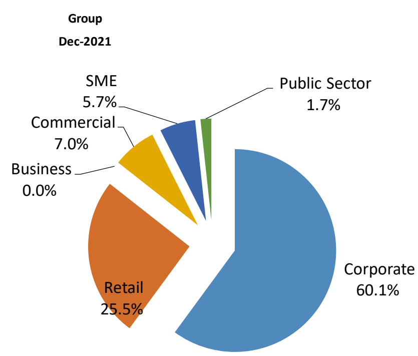
Profit before tax



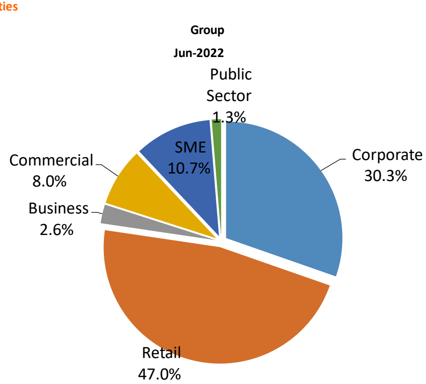


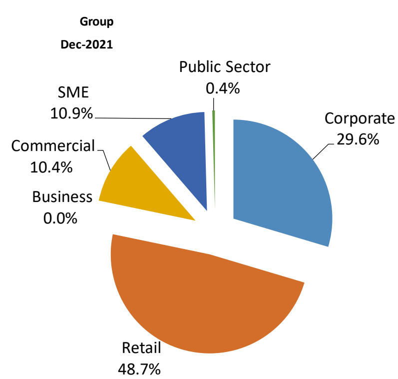
Assets





Liabilities





Operating segments (Continued)

The following is an analysis of the Group's revenue and gains from continuing operations by products and services;

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Bonds	2,123,710	1,321,345	-	-
Placements	3,398,656	12,074,147	79,464,184	-
Treasury Bills	17,100,541	23,421,342	-	-
Loans	176,876,807	150,641,590	-	-
Contingents	39,789,238	20,455,981	-	-
	239,288,952	**207,914,405**	**79,464,184**	**-**

Contingents relates to Bonds and Guarantees, Letters of Credit

Reconciliation of reportable segment revenues, operating expenses, profit or loss and assets and liabilities

Reconciliation of revenues

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Continuing Operations:				
Total revenue from reportable segments	235,354,298	205,551,752	-	-
Consolidation and adjustments:				
- Other operating income	3,934,654	2,362,653	79,464,184	-
Revenue from continuing operations	**239,288,952**	**207,914,405**	**79,464,184**	**-**

Revenue from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Interest income	147,199,607	126,091,101	-	-
Fee and commission income	46,479,355	38,284,192	-	-
Net gains on financial instruments classified as held for trading	23,598,680	17,685,428	-	-
Other operating income	22,011,310	25,853,684	79,464,184	-
Revenue and gains from continuing operations	239,288,952	207,914,405	79,464,184	-
Less gains:				
- Gain on disposal of fixed assets	-	-	-	-
- Dividends income	-	-	-	-
Revenue from continuing operations	**239,288,952**	**207,914,405**	**79,464,184**	**-**

Reconciliation of operating expenses

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Continuing Operations:				
Total operating expense from reportable segments	82,109,694	74,006,298	816,048	-
Operating expense from continuing operations	**82,109,694**	**74,006,298**	**816,048**	**-**

Operating expense from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Personnel expenses (See Note17)	18,539,903	17,234,789	615,026	-
Operating lease expenses	-	2,430,876	-	-
Other operating expenses (See Note20)	63,569,791	54,340,633	201,022	-
	82,109,694	**74,006,298**	**816,048**	**-**

Reconciliation of profit or loss

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Continuing Operations:				
Total profit or loss for reportable segments	99,314,693	90,693,406	78,604,886	-
Consolidation and adjustments:				
- Operating expenses	-	-	-	-
- Other operating income	3,934,654	2,362,653	-	-
Gains:				
- Gain on disposal of fixed assets	-	-	-	-
- Dividends income	-	-	-	-
Profit before income tax from continuing operations	**103,249,347**	**93,056,059**	**78,604,886**	**-**

Reconciliation of assets

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Continuing Operations:				
Total assets for reportable segments	5,685,998,375	5,436,034,997	164,179,321	143,716,004
Consolidation and adjustments	-	-	-	-
Total assets	**5,685,998,375**	**5,436,034,997**	**164,179,321**	**143,716,004**

Reconciliation of liabilities

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Continuing Operations:				
Total liabilities for reportable segments	4,834,295,861	4,544,645,681	27,398,670	6,076,055
Consolidation and adjustments	6,011,452	8,162,224	-	-
Total liabilities	**4,840,307,313**	**4,552,807,905**	**27,398,670**	**6,076,055**

Geographical segments

The Group operates in four geographic regions, being:

- Nigeria
- Rest of West Africa (comprising Ghana, Gambia, Sierra Leone, Liberia, Cote D'Ivoire)
- East Africa (comprising Kenya, Uganda, Rwanda and Tanzania)
- Europe (UK)

Jun-2022

In thousands of Nigerian Naira	Nigeria	Rest of West Africa	East Africa	Europe	Total Continuing Operations	Total
Derived from external customers	173,512,514	50,380,737	12,052,461	3,343,240	239,288,952	239,288,952
Derived from other segments	-	-	-	-	-	-
Total Revenue	**173,512,514**	**50,380,737**	**12,052,461**	**3,343,240**	**239,288,952**	**239,288,952**
Interest expense	(17,901,505)	(6,120,298)	(2,175,616)	(153,960)	(26,351,379)	(26,351,379)
Fee and commission expenses	(4,312,196)	(1,685,881)	(609,619)	(105,782)	(6,713,478)	(6,713,478)
Net interest margin	151,298,813	42,574,558	9,267,226	3,083,498	206,224,095	206,224,095
Profit before income tax	**69,339,382**	**29,705,113**	**4,038,490**	**166,362**	**103,249,347**	**103,249,347**
Assets and liabilities:						
Total assets	4,480,378,298	678,544,756	217,971,954	309,103,367	5,685,998,375	5,685,998,375
Total liabilities	(3,899,579,439)	(523,603,273)	(167,436,784)	(249,687,817)	(4,840,307,313)	(4,840,307,313)
Net assets/(liabilities)	**580,798,859**	**154,941,483**	**50,535,170**	**59,415,550**	**845,691,062**	**845,691,062**

Jun-2021

In thousands of Nigerian Naira	Nigeria	Rest of West Africa	East Africa	Europe	Total Continuing Operations	Total
Derived from external customers	152,464,828	42,428,899	10,841,922	2,178,756	207,914,405	207,914,405
Derived from other segments	-	-	-	-	-	-
Total Revenue	**152,464,828**	**42,428,899**	**10,841,922**	**2,178,756**	**207,914,405**	**207,914,405**
Interest expense	(10,894,874)	(5,640,530)	(2,225,507)	(274,915)	(19,035,826)	(19,035,826)
Fee and commission expenses	(622,086)	(209,110)	(597,732)	-	(1,428,928)	(1,428,928)
Net interest margin	140,947,868	36,579,259	8,018,683	1,903,841	187,449,651	187,449,651
Profit before income tax	**69,283,099**	**21,880,728**	**2,916,408**	**(1,024,176)**	**93,056,059**	**93,056,059**

Dec-2021

Assets and liabilities:						
Total assets	4,262,111,737	680,761,944	229,490,928	263,670,388	5,436,034,997	5,436,034,997
Total liabilities	(3,615,214,768)	(519,719,398)	(179,627,552)	(238,246,187)	(4,552,807,905)	(4,552,807,905)
Net assets/(liabilities)	**646,896,969**	**161,042,546**	**49,863,376**	**25,424,201**	**883,227,092**	**883,227,092**

8 Financial assets and liabilities

Accounting classification measurement basis and fair values

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

Group
Jun-2022

In thousands of Nigerian Naira	*Note*	Carrying amount: Fair value through profit or loss	Held at ammortised cost	Fair value through other comprehensive income	Other financial assets / liabilities at amortised cost	Total carrying amount	Fair Value: Level 1	Level 2	Level 3	Total Fair value
Cash and cash equivalents[3]	23	-	1,038,773,906	-	-	1,038,773,906	1,038,773,906	-	-	1,038,773,906
Loans and advances to banks[3]	28	-	1,597,490	-	-	1,597,490	-	1,597,490	-	1,597,490
Loans and advances to customers	29	-	1,833,097,144	-	-	1,833,097,144	-	1,700,185,264	64,393,261	1,764,578,525
Financial assets at fair value through profit or loss	24	262,320,001	-	-	-	262,320,001	262,320,001	-	-	262,320,001
Derivative financial assets	25	14,289,305	-	-	-	14,289,305	-	14,289,305	-	14,289,305
Assets pledged as collateral	27	83,586,396	38,495,781	-	-	122,082,177	123,258,000	-	-	123,258,000
Investment securities:										
– Fair value through profit or loss	26	3,904,458	-	-	-	3,904,458	-	-	3,904,458	3,904,458
– Fair Value through other comprehensive Income	26	-	-	273,662,395	-	273,662,395	255,870,687	15,783,562	1,664,734	273,318,983
– Held at amortised cost	26	-	766,157,451	-	-	766,157,451	229,965,841	-	-	229,965,841
Restricted deposits and other assets[1]	34	-	1,112,948,354	-	-	1,112,948,354	-	1,140,059,014	-	1,140,059,014
		364,100,160	**4,791,070,126**	**273,662,395**	**-**	**5,428,832,681**	**1,910,188,435**	**2,871,914,635**	**69,962,453**	**4,852,065,523**
Deposits from banks	35	-	-	-	131,799,616	131,799,616	-	131,798,259	-	131,798,259
Deposits from customers	36	-	-	-	4,262,634,826	4,262,634,826	-	4,237,807,769	-	4,237,807,769
Financial liabilities at fair value through profit or loss	37	1,614,361	-	-	-	1,614,361	1,614,361	-	-	1,614,361
Derivative financial liabilities	25	1,228,279	-	-	-	1,228,279	-	1,228,279	-	1,228,279
Other borrowed funds	40	-	-	-	99,961,020	99,961,020	-	100,148,224	-	100,148,224
Other liabilities[2]	38	-	-	-	312,521,604	312,521,604	-	312,521,604	-	312,521,604
		2,842,640	**-**	**-**	**4,806,917,066**	**4,809,759,706**	**1,614,361**	**4,783,504,135**	**-**	**4,785,118,496**

[1]Excludes prepayments   [2] Excludes Deferred Income and Provision for Litigations   [3] it is assumed that fair value approximates the carrying amount

Group
Dec-2021

		Carrying amount					Fair Value			
In thousands of Nigerian Naira	***Note***	**Fair value through profit or loss**	**Held at ammortised cost**	**Fair value through other comprehensive income**	**Other financial assets / liabilities at amortised cost**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total Fair value**
Cash and cash equivalents[3]	23	-	933,591,069	-	-	933,591,069	933,591,069	-	-	933,591,069
Loans and advances to banks[3]	28	-	115,014	-	-	115,014	-	115,014	-	115,014
Loans and advances to customers	29	-	1,802,587,381	-	-	1,802,587,381	-	1,717,611,936	66,025,961	1,783,637,897
Financial assets at fair value through profit or loss	24	104,397,651	-	-	-	104,397,651	104,397,651	-	-	104,397,651
Derivative financial assets	25	24,913,435	-	-	-	24,913,435	-	24,913,435	-	24,913,435
Assets pledged as collateral	27	79,273,911	-	-	-	79,273,911	79,273,911	-	-	79,273,911
Investment securities:										
– Fair value through profit or loss	26	3,904,458	-	-	-	3,904,458	-	-	3,904,458	3,904,458
– Fair Value through other comprehensive Income	26	-	-	276,041,190	-	276,041,190	274,375,372	-	1,665,818	276,041,190
– Held at amortised cost	26	-	846,923,215	-	-	846,923,215	195,749,092	645,265,150	-	841,014,242
Restricted deposits and other assets[1]	34	-	1,121,888,414	-	-	1,121,888,414	-	1,121,870,231	-	1,121,870,231
		212,489,455	**4,705,105,093**	**276,041,190**	**-**	**5,193,635,738**	**1,587,387,095**	**3,509,775,766**	**71,596,237**	**5,168,759,098**
Deposits from banks	35	Balance at 1 Jar	-	-	118,027,576	118,027,576	-	118,024,975	-	118,024,975
Deposits from customers	36	-	-	-	4,012,305,554	4,012,305,554	-	4,012,401,723	-	4,012,401,723
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	25	1,580,971	-	-	-	1,580,971	-	1,580,971	-	1,580,971
Other borrowed funds	40	-	-	-	153,897,499	153,897,499	-	153,897,499	-	153,897,499
Other liabilities[2]	38	-	-	-	227,576,293	227,576,293	-	227,576,293	-	227,576,293
		1,580,971	**-**	**-**	**4,511,806,922**	**4,513,387,893**	**-**	**4,513,481,461**	**-**	**4,513,481,461**

[1]Excludes prepayments [2] Excludes Deferred Income and Provision for Litigations [3] it is assumed that fair value approximates the carrying amount

Company
Jun-2022

In thousands of Nigerian Naira	*Note*	Carrying amount: Fair value through profit or loss	Held at ammortised cost	Fair value through other comprehensive income	Other financial assets / liabilities at amortised cost	Total carrying amount	Fair Value: Level 1	Level 2	Level 3	Total Fair value
Cash and cash equivalents[3]	23	-	-	-	-	-	-	-	-	-
Loans and advances to banks[3]	28	-	-	-	-	-	-	-	-	-
Loans and advances to customers	29	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	24	-	-	-	-	-	-	-	-	-
Derivative financial assets	25	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	27	-	-	-	-	-	-	-	-	-
Investment securities:										
– Fair value through profit or loss	26	-	-	-	-	-	-	-	-	-
– Fair Value through other comprehensive Income	26	-	-	-	-	-	-	-	-	-
– Held at amortised cost	26	-	-	-	-	-	-	-	-	-
Restricted deposits and other assets[1]	34	-	-	-	-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deposits from banks	35	-	-	-	-	-	-	-	-	-
Deposits from customers	36	-	-	-	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	25	-	-	-	-	-	-	-	-	-
Other borrowed funds	40	-	-	-	-	-	-	-	-	-
Other liabilities[2]	38	-	-	-	27,398,670	27,398,670	-	27,398,670	-	27,398,670
		-	**-**	**-**	**27,398,670**	**27,398,670**	**-**	**27,398,670**	**-**	**27,398,670**

[1]Excludes prepayments [2] Excludes Deferred Income and Provision for Litigations [3] it is assumed that fair value approximates the carrying amount

Accounting classification measurement basis and fair values (continued)

Financial instruments at fair value (including those FVTPL and FVOCI) are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves and prices.

9 Interest income

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Interest income calculated using the effective interest method				
Loans and advances to banks	832,044	338,423	-	-
Loans and advances to customers	103,303,545	91,372,335	-	-
	104,135,589	91,710,758	-	-
Cash and cash equivalents	2,676,842	2,316,807	-	-
Investment securities:				
– Investment securities FVOCI	4,231,683	7,641,087	-	-
– Investment securities at amortised cost	19,741,883	11,563,749	-	-
Euro Bonds	133,219	-	-	-
Assets pledged as collateral	4,066,513	3,632,406	-	-
	134,985,729	116,864,807	-	-
Interest income on financial assets FVTPL				
Investment securities FVTPL	12,213,878	9,226,294	-	-
	12,213,878	9,226,294	-	-
Total interest income	**147,199,607**	**126,091,101**	**-**	**-**
Geographical location				
Interest income earned in Nigeria	106,099,079	92,236,767	-	-
Interest income earned outside Nigeria	41,100,529	33,854,334	-	-
	147,199,607	**126,091,101**	**-**	**-**

10 Interest expense

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Interest expense calculated using the effective interest method				
Deposit from banks	595,926	759,872	-	-
Deposit from customers	24,312,204	16,815,063	-	-
	24,908,130	17,574,935	-	-
Other borrowed funds	1,358,479	1,324,106	-	-
	26,266,609	**18,899,041**	**-**	**-**
Interest expense on financial liabilities FVTPL				
Financial liabilities at fair value through profit or loss	84,770	136,785	-	-
Total interest expense	**26,351,379**	**19,035,826**	**-**	**-**
Geographical location				
Interest expense paid in Nigeria	17,833,701	10,074,711	-	-
Interest expense paid outside Nigeria	8,517,678	8,961,115	-	-
	26,351,379	**19,035,826**	**-**	**-**

11 Loan impairment (reversal) / charges

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Loans and advances to banks (Note 28)	**998**	**(81,689)**	**-**	**-**
Stage 1 - 12 Months ECL	(204)	(56,200)	-	-
Stage 2 - Lifetime ECL Not Credit Impaired	-	-	-	-
Stage 3 - Lifetime ECL Credit Impaired	1,202	(25,489)	-	-
Loans and advances to customers (Note 29)	**3,518,040**	**4,796,364**	**-**	**-**
Stage 1 - 12 Months ECL	530,391	2,038,379	-	-
Stage 2 - Lifetime ECL Not Credit Impaired	(446,842)	1,785,313	-	-
Stage 3 - Lifetime ECL Credit Impaired	3,434,491	972,672	-	-
Reversal of amounts written off as uncollectible	-	-	-	-
	3,519,038	**4,714,675**	**-**	**-**

12 Fee and commission income

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Credit related fees and commissions[1]	4,275,069	4,636,710	-	-
Account maintenance charges	9,436,035	7,802,674	-	-
Corporate finance fees	5,299,049	1,632,102	-	-
Asset management fees	378,438	-	-	-
E-business Income	10,977,033	10,497,423	-	-
Commission on foreign exchange deals	4,152,367	3,418,835	-	-
Commission on touch points	827,897	1,231,732	-	-
Income from financial guarantee contracts issued	2,217,859	1,822,134	-	-
Account services, maintenance and anciliary banking charges	6,309,020	4,906,787	-	-
Transfers related charges	2,606,588	2,335,795	-	-
	46,479,355	**38,284,192**	**-**	**-**

[1]Credit related fees and commissions are loans and advances related fees that are not integral part of effective interest.

13 Fee and commission expense

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Bank charges	4,463,265	909,250	-	-
Loan recovery expenses	2,250,213	519,678	-	-
	6,713,478	**1,428,928**	**-**	**-**

14 Net trading gains on financial instruments held at FVPL

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Bonds FVPL	1,464,227	2,134,559	-	-
Treasury bills FVPL	1,452,560	240,688	-	-
Euro Bond	165,058	-	-	-
Net foreign exchange trading gain	20,516,835	15,310,181	-	-
Net trading income	**23,598,680**	**17,685,428**	**-**	**-**

15 Other income

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Mark to market gains on trading investments	2,400,487	1,638,035	-	-
Foreign exchange revaluation gain[1]	8,199,905	13,489,614	-	-
(Loss)/Gain on disposal of fixed assets	34,808	(64,725)	-	-
Discounts and recoverables (FX)	9,280,636	8,345,088	-	-
Recoveries	1,847,203	2,265,922	-	-
Dividends income	248,271	179,750	79,464,184	-
	22,011,310	**25,853,684**	**79,464,184**	**-**

[1] This relates to unrealised gain

16 Net impairment charge / (reversal) on other financial assets

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Impairment charges/(reversal) on investment securities	-	27,730	-	-
Impairment charges on other assets	-	-	-	-
Impairment reversal on placements	543	-	-	-
Impairment charges/(reversal) on contingents	-	313,977	-	-
	543	**341,707**	**-**	**-**

17 Personnel expenses

(a)

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Wages and salaries	17,771,191	16,435,899	596,674	-
Contributions to defined contribution plans	746,394	770,615	18,352	-
Defined benefit costs	22,318	28,275	-	-
	18,539,903	**17,234,789**	**615,026**	**-**

Cash- settled share-based payments

This relates to estimated gains at the point of exit of employees from the share based scheme, it is calculated as the difference between the Cost and expected Market price of the underlying shares purchased by employee at the point of exit discounted to present value. This is in line with IFRS 2 as these estimated gains are deemed to be directly attributable to the fact that employee within the Scheme provides services to the Bank. The estimated gain resulted from the operation of cash settled payment by the Group. The Group operates a cash-settled share based compensation plan (share appreciation rights (SARs)) and profit-sharing scheme (PSS) for its management personnel from the Administrative fee which the Scheme receives for the management of the employee shares held by SIT. The management personnel are entitled to share appreciation rights after spending ten years in the Bank while PSS is paid on a deferred basis. Qualified employees must have been in the scheme for five years and must have held the shares for at least three years. The amount of cash payment is determined based on the fair value of the shares of the Bank. The details of SARs granted at the reporting date are provided below:

In thousands	Number of shares
SARs granted to senior management employees at 30 June 2022	292,942
SARs granted to senior management employees at 31 Dec 2021	328,036

(b) Employee expenses for share-based payments

		Group	Group
In thousands of Nigerian Naira	**Note**	**Jun-2022**	**Dec-2021**
Total carrying amount of liabilities for cash-settled arrangements	38	6,011,451	8,162,224

(i) The average number of persons employed during the period was as follows:

	Group	Group	Company	Company
	Jun-2022	**Jun-2021**	**Jun-2022**	**Jun-2021**
	Number	Number	Number	Number
Executive directors	2	4	2	-
Management	276	222	6	-
Non-management	4,967	4,845	59	-
	5,245	**5,071**	**67**	**-**

(ii) The average number of persons in employment during the period is shown below:

	Group	Group	Company	Company
	Jun-2022	**Jun-2021**	**Jun-2022**	**Jun-2021**
	Number	Number	Number	Number
Administration	144	158	2	-
Commercial Banking Abuja	23	24	-	-
Commercial Banking Lagos	31	112	-	-
Commercial Banking North East	40	47	-	-
Commercial Banking North West	48	42	-	-
Commercial Banking South East	61	45	-	-
Commercial Banking South South	140	27	-	-
Communication and External Affairs	56	40	7	-
Compliance Group	94	72	4	-
Digital Banking Division	128	131	-	-
Emerging Technologies Division	-	20	-	-
Enterprise Risk Management	115	88	6	-
Chief Executive Director	2	4	1	-
Financial Control, Group Reporting & Strategy	127	82	4	-
Human Resources	74	55	17	-
Institutional Banking	69	102	-	-
International Banking	99	92	-	-

Operations	438	414	-	-
Procurement & Expense Control	-	13	-	-
Public Sector Abuja	19	26	-	-
Public Sector Lagos	16	15	-	-
Retail Lagos	205	158	-	-
Retail Abuja	71	60	-	-
Retail South East	-	-	-	-
South West Division	113	111	-	-
Retail South-South	-	56	-	-
SME Abuja	43	39	-	-
SME Division - Lagos	86	85	-	-
Foods and Beverages	11	-	-	-
Global Markets Division	18	-	-	-
SME Division - South East	-	32	-	-
Systems and Control	159	140	5	-
Technology	301	277	10	-
Transaction Services	1,480	1,507	-	-
Wholesale Banking	47	72	-	-
Commercial Banking Subsidiaries	132	73	-	-
Treasury & ALM	9	-	-	-
Corporate Bank	41	-	-	-
Energy Banking Division	34	-	-	-
Retail Subsidiaries	405	401	-	-
Agency Banking Group	3	-	-	-
Public Sector Subsidiaries	26	27	-	-
Other Support Services Subsidiaries	191	215	-	-
Business Banking	22	-	-	-
Customer Experience Management Division	108	78	-	-
Data Analytics Division	8	8	7	-
Fintech and Innovation Division	-	5	-	-
Legal Group	8	60	4	-
Financial Institutions & Telecoms	-	26	-	-
Oil & Gas Divison	-	32	-	-
	5,245	**5,071**	**67**	**-**

(iii) Average number of employees other than directors, earning more than N720,000 per annum, received emoluments (excluding pension contributions and certain benefits) in the following ranges:

	Group Jun-2022	**Group Jun-2021**	**Company Jun-2022**	**Company Jun-2021**
	Number	Number	Number	Number
N720,001 - ₦1,400,000	759	878	-	-
N1,400,001 - ₦2,050,000	352	361	-	-
N2,190,001 - ₦2,330,000	103	645	-	-
N2,330,001 - ₦2,840,000	17	16	-	-
N2,840,001 - ₦3,000,000	56	75	-	-
N3,001,001 - N3,830,000	731	1,018	17	-
N3,830,001 - ₦4,530,000	85	105	2	-
N4,530,001 - ₦5,930,000	1,251	601	16	-
N6,000,001 - N6,800,000	39	383	9	-
N6,800,001 - ₦7,300,000	12	11	-	-
N7,300,001 - ₦7,800,000	715	145	-	-
N7,800,001 - ₦8,600,000	35	301	7	-
N8,600,001 - ₦11,800,000	634	358	3	-
Above ₦11,800,000	454	170	11	-
	5,243	**5,067**	**65**	**-**

18 Depreciation and amortisation

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Amortisation of intangible assets (see note 31)	2,689,171	2,292,272	-	-
Depreciation of property equipment (see note 30)	14,656,302	15,469,516	43,250	-
	17,345,473	**17,761,788**	**43,250**	**-**

19 Other operating expenses

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Deposit insurance premium	7,099,523	5,914,307	-	-
Other insurance premium	792,498	771,374	-	-
Auditors' remuneration[1]	560,563	504,886	26,875	-
Professional fees and other consulting costs	999,171	895,487	84,314	-
AMCON expenses	23,288,178	21,888,910	-	-
Stationery and postage	593,056	543,780	-	-
Business travel expenses	361,594	208,812	-	-
Advert, promotion and corporate gifts	2,546,917	1,656,368	-	-
Repairs and maintenance	2,606,588	1,916,645	-	-
Occupancy costs[2]	3,759,889	2,379,607	-	-
Directors' emoluments	357,222	488,729	36,488	-
Outsourcing services[3]	5,238,136	4,990,502	-	-
Communications,technological related expense and Administrative expense[4]	9,326,429	6,854,113	53,345	-
Communications and technological related expense	-	-	-	-
General welfare expenses [5]	4,236,103	3,945,842	-	-
Customer service related expenses	1,803,924	1,381,271	-	-
	63,569,791	**54,340,633**	**201,022**	**-**

[1] Auditor's remuneration represents fees for the interim audit of the Group and Company for the period ended 30 June 2022.The Bank did not pay the auditors for any non-audit services during the period.

[2] This relates to diesel, fuel, and electricity cost as well as ground rates and water cost

[3] Outsourcing services relates to salaries paid to outsourced contract staff

[4] Inclusive of Administrative fee due to SIT for management of the shares held by the Scheme.

[5]These relate to training expenses, estimate of employee benefits determined as required by IAS 19 for Loans granted to Staff at interest rate lower than the market interest rate and provision for deferred incentives.
The loans are measured at fair value at initial recognition. The difference between the PV 'of cash flows discounted at the contractual rate and PV of cash flows discounted at market rate has been recognised as prepaid employee estimates which is amortised to personnel expense (staff welfare expenses) over the life of the loan.

20 Income tax expense

recognised in the Income statement

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
a) **Current tax expense:**				
Company income tax	16,044,429	14,448,378	-	-
Education Tax	1,463,371	1,049,047	-	-
Police Trust Fund Levy	3,479	3,516	-	-
NASENI Levy	173,927	-	-	-
NITDEF tax levy	695,706	754,206	-	-
	18,380,912	16,255,147	-	-
Prior year's under provision	111,895	80,807	-	-
Deferred tax expense:				
Origination of temporary differences	7,199,503	(2,694,618)	-	-
	25,692,310	**13,641,336**	**-**	**-**

Reconciliation of effective tax rate

Group

In thousands of Nigerian Naira	Jun-2022	Jun-2022	Jun-2021	Jun-2021
Profit before income tax	103,249,347	-	93,056,059	-
Income tax using the domestic corporation tax rate	30,974,804	30.0%	27,916,818	30.0%
Effect of tax rates in foreign jurisdictions	(105,659)	-0.1%	319,164	0.3%
Tax reliefs/WHT Credits	(1,213,937)	-1.2%	(315,747)	-0.3%
Non-deductible expenses	4,414,157	4.3%	4,566,426	4.9%
Education tax levy	1,463,371	1.4%	1,049,047	1.1%
Police Trust Fund Levy	3,479	0.0%	3,516	0.0%
NASENI tax levy	173,927	0.2%	-	0.0%
NITDEF tax levy	695,706	0.7%	754,206	0.8%
Tax exempt income	(10,616,721)	-10.3%	(20,506,639)	-22.0%
Deductible expenses[3]	(208,712)	-0.2%	(226,262)	-0.2%
Prior year's under provision	111,895	0.1%	80,807	0.1%
Total income tax expense	**25,692,310**	**24.9%**	**13,641,336**	**14.7%**

Reconciliation of effective tax rate
Company

In thousands of Nigerian Naira	Jun-2022	Jun-2022	Jun-2021	Jun-2021
Profit before income tax	78,604,886		-	
Income tax using the domestic corporation tax rate	-	0.0%	-	0.0%
Tax reliefs/WHT Credits	-	0.0%	-	0.0%
Non-deductible expenses[1]	-	0.0%	-	0.0%
Education tax levy	-	0.0%	-	0.0%
Police Trust Fund Levy	-	0.0%	-	0.0%
NITDEF tax levy	-	0.0%	-	0.0%
Tax exempt income[2]	-	0.0%	-	0.0%
Deductible expenses[3]	-	0.0%	-	0.0%
Prior year's under provision	-	0.0%	-	0.0%
Total income tax expense	**-**	**0.0%**	**-**	**0.0%**

[1] Non-deductible expense include depreciation, stage 1 impairment, non-allowable donations ,etc

[2] Tax exempt income include FX translation gains, Dividends, Interest earned on treasury bills and bonds etc

[3] This relates to tax impact of aligning National Information Technology Development Levy (NITDEF) as a deductible expense for tax computation purpose.

Income tax recognised in other comprehensive income

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Income tax relating to Foreign currency translation differences for foreign operations	(8,794,994)	(819,480)	-	-
Income tax relating to Net change in FVOCI financial assets	(6,474,185)	(5,951,928)	-	-
	(15,269,179)	**(6,771,408)**	**-**	**-**

(b) Current income tax payable

The movement on the current income tax payable account during the period was as follows:

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Balance, beginning of the period	22,676,168	21,592,016	-	-
Exchange difference on translation	(400,003)	417,521	-	-
Charge for the period	18,380,913	32,571,668	-	-
Prior year's under provision	111,895	166,352	-	-
Payments during the period	(25,301,380)	(32,071,389)	-	-
Balance, end of the period	**15,467,593**	**22,676,168**	**-**	**-**

21 Basic and Diluted earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the company and held as treasury shares.
The calculation of basic earnings per share for the reporting period was based on the profit atttributable to ordinary shareholders of N75,798,757,000 (Company: N78,604,886,000) and a weighted average number of ordinary shares outstanding of 28,022,000,000 (after adjusting for Treasury shares) for the Group and 29,431,179,000 for the Parent.

Profit attributable to ordinary shareholders

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Jun-2021**	**Company Jun-2022**	**Company Jun-2021**
Net profit attributable to equity holders of the Company	75,798,757	78,140,614	78,604,886	-
Net profit used to determine diluted earnings per share	**75,798,757**	**78,140,614**	**78,604,886**	**-**

Number of ordinary shares

In thousands of shares	**Group Jun-2022**	**Group Jun-2021**	**Company Jun-2022**	**Company Jun-2021**
Weighted average number of ordinary shares in issue	28,022,000	28,056,914	29,431,179	-
Basic earnings per share (expressed in naira per share)	2.70	2.79	2.67	0.00

The Group does not have any dilutive potential ordinary shares. Therefore, Basic EPS and Diluted EPS are the same for the Group.

22 Cash and bank balances

(a)

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Cash in hand	150,209,832	129,448,060	-	-
Balances held with other banks	457,367,862	318,218,071	-	-
Unrestricted balances with central banks	105,301,475	156,998,908	-	-
Money market placements	326,032,981	329,063,731	-	-
	1,038,912,150	**933,728,770**	**-**	**-**
Impairment on Placements	(138,244)	(137,701)	-	-
	1,038,773,906	**933,591,069**	**-**	**-**
The additional impairment during the year is considered immaterial				
Current	1,038,773,906	933,591,069	-	-
Non-current	-	-	-	-

(b) Cash and cash equivalents in statement of cash flows includes:

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Cash and bank balances	1,038,912,150	933,728,770	-	-
Cash and bank balances above three months	(6,422,102)	(28,071,534)	-	-
	1,032,490,048	**905,657,236**	**-**	**-**

Movement in Impairment on Cash and bank balances

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Opening balance	137,701	137,701	-	-
Addition/(Reversal) during the year	543	-	-	-
Closing balance	**138,244**	**137,701**	**-**	**-**

Expected credit losses on Balances held with other banks and Unrestricted balances with Central banks are assessed as immaterial and classified in Stage 1.

23 Financial assets at fair value through profit or loss

(a)

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Financial assets Fair Value through Profit or Loss:				
Bonds - (see note 23(b) below)	28,383,972	53,005,868	-	-
Treasury Bills - (see note 23(c) below)	231,104,046	49,350,665	-	-
Trading Euro Bonds	2,831,983	2,041,118	-	-
	262,320,001	**104,397,651**	**-**	**-**
Current	238,950,424	58,066,099	-	-
Non-current	23,369,577	46,331,552	-	-

(b) Bonds FVPL are analysed below:

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
FGN Bond 16.2884 17-MAR-27/10Y	32,597	119,815	-	-
FGN Bond 12.1493 18-JUL-2034/20Y	-	263	-	-
FGN Sukuk 13.00 29-DEC-2031/10Y	-	1,001,071	-	-
FGN Bond 12.98 27-MAR-2050/30Y	3,572,663	1,538,122	-	-
FGN Bond 13.98 23-FEB-2028/10Y	-	891,573	-	-
FGN Bond 16.2499 18-APR-2037/20Y	-	498,593	-	-
FGN Bond 14.55 26-APR-2029/10Y	-	561,240	-	-
FGN Bond 13.00 21-JAN-2042/10Y	4,644,498	-	-	-
FGN Bond 14.80 26-APR-2049/30Y	11,649,385	-	-	-
FGN Bond 13.53 23-MAR-2025/7Y	534,899	-	-	-
FGN Bond 12.40 18-MAR-2036/20Y	103,552	-	-	-
Non-Nigerian trading bonds	7,846,378	48,395,191	-	-
	28,383,972	**53,005,868**	**-**	**-**

(c) Treasury bills FVPL is analysed below:

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
Nigerian treasury bills' maturities:				
13-January-2022	-	61,681	-	-
17-January-2022	-	1,495,792	-	-
27-January-2022	-	121,240	-	-
01-February-2022	-	268	-	-
10-February-2022	-	5,054	-	-
15-February-2022	-	3,598	-	-
24-February-2022	-	205,355	-	-
28-February-2022	-	396,663	-	-
10-March-2022	-	3,307	-	-
17-March-2022	-	32,101	-	-
31-March-2022	-	168,402	-	-
14-April-2022	-	16,058	-	-
28-April-2022	-	58,456	-	-
03-May-2022	-	37,371	-	-
12-May-2022	-	120,104	-	-
26-May-2022	-	120,233	-	-
09-June-2022	-	233,181	-	-
30-June-2022	-	98,330	-	-
14-July-2022	322,732	73,387	-	-
19-July-2022	1,902	-	-	-
26-July-2022	97,312	37,391	-	-
28-July-2022	7,380	105,101	-	-
11-August-2022	554,523	55,648	-	-
08-August-2022	496,950	-	-	-
09-August-2022	153,496	-	-	-
16-August-2022	44,823	86,345	-	-
23-August-2022	12,148	-	-	-

25-August-2022	338,298	97,252	-	-
29-August-2022	3,071,020	-	-	-
30-August-2022	28,239,364	27,765,890	-	-
08-September-2022	654,380	692,273	-	-
13-September-2022	154,188	-	-	-
29-September-2022	195,973	107,877	-	-
03-October-2022	1,970,590	-	-	-
13-October-2022	85,298	116,354	-	-
25-October-2022	4,903	4,575	-	-
27-October-2022	383,168	48,996	-	-
08-November-2022	13,181	-	-	-
10-November-2022	33,101	179,681	-	-
22-November-2022	100,112	1,731,592	-	-
24-November-2022	1,945,193	1,712,421	-	-
28-November-2022	2,924,883	-	-	-
29-November-2022	202,905	-	-	-
08-December-2022	217,787	-	-	-
13-December-2022	90,961,536	-	-	-
03-January-2023	44,300	-	-	-
10-January-2023	81,687	-	-	-
12-January-2023	12,733	-	-	-
26-January-2023	35,897	-	-	-
07-February-2023	13,281	-	-	-
14-February-2023	3,246	-	-	-
21-February-2023	25,146	-	-	-
23-February-2023	26,540	-	-	-
09-March-2023	16,940	-	-	-
14-March-2023	91,246,361	-	-	-
28-March-2023	11,569	-	-	-
27-April-2023	695	-	-	-
02-May-2023	2,996	-	-	-
25-May-2023	17,176	-	-	-
30-May-2023	1,943	-	-	-
Non-Nigerian treasury bills	6,376,388	13,358,690	-	-
	231,104,046	**49,350,665**	**-**	**-**

24 Derivative financial instruments

(a) Group

Jun-2022

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	331,050,753	14,289,305	(1,228,279)
Derivative assets/(liabilities)	**331,050,753**	**14,289,305**	**(1,228,279)**

Group

Dec-2021

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	352,282,093	24,913,435	(1,580,971)
Derivative assets/(liabilities)	**352,282,093**	**24,913,435**	**(1,580,971)**

Company

Jun-2022

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	-	-	-
Derivative assets/(liabilities)	**-**	**-**	**-**

Company

Dec-2021

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	-	-	-
Derivative assets/(liabilities)	**-**	**-**	**-**

All derivative assets are current.

(b) All derivatives are settled in less than one year.

(c) **Foreign exchange contracts**

The Group enters into forward foreign exchange contracts which include currency swaps and normal trading forwards designated as held for trading. A forward foreign exchange contract is an agreement by two counterparties to exchange currencies at a pre-determined rate on some future date. No funds change hands when a typical forward foreign exchange contract originates; a funds flow occurs only at the contract's stated future delivery time. Additionally the Group offers its customers derivatives in connection with their risk management objectives to transfer or reduce market risk (commodity price) for their own trading purpose. The hedge transaction with the customer is backed by visible trade transaction. The foreign currency forward and option contracts are subject to the same risk management policies. The Group's foreign exchange derivatives do not qualify for hedge accounting; therefore all gains and losses from changes in their fair values are recognised immediately in the income statement and are reported in ''Net gains/(losses) on financial instruments at fair value through profit or loss'.

25 Investment securities

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
(a) (i)				
Investment securities at fair value through OCI				
Debt securities - Treasury bills FVOCI	146,822,741	252,778,278	-	-
Debt securities - Bonds FVOCI	91,768,071	13,641,920	-	-
Eurobond	17,279,875	7,955,174	-	-
Special Bills - FVOCI	15,783,562	-	-	-
Investment securities - Equity (See note 25(a)(ii) below	2,008,146	1,665,818	-	-
Total	**273,662,395**	**276,041,190**	**-**	**-**
Investment securities at fair value through profit or loss				
Investment securities - FVPL Notes	-	-	-	-
Investment securities - Equity	3,904,458	3,904,458	-	-
	3,904,458	**3,904,458**	**-**	**-**
Investment securities at amortised cost:				
Bonds	148,616,472	112,948,506	-	-
Treasury bills	81,284,094	162,709,296	-	-
Promissory Note	7,769,451	7,628,456	-	-
Special Treasury Bills - Amortized Cost	522,437,318	560,806,136	-	-
HTM Eurobonds	4,095,357	2,222,850	-	-
Corporate bond	3,340,062	1,993,274	-	-
	767,542,754	**848,308,518**	**-**	**-**
12 month ECL on Bonds - Amortised Cost	(691,627)	(691,627)	-	-
12 month ECL on Treasury Bills - Amortised Cost	(653,633)	(653,633)	-	-
12 month ECL on Corporate bond - Amortised Cost	(40,043)	(40,043)	-	-
Total Investment securities at amortised cost	**766,157,451**	**846,923,215**	**-**	**-**
Total investment securities	**1,043,724,304**	**1,126,868,863**	**-**	**-**
Current	892,703,723	1,031,486,797	-	-
Non-current	151,020,581	95,382,066	-	-

(a) (ii) Equity investment securities is analysed below:

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
FVOCI equity instrument				
- GIM UEMOA	10,185	11,269	-	-
- SANEF	50,000	50,000	-	-
- Unified Payment Services Limited[1]	712,725	712,725	-	-
- Nigeria Automated Clearing Systems	776,608	776,608	-	-
- Afrexim	115,216	115,216	-	-
-Other Unquoted Equity Investment	343,412	-		
	2,008,146	**1,665,818**	**-**	**-**
FVTPL equity instrument				
- Africa Finance Corporation[1]	3,904,458	3,904,458	-	-
	3,904,458	**3,904,458**	**-**	**-**
	5,912,604	**5,570,276**	**-**	**-**

[1] Unified Payment Services Limited was formerly known as Valucard Nigeria Plc

Except for African Finance Corporation (AFC) designated as FVPL, all other equity investments are designated at FVOCI.
The Company received dividend income of N147,282,000 (Dec 2021: N214,153,000) from the equity investments designated at FVOCI during the period.
Kindly refer to Note 6e for the movement in the value of equity securities at fair value during the period.

(b) (i) Impairment on investment securities

	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
12 month ECL on Bonds	280	280	-	-
12 month ECL on Treasury Bills	53,536	53,536	-	-
12 month ECL on Bonds - Amortised Cost	-	-	-	-
12 month ECL on Treasury Bills - Amortised Cost	-	-	-	-
12 month ECL on Corporate bond - Amortised Cost	-	-	-	-
	53,816	**53,816**	**-**	**-**

(b) (ii) Movement in Impairment on investment securities

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Opening balance	1,439,119	681,977	-	-
Addition during the year	-	757,142	-	-
Closing balance	**1,439,119**	**1,439,119**	**-**	**-**

26 Assets pledged as collateral

(a)

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Financial assets at FVPL				
- Treasury bills	123,258,000	79,273,911	-	-
Total Assets Pledged as Collateral	**123,258,000**	**79,273,911**	**-**	**-**
Current	123,258,000	79,273,911	-	-
Non-current	-	-	-	-

(b) Assets pledged as collateral for both periods relate to assets pledged to Federal Inland Revenue Service (FIRS), Nigerian Interbank Settlement System (NIBSS), Interswitch Nigeria Limited, Unified payment Services Ltd and Bank of Industries Limited for collections and other transactions. The Bank is required to pledge the funds in order to have continuous access to the collection and settlement platforms, as well as the underlying transactions. There are no readily determinable associated liabilities to these pledged assets.

27 Loans and advances to banks

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Loans and advances to banks	1,600,964	117,490	-	-
Less Impairment:				
Stage 1 Loans	(77)	(281)	-	-
Stage 2 Loans	-	-	-	-
Stage 3 Loans	(3,397)	(2,195)	-	-
	1,597,490	**115,014**	**-**	**-**
Current	1,597,490	115,014	-	-
Non-current	-	-	-	-

Reconciliation of allowance accounts for losses on loans and advances to banks

Jun-2022
Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2022	281	-	2,195	2,476
Foreign currency translation and other adjustments	-	-	-	-
Impairment allowances for the period	(204)	-	1,202	998
	77	**-**	**3,397**	**3,474**

Dec-2021
Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	59,855	-	27,534	87,389
Foreign currency translation and other adjustments	3,015	-	-	3,015
Impairment allowances for the year	(62,589)	-	(25,339)	(87,928)
	281	**-**	**2,195**	**2,476**

Reconciliation of allowance accounts for losses on loans and advances to banks

Group

Jun-2022

In thousands of Nigerian Naira	Loans				Overdrafts				Others				Total			
	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2022	-	-	1,522	1,522	281	-	673	954	-	-	-	-	281	-	2,195	2,476
Foreign currency translation and other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment allowances for the year	-	-	65	65	-	-	1,137	1,137	-	-	-	-	-	-	1,202	1,202
Transfer between stages	-	-	-	-	(204)	-	-	(204)	-	-	-	-	(204)	-	-	(204)
Financial assets derecognised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	**-**	**-**	**1,587**	**1,587**	**77**	**-**	**1,810**	**1,887**	**-**	**-**	**-**	**-**	**77**	**-**	**3,397**	**3,474**

Group

Dec-2021

In thousands of Nigerian Naira	Loans				Overdrafts				Others				Total			
	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	59,855	-	7,753	67,608	-	-	19,781	19,781	-	-	-	-	59,855	-	27,534	87,389
Foreign currency translation and other adjustments	3,015	-	-	3,015	-	-	-	-	-	-	-	-	3,015	-	-	3,015
Impairment allowances for the year	(62,870)	-	-	(62,870)	281	-	-	281	-	-	-	-	(62,589)	-	-	(62,589)
Transfer between stages	-	-	(6,231)	(6,231)	-	-	(19,108)	(19,108)	-	-	-	-	-	-	(25,339)	(25,339)
Balance, end of year	**-**	**-**	**1,522**	**1,522**	**281**	**-**	**673**	**954**	**-**	**-**	**-**	**-**	**281**	**-**	**2,195**	**2,476**

28 Loans and advances to customers

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Loans to individuals:				
Loans	257,183,369	221,613,629	-	-
Balance at 1 January 2022	29,750,402	27,401,788	-	-
Others[1]	160,360	88,289	-	-
Gross loans	**287,094,131**	**249,103,706**	**-**	**-**
Loans	(1,211,605)	(741,327)	-	-
Overdrafts	(304,608)	(466,263)	-	-
Others[1]	-	-	-	-
Impairment on Stage 1 - 12 Months ECL	**(1,516,213)**	**(1,207,590)**	**-**	**-**
Loans	(11,147)	(14,645)	-	-
Overdrafts	(68,124)	(216,199)	-	-
Others[1]	-	-	-	-
Impairment on Stage 2 - Life Time ECL Not Credit Impaired	**(79,271)**	**(230,844)**	**-**	**-**
Loans	(6,399,315)	(5,541,566)	-	-
Overdrafts	(9,110,457)	(9,023,896)	-	-
Others[1]	-	-	-	-
Impairment on Stage 3 - Non Performing Loans	**(15,509,772)**	**(14,565,462)**	**-**	**-**
Loans	(7,622,067)	(6,297,538)	-	-
Overdrafts	(9,483,189)	(9,706,358)	-	-
Others[1]	-	-	-	-
Total impairment	**(17,105,256)**	**(16,003,896)**	**-**	**-**
Loans	249,561,302	215,316,091	-	-
Overdrafts	20,267,213	17,695,430	-	-
Others[1]	160,360	88,289	-	-
Carrying amount	**269,988,875**	**233,099,810**	**-**	**-**
Loans to Non-individuals:				
Loans	1,390,923,899	1,435,840,806	-	-
Balance at 1 January 2021	188,154,383	177,525,112	-	-
Others[1]	51,149,038	23,822,332	-	-
Gross loans	**1,630,227,320**	**1,637,188,250**	**-**	**-**
Loans	(4,431,935)	(3,755,380)	-	-
Overdrafts	(2,686,833)	(2,755,291)	-	-
Others[1]	(388,850)	(83,024)	-	-
Impairment on Stage 1 - 12 Months ECL	**(7,507,618)**	**(6,593,695)**	**-**	**-**
Loans	(15,274,627)	(17,327,334)	-	-
Overdrafts	(1,937,689)	(853,508)	-	-
Others[1]	-	(104)	-	-
Impairment on Stage 2 - Life Time ECL Not Credit Impaired	**(17,212,316)**	**(18,180,946)**	**-**	**-**
Loans	(32,828,475)	(35,008,540)	-	-
Overdrafts	(9,570,642)	(7,917,498)	-	-
Others[1]	-	-	-	-
Impairment on Stage 3 - Non Performing Loans	**(42,399,117)**	**(42,926,038)**	**-**	**-**
Loans	(52,535,037)	(56,091,254)	-	-
Overdrafts	(14,195,164)	(11,526,297)	-	-
Others[1]	(388,850)	(83,128)	-	-
Total impairment	**(67,119,051)**	**(67,700,679)**	**-**	**-**
Loans	1,338,388,862	1,379,749,552	-	-
Overdrafts	173,959,219	165,998,815	-	-
Others[1]	50,760,188	23,739,204	-	-
Carrying amount	**1,563,108,269**	**1,569,487,571**	**-**	**-**
Total carrying amount (individual and non individual)	**1,833,097,144**	**1,802,587,381**	**-**	**-**

[1] Others include Usances and Usances Settlement

Current	1,114,203,172	1,077,569,145	-	-
Non-current	718,893,972	725,018,236	-	-

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS
Jun-2022
Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2022	1,207,590	230,844	14,565,462	16,003,896
Foreign currency translation and other adjustments	(35,292)	(11,795)	(31,756)	(78,843)
Impairment allowances for the year	(203,956)	314,968	1,711,359	1,822,371
Recovery	-	-	(147,349)	(147,349)
Transfer between stages	547,871	(454,746)	(93,125)	-
Financial assets derecognised	-	-	(494,819)	(494,819)
Balance, end of period	**1,516,213**	**79,271**	**15,509,772**	**17,105,256**

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS (Cont'd)

Dec-2021

Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	777,438	44,383	11,131,410	11,953,231
Foreign currency translation and other adjustments	25,901	1,050	21,535	48,486
Impairment allowances for the year	404,251	185,411	3,787,963	4,377,625
Recovery	-	-	(163,607)	(163,607)
Transfer between stages	-	-	-	-
Financial assets derecognised	-	-	(211,839)	(211,839)
Balance, end of year	**1,207,590**	**230,844**	**14,565,462**	**16,003,896**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS

Jun-2022

Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2022	6,593,695	18,180,946	42,926,038	67,700,679
Foreign currency translation and other adjustments	(687,424)	(1,880,269)	464,057	(2,103,636)
Impairment allowances for the year	734,347	(761,810)	1,723,132	1,695,669
Recovery	-	-	(173,661)	(173,661)
Transfer between stages	867,000	1,673,449	(2,540,449)	-
Financial assets derecognised	-	-	-	-
Balance, end of period	**7,507,618**	**17,212,316**	**42,399,117**	**67,119,051**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS (Cont'd)

Dec-2021

Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	5,741,522	17,874,085	45,408,326	69,023,933
Foreign currency translation and other adjustments	(199,011)	(1,616,240)	7,272,319	5,457,068
Impairment allowances for the year	1,051,184	1,923,101	1,267,170	4,241,455
Recovery	-	-	(618,147)	(618,147)
Transfer between stages	-	-	-	-
Financial assets derecognised	**-**	**-**	(10,403,630)	(10,403,630)
Balance, end of year	**6,593,695**	**18,180,946**	**42,926,038**	**67,700,679**

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS

Group

Jun-2022

In thousands of Nigerian Naira	Loans				Overdrafts				Others				Total			
	Impairment on Stage 1 - 12 Months ECL	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**
Balance at 1 January	741,327	14,645	5,541,566	6,297,537	466,263	216,199	9,023,896	9,706,359	-	-	-	-	1,207,590	230,844	14,565,462	16,003,896
Foreign currency translation and other adjustments	(28,202)	(1,659)	(13,102)	(42,963)	(7,090)	(10,136)	(18,654)	(35,880)	-	-	-	-	(35,292)	(11,795)	(31,756)	(78,843)
Impairment allowances for the year	498,480	55,676	1,152,149	1,706,305	(702,436)	259,292	559,210	116,066	-	-	-	-	(203,956)	314,968	1,711,359	1,822,371
Recovery	-	(57,515)	(77,136)	(134,651)	-	57,515	(70,215)	(12,700)	-	-	-	-	-	-	(147,351)	(147,351)
Transfer between stages	-	-	-	-	547,871	(454,746)	(93,125)	-	-	-	-	-	547,871	(454,746)	(93,125)	-
Financial assets derecognised	-	-	(204,162)	(204,162)	-	-	(290,655)	(290,655)	-	-	-	-	-	-	(494,817)	(494,817)
Balance, end of period	**1,211,605**	**11,147**	**6,399,315**	**7,622,067**	**304,608**	**68,124**	**9,110,457**	**9,483,189**	**-**	**-**	**-**	**-**	**1,516,213**	**79,271**	**15,509,772**	**17,105,256**

Group

Dec-2021

In thousands of Nigerian Naira	Loans				Overdrafts				Others				Total			
	Impairment on Stage 1 - 12 Months ECL	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**
Balance at 1 January	603,008	37,564	5,008,406	5,648,977	174,430	6,819	6,123,004	6,304,254	-	-	-	-	777,438	44,383	11,131,410	11,953,231
Foreign currency translation and other adjustments	15,900	67	8,193	24,160	10,001	983	13,342	24,326	-	-	-	-	25,901	1,050	21,535	48,486
Impairment allowances for the year	122,419	(22,986)	526,051	625,484	281,832	208,397	3,261,912	3,752,141	-	-	-	-	404,251	185,411	3,787,963	4,377,625
Transfer between stages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets derecognised	-	-	(1,084)	(1,084)	-	-	(210,755)	(210,755)	-	-	-	-	-	-	(211,839)	(211,839)
Balance, end of year	**741,327**	**14,645**	**5,541,566**	**6,297,537**	**466,263**	**216,199**	**9,187,503**	**9,869,966**	**-**	**-**	**-**	**-**	**1,207,590**	**230,844**	**14,729,069**	**16,167,503**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS

Group

June-2022

In thousands of Nigerian Naira	Loans: Impairment on Stage 1 - 12 Months ECL	Loans: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Loans: Impairment on Stage 3 - Non Performing Loans	Loans: Total allowance for impairment	Overdrafts: Impairment on Stage 1 - 12 Months ECL	Overdrafts: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Overdrafts: Impairment on Stage 3 - Non Performing Loans	Overdrafts: Total allowance for impairment	Others: Impairment on Stage 1 - 12 Months ECL	Others: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Others: Impairment on Stage 3 - Non Performing Loans	Others: Total allowance for impairment	Total: Impairment on Stage 1 - 12 Months ECL	Total: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Total: Impairment on Stage 3 - Non Performing Loans	Total: Total allowance for impairment
Balance at 1 January	3,755,380	17,327,334	35,008,540	56,091,254	2,755,291	853,508	7,917,498	11,526,297	83,024	104	-	83,128	6,593,695	18,180,946	42,926,038	67,700,679
Foreign currency translation and other adjustments	(405,804)	(1,668,596)	359,309	(1,715,091)	(246,016)	(211,673)	104,748	(352,941)	(35,604)	-	-	(35,604)	(687,424)	(1,880,269)	464,057	(2,103,636)
Impairment allowances for the period	284,322	(1,956,383)	128,176	(1,543,885)	159,329	1,194,677	1,594,949	2,948,955	290,696	(104)	7	290,599	734,347	(761,810)	1,723,132	1,695,669
Recovery	-	-	-	-	-	-	(173,661)	(173,661)	-	-	-	-	-	-	(173,661)	(173,661)
Transfer between stages	798,037	1,572,272	(2,667,550)	(297,241)	18,229	101,177	127,108	246,514	50,734	-	(7)	50,727	867,000	1,673,449	(2,540,449)	-
Financial assets derecognised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	**4,431,935**	**15,274,627**	**32,828,475**	**52,535,037**	**2,686,833**	**1,937,689**	**9,570,642**	**14,195,164**	**388,850**	**-**	**-**	**388,850**	**7,507,618**	**17,212,316**	**42,399,117**	**67,119,051**

Group

Dec-2021

In thousands of Nigerian Naira	Loans: Impairment on Stage 1 - 12 Months ECL	Loans: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Loans: Impairment on Stage 3 - Non Performing Loans	Loans: Total allowance for impairment	Overdrafts: Impairment on Stage 1 - 12 Months ECL	Overdrafts: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Overdrafts: Impairment on Stage 3 - Non Performing Loans	Overdrafts: Total allowance for impairment	Others: Impairment on Stage 1 - 12 Months ECL	Others: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Others: Impairment on Stage 3 - Non Performing Loans	Others: Total allowance for impairment	Total: Impairment on Stage 1 - 12 Months ECL	Total: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Total: Impairment on Stage 3 - Non Performing Loans	Total: Total allowance for impairment
Balance at 1 January	4,199,404	16,073,623	37,303,390	57,576,417	1,537,332	1,800,462	8,086,935	11,424,729	4,786	-	18,001	22,787	5,741,522	17,874,085	45,408,326	69,023,933
Foreign currency translation and other adjustments	(113,345)	(1,540,356)	7,331,640	5,677,939	(83,160)	(75,875)	(59,321)	(218,356)	(2,506)	(9)	-	(2,515)	(199,011)	(1,616,240)	7,272,319	5,457,068
Impairment allowances for the year	(330,679)	2,794,067	(6,803,997)	(4,340,609)	1,301,119	(871,079)	8,089,167	8,519,207	80,744	113	(18,001)	62,856	1,051,184	1,923,101	1,267,169	4,241,454
Recovery	-	-	-	-	-	-	(618,147)	(618,147)	-	-	-	-	-	-	(618,147)	(618,147)
Transfer between stages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets derecognised	-	-	(2,822,493)	(2,822,493)	-	-	(7,581,137)	(7,581,137)	-	-	-	-	-	-	(10,403,630)	(10,403,630)
Balance, end of year	**3,755,380**	**17,327,334**	**35,008,540**	**56,091,254**	**2,755,291**	**853,508**	**7,917,497**	**11,526,296**	**83,024**	**104**	**-**	**83,128**	**6,593,695**	**18,180,946**	**42,926,037**	**67,700,678**

29 Investment in subsidiaries

(a) (i) Investment in subsidiaries comprises:

	Company Jun-2022 % ownership	Company Dec-2021 % ownership	Company Jun-2022 ₦'000	Company Dec-2021 ₦'000
GTB Nigeria	100.00	100.00	138,186,703	138,186,703
Habari Pay (Payment Company)	100.00	100.00	3,100,000	3,624,872
GT Fund Managers	100.00	0.00	4,036,560	-
GT Pension Fund Adminstrator	100.00	0.00	17,633,296	-
			162,956,559	**141,811,575**
Non-current			-	-

GTBank Nigeria Limited has investment in the following subsidiaries:

	Jun-2022 % ownership	Dec-2021 % ownership
GTB Gambia	78	78
GTB Sierra Leone	84	84
GTB Ghana	98	98
GTB UK Limited	100	100
GTB Liberia Limited	99	99
GTB Cote D'Ivoire Limited	100	100
GTB Kenya Limited	70	70
GTB Tanzania	76	76

(a) (ii) The movement in investment in subsidiaries during the period is as follows:

In thousands of Nigerian Naira	Company Jun-2022	Company Dec-2021
Balance, beginning of the period	141,811,575	-
Additions during the period	21,144,984	-
Recognition of investment on transition to Holding Company	-	138,186,703
Investment in Payment Company	-	3,624,872
Balance, end of the period	**162,956,559**	**141,811,575**

Please refer to Note 44 for more information on the Group structure

Condensed results of consolidated entities

(b) Condensed results of the consolidated entities as at 30 June 2022, are as follows:

Full year profit and loss

Jun-2022		**West Africa Subsidiaries**					**East Africa Subsidiaries**		**United Kingdom**	**Non-Banking Subsidiaries**			
In thousands of Nigerian Naira	**GT Bank Nigeria**	**GT Bank Ghana**	**GT Bank Sierra Leone**	**GT Bank Liberia**	**GT Bank Gambia**	**GT Bank Cote D'Ivoire**	**GT Bank Kenya Group**	**GT Bank Tanzania**	**GT Bank UK**	**Habari Pay Ltd**	**Asset MGT**	**Pension Fund**	**Staff Investment Trust**
Operating income	150,216,378	26,151,497	5,065,174	4,444,353	3,121,351	3,864,657	8,718,054	476,156	3,070,615	447,864	203,530	443,927	3,934,653
Operating expenses	(79,226,045)	(6,310,302)	(1,981,314)	(1,887,134)	(1,098,063)	(612,539)	(3,601,282)	(507,698)	(2,917,136)	(70,636)	(126,043)	(257,679)	-
Loan impairment charges	(1,419,733)	(107,423)	(419,189)	(125,586)	73,583	(473,951)	(1,046,740)	-	-	-	-	-	-
Profit before tax	**69,570,600**	**19,733,772**	**2,664,671**	**2,431,633**	**2,096,871**	**2,778,167**	**4,070,032**	**(31,542)**	**153,479**	**377,227**	**77,487**	**186,248**	**3,934,653**
Taxation	(15,694,345)	(6,954,489)	(666,168)	(607,944)	(566,163)	-	(1,142,786)	(3,409)	(2,691)	(54,315)	-	-	-
Profit after tax	**53,876,255**	**12,779,283**	**1,998,503**	**1,823,689**	**1,530,708**	**2,778,167**	**2,927,246**	**(34,951)**	**150,788**	**322,912**	**77,487**	**186,248**	**3,934,653**

Condensed financial position

Jun-2022		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries			
In thousands of Nigerian Naira	GT Bank Nigeria	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya Group	GT Bank Tanzania	GT Bank UK	Habari Pay Ltd	Asset Management	Pension Fund	Staff Investment Trust
Assets													
Cash and bank balances	655,213,213	106,042,591	19,885,010	18,664,371	21,905,653	9,449,490	42,288,593	4,567,504	231,183,696	3,092,910	6,640,090	10,904,590	4,888,355
Loans and advances to banks	1,597,490	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	1,531,767,849	104,444,766	11,082,559	39,716,614	10,142,674	14,414,341	87,286,857	4,023,449	30,218,035	-	-	-	-
Financial assets at fair value through profit or loss	248,097,235	14,222,766	-	-	-	-	-	-	-	-	-	-	-
Investment securities:										-	-	-	
– Fair Value through other comprehensive Income	136,189,307	7,617,221	-	-	34,904,038	10,185	30,842,182	-	67,660,509	-	343,412	-	28,888,170
– Held at amortised cost	532,287,149	89,517,490	28,006,917	19,261,991	13,569,479	54,441,635	28,746,294	326,495	-	-	2	-	-
Derivative financial assets	14,289,305	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	56,903,032	-	-	-	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	109,324,370	13,496,315	-	-	-	-	437,315	-	-	-	-	-	-
Restricted deposits and other assets	1,130,422,815	19,075,770	2,107,517	5,492,496	1,024,772	1,993,207	2,955,185	348,693	755,600	186,741	241,413	402,290	-
Property and equipment	173,633,443	7,605,641	1,202,192	4,362,839	3,019,819	3,201,840	3,531,191	1,446,443	276,755	32,390	5,258	21,944	-
Intangible assets	8,472,344	507,903	110,382	132,337	92,627	53,531	666,728	151,993	-	175,690	10,929	18,676	-
Deferred tax assets	-	365,856	15,099	-	-	-	1,797,972	-	498,881	-	-	42,321	-
Total assets	**4,598,197,552**	**362,896,319**	**62,409,676**	**87,630,648**	**84,659,062**	**83,564,229**	**198,552,317**	**10,864,577**	**330,593,476**	**3,487,731**	**7,241,104**	**11,389,820**	**33,776,525**
Financed by:													
Deposits from banks	35,840,580	-	-	-	-	413	1,173,854	-	185,793,130	-	-	-	-
Deposits from customers	3,458,416,041	272,605,241	43,064,057	72,749,858	74,913,330	61,568,601	143,752,371	6,978,344	126,968,717	-	6,562,063	-	-
Financial liabilities held for trading	1,614,361	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	1,228,279	-	-	-	-	-	-	-	-	-	-	-	-
Current income tax liabilities	12,505,685	914,235	624,312	618,172	291,306	-	456,988	-	-	54,298	2,579	17	-
Other liabilities	280,073,768	5,545,374	3,504,645	3,527,490	1,386,556	7,571,611	6,408,093	409,303	1,647,408	10,522	173,032	64,009	6,011,451
Other borrowed funds	93,215,904	-	-	-	-	-	6,745,116	-	-	-	-	-	-
Deferred tax liabilities	8,722,681	158,597	-	249,504	5,313	-	-	-	66,483	-	1,091	-	-
Total liabilities	**3,891,617,299**	**279,223,447**	**47,193,014**	**77,145,024**	**76,596,505**	**69,140,625**	**158,536,422**	**7,387,647**	**314,475,738**	**64,820**	**6,738,766**	**64,026**	**6,011,451**
Equity and reserve	706,580,253	83,672,872	15,216,662	10,485,624	8,062,557	14,423,604	40,015,895	3,476,930	16,117,738	3,422,911	502,338	11,325,794	27,765,074
	4,598,197,552	**362,896,319**	**62,409,676**	**87,630,648**	**84,659,062**	**83,564,229**	**198,552,317**	**10,864,577**	**330,593,476**	**3,487,731**	**7,241,104**	**11,389,820**	**33,776,525**

Condensed cash flow

Jun-2022		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries			
In thousands of Nigerian Naira	**GT Bank Nigeria**	**GT Bank Ghana**	**GT Bank Sierra Leone**	**GT Bank Liberia**	**GT Bank Gambia**	**GT Bank Cote D'Ivoire**	**GT Bank Kenya Group**	**GT Bank Tanzania**	**GT Bank UK**	**Habari Pay Ltd**	**Asset Manageme nt**	**Pension Fund**	**Staff Investment Trust**
Net cash flow:													
- from operating activities	125,357,922	96,234,592	1,818,013	11,312,563	2,011,055	17,134,295	4,366,227	202,878	77,973,425	(299,888)	7,010,211	10,988,605	(9,901,258)
- from investing activities	113,949,582	(47,884,808)	(2,759,132)	(11,992,970)	(1,245,193)	(13,044,901)	(4,938,373)	602,989	(25,570,749)	292,798	(30,377)	(384,034)	11,685,138
- from financing activities	(133,177,117)	-	-	-	(1,709,326)	-	224,371	-	-	-	-	-	-
Increase in cash and cash equivalents	106,130,387	48,349,784	(941,119)	(680,407)	(943,464)	4,089,394	(347,775)	805,867	52,402,676	(7,090)	6,979,834	10,604,571	1,783,880
Cash balance, beginning of period	567,906,781	71,032,403	24,340,450	19,690,275	23,661,006	5,614,176	45,036,392	3,892,604	203,573,820	3,100,000	-	-	3,104,475
Effect of exchange difference	(18,823,955)	(11,749,237)	(3,514,320)	(344,954)	(811,890)	(254,080)	(2,404,782)	(130,967)	(24,792,801)	-	-	-	-
Cash balance, end of period	**655,213,213**	**107,632,950**	**19,885,011**	**18,664,914**	**21,905,652**	**9,449,490**	**42,283,835**	**4,567,504**	**231,183,695**	**3,092,910**	**6,979,834**	**10,604,571**	**4,888,355**

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 30 June 2022, are as follows:

Profit and loss
Jun-2022

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Operating income	4,788,616	1,211,383	2,718,061
Operating expenses	(1,736,363)	(780,654)	(1,084,259)
Loan impairment charges	(889,571)	1,916	(159,085)
Profit before tax	2,162,682	432,645	1,474,717
Taxation	(648,804)	(51,566)	(442,415)
Profit after tax	1,513,878	381,079	1,032,302

Condensed financial position
Jun-2022

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Assets			
Cash and bank balances	14,324,075	12,169,803	15,794,714
Loans and advances to customers	59,332,777	8,006,170	19,947,910
Investment securities:			
– Fair Value through other comprehensive Income	30,842,181	-	-
– Held at amortised cost	8,603,578	4,843,678	15,299,037
Assets pledged as collateral	-	437,315	-
Restricted deposits and other assets	1,600,924	594,408	759,853
Investment in subsidiaries	12,181,362	-	-
Property and equipment	1,073,546	557,799	1,899,846
Intangible assets	239,030	158,661	190,333
Deferred tax assets	1,195,350	794,784	-
Total assets	**129,392,823**	**27,562,618**	**53,891,693**
Financed by:			
Deposits from banks	1,173,747	108	-
Deposits from customers	83,400,054	21,043,493	39,308,823
Other liabilities	2,875,564	661,794	2,870,735
Current income tax liabilities	-	-	456,987
Other borrowed funds	6,390,939	-	354,177
Deferred tax liabilities	118,687	-	73,476
Total liabilities	**93,958,991**	**21,705,395**	**43,064,198**
Equity and reserve	35,433,832	5,857,223	10,827,495
	129,392,823	**27,562,618**	**53,891,693**

Condensed results of the consolidated entities as at 30 June 2021, are as follows:

Jun-2021		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries			
In thousands of Nigerian Naira	GT Bank Nigeria	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya Group	GT Bank Tanzania	GT Bank UK	Habari Pay	Asset Management	Pension Fund	Staff Investment Trust
Condensed profit and loss													
Operating income	147,085,399	23,120,534	4,071,294	3,591,072	2,968,010	2,544,319	7,608,338	380,396	1,843,059	-	-	-	2,362,653
Operating expenses	(69,540,303)	(6,553,365)	(1,685,233)	(1,682,901)	(1,238,084)	(1,430,798)	(3,785,145)	(521,094)	(2,900,287)	-	-	-	-
Loan impairment charges	(2,124,464)	(99,473)	(979,540)	(754,427)	10,005	(687)	(764,920)	(1,167)	-	-	-	-	-
Profit/(loss) before tax	**75,420,632**	**16,467,696**	**1,406,521**	**1,153,744**	**1,739,931**	**1,112,834**	**3,058,273**	**(141,865)**	**(1,057,228)**	**-**	**-**	**-**	**2,362,653**
Taxation	(8,031,543)	(5,873,551)	(351,630)	(288,721)	(469,783)	(3,985)	(819,288)	-	(2,836)	-	-	-	-
Profit/(loss) after tax	**67,389,089**	**10,594,145**	**1,054,891**	**865,023**	**1,270,148**	**1,108,849**	**2,238,985**	**(141,865)**	**(1,060,064)**	**-**	**-**	**-**	**2,362,653**

Condensed results of the consolidated entities as at 31 December 2021, are as follows:

Jun-2021		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries			
In thousands of Nigerian Naira	GT Bank Nigeria	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya Group	GT Bank Tanzania	GT Bank UK	Habari Pay	Asset Managem ent	Pension Fund	Staff Investment Trust
Condensed financial position													
Assets													
Cash and bank balances	588,572,038	71,032,403	24,340,450	19,690,275	23,661,006	5,614,176	45,036,392	3,892,604	203,573,820	3,100,000	-	-	3,104,475
Loans and advances to banks	115,014	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	1,475,674,160	119,444,663	13,438,382	38,257,571	8,213,027	15,665,519	94,333,936	3,747,006	33,813,118	-	-	-	-
Derivative financial assets	24,913,435	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	42,643,770	61,753,881	-	-	-	-	-	-	-	-	-	-	-
Investment securities:													
– Fair Value through other comprehensive Income	162,911,719	-	-	-	36,799,328	11,269	31,958,225	-	48,265,108	-	-	-	36,638,655
– Held at amortised cost	651,174,123	68,178,408	30,457,541	9,104,985	12,594,879	46,910,350	27,354,033	1,148,896	-	-	-	-	-
Investment in subsidiaries	56,903,032	-	-	-	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	68,430,170	10,436,053	-	-	-	-	407,687	-	-	-	-	-	-
Restricted deposits and other assets	1,099,888,166	34,075,205	1,443,045	3,907,170	1,201,661	1,130,065	4,156,599	571,778	896,232	-	-	-	-
Property and equipment	176,560,154	5,495,506	1,114,719	3,178,716	3,275,903	2,943,186	3,716,190	1,274,522	405,670	524,873	-	-	-
Intangible assets	9,247,353	255,094	105,653	149,540	111,279	59,231	846,949	192,516	-	-	-	-	-
Deferred tax assets	-	159,002	17,799	-	-	-	2,298,532	-	712,605	-	-	-	-
Total assets	**4,357,033,134**	**370,830,215**	**70,917,589**	**74,288,257**	**85,857,083**	**72,333,796**	**210,108,543**	**10,827,322**	**287,666,553**	**3,624,873**	**-**	**-**	**39,743,130**
Financed by:													
Deposits from banks	658,166	-	191,882	-	-	1,300	977,581	-	171,064,084	-	-	-	-
Deposits from customers	3,235,602,200	276,090,345	52,997,387	61,502,475	73,352,577	56,835,804	156,223,786	6,618,079	96,244,033	-	-	-	-
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	1,580,971	-	-	-	-	-	-	-	-	-	-	-	-
Current income tax liabilities	19,553,720	396,178	858,478	588,205	307,058	-	972,529	-	-	-	-	-	-
Other liabilities	200,258,619	6,090,964	2,082,144	3,254,235	2,304,369	2,554,112	4,578,216	560,507	1,735,488	-	-	-	8,162,224
Other borrowed funds	146,965,178	-	-	-	-	-	6,932,321	-	-	-	-	-	-
Deferred tax liabilities	5,578,697	237,350	-	106,575	52,191	-	212,404	-	71,613	-	-	-	-
Total liabilities	**3,610,197,551**	**282,814,837**	**56,129,891**	**65,451,490**	**76,016,195**	**59,391,216**	**169,896,837**	**7,178,586**	**269,115,218**	**-**	**-**	**-**	**8,162,224**
Equity and reserve	746,835,583	88,015,378	14,787,698	8,836,767	9,840,888	12,942,580	40,211,706	3,648,736	18,551,335	3,624,873	-	-	31,580,906
	4,357,033,134	**370,830,215**	**70,917,589**	**74,288,257**	**85,857,083**	**72,333,796**	**210,108,543**	**10,827,322**	**287,666,553**	**3,624,873**	**-**	**-**	**39,743,130**

Jun-2021		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries			
In thousands of Nigerian Naira	GT Bank Nigeria	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya Group	GT Bank Tanzania	GT Bank UK	Habari Pay	Asset Managem ent	Pension Fund	Staff Investment Trust
Condensed cash flow													
		Balance at 1 January 2022											
Net cash flow:													
- from operating activities	325,618,645	(2,530,918)	2,335,421	8,562,510	7,749,586	7,537,454	(3,314,000)	186,557	(12,001,140)	-	-	-	(4,199,767)
- from investing activities	(201,746,624)	20,139,587	(1,490,536)	(1,247,770)	(4,869,144)	(9,639,025)	(1,963,598)	(91,688)	(9,850,647)	-	-	-	5,103,633
- from financing activities	(86,011,236)	(7,090,845)	-	-	(1,109,345)	2,976,492	(61,650)	-	-	-	-	-	-
Increase in cash and cash equivalents	37,860,785	10,517,824	844,885	7,314,740	1,771,097	874,921	(5,339,248)	94,869	(21,851,787)	-	-	-	903,866
Cash balance, beginning of period	465,299,211	42,691,773	19,055,295	13,759,785	13,890,005	3,843,033	34,170,878	1,860,984	192,030,686	-	-	-	3,021,731
Effect of exchange difference	(13,378,204)	103,342	(138,374)	36,248	185,142	(31,378)	527,006	5,670	3,582,723	-	-	-	-
Cash balance, end of Period	**489,781,792**	**53,312,939**	**19,761,806**	**21,110,773**	**15,846,244**	**4,686,576**	**29,358,636**	**1,961,523**	**173,761,622**	**-**	**-**	**-**	**3,925,597**

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 30 June 2021, are as follows:

Profit and loss
Jun-2021

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Operating income	3,857,358	1,220,550	2,530,430
Operating expenses	(1,960,514)	(832,608)	(1,181,723)
Loan impairment charges	(548,202)	(73,865)	(142,978)
Profit before tax	**1,348,642**	**314,077**	**1,205,729**
Taxation	(404,595)	(52,974)	(361,719)
Profit after tax	**944,047**	**261,103**	**844,010**

Condensed financial position
Dec-2021

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Assets			
Cash and cash equivalents	8,118,641	16,128,240	20,789,511
Loans and advances to customers	63,865,109	8,664,462	21,804,365
Investment securities:			
– Fair Value through other comprehensive Income	31,958,225	-	-
– Held at amortised cost	9,621,689	4,815,823	12,916,521
Assets pledged as collateral	-	407,687	-
Other assets	1,804,088	379,809	1,302,037
Investment in subsidiaries	12,950,226	-	-
Property and equipment	1,434,851	712,800	2,044,923
Intangible assets	315,168	202,480	245,632
Deferred tax assets	1,664,640	838,372	-
Total assets	**131,732,637**	**32,149,673**	**59,102,989**
Financed by:			
Deposits from banks	353,684	623,897	-
Deposits from customers	85,600,307	24,858,476	45,765,003
Current income tax liabilities	-	-	972,529
Other liabilities	1,736,820	891,191	1,950,205
Deferred tax liabilities	137,625	-	74,779
Other borrowed funds	6,526,158	-	406,163
Total liabilities	**94,354,594**	**26,373,564**	**49,168,679**
Equity and reserve	37,378,043	5,776,109	9,934,310
	131,732,637	**32,149,673**	**59,102,989**

30 Property and equipment and Right of use assets

(a) Group

In thousands of Nigerian Naira	Leasehold improvement and buildings[1]	ROU Assets[3]	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress[2]	Total
Cost							
Balance at 1 January 2022	134,044,767	43,482,028	142,137,203	15,900,882	-	18,004,145	353,569,025
Exchange difference	(1,679,068)	(991,888)	(1,865,231)	(478,310)	-	(299,904)	(5,314,401)
Additions	2,219,001	1,785,370	7,178,242	731,232	-	726,029	12,639,874
Disposals	(290,298)	(3,461)	(532,606)	(539,526)	-	(4,670)	(1,370,561)
Transfers	7,355,119	504,502	2,387,775	106,403	-	(10,353,799)	-
Reclassifications (to) /from other assets	(46,362)	-	-	-	-	(5,330)	(51,692)
Assets of subsidiaries acquired	4,118	-	130,181	75,385	-	-	209,684
Balance at 30 June 2022	**141,607,277**	**44,776,551**	**149,435,564**	**15,796,066**	**-**	**8,066,471**	**359,681,929**
Balance at 1 January 2021	111,437,779	-	128,672,153	14,733,537	13,349,915	14,368,732	282,562,116
Exchange difference	510,140	-	624,532	89,390	-	9,551	1,233,613
Additions	21,841,455	16,203,031	14,150,753	2,531,011	-	4,704,976	59,431,226
Disposals	(199,267)	-	(1,699,642)	(1,625,677)	-	-	(3,524,586)
Transfers	454,660	-	389,407	172,621	-	(1,016,688)	-
Reclassifications to other assets	-	27,278,997	-	-	(13,349,915)	(62,426)	13,866,656
Balance at 31 December 2021	**134,044,767**	**43,482,028**	**142,137,203**	**15,900,882**	**-**	**18,004,145**	**353,569,025**

All Property and equipment are non-current.

[1] Of this amount as at June 2022, Leasehold improvement accounts for N34,481,372,000 (24.35%) while Buildings accounts for N107,125,905,000 (75.65%)

[2] Capital work in progess refers to capital expenditure incurred on items of Property and Equipment which are however not ready for use and as such are not being depreciated.

[3] Aircraft is now reported as part of ROU Assets, Other items reported as part of ROU Assets include Land and Prepaid Rent on Land and Building.

Property and equipment and Right of use assets(continued)

Group

Accumulated Depreciation *In thousands of Nigerian Naira*	**Leasehold improvement and buildings**	**ROU Assets**	**Furniture & equipment**	**Motor vehicle**	**Aircraft**	**Capital work-in - progress**	**Total**
Balance at 1 January 2022	28,161,037	5,727,496	104,646,609	11,061,959	-	-	149,597,101
Exchange difference	(605,662)	(291,078)	(1,540,630)	(309,845)	-	-	(2,747,215)
Charge for the period	2,617,360	2,121,898	8,827,739	1,089,306	-	-	14,656,303
Disposal	(282,558)	-	(520,128)	(469,296)	-	-	(1,271,982)
Assets of subsidiaries acquired	3,903	-	104,327	61,154	-	-	169,384
Balance at 30 June 2022	**29,894,080**	**7,558,316**	**111,517,917**	**11,433,278**	**-**	**-**	**160,403,591**
Balance at 1 January 2021	22,724,468	-	88,568,619	9,933,454	12,552,740	-	133,779,281
Exchange difference	203,539	-	506,621	73,333	-	-	783,493
Charge for the year	5,432,297	4,834,077	17,238,302	2,274,590	797,175	-	30,576,441
Disposal	(199,267)	-	(1,666,933)	(1,219,418)	-	-	(3,085,618)
Reclassifications to other assets	-	893,419	-	-	(13,349,915)	-	(12,456,496)
Balance at 31 December 2021	**28,161,037**	**5,727,496**	**104,646,609**	**11,061,959**	**-**	**-**	**149,597,101**
Carrying amounts:							
Balance at 30 June 2022	**111,713,197**	**37,218,235**	**37,917,647**	**4,362,788**	**-**	**8,066,471**	**199,278,338**
Balance at 31 December 2021	**105,883,730**	**37,754,532**	**37,490,594**	**4,838,923**	**-**	**18,004,145**	**203,971,924**

Property and equipment and Right of use assets(continued)

(b) Company

In thousands of Nigerian Naira	Leasehold improvement and buildings	ROU Assets	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress[1]	Total
Cost							
Balance at 1 January 2022	154,083	-	378,772	-	-	-	532,855
Additions	484,980	-	-	-	-	-	484,980
Transfers	-	-	-	-	-	-	-
Balance at 30 June 2022	**639,063**	**-**	**378,772**	**-**	**-**	**-**	**1,017,835**
Balance at 1 January 2021	-	-	-	-	-	-	-
Additions	154,083	-	378,772	-	-	-	532,855
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance at 31 December 2021	**154,083**	**-**	**378,772**	**-**	**-**	**-**	**532,855**

All Property and equipment are non-current.

[1] Capital work in progess refers to capital expenditure incurred on items of Property and Equipment which are however not ready for use and as such are not being depreciated.

Property and equipment and Right of use assets(continued)

Company

Accumulated Depreciation In thousands of Nigerian Naira	**Leasehold improvement and buildings**	**ROU Assets**	**Furniture & equipment**	**Motor vehicle**	**Aircraft**	**Capital work-in - progress**	**Total**
Balance at 1 January 2022	1,861	-	34,025	-	-	-	35,886
Charge for the period	2,233	-	41,017	-	-	-	43,250
Disposal	-	-	-	-	-	-	-
Balance at 30 June 2022	**4,094**	**-**	**75,042**	**-**	**-**	**-**	**79,136**
Balance at 1 January 2021	-	-	-	-	-	-	-
Charge for the year	1,861	-	34,025	-	-	-	35,886
Disposal	-	-	-	-	-	-	-
Balance at 31 December 2021	**1,861**	**-**	**34,025**	**-**	**-**	**-**	**35,886**
Carrying amounts:							
Balance at 30 June 2022	**634,969**	**-**	**303,730**	**-**	**-**	**-**	**938,699**
Balance at 31 December 2021	**152,222**	**-**	**344,747**	**-**	**-**	**-**	**496,969**

31 Intangible assets

(a) Group

In thousands of Nigerian Naira	Goodwill	Purchased Software	Total
Cost			
Balance at 1 January 2022	8,689,658	34,881,082	43,570,740
Exchange translation differences	(4,968)	(526,132)	(531,100)
Additions	10,104,661	2,202,190	12,306,851
Assets of subsidiaries acquired	-	151,449	151,449
Balance at 30 June 2022	**18,789,351**	**36,708,589**	**55,497,940**
Balance at 1 January 2021	8,687,970	30,226,353	38,914,323
Exchange translation differences	1,688	174,652	176,340
Additions	-	4,399,142	4,399,142
Balance at 31 December 2021	**8,689,658**	**34,881,082**	**43,570,740**
Amortisation and impairment losses			
Balance at 1 January 2022	-	23,997,136	23,997,136
Exchange translation differences	-	(401,304)	(401,304)
Amortisation for the period	-	2,689,171	2,689,171
Assets of subsidiaries acquired	-	109,150	109,150
Balance at 31 December 2021	**-**	**26,394,153**	**26,394,153**
Balance at 1 January 2021	-	19,041,798	19,041,798
Exchange translation differences	-	150,747	150,747
Amortisation for the year	-	4,723,656	4,723,656
Balance at 31 December 2021	**-**	**23,997,136**	**23,997,136**
Carrying amounts:			
Balance at 30 June 2022	**18,789,351**	**10,314,436**	**29,103,787**
Balance at 31 December 2021	**8,689,658**	**10,883,946**	**19,573,604**

All intangible assets are non-current.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the period ended June 2022 (December 2021: nil).

(c) Impairment testing for cash-generating units containing Goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to each of the cash-generating units or groups of cash-generating units that is expected to benefit from the synergies of the combination.

Goodwill is allocated to the Cash Generating Units (CGUs) as shown below:

In thousands of Nigerian Naira

Cash Generating Units – Banking Subsidiaries	**Jun-22**	**Dec -21**
Rest of West Africa:		
- Corporate Banking	46,320	44,899
- Commercial Banking	2,938	4,196
- Retail Banking	10,425	15,341
East Africa:		
- Corporate Banking	6,693,909	6,009,865
- Commercial Banking	424,586	561,639
- Retail Banking	1,506,511	2,053,503
	8,684,690	**8,689,443**

Cash Generating Units – Non - Banking Subsidiaries	**Jun-22**	**Dec -21**
Nigeria:		
- GTFund Manager	3,617,403	3,617,403
- GTPensions	6,487,258	6,487,258
	10,104,661	**10,104,661**

No impairment loss on goodwill was recognised for the period ended 30 June 2022 (31 December 2021: nil).

The recoverable amounts for the CGUs have been determined based on value-in-use calculations, using cash flow projections covering a five-year period and appropriate discount rates.

Cash Flow Forecasts

The cash flow projections are based on future cash flows and the 5-year business plan appropriately approved by senior management. Cash flows to perpetuity were estimated using a 10-year average growth of GDP in the countries where the subsidiaries operate; 3.37 per cent in West Africa and 5.21 in East Africa and 2.12 in Nigeria. The constant growth rates are based on the long- term forecast of GTBank's growth in the countries in which the CGU's operate centred on past performance, current industry trend and management's expectations of market development. The forecast period is based on the Group's medium to long term perspective with respect to the operations of these units.

Valuation Assumptions and Other Disclosures

For each of the CGUs to which the goodwill was allocated, the key assumptions used in Value-in-use calculations are as follows:

In the East Africa Region, the recoverable amount was determined based on value-in-use calculations which was determined by making cash flow projections to be generated by the segments in the region and then discounting these cashflows to present value using a weighted discount rate of 23.85% derived using the CAPM approach. It would require over ₦396million reduction in the recoverable amount of the most vulnerable CGU (East Africa – Commercial) before goodwill allocated to the identified CGU can be assumed impaired. In other words, a 258 basis point increase in the discount factor will make the recoverable amount of the Commercial segment in the East African region equal to its carrying amount.

2022-Key Assumptions	West Africa			East Africa			Nigeria	
	Corporate	Commercial	Retail	Corporate	Commercial	Retail	GT Fund Manger	GTPensions
Revenue Growth Rate (%)	12.20%	13.20%	13.70%	10.93%	10.43%	11.03%	24.60%	48.97%
Operating Income Growth Rate (%)	13.39%	13.89%	15.39%	14.12%	13.62%	15.62%	36.66%	48.97%
Other Operating Costs (₦'Million)	19,608	1,244	4,413	5,135	326	1,156	260	571
Capital Expenditure (₦'Million)	3,489	221	785	1,620	103	365	33	16
Recoverable Amount (₦'Million)	191,899	12,172	43,188	46,696	2,962	10,509	5,690	19,069
Long Term Growth Rate (%)	15%- 20%	15%- 20%	15%- 20%	5%- 10%	5%- 10%	5%-10%	20%- 25%	40%- 50%
Discount Rate (%)	29.65%	29.65%	29.65%	23.85%	23.85%	23.85%	20.90%	20.90%

2021-Key Assumptions	West Africa			East Africa		
	Corporate	Commercial	Retail	Corporate	Commercial	Retail
Revenue Growth Rate (%)	14.15%	15.15%	15.65%	9.05%	8.55%	9.15%
Operating Income Growth Rate (%)	15.59%	16.09%	17.59%	11.48%	10.98%	12.98%
Other Operating Costs (₦'Million)	15,620	1,783	6,551	5,209	595	2,185
Capital Expenditure (₦'Million)	2,291	262	961	1,113	127	467
Recoverable Amount (₦'Million)	155,153	17,712	65,071	33,227	3,793	13,935
Long Term Growth Rate (%)	15%- 20%	15%- 20%	15%- 20%	5%- 10%	5%- 10%	5%- 10%
Discount Rate (%)	27.49%	27.49%	27.49%	21.82%	21.82%	21.82%

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

32 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group
Deferred tax assets

Jun-2022

In thousands of Nigerian Naira	Assets	Liabilities	Net	Income statement	OCI
Property and equipment, and software	2,354,273	-	2,354,273	(674,662)	-
Allowances for loan losses/Fraud loss provision	139,560	-	139,560	139,560	-
Revaluation gain and Other assets	80,691	-	80,691	(144,022)	-
Net deferred tax assets/(liabilities)	**2,720,129**	**-**	**2,720,129**	**(533,519)**	**-**

In thousands of Nigerian Naira	**Jun-2022**
Deferred tax assets:	
-Deferred tax assets to be recovered within 12 months	365,856
-Deferred tax assets to be recovered after more than 12 months	2,354,273

Group
Deferred tax assets

	Dec-2021				
In thousands of Nigerian Naira	**Assets**	**Liabilities**	**Net**	**Income statement**	**OCI**
Property and equipment, and software	3,028,935	-	3,028,935	(241,425)	-
Allowances for loan losses/Fraud loss provision	-	-	-	(83,543)	-
Revaluation gain and Other assets	159,002	-	159,002	(1,268,960)	-
Net deferred tax assets/(liabilities)	**3,187,937**	**-**	**3,187,937**	**(1,593,928)**	**-**

In thousands of Nigerian Naira	**Dec-2021**
Deferred tax assets:	
-Deferred tax assets to be recovered within 12 months	159,002
-Deferred tax assets to be recovered after more than 12 months	3,028,935

Group
Deferred tax liabilities

In thousands of Nigerian Naira	Jun-2022				
	Assets	**Liabilities**	**Net**	**Income statement**	**OCI**
Property and equipment, and software	-	21,083,631	21,083,631	(3,543,267)	-
Fair value reserves	(4,251,802)	-	(4,251,802)	188,156	(6,474,185)
Allowances for loan losses	(6,318,403)	-	(6,318,403)	(374,071)	-
Defined benefit obligation/actuarial loss	(259,506)	-	(259,506)	-	-
Revaluation loss/gain and other assets	(1,050,250)	2,120,728	1,070,478	10,395,166	(8,794,994)
Net deferred tax (assets)/liabilities	**(11,879,961)**	**23,204,359**	**11,324,398**	**6,665,984**	**(15,269,179)**

In thousands of Nigerian Naira	**Jun-2022**
Deferred tax assets:	
-Deferred tax assets to be recovered within 12 months	(11,879,961)
Deferred tax liabilities:	
-Deferred tax liabilities to be recovered within 12 months	233,280
-Deferred tax liabilities to be recovered after more than 12 months	22,971,079

Group
Deferred tax liabilities

In thousands of Nigerian Naira	Dec-2021				
	Assets	**Liabilities**	**Net**	**Income statement**	**OCI**
Property and equipment, and software	-	24,346,640	24,346,640	2,616,850	-
Fair value reserves	(4,746,531)	-	(4,746,531)	(124,134)	(5,718,918)
Allowances for loan losses	(5,944,332)	-	(5,944,332)	(4,686,765)	-
Defined benefit obligation/actuarial loss	(259,506)	-	(259,506)	1,368,421	76,850
Revaluation loss/gain and other assets	(7,137,441)	6,542,036	(595,405)	13,151,869	(1,284,540)
Net deferred tax (assets)/liabilities	**(18,087,810)**	**30,888,676**	**12,800,866**	**12,326,241**	**(6,926,608)**

In thousands of Nigerian Naira	**Dec-2021**
Deferred tax assets:	
-Deferred tax assets to be recovered within 12 months	(18,087,810)
Deferred tax liabilities:	
-Deferred tax liabilities to be recovered within 12 months	9,939,790
-Deferred tax liabilities to be recovered after more than 12 months	20,948,886

33 Restricted deposits and other assets

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Repossessed collaterals	6,991	16,268	-	-
Prepayments (See note 33(iii) below)	24,431,337	13,292,947	284,063	1,389,277
Accounts Receivable	37,086,447	49,183,242	-	18,183
Stocks	456,281	2,372,847	-	-
Foreign Banks - cash collateral	65,952,018	63,919,071	-	-
Restricted deposits with central banks (See note 33(i) below)	954,312,362	953,179,297	-	-
Contribution to AGSMEIS (See note 34(ii) below)	40,417,726	40,417,726	-	-
Recognised assets for defined benefit obligations (See note 38)	15,442,611	15,442,611	-	-
	1,138,105,773	**1,137,824,009**	**284,063**	**1,407,460**
Impairment on other financial assets (See note 33(iv) below)	(269,801)	(269,801)	-	-
	1,137,835,972	**1,137,554,208**	**284,063**	**1,407,460**
Current	1,121,898,750	1,119,729,929	284,063	1,407,460
Non-current	15,937,222	17,824,279	-	-

(i) Restricted deposits with central banks comprises of restricted deposits with central banks not available for use in the Group's day-to-day operations. The GTBank Nigeria had restricted balances of N954,245,226,000 with the Central Bank of Nigeria (CBN) as at 30 June 2022 (December 2021: N952,295,226,000). This balance is CBN cash reserve requirement. The cash reserve ratio represents a mandatory total Naira deposits which should be held with the Central Bank of Nigeria as a regulatory requirement.

(ii) This represents contribution to Agri-Business/Small and Medium Enterprises Investment Scheme aimed at supporting the Federal Government's effort at promoting agricultural businesses as well as Small and Medium Enterprises. It is an initiative of the Bankers' Committee in which Banks are required to set aside 5% of their Profit After Tax for investment in qualified players. The fund is domiciled with the Central Bank of Nigeria.

(iii) This relates to NDIC premium paid for the Half-year 2022 and other prepaid expenses

(iv) Movement in impairment of other financial assets:

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Opening Balance	-	266,148	-	-
Charge for the year	-	3,653	-	-
Closing Balance	**-**	**269,801**	**-**	**-**

The additional impairment during the period is considered immaterial

34 Deposits from banks

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Money market deposits	35,482,456	815,780	-	-
Other deposits from banks	96,317,160	117,211,796	-	-
	131,799,616	**118,027,576**	**-**	**-**
Current	131,799,616	118,027,576	-	-
Non-current	-	-	-	-

35 Deposits from customers

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Retail customers:				
Term deposits	201,857,550	185,479,003	-	-
Current deposits	680,993,127	647,053,262	-	-
Savings	1,277,202,375	1,211,207,857	-	-
Corporate customers:				
Term deposits	398,246,152	388,507,234	-	-
Current deposits	1,704,335,622	1,580,058,198	-	-
	4,262,634,826	**4,012,305,554**	**-**	**-**
Current	4,252,675,713	3,994,768,430	-	-
Non-current	9,959,113	17,537,124	-	-

36 Financial liabilities at fair value through profit or loss

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Bond short positions	112,072	-	-	-
Treasury bills short positions	1,502,289	-	-	-
	1,614,361	**-**	**-**	**-**
Current	1,614,361	-	-	-
Non-current	-	-	-	-

37 Other liabilities

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Cash settled share based payment liability (Note 37(c))	6,011,451	8,162,224	-	-
Lease liabilities (Note 37(f))	4,812,938	6,318,114	-	-
Liability for defined contribution obligations (Note 37(a))	508,856	450,222	-	-
Deferred income on financial guarantee contracts	185,273	335,522	-	-
Litigation claims provision (Note 37(d))	250,000	267,621	-	-
Certified cheques	11,114,541	9,267,187	-	-
Customers' deposit for foreign trade (Note 37(b))	125,601,114	87,336,555	-	-
Customers' escrow balances	34,559,169	30,350,319	-	-
Account payables	61,667,006	22,534,180	27,371,795	6,059,930
Creditors and agency services	67,710,237	62,996,561	26,875	16,125
Customers deposit for shares of other Corporates	536,292	160,931	-	-
Impairment on contingents (Note 37(e))	3,320,343	3,339,835	-	-
	316,277,220	**231,519,271**	**27,398,670**	**6,076,055**
Current	299,915,725	212,420,104	27,398,670	6,076,055
Non-current	16,361,495	19,099,167	-	-

(a) The Bank and its employees each contribute a minimum of 10% and 8% respectively of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

(b) This represents the Naira value of foreign currencies held on behalf of customers in various foreign accounts to cover letters of credit transactions. Of the sum of N125,601,114,000 reported, the sum of N64,952,081,000 represents customers cash collateral balances with the corresponding balance included in Foreign Banks - Cash Collateral in other assets. The balance of N60,649,033,000 represents customer's FEM balances.

(c) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Jun-2022		Dec-2021	
	Average Exercise Price Per Share	Share Rights (thousands)	Average Exercise Price Per Share	Share Rights (thousands)
At 1 January	27.94	328,036	27.94	380,587
Granted	17.82	16,685	25.54	21,582
Exercised	23.90	(51,780)	27.83	(74,133)
As at end of the period	**20.52**	**292,942**	**24.88**	**328,036**

The total unit of shares of the scheme stood at 1,409,179,046 as at June 2022 (Dec 2021: 1,409,179,046), out of which 292,941,862 (Dec 2021: 328,036,482) have been granted. Out of the 292,941,862 Share Appreciation Right (SARs) granted as at June 2022 (Dec 2021: 328,036,482 SARs), 228,089,050.71 SARs (Dec 2021: 253,382,968.26) have met the vesting criteria. SARs exercised in 2022 resulted in 51,779,745 shares (Dec 2021:74,132,829) being granted at a weighted average price of N23.90 each (Dec 2021: N27.83 each)

The fair value of SAR was determined using a multi-factor model which entails using average share price for vested shares and multiple combination of 11.68% probability of exits, number of employees years in the scheme and in the organization for non-vested shares.

As at 30th June 2022, the impact of the SAR on the statement of financial position of the Group stood at N6,011,450,670 (Dec 2021: N8,162,223,861).

The Share Appreciation Right is a cash settled share based compensation scheme managed by a Special Purpose Vehicle (SPV) - Guaranty Trust Bank Staff Investment Trust. The scheme was introduced as a compensation plan for the bank's qualifying personnel to enhance employee retention, by offering the shares acquired by the SPV to qualifying members of staff at the prevailing net book value of the bank. Under the terms of the plan, the shares vest only if a member has spent 10 years in the bank, 5 years in the scheme and the purchased shares are up to 3 years old from the date of purchase. Upon exit if a member meets vesting conditions, the shares would be repurchased from the staff by the scheme.

The liability for the SARs is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs, by applying an option pricing model, taking into account the terms and conditions on which the SARs were granted, and the extent to which the employees have rendered services to date. The expected life used in the model has been adjusted based on management's best estimate for the effects of exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 3 years.

As at 30th June 2022, the impact of the SAR on the statement of financial position of the Group stood at N6,011,450,670 (Dec 2021:N8,162,223,861). Of this amount, the liability on vested but unexercised SARs was N4,675,825,540 (Dec 2021:N6,587,957,175)

Share options outstanding at the end of the period have the following expiry date and exercise prices:

	Exercise price		Share options (thousands of Naira)	
Grant-Vest	Jun-2022	Dec-2021	Jun-2022	Dec-2021
2004-2009	20.50	26.00	2,030,848	2,656,310
2004-2017	0.00	25.54	-	120,096
2005-2010	20.50	26.00	176,035	223,264
2020-2025	20.60	20.57	93,218	92,660
2005-2013	0.00	0.00	-	-
2006-2011	20.50	25.61	113,609	141,893
2006-2014	20.51	25.70	212,439	266,214
2007-2012	20.51	25.19	259,954	701,251
2007-2013	20.53	24.60	83,338	99,895
2007-2014	20.51	25.32	106,042	130,927
2007-2015	20.50	25.73	41,003	51,461
2007-2016	20.50	25.76	92,730	116,498
2008-2013	20.52	25.21	125,118	312,177
2008-2014	20.51	24.90	60,596	73,544
2008-2015	20.52	25.08	72,989	89,214
2008-2016	0.00	0.00	-	-
2008-2017	20.51	25.41	54,339	66,820
2009-2014	20.50	26.00	11,524	36,469
2009-2015	20.55	22.91	23,153	25,811
2019-2024	20.59	20.57	145,428	137,812
2010-2015	20.55	23.20	41,225	41,910
2010-2016	20.50	26.00	9,234	11,712
2010-2017	20.50	26.00	20,790	26,368
2010-2018	20.52	24.71	51,975	62,610
2010-2019	20.50	26.00	45,944	58,270
2011-2016	20.52	24.66	333,637	484,903
2011-2017	0.00	0.00	-	-
2011-2018	20.53	24.59	51,315	61,471
2011-2019	20.54	24.52	31,830	99,424
2011-2020	20.53	24.01	65,711	72,028
2012-2017	20.52	24.42	48,855	58,144
2012-2018	10.00	36.00	-	21,057
2012-2021	0.00	0.00	-	-
2008-2026	0.00	0.00	-	-
2013-2018	20.53	24.08	329,390	385,585
2014-2019	20.53	24.30	223,230	237,408
2014-2022	20.54	22.40	14,391	11,214
2015-2020	20.53	24.16	165,370	227,218
2015-2022	20.52	24.37	63,610	70,679
2015-2023	20.57	22.30	33,474	19,111
2015-2024	0.00	0.00	-	-
2016-2021	20.54	23.75	387,973	487,661
2016-2025	0.00	22.67	-	38,474
2017-2022	20.55	-	113,725	128,775
2017-2023	20.57	-	9,255	9,955
2021-2029	20.60	20.57	765	764
2021-2026	20.60	20.57	98,377	69,812
2018-2026	-	-	-	-
2018-2023	20.57	21.89	133,120	135,356
2022-2027	20.60	-	35,892	-
			6,011,451	**8,162,224**

(d) Provision for litigation arose from the assessment carried out by the Solicitors of the Bank of all the pending litigations the Bank was involved in as at December 31, 2021. Please see Note 43 for further information on Litigations.

Movement in provision for litigation claims during the period ended is as follows:

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
Opening Balance	267,621	250,995	-	-
Increase/(reversal) during the period ended	(8,742)	19,803	-	-
Write off	(8,879)	(3,177)	-	-
Closing Balance	**250,000**	**267,621**	**-**	**-**

This relates to provision on pending cases that the Company is currently involved in. Please refer to Note 43 for more information.
Timing of resulting outflows of economic resources with respect to the provision can not readily be determined.

(e) **Movement in impairment on contingents during the year ended is as follows:**

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
Opening balance	3,339,835	3,685,475	-	-
Effect of exchange rate fluctuation	(19,492)	(345,640)	-	-
Closing Balance	**3,320,343**	**3,339,835**	**-**	**-**

(f) The Group leases a number of properties to serve as its branch outlets.
The Group and Company has applied 7.26% as the weighted average incremental borrowing rate to lease liability on transition date.
The present value of finance lease liabilities is as follows:

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
Less than 3 months	92,340	121,218	-	-
3-6 months	89,752	117,821	-	-
6-12 months	295,767	388,264	-	-
1-5years	681,645	894,819	-	-
More than 5 years	3,653,433	4,795,991	-	-
	4,812,937	**6,318,113**	**-**	**-**

The period of future economic outflows of the lease liabilities is analysed below:

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
Less than 3 months	93,114	122,127	-	-
3-6 months	91,256	119,588	-	-
6-12 months	305,680	399,912	-	-
1-5years	795,867	1,029,042	-	-
More than 5 years	4,877,833	6,234,788	-	-
	6,163,750	**7,905,457**	**-**	**-**

The movement in lease liabilities is shown below:

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
Opening Balance	6,318,113	8,087,113	-	-
Exchange difference	170,626	59,130	-	-
Payments	(1,675,802)	(1,828,130)	-	-
	4,812,937	**6,318,113**	**-**	**-**

38 Defined benefit obligations

The Company operates a non-contributory, funded lump sum defined benefit gratuity scheme. Employees are automatically admitted into the scheme after completing 10 consecutive years of service with the Bank. Employees' terminal benefits are calculated based on number of years of continuous service, limited to a maximum of 10 years. The defined benefit obligation valuation was carried out by Alexander Forbes Consulting Actuaries with FRC Number: FRC/2012/0000000000504.
The report was sign by Management Partner Wayne van Jaarsveld with FRC Number: FRC/2021/002/00000024507.

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

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
Present value of funded obligations	(865,020)	(865,020)	-	-
Total present value of defined benefit obligations	(865,020)	(865,020)	-	-
Fair value of plan assets	16,307,631	16,307,631	-	-
Present value of net asset/(obligations)	15,442,611	15,442,611	-	-
Recognized asset/(liability) for defined benefit obligations	**15,442,611**	**15,442,611**	**-**	**-**

The Company has a right to the surplus on its plan assets. The defined benefit scheme is not open to asset ceiling, therefore, there is no need to determine any difference between net defined benefit asset and asset ceiling.
Recognised asset for defined benefit obligations is included within Restricted deposits and other assets in note 34.

(b) Movement in the present value of defined benefit obligations:

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
(Deficit)/surplus on defined benefit obligations, beginning of period	15,442,611	10,381,158	-	-
Net (Expense) / Income recognised in Profit and Loss	-	402,697	-	-
Re-measurements recognised in Other Comprehensive Income	-	256,165	-	-
Contributions paid	-	4,402,591	-	-
(Deficit)/surplus for defined benefit obligations, end of year	**15,442,611**	**15,442,611**	**-**	**-**

[1]Net (Expense) / Income recognised in Profit and Loss is analysed below:

	-	-	-	-

(c) Plan assets consist of the following:

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Equity securities:				
- Quoted	2,450,892	2,450,892	-	-
Government securities				
- Quoted	939,714	939,714	-	-
Commercial papers				
- Quoted	179,632	179,632	-	-
Cash and bank balances				
- Unquoted	12,737,393	12,737,393	-	-
	16,307,631	**16,307,631**	**-**	**-**

Group

In thousands of Nigerian Naira	Jun-2022		Dec-2021	
Equity securities	2,450,892	69%	2,450,892	69%
Government securities	939,714	26%	939,714	26%
Commercial papers	179,632	5%	179,632	5%
Cash and bank balances	-	0%	-	0%
	3,570,238	**100%**	**3,570,238**	**100%**

Company

In thousands of Nigerian Naira	Jun-2022		Dec-2021	
Equity securities	-	0%	-	0%
Government securities	-	0%	-	0%
Cash and bank balances	-	0%	-	0%
	-	**0%**	**-**	**0%**

The defined benefit plan assets are under the management of Pension Fund Custodians - Crusader Sterling Pension Limited

The N2,450,892,000 equity investments of the scheme includes the Group's ordinary shares with a fair value of N2,016,604,000 (Dec 2021: N2,016,604,000). Additionally, out of the cash and bank balances of N12,737,393,000 an amount with a fair value of N12,737,393,000 (Dec 2021:N12,737,393,000) represents deposit with the Group.

Expected contributions to post-employment benefit plans for the period ending 30 June 2022 are N92,544,000 (December 2021: N191,262,000) while gratuity payments are estimated to be N92,544,000 (December 2021: N191,262,000)

(d) Defined benefit cost for the period ended June 2022 is expected to be as follows:

	Company Jun-2023	Company Jun-2022
Net Interest on Net benefit assets	2,132,861	-
Current service cost	(33,368)	-
Income/(Expense) recognised in profit or loss	2,099,493	-

Components of net interest on defined benefit liability for period ended June 2022 is estimated to be as follows:

	Company Jun-2023	Company Jun-2022
Interest income on assets	2,250,453	-
Interest cost on defined benefit obligation	(117,592)	-
Total net interest income	2,132,861	-

Plan assets are valued at current market value. The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the date of the consolidated statement of financial position. Expected returns on equity reflect long-term real rates of return experienced in the respective markets.

(e) Movement in plan assets:

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Fair value of plan assets, beginning of the period	16,307,631	16,063,747	-	-
Contributions paid into/(withdrawn from) the plan	-	4,402,591	-	-
Benefits paid by the plan	-	(4,402,591)	-	-
Actuarial loss	-	(430,793)	-	-
Return on plan assets	-	674,677	-	-
Fair value of plan assets, end of the year	**16,307,631**	**16,307,631**	**-**	**-**

Actual return on plan asset is made up of expected return on plan assets and actuarial gains / losses.

(f) Movement in present value of obligations:

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Present value of obligation, beginning of the period	865,020	5,682,589	-	-
Interest cost	-	151,284	-	-
Current service cost	-	120,696	-	-
Benefits paid	-	(4,402,591)	-	-
Actuarial (gain)/ loss on obligation[1]	-	(686,958)	-	-
Present value of obligation at end of the year	**865,020**	**865,020**	**-**	**-**

[1] The actuarial loss on obligation arose from the following:

	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Experience variance	-	407,616	-	-
Change in economic assumptions	-	(1,175,135)	-	-
Change in demographic assumptions	-	80,561	-	-
	-	**(686,958)**	**-**	**-**

(g) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2022	2021
Discount rate	4.2%	4.2%
Salary increase rate	4.2%	4.2%
Inflation	17.2%	13.4%
Retirement age for both male and female	60 years	60 years
Withdrawal Rate: 18 – 29	4.5%	4.5%
Withdrawal Rate: 30 – 44	6.0%	6.0%
Withdrawal Rate: 45 – 50	5.0%	5.0%
Withdrawal Rate: 51	4.5%	4.5%
Withdrawal Rate: 52	4.0%	4.0%
Withdrawal Rate: 53	3.5%	3.5%
Withdrawal Rate: 54	3.0%	3.0%
Withdrawal Rate: 55	2.5%	2.5%
Withdrawal Rate: 56	2.0%	2.0%
Withdrawal Rate: 57	1.5%	1.5%
Withdrawal Rate: 58	1.0%	1.0%
Withdrawal Rate: 59	0.5%	0.5%
Withdrawal Rate: 60	100.0%	100.0%

Assumptions regarding future mortality before retirement are based on A1967/70 ultimate table published by the Institute of Actuaries of United Kingdom.

The overall expected long-term rate of return on assets is 4.2%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based entirely on current market yields on Nigerian Government Bonds. The component of the rate of remuneration increase based on seniority and promotion is an average of 4.2% p.a. The inflation component has been worked out at 15.8% per annum.

For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

(h) Reasonably possible changes at the reporting date of discount rate, salary increase rate and mortality rate would have affected the defined benefit obligation by the amounts shown below:

Group

Group

In thousands of Nigerian Naira except percentages

	Impact on defined benefit obligation		
	Change in	Defined benefit obligation	
	assumption	Increase	Decrease
Discount rate	1.00%	(5,337,195)	6,077,111
Salary increase rate	1.00%	6,087,551	(5,320,654)
Mortality rate	1 year	5,682,132	(5,682,989)

Group

Group

In thousands of Nigerian Naira except percentages

	Impact on defined benefit obligation		
	Change in	Defined benefit obligation	
	assumption	Increase	Decrease
Discount rate	1.00%	(5,337,195)	6,077,111
Salary increase rate	1.00%	6,087,551	(5,320,654)
Mortality rate	1 year	5,682,132	(5,682,989)

Company

Group

In thousands of Nigerian Naira except percentages

	Impact on defined benefit obligation		
	Change in	Defined benefit obligation	
	assumption	Increase	Decrease
Discount rate	0.00%	-	-
Salary increase rate	0.00%	-	-
Mortality rate	0.00%	-	-

Company

Group

In thousands of Nigerian Naira except percentages

	Impact on defined benefit obligation		
	Change in	Defined benefit obligation	
	assumption	Increase	Decrease
Discount rate	0.00%	-	-
Salary increase rate	0.00%	-	-
Mortality rate	0.00%	-	-

In practice, changing an actuarial assumption while holding other assumptions constant is unlikely to occur as changes in some of the assumptions may be correlated.

(i) Expected maturity analysis of undiscounted pension and post-employment benefits:

In thousands of Nigerian Naira	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Present value of the defined benefit obligation	6,584	-	18,589	9,088,833	9,114,006
	6,584	-	18,589	9,088,833	9,114,006

(j) Defined Benefit Risk Management

The Group's exposure to risks through its defined benefit plan is mitigated through a number of strategies. Most important of them is the asset-liability matching strategy. Thus, fluctuations in macro-economic variables have minimal impact on its exposure to the plan.

Over the years, the Group not only ensures that it has sufficient plan assets to fund its defined benefit obligation but also adopts a robust strategy that ensures that the macro-economic variables affecting the obligations are similar to those of the plan assets.
The significant risks inherent in the Group's defined benefit plan are detailed below:

Asset volatility

Post employment benefit obligations are calculated using a discount rate determined with reference to market yields on high quality bonds. The Group ensures that the plan assets do not underperform this yield. This is achieved through maintaining an efficient portfolio of investments in plan assets significantly made up of high quality equities and government securities. Consequently, the yield on the Group's plan assets has consistently outperformed interest cost on plan obligations. The Group also ensures that as tenured investments in plan assets mature, they are replaced with top quality investments which better match the liabilities.

Overall, the Group's defined benefit investment strategy aims at reducing investment risks while maintaining the right mix of investments in high quality equities, debt and near cash instruments void of impairment threats. The choice of investment in equities stems from the long term nature of the Group's defined benefit plan and expected maturity of the plan's liabilities.

Changes in bond yields

The rate used to discount post-employment benefit obligations is determined with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds are used. The Group is of the opinion that there is no deep market in Corporate Bonds in Nigeria and as such assumptions underlying the determination of discount rate are referenced to the yield on Nigerian Government bonds of medium duration, as compiled by the Debt Management Organisation. A decrease in Nigerian Government Bond yields will increase the plan's liabilities. However, this growth is offset by an increase in the value of the plan assets.

Inflation risk

We believe this is less a material risk given the accretion to the Group's plan assets arising from continuous contribution to the plan and improved yield. Growth in inflation, all other things being equal, should lead to increased basic salaries (which is an important determinant of the Group's defined benefit liability) and consequently higher plan liabilities. This growth in liabilities should be offset with increased plan assets.

39 Other borrowed funds

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Due to IFC (see note (i) below)	6,390,941	18,208,341	-	-
Due to BOI (see note (ii) below)	13,558,305	17,001,727	-	-
Due to CACS (see note (iii) below)	5,680,890	8,046,273	-	-
Due to Proparco	-	1,993,798	-	-
MSME Development Fund (see note (iv) below)	6,738	6,726	-	-
Excess Crude Account -Secured Loans Fund (see note (v) below	14,046,582	13,978,609	-	-
RSSF on lending (see note (vi) below)	18,591,681	18,821,743	-	-
SANEF Intervention Fund (see note (vii) below)	952,079	980,599	-	-
NESF Fund (see note (viii) below)	749,962	910,975	-	-
Due to Anchor Borrowers' Fund (see note (ix) below)	34,074,292	66,827,611	-	-
Economic Recovery Fund (see note (x) below)	354,175	406,163	-	-
Due to DBN Intervention Fund (see note (xi) below)	3,843,159	5,002,671	-	-
Due To P-Aads Loan (see note (xii) below)	1,712,216	1,712,263	-	-
	99,961,020	**153,897,499**	**-**	**-**
Current	59,038,622	102,871,560	-	-
Non-current	40,922,398	51,025,939	-	-

i). The amount of N6,390,941,000 (USD 15,036,000) (December 2021: N18,208,341,000 ; USD 41,858,000) represents the outstanding balance on the Tranche 4 and Tranche 5 dollar term loan granted to the Company by the International Finance Corporation (IFC). The Tranche 4 facility was disbursed in December 2011(USD 170,000,000) for a period of 8 years and the Tranche 5 was availed in December 2014 (USD 175,000,000) equally for a period of 8 years. The principal amount is repayable semi annually from December 2013 for Tranche 4 and December 2016 for Tranche 5. The pricing of the Tranche 4 facility is 5.5% and Libor plus 4% for the Tranche 5. Interest is paid semi annually on the two tranches.

ii). The amount of N13,558,305,000 (December 2021: N17,001,727,000) represents the outstanding balance on the wholesale funding granted to the Company for the refinancing/restructuring of SME/Manufacturing loan portfolio under the Small and Medium Enterprise Refinancing and Restructuring Fund and to fastrack the development of power projects and aviation sector so as to improve power supply, under the Power and Airline Intervention Fund (PAIF). The SMERRF and PAIF are administered at an all-in interest rate /charge of 7% per annum payable on a quarterly basis. The BOI is entitled to 1% management fee payable quarterly by the Company. The Loans have a maximum life of 15 years and/or working capital facility of one year with the provision for roll over subject to a maximum tenor of 5 years. The tenor of the facilities as at the end of the period range between 5 years to 13 years. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

iii). The amount of N5,680,890,000 (December 2021: N8,046,273,000) represents the outstanding balance on the on-lending facilities granted to the Company by the Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) under the Commercial Agriculture Credit Scheme (CACS). The FGN is represented by the Federal Ministry of Agriculture and Rural Development '(FMARD) who has the aim of providing concessionary funding for agriculture so as to promote commercial agricultural enterprises in Nigeria. The Facility is for a period of 7 years at 2% p.a cost to the Company. The maximum interest rate to the borrowers under the Scheme is 9% p.a inclusive of all charges. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

iv). The amount of N6,738,000 (December 2021: N6,726,000) represents the outstanding balance on the on lending facility granted by the Central Bank of Nigeria targeted at the growth and development of the Micro, Small and Medium Scale sub sector of the economy by providing single digit low interest rate funds. The facility is granted at an interest rate of 2% to the Company. The maximum rate, inclusive of all charges, to the eligible MSMEs is 9% p.a. and the tenor of the facility ranges from 1 to 3 years depending on the type of enterprise. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

v). The amount of N14,046,582,000 (December 2021: N13,978,609,000) represents the outstanding balance on the concessionary loans granted by the Central Bank of Nigeria to State Governments for the execution of developmental and infrastructure projects. The facility is secured by the balance due to State Governments from the Excess Crude Account. The facility is priced at 2% p.a payable on a monthly basis. The loan is granted to the States at 9% p.a inclusive of all charges. The principal is repayable monthly from the Federal Account Allocation Committee(FAAC) allocation of those States as a first line charge upon the issuance of an Irrevocable Standing Payment Order(ISPO) by those States. The tenor of 'the facility is 20 years. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

vi). The amount of N18,591,681,000 (December 2021: N18,821,743,000) represents the outstanding balance on the Real Sector Support Facility (RSSF). The Facility is given by the Central Bank of Nigeria to support large enterprises for startups and expansion financing needs. The real sector activities targeted by the facility are manufacturing, agricultural value chain and selected service sub-sectors. The Facility is administered at an all-in Interest rate/charge of 9% per annum payable on quarterly basis. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

vii). The Shared Agent Network Facility (SANEF) is an intervention fund under the MSME Development Fund to provide ten (10) year loans to CBN Licensed and pre-qualified Mobile Money and Super- Agent operators for the purposes of rolling out of a Shared Agent Network. The objective of the Shared Agent Network is to deepen financial inclusion in the country with the offering of basic financial services such as Cash-in, Cash-out, Funds, Bills Payments, Airtime Purchase, Government disbursements as well as remote enrollment on BMS infrastructure (BVN). The facility is for 10 years inclusive of a 2-year moratorium on principal and 1- year moratorium on Interest. The facility is disbursed at a single digit, all-inclusive interest rate of 5% per annum.The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

viii). The Non Oil Export Stimulation Facility (NESF) was introduced by the Central Bank of Nigeria (CBN) to diversify the revenue base of the economy and promote growth of the non-oil export sector. The facility is granted at an all-inclusive interest rate of 9% p.a. payable on a quarterly basis. NESF can have a tenor of up to 10 years not exceeding 31st December, 2027 and the principal amount is repayable quarterly over the tenure of the facility. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

ix). Due to Anchor Borrowers' fund is an initiative of the Central Bank of Nigeria broadly aimed to create economic linkages between small holder farmers and reputable anchor companies involved in the production and processing of key agricultural commodities with a view to increase agricultural output, reduce food import bills and create jobs. The tenor of the facility depends on the gestation period of the targeted commodity but not exceeding 2 years. The facility is disbursed at an all-inclusive interest rate of 9%. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

x). The Economic Recovery Fund (ERF) was introduced by the Government of Rwanda with the objective of supporting the recovery of businesses adversely affected by COVID-19 so that the businesses can survive, resume operations, safeguard employment and expand domestic production of essential goods.

xi). Due to DBN intervention fund is a scheme in which the Development Bank of Nigeria (DBN) availed the Company a facility to meet the financing need of entrepreneurs in the Micro, Small and Medium Enterprises sector. The facility attracts an interst rate of 9.75 per annum for 1 year tenor with a maturity date of 30th December 2022.

xii). The amount of N 1,712,216 (December 2021: N1,712,263) represents the outstanding balance on the on-lending facility granted by the Central Bank of Nigeria relative to Private sector led accelerated agriculture development scheme(P-AADS). This is a CBN initiative aimed at empowering 370,000 youths in the agricultural sector.. This was introduced to complement AADS, which was implemented initially to address food security and youth unemployment. The maximum amount per obligor has been affixed at N2billion. The facility will be repaid from economics of production for cultivating on the cleared farm land. Collateral to be pledged will be the cleared farm land and any other acceptable type of collateral under the scheme. Based on the underlying forbearance given by the Apex bank on all intervention funds, Interest rate on the facility will run at 5% from 1st March 2021 until 28th February 2022 and thereafter, the interest rate will revert to 9%. Interest payment to CBN will be at 1%, this will revert to 2% in 2022. The tenor of the facility will range within 5 years.

39b Reconciliation of Financial Liabilities

For the Period ended 30 June 2022

Group
Jun-2022

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**153,897,499**
Cash inflow - Principal	5,480,157
Cash outflow - Principal	(58,968,718)
Cash outflow - Interest	(85,925)
Effect of exchange rate fluctuation	(725,652)
Other non-cash[1]	363,659
Closing Balance	**99,961,020**

Group
Jun-2021

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**113,894,768**
Cash inflow - Principal	16,613,140
Cash outflow - Principal	(20,245,350)
Cash outflow - Interest	(1,085,727)
Effect of exchange rate fluctuation	117,250
Other non-cash[1]	1,175,098
Closing Balance	**110,469,179**

[1]This relates to non-cash movement in interest payable and origination fees.

40 Capital and reserves

Share capital

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

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
(a) Authorised:				
50,000,000,000 ordinary shares of 50k each (31 December 2021: 50,000,000,000 of 50k each)	25,000,000	25,000,000	25,000,000	-

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
(b) Issued and fully paid:				
29,431,179,224 ordinary shares of 50 kobo each (31 December 2021: 29,431,179,224 ordinary shares of 50k each)	14,715,590	14,715,590	14,715,590	-

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
28,072,069,887 ordinary shares (Non-GDR) of 50k each (31 December 2021: 28,072,069,887)	14,036,035	14,030,300	14,036,035	-
1,358,449,987 ordinary shares (GDR) of 50k each (31 December 2021: 1,359,109,337)	679,555	685,290	679,555	-
	14,715,590	**14,715,590**	**14,715,590**	**-**

The movement on the value of issued and fully paid-up share capital (Non GDR and GDR) account during the year ended was as follows:

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
Balance, beginning of period	14,715,590	14,715,590	14,715,590	-
Increase in the period	-	-	-	14,715,590
Balance, end of year	**14,715,590**	**14,715,590**	**14,715,590**	**14,715,590**

Share capital

Movement in the components of share capital for the Group is as shown below:

	Number of shares (thousands)	Ordinary shares	Share premium	Treasury shares
At January 2021	**29,431,180**	**14,715,590**	**123,471,114**	**(6,928,103)**
Purchases of treasury shares	-	-	-	(1,197,895)
At 31 December 2021	**29,431,180**	**14,715,590**	**123,471,114**	**(8,125,998)**
Purchases of treasury shares	-	-	-	-
At 30 June 2022	**29,431,180**	**14,715,590**	**123,471,114**	**(8,125,998)**

Share premium

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

Other regulatory reserves

The other regulatory reserve includes movements in the statutory reserves, the small and medium enterprises equity investment reserve and Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS).

(i) **Statutory Reserves**: Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 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. In the current year, the Company appropriated N29,118,444,000 representing 15% of its profit after tax to statutory reserves. Total statutory reserves was N382,092,269,000 at the end of the period.

(ii) **Small and medium enterprises equity investment reserve (SMEEIS)**: The SMEEIS 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. However, this requirement is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable. Total SMEEIS reserves was N4,232,478,000 at the end of the period.

(iii) **Treasury shares:** Treasury shares in the sum of N8,125,998,000 (31 December 2021:N8,125,998,000) represents the Company's shares held by the Staff Investment Trust as at 30 June 2022.

(iv) **Fair value reserve:** The fair value reserve includes the net cumulative change in the fair value of fair value through other comprehensive income investments until the investment is derecognised or impaired.

(v) **Regulatory risk reserve**: The regulatory risk reserves warehouses the difference between the impairment balance on loans and advances as determined in accordance with the provisions of Prudential guidelines of Central Bank of Nigeria when compared with the assessment in line with the requirement of IFRS 9 Expected credit loss model. The key component of CBN Prudential Guidelines (PG) is the setting aside of additional 2% provision on all performing loans assessed under the PG. This 2% provision is not required under IFRS 9. Therefore it has been recognised in Regulatory Risk Reserve. The Company's total balance in Regulatory Risk Reserve is N93,926,580,000.

(vi) **Retained earnings**: Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

(vii) **Non-controlling interests**

The analysis of non-controlling interest per subsidiary is as shown below:

	Group Jun-2022	Group Dec-2021	Group Jun-2022	Group Dec-2021
	%	%	₦'000	₦'000
GTB (Gambia) Limited	22.19	22.19	2,009,536	2,123,484
GTB (Sierra Leone) Limited	16.26	16.26	2,550,693	2,442,165
GTB (Ghana) Limited	1.68	1.68	1,494,520	1,483,538
GTB Liberia	0.57	0.57	59,716	58,433
GTB Kenya Limited	30.00	30.00	12,259,882	11,936,208
GTB Tanzania	23.80	23.80	811,939	826,388
			19,186,286	**18,870,216**

Please refer to Note 44 for more information on the Group structure

(viii) Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS): The AGSMEIS is maintained to support the Federal Government's effort at promoting Agricultural businesses and Small and Medium Enterprises. Effective 2017 all Deposit Money Banks (DMBs) are required to set aside 5% of their Profit After Tax for equity investment in permissible activities as stipulated in the scheme guidelines. The fund is domiciled with CBN.

(ix) **Other regulatory reserves breakdown**

	Group Jun-2022			
In thousands of Nigerian Naira	**Statutory Reserves**	**SMEEIS Reserves**	**AGSMEIS Reserves**	**Total**
Opening Balance	379,415,669	4,232,478	40,436,201	424,084,348
Total comprehensive income for the period:				
Increase during the period	28,872	-	-	28,872
Transfers for the period	2,647,728	-	8,909,400	11,557,128
Total transactions with equity holders	**2,676,600**	**-**	**8,909,400**	**11,586,000**
Balance as at 30 June 2022	**382,092,269**	**4,232,478**	**49,345,601**	**435,670,348**

	Company Jun-2022			
In thousands of Nigerian Naira	**Statutory Reserves**	**SMEEIS Reserves**	**AGSMEIS Reserves**	**Total**
Opening Balance	-	-	-	-
Total comprehensive income for the year ended:				
Transfers for the year ended	-	-	-	-
Total transactions with equity holders	**-**	**-**	**-**	**-**
Balance as at 30 June 2022	**-**	**-**	**-**	**-**

	Group Dec-2021			
In thousands of Nigerian Naira	Statutory Reserves	SMEEIS Reserves	AGSMEIS Reserves	Total
Opening Balance	350,297,225	4,232,478	31,526,801	386,056,504
Total comprehensive income for the year:				
Transfers for the year	29,118,444	-	8,909,400	38,027,844
Total transactions with equity holders	**29,118,444**	**-**	**8,909,400**	**38,027,844**
Balance as at 31 December 2021	**379,415,669**	**4,232,478**	**40,436,201**	**424,084,348**

41 **Dividends**

The following dividends were declared and paid by the Group during the period :

In thousands of Nigerian Naira	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Balance, beginning of period	-	-	-	-
Final dividend declared[1]	79,464,184	79,818,739	79,464,184	-
Interim dividend declared	-	8,829,354	-	-
Payment during the period	(79,464,184)	(88,648,093)	(79,464,184)	-
Balance, end of year	**-**	**-**	**-**	**-**

[1] This relates to the dividend declared for 2022 and 2021 financial year.

Subsequent to the balance sheet date, the Board of directors proposed a final dividend of 30k per share (Jun 2021: 30k per share) on the issued ordinary shares of 29,431,179,224 of 50k each.

The following dividend per share were declared by the group during the period :

	Group Jun-2022	Group Dec-2021	Company Jun-2022	Company Dec-2021
Final dividend per share declared	270kobo	270kobo	-	-
Interim dividend per share declared		30kobo	30kobo	-
Total Dividend per share	270kobo	300 kobo	30 kobo	**-**

42 **Contingencies**

Claims and litigation

The Group, in its ordinary course of business, is presently involved in 772 cases as a defendant (31 December 2021: 742) and 445 cases as a plaintiff (31 December 2021: 442). The total amount claimed in the 772 cases against the Group is estimated at N567.21 Billion and $32.7 Million (31 December 2021: N617.93 Billion and $32.8 Million) while the total amount claimed in the 445 cases instituted by the Group is N98.7 Billion (31 December 2021: N98.6 Billion). However, the solicitors of the Group are of the view that the probable liability which may arise from the cases pending against the Group is not likely to exceed N205.38 Million (31 December 2021: N205.38 Million). This probable liability has been fully provided for by the Group (please refer to Note 38).

Contingent liabilities and commitments

In common with other banks, the Group conducts business involving transaction related bonds and indemnities. Contingent liabilities and Commitments comprise guarantees and letters of credit.

Nature of instruments

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 performances bond and are, generally, commitments to third parties which are not directly dependent on the customer's creditworthiness. Documentary credits commit the Group to make payments to third parties on production of documents, which is usually reimbursed immediately by customers. The following tables summarise the nominal amount of contingent liabilities and commitments with off-financial position risk.

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

a. These comprise:

In thousands of Nigerian Naira	**Group Jun-2022**	**Group Dec-2021**	**Company Jun-2022**	**Company Dec-2021**
Contingent liabilities:				
Transaction related bonds and guarantees	555,103,060	361,977,858	-	-
	555,103,060	**361,977,858**	**-**	**-**
Commitments:				
Clean line facilities and letters of credit	69,180,686	65,055,611	-	-
Other commitments	8,213,423	5,786,093	-	-
	77,394,109	**70,841,704**	**-**	**-**

44. Group entities

The Group is controlled by Guaranty Trust Holding Company Plc "the ultimate Parent" (incorporated in Nigeria). The controlling interest of Guaranty Trust Holding Company Plc in the Group entities is disclosed in the table below:

	Jun-2022	Dec-2021	Jun-2022	Dec-2021
	% ownership	**% ownership**	**₦'000**	**₦'000**
GTBank Nigeria Limited*	100.00	0.00	138,186,703	138,186,703
Habari Pay	100.00	0.00	3,100,000	3,624,872
GT Fund Managers	100.00	0.00	4,036,560	0.00
GT Pension Fund Administrator	100.00	0.00	17,633,296	0.00
			162,956,559	**141,811,575**

*GTBank Nigeria Limited has investment in the following subsidiaries:

		Country of incorporation	Ownership Interest	NCI	Ownership interest	NCI
			Jun-22	Dec-21	Jun-21	Dec-21
1	Guaranty Trust Bank Gambia Limited	Gambia	77.81%	22.19%	77.81%	22.19%
2	Guaranty Trust Bank Sierra Leone Limited	Sierra Leone	83.74%	16.26%	83.74%	16.26%
3	Guaranty Trust Bank Ghana Limited	Ghana	98.32%	1.68%	98.32%	1.68%
4	Guaranty Trust Bank UK Limited	United Kingdom	100.00%	0.00%	100.00%	0.00%
5	Guaranty Trust Bank Liberia Limited	Liberia	99.43%	0.57%	99.43%	0.57%
6	Guaranty Trust Bank Cote D'Ivoire S.A	Cote D'Ivoire	100.00%	0.00%	100.00%	0.00%
7	Guaranty Trust Bank Kenya Limited	Kenya	70.00%	30.00%	70.00%	30.00%
8	Guaranty Trust Bank Tanzania Limited	Tanzania	76.20%	23.80%	76.20%	23.80%
	Special purpose entity:					
	Staff Investment Trust	Nigeria	100.00%	0.00%	100.00%	0.00%

ii **Indirect investment in Subsidiaries**

	Country of incorporation	Ownership interest	NCI	Ownership interest	NCI
		Jun-22	Jun-22	Dec-21	Dec-21

1	Guaranty Trust Bank Rwanda Limited	Rwanda	67.20%	32.80%	67.20%	32.80%
2	Guaranty Trust Bank Uganda Limited	Uganda	70.00%	30.00%	70.00%	30.00%

The subsidiaries and sub-subsidiaries of GTBank Nigeria Limited are all involved in banking business only.

(a) GTB Gambia was incorporated in April 2001 and commenced operations in March 2002.

(b) GTB Sierra Leone was incorporated in September 2001 and commenced operations in January 2002.

(c) Guaranty Trust Bank (Ghana) was incorporated in October 2004 and commenced operations in March 2006.

(d) Guaranty Trust Bank (UK) Limited was incorporated in February 2007 and commenced operations in January 2008.

(e) Guaranty Trust Bank (Liberia) Limited was incorporated in September 2008 and commenced operations in March 2009.

(f) Guaranty Trust Bank (Cote D'Ivoire) is Guaranty Trust Bank Plc's first subsidiary in Francophone West Africa. The Bank was licensed by the Central Bank of Cote D'Ivoire to offer banking services to the Ivorian public and commenced operations on April 16, 2012.

(g) The Bank extended its regional presence in Africa in December 2013 by acquiring 70% stake in Fina Bank Limited, a commercial bank incorporated in Kenya with subsidiaries in Uganda and Rwanda. The bank has been re-branded as Guaranty Trust Bank Kenya Limited.

(h) Guaranty Trust Bank (Tanzania) was incorporated in July 14th 2016 and commenced operations in December 2017 to spread its delivery of superior financial services to its East African customers.

(i) Staff Investment Trust (SIT) is the Special Purpose Vehicle (SPV) set up to operate the Share-Based Payment compensation scheme of the Bank.

Non -controlling interest of significant subsidiaries

The following relates to the Company's accumulated non-controlling interest and profit or loss allocated to non-controlling interest for significant subsidiaries for the period ended 30 June 2022:

Significant subsidiaries		**Principal place of business**	**Accumulated Non-controlling Interest**		**Profit or loss Allocated to Non-controlling Interest**	
In thousands of Nigerian Naira			**Jun-22**	**Dec-21**	**Jun-22**	**Jun-21**
1	Guaranty Trust Bank Gambia Limited	Gambia	2,009,536	2,123,484	339,695	378,632
2	Guaranty Trust Bank Sierra Leone Ltd	Sierra Leone	2,550,693	2,442,165	324,944	347,309
3	Guaranty Trust Bank Ghana Limited	Ghana	1,494,520	1,483,538	215,055	310,286
4	Guaranty Trust Bank Liberia Limited	Liberia	59,716	58,433	10,334	7,551
5	Guaranty Trust Bank Kenya Limited	Kenya	12,259,882	11,936,207	876,318	882,599
6	Guaranty Trust Bank Tanzania Limited	Tanzania	811,939	826,388	(8,067)	(95,888)

45. Unconsolidated interests in structured entities

The table below describes the types of structured entities that the Group does not consolidate but in which it holds an interest.

Name of the entity	**3 Peat Investment Ltd**
Percentage holding	70%
Nature of entity	Hotel & Leisure
Purpose of investment	Government-induced investment
Activities of entity	Provision of hospitality services
Line item in SOFP	Investment securities-FVOCI***
Loans granted	N9,015,054,955 (Dec-2021: N8,483,018,466)
****Maximum exposure to loss**	N9,015,054,955 (Dec-2021: N8,483,018,466)
Source of Financing	Equity financing and loans from financial institutions

** Maximum exposure comprises the cost of investment and total facilities granted at arm's length to the entity.

***Fair Value through Other Comprehensive Income.

The Group does not provide financial support to the unconsolidated structured entity and has no plans to provide financial support to the entity in the future. However, the Group extended loans to the entity in the normal course of business at arm's length.

The Group does not have the rights to direct the entity to enter into, or veto any changes to transactions for the benefit of the Group. In addition, the group does not exercise decision-making rights that gives it the ability to direct the relevant activities of the entity. Furthermore, there is no inter-change of personnel between the Group and the entity. Likewise, the Group does not have any form of control or influence on decision making apparatus of the entity. Accordingly, the account of the entity is not consolidated.

46. Related parties

(a) Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or another party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

(b) Subsidiaries

Transactions between the Company and its subsidiaries also meet the definition of related party transactions. These transactions are eliminated on consolidation; hence, they are not disclosed in the consolidated financial statements.

As at 30 June 2022, GTBank Limited had receivables from its subsidiaries, which is shown below;

	Receivables from Subsidiaries	
In Nigerian Naira	**Jun-22**	**Dec-21**
GTBank Kenya	356,944	904,619
GTBank Sierra Leone	3,813,084	1,639,353
GTBank Gambia	658,573	368,672
GTBank Ghana	6,389,425	5,053,359
GTBank UK	1,057,810	1,057,810
GTBank Liberia	10,461	156,728
GTBank Rwanda	-	199,817
GTBank Uganda	-	1,717,500
GTBank Tanzania	70,642,168	68,510,932

GTBank Limited also received interest of ₦12,883,000 on its placement with GTBank UK (Jun 2021: ₦33,052,000.

(c) Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management include the close family members of key personnel and any entity over which they exercise control. The key management personnel have been identified as the Assistant General Managers, Deputy General Managers, General Managers, Executive and Non-Executive directors of the Group. Close family members are those family members who may be expected to influence, or be influenced by that individual in their dealings with Guaranty Trust Holding Company Plc and its subsidiaries.

(d) Risk assets outstanding 30 June 2022

During the year the Group granted various credit facilities to companies whose directors are also directors of Company (Director Related) 'or related to a Key Management Personnel (Insider Related) at rates and terms comparable to other facilities in the Bank's portfolio. An aggregate of N4,250,413,000 (31 December 2021:N6,853,722,000) was outstanding on these facilities at the end of the year. The Company earned a sum of N91,470,000 (June 2021: N1,359,000) on insider related facilities during the period. The outstanding balance and status of performance of each facility is as shown below:

Name of company /individual	**Relationship**	**Facility type**	**Status**	**Nature of Security**	**Group**	**Group**
In thousands of Nigerian Naira					**June-2022**	**Dec-2021**
Hassan Ibrahim	Director related (Bank)	Credit Card	Performing	Legal Mortgage	13,978	8,125
Olabode Mubasheer Agusto	Director related (Bank)	Credit Card	Performing	Clean	34,032	52,258
Hydrodive Nigeria Limited	Director related (Bank)	Term Loan	Performing	Vessel Mortgage	1,595,443	2,286,446
Hydrodive Nigeria Limited	Director related (Bank)	Bonds & Guarantees	Performing	Vessel Mortgage	2,542,950	4,393,324
Echeozo, Catherine Nwakaego	Director related (Holdco)	Overdraft	Performing	Cash	-	29,988
Hassan Ibrahim	Director related (Bank)	Term Loan	Performing	Legal Mortgage	64,010	89,581
					4,250,413	**6,859,722**

(e) Director/insiders related deposit liabiilties

Name of company/Individual	Relationship	Type of Deposit	Group	Group
In thousands of Nigerian Naira			June-2022	Dec-2021
Hassan Ibrahim	Director related (Bank)	Demand Deposit	20,305	17,728
Jaykay Pharmacy Limited	Director related (Holdco)	Demand Deposit	10	10
Agbaje, Olufemi Augustus	Director related (Holdco)	Demand Deposit	25,498	39,686
Osot Associates Consulting Eng	Director related (Bank)	Demand Deposit	-	18
Hydrodive Nigeria Limited	Director related (Bank)	Demand Deposit	198,717	620,214
Agusto & Co. Limited	Director related (Bank)	Demand Deposit	133,032	125,145
Alliance Consulting	Director related (Bank)	Demand Deposit	168	168
IBFC Limited	Director related (Bank)	Demand Deposit	50	50
WSTC Financial Services Ltd	Director related (Bank)	Demand/Time Deposits	127,508	202,079
WSTC Nominee Limited	Director related (Bank)	Demand Deposit	431	431
Fcsl Asset Mgt Company Ltd	Director related (Bank)	Demand Deposit	85,346	52,987
Jaykay Pharmaceutical & Chem.	Director related (Holdco)	Demand Deposit	55	28
Wstc Securities Limited	Director related (Bank)	Demand Deposit	398,391	192,651
Echeozo, Catherine Nwakaego	Director related (Holdco)	Demand Deposit	68,691	90,726
IBFC Alliance	Director related (Bank)	Demand Deposit	12,500	10,417
Agusto, Olabode Mubasheer	Director related (Bank)	Demand Deposit	6,621	1,782
			1,077,321	**1,354,121**

Interest expense on insider related deposits was N173,000 (Jun 2021: N2,912,000) during the period.

(f) Subsidiaries' deposit account balances

Name of company/Individual In thousands of Nigerian Naira	**Relationship**	**Type of Deposit**	**Jun-2022**	**Dec-2021**
GTB Sierra Leone	Subsidiaries	Domicilliary	1,573	1,610
GTB Ghana	Subsidiaries	Demand Deposit	3,462	3,462
GTB Ghana	Subsidiaries	Domicilliary	50,406	51,586
GTB Rwanda	Subsidiaries	Domicilliary	35,512	137,069
			90,953	**193,727**

(g) **Key management personnel and their immediate relatives engaged in the following transactions with the Group during the Period:**

Loans and advances:

In thousands of Nigerian Naira	Group June-2022	Group Dec-2021	Company June-2022	Company Dec-2021
Secured loans	4,250,413	6,859,721	4,250,413	6,859,721

Secured loans

Secured loans In thousands of Nigerian Naira	Group June-2022	Group Dec-2021	Company June-2022	Company Dec-2021
Total deposits	1,077,321	1,354,121	1,077,321	1,354,121

Interest rates charged on balances outstanding are at rates that would be charged in the normal course of business. The secured loans granted are secured over real estate, equity and other assets of the respective borrowers. No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the end of the year.

(h) **Key management personnel compensation for the period comprises:**

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Wages and salaries	748,635	782,405	210,689	-
Post-employment benefits	72,657	120,352	-	-
Share-based payments	611,371	1,566,930	-	-
Increase /(decrease) in share appreciation rights	(822,239)	259,498	-	-
	610,424	**2,729,185**	**210,689**	**-**

(i) (i) **Directors' remuneration**

Directors' remuneration excluding pension contributions and certain benefits was provided as follows:

In thousands of Nigerian Naira	Group Jun-2022	Group Jun-2021	Company Jun-2022	Company Jun-2021
Fees as directors	216,576	191,021	17,000	-
Other allowances	140,646	297,709	19,488	-
	357,222	488,730	36,488	-
Executive compensation	389,681	416,379	239,094	-
	746,903	**905,109**	**275,582**	**-**

(ii) The directors' remuneration shown above includes:

In thousands of Nigerian Naira	Company Jun-2022	Company Jun-2021
Chairman	8,000	-
Highest paid director	195,348	-

(iii) The emoluments of all other directors fell within the following ranges:

	Company Jun-2022	Company Jun-2021
N6,500,001 - N11,000,000	3	-
N13,500,001 - N22,500,000	-	-
Above N22,500,001	2	-
	5	-

46 Contraventions

INFRACTION	AMOUNT
2021 Risk Asset Examination	20,000,000.00
2021 AML/CFT Risk Based Examination	21,250,000.00

47 Subsequent events

there were no other events subsequent, to the financial position date which require adjustments to, or disclosure in, these financial statements.

Other National disclosures/Other Information

Regulatory Requirements under the IFRS Regime

In addressing the challenges faced by the Nigerian Banking industry which was at the brink of a crisis as a result of spiral effects of the global financial meltdown, the CBN undertook a review of the prudential guidelines. In the revised guidelines, which became effective 1st of July, 2010, the CBN provided for the adaptation of the prudential guidelines to IFRS after it has been adopted in Nigeria. Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

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

i. Prudential Provisions is greater than IFRS provisions; transfer the difference from the general reserve to a non-distributable regulatory reserve.

ii. Prudential Provisions is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory reserve account to the general reserve to the extent of the non-distributable reserve previously recognized.

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

The Group has fully complied with the requirements of the guidelines.

Provisioning as recommended by Prudential Guideline

Loan provisioning is segregated along two (2) categories as detailed below:

1. **Loans other than Specialized Loans**

   The provisioning policy for 'loans other than specialized loans' covers the following:

   i. Commercial Loans

   ii. Commodities Financing

   iii. Corporate Loans

   iv. Retail & Consumer Credits

   v. Facilities granted to Federal, State and Local governments and their parastatals.

   vi. Facilities not specifically classified as specialized loans by the CBN.

The Group's provisioning benchmark for loans other than specialized loans is highlighted in the table below:

No of Days Overdrawn	Classification	% Provision taken
90 – 180	Substandard	10
180 – 360	Doubtful	50
Over 360	Lost	100

As soon as an account is classified as non-performing, the interest is accounted for on non-accrual basis i.e. interest is not recognized as income but suspended.

Furthermore, if the occurrence of a loss event is certain, appropriate provisions will be made regardless of the fact that such loans does not fall in any of the above categories.

2. Specialized Loans

The provisioning policy for specialized loans covers the following:

i. Agriculture Finance

ii. Mortgage Loan

iii. Margin Loan

iv. Project Finance

v. Object Finance

vi. SME Loan

vii. Real Estate Loan (Commercial and Residential)

The Group's provisioning benchmarks are spelt out below under each of the specialized loan types:

i. Agriculture Finance

a. Agriculture Finance - short term facilities (purchase of seeds, fertilizers, WC, and other Inputs)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 1.5 years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 1.5 to 2 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 2 years	100% of total outstanding balance

b. Agriculture Finance – long term facilities (Farm development finance, purchase of machinery, livestock financing)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 2years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 2 to 3 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 3 years	100% of total outstanding balance

ii. Mortgage Loans

Category	Classification	Days past due	Treatment of Unrealised Markup / Interest income	% provision
1	Watchlist	Markup / Interest or principal Days past due by more than 90 days	Suspend	0% of total outstanding balance
2	Substandard	Markup / interest or principal past due by more than 180days	Suspend	10% of total outstanding balance
3	Doubtful	Markup / interest or principal past due by more than 1year	Suspend	Un-provided balance should not exceed 50% of NRV of security.
4	Lost	Markup / interest or principal past due by more than 2 years	Suspend	100% of total outstanding balance

iii. Margin Loans

The shares backing margin facilities shall be marked to market on a daily basis in order to determine the potential loss in the portfolio. Provisions shall be made periodically for the excess of loan balance over the market value of the underlining shares. Any increase in the mark to market value from the previous valuation shall be recognized to the extent of the previous charge-off made.

iv. Project Finance

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180days to 2years past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 2 to 3 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment overdue by 3 to 4 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 4 years	As above	100% of total outstanding balance

v. Object Finance

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180 to 1year past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 1 to 2 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment over due by 2 to 3 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 3 years	As above	100% of total outstanding balance

vi. SME Loan

a. SME Loan - SME short term facilities (Maturities of 1 year)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 1.5 years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 1.5 to 2 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 2 years	100% of total outstanding balance

b. SME Loan - SME Long term facilities (Maturities of more than 1 year)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 2years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 2 to 3 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 3 years	100% of total outstanding balance

vii. Real Estate Loan (Commercial and Residential)

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180 to 1year past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 1 to 2 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment over due by 2 to 3 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 3 years	As above	100% of total outstanding balance

(e) Statement of Prudential Adjustment

The Bank's provision level adequately meets the recommended provision by the Regulators. The reassessed CBN recommended provision as at June 30, 2022 amounted to N165,347,868,390. Of the amount recommended by the Central Bank of Nigeria, N47,560,034,477 largely relates to 2% General Loan Loss Provision on performing loans and contingents, while N776,400,994 relates to Other Known Losses and N4,151,658,000 for Investment in SMEEIS. The Bank maintained a Regulatory Risk Reserve of N93,504,363,000 at the end of the year. Regulatory risk reserve represents the difference between the Central Bank of Nigeria (CBN) recommended Provision for Loan Losses under the Prudential Guideline and the Loan Impairment allowance determined in accordance with provisions of IFRS.

The Reconciliation between the CBN Recommended provisions and that under IFRS as at June 30, 2022 is as shown in the table below:

	In thousands of Nigerian Naira	**Reference**	**Specific**	**General**	**Total**
a	**Loans and Advances:**				
	Provision per CBN Prudential Guidelines (including SMEEIS)		117,011,433	47,560,034	164,571,467
	Provision for Other Known Losses – CBN recommended				
	- Other known losses		776,401	-	776,401
	Total recommended provision per CBN (A)		**117,787,834**	**47,560,034**	**165,347,868**
	Impairment allowance per IFRS 9:				
	(Stages 1,2,3)	(Note 27 & 28)	(67,651,389)	-	(67,651,389)
	Impairment allowance on contingents	(Note 37)	(3,237,833)	-	(3,237,833)
	Other assets	(Note 33)	(263,001)	-	(263,001)
	SMEEIS provision		(4,151,658)	-	(4,151,658)
	Total IFRS Provision (B)		**(75,303,881)**	**-**	**(75,303,881)**
	Required Amount in Risk Reserve (A-B)				**90,043,987**
	Amount in Regulatory Risk Reserve[1]				**93,504,363**
	Excess over required regulatory provisions.				**3,460,376**

[1]Regulatory Risk Reserve refers to the difference between the Provision assessment under CBN Prudential Guideline and impairment assessment under IFRS

b Movement in Regulatory Reserves

	Specific	General	Others	Total
Balance as at 1 January	-	**87,256,158**	**248,205**	87,504,363
Movement during the year	-	6,000,000	-	6,000,000
Balance, end of the year	**-**	**93,256,158**	**248,205**	**93,504,363**

Operational Risk Management

Guaranty Trust Holding Company defines Operational Risk (OpRisk) as “the direct or indirect risk of loss resulting from inadequate and/or failed internal processes, people, and systems or from external events”. These risks originate from the actions of the Company’s staff, its processes and systems, activities of interested parties and events that have direct or indirect impact on the Company.

In GTCO, Operational Risk Management involves the review and monitoring of all strategies and initiatives deployed in its people management, process engineering and re-engineering, technology investment and deployment, management of all regulatory responsibilities, engagement of third-party services, and response to major disruptions and external threats.

The Company manages Operational risk by continually using up to date qualitative & quantitative methods in day to day management processes and adopts various risk mitigating strategies. The following practices, tools and methodologies have been deployed across the Group for the purpose of Operational Risk Management implementation:

Loss Incident Reporting

Loss incidents are reported to the Operational Risk Management Group by all business areas in the Group to enable collection of internal OpRisk losses and near misses. All staff are encouraged to report operational risk events as they occur in their respective business spaces (using various channels of communication) whether these risks crystallize into actual losses or not. As a result, the Group maintains a robust OpRisk loss database detailing relevant OpRisk loss data for ten years. Information collated is analyzed for identification of risk concentrations, appropriate OpRisk risk profiling and capital estimation.

Risk and Control Self-Assessment (RCSA)

This is a qualitative risk identification tool deployed across the Group. A risk-based approach has been adopted for the frequency of RCSAs to be conducted by branches, departments, groups and divisions of the Group. All branches and Head-Office teams are required to complete the Risk Self-Assessment process at least once a year. These assessments enable risk profiling and risk mapping of prevalent operational risks across the Group. All branches and head office teams across the Group are assigned individual risk ratings upon completion of the exercise. A detailed risk register cataloguing key risks identified and controls for implementation is also developed and maintained from this process.

Risk Assessments of the Company’s key processes, new and existing products, services, branches and vendors/contractors are also carried out. This process identifies inherent operational risks and tests the quality of controls the Company has in place to mitigate likely risks.

Key Risk Indicators (KRI)

These are quantitative parameters defined for the purpose of monitoring operational risk trends across the Group. A comprehensive KRI Dashboard set with thresholds is in place and it is supported by specific KRIs for key departments in the Company. Medium to High risk trends are reported in the Monthly and Quarterly Operational Risk Status reports circulated to Board, Management and key stakeholders.

Fraud Risk Management Initiatives – Causal analysis of key fraud and forgeries incidents (over the counter or cybercrimes) identified in the Group or prevalent in local and global business environments are carried out and reported. Likely and unlikely loss estimations are also determined in the process as input in the OpRisk capital calculation process. The focus in Fraud Risk Management is to ensure that processes for preventing, deterring, detecting fraud and forgeries incidents, and sanctioning offenders are effective.

Business Continuity Management (BCM) in line with ISO 22301 Standards – To ensure the resilience of our business to any disruptive eventuality, the Company has in place a robust Business Continuity Management System (BCMS). This system assures timely resumption of critical business activities with minimal financial losses or reputational damage and continuity of service to the Group's customers, vendors and regulators. GTBank Limited has remained certified ISO 22301 BC compliant by the globally recognized Professional Evaluation and Certification Board (PECB) for 7 years and continually improving in its BCM maturity, thereby signifying that the Bank has instituted internationally accepted processes, structures and systems that demonstrate its capacity to resume business within a short timeframe in the event of any business disruption.

Part of the BCMS is a Business Continuity Plan (BCP), which is reviewed and updated periodically to ensure reliability and relevance of information contained.

Various BCP testing and exercising programs are conducted across the Group at predetermined and ad-hoc timelines to ensure that recovery coordinators are aware of their roles and responsibilities.

Occupational Health and Safety Procedure Initiatives – In line with ISO 45001 and global best practices, the Company commits to ensuring the health, safety and welfare of all staff, customers and 3rd parties visiting its business premises. Branch Risk Assessments and Fire Risk Assessments are conducted to identify health and safety hazards in order to recommend adequate control measures for identified risks; Branches are mandated to conduct fire drills on a quarterly basis, for areas with high security risks, Table Talk Fire Drills are implemented to ensure staff are apprised of their roles and responsibilities during emergency evacuations. In the last 2 years, the regular and table talk fire drills have been suspended and replaced with virtual / alternative awareness presentations to enlighten the staff on emergency preparedness and response procedures as a result of the COVID-19 pandemic.

Health and Safety related incidents reported to Operational Risk Management are thoroughly investigated for identification of causal factors and implementation of appropriate mitigants to forestall reoccurrence. In addition, awareness on health and safety issues are presented periodically on the intranet and via other forums.

Safety audits are conducted on the Company's premises by the Federal and various State Safety Commissions on the Company's occupational Health and safety management system and standards.

Operational Risk Champions & BCM Champions – Members of staff from various teams are selected and undergo intensive Operational Risk Management trainings. They become Operational Risk ambassadors and further enshrine the OpRisk standards, culture and practices in their various departments/ groups. The same is done in selecting Business continuity Champions (BCM).

Strategic and Reputational Risk Monitoring – To ensure a holistic framework is implemented; Operational Risk Management also monitors Strategic and Reputational Risks from a broad perspective.

GTCO considers strategic risk as the risks that not only affect but are created by the Company's strategic decision. It is the possibility that the Company's strategy may be inappropriate to support its long-term corporate goals due to the inadequacy of its strategic planning and/or decision-making process, inadequate implementation of such strategies and strategy failure due to unexpected circumstances.

The Group aligns strategy and risk by identifying, assessing and managing risks and uncertainties, affected by internal and external events or factors, which could inhibit the Group's ability to achieve its strategic objectives. This is done with the ultimate goal of creating and protecting stakeholder value.

A specialized template is deployed for tracking key business activities designed or defined by the Company to measure and monitor performance in the achievement of its strategic intent in the short, medium and long term.

The Company is currently working on its next 5-year strategy (review operating models and business strategy to be adopted).

The Company regards Reputational Risk as the current and prospective adverse impact on earnings and capital arising from negative public opinion. It measures the change in perception of the Company by its stakeholders. It is linked with customers' expectations regarding the Company's ability to conduct business securely and responsibly. A detailed template with internal and external factors that might impact the Company adversely is used to monitor the Group's exposure to reputational risk. All adverse trends identified are reported to relevant stakeholders for timely redress.

Operational Risk Management Philosophy and Principles

Approach to Managing OpRisk – GTCO continually adopts operational risk procedures and practices that are "fit for purpose" this increases the efficiency and effectiveness of the Group's resources, minimize losses and utilize opportunities.

This outlook entrenches OpRisk practices in the Company's day-to-day business activities.

It also aligns the Company's Operational Risk Management framework with sound practices recommended by various local and globally-accepted regulatory agencies such as Basel II & III Accord's "Sound Practices for the Management and Supervision of Operational Risk", Committee of Sponsoring Organizations (COSO) and International Organization for Standardization (ISO).

Operational Risk Capital Calculation – In line with the directive of the regulator, the Company has adopted the Basic Indicator Approach (BIA) under Basel II Pillar 1 for the calculation of its Operational Risk Economic Capital for internal risk monitoring and decision-making. However, the Company has the required OpRisk loss data to migrate to other capital calculation methods i.e. the Standardized Approach, the application of the BIA is in line with the Central Bank of Nigeria's (CBN) recommendation for all banks in Nigeria.

The estimated OpRisk Capital Charge is reported to the Board and Management for guidance in Capital Planning and decision making.

Governance Structure – The Board through its Board Risk Committee (BRC) oversees the operational risk function in the Company and reviews OpRisk reports on a quarterly basis. It ensures that the OpRisk policy is robust and provides an updated framework for the Company's OpRisk profile and limits. It also determines the adequacy and completeness of the Company's risk detection, measurement systems and mitigants whilst ensuring review and approval of the Company's contingency plans for Specific risks. The Board lays down the principles on how operational risk incidents are to be identified, assessed, controlled, monitored and measured.

The Management Risk Committee monitors and ensures the implementation of the guiding OpRisk framework across the Group. It considers and approves key decisions relating to Operational Risk before presentation to the Board. The Committee ensures that all departments in the Company are fully aware of the risks embedded in respective process flows and business activities.

All process owners are responsible for the day-to-day management of OpRisk prevalent in their respective Departments, Groups, Divisions and Regions.

The Internal Audit function conducts independent reviews on the implementation of OpRisk Policies and Procedures across the Group.

TREATMENT OF OPERATIONAL RISKS

GTCO maintains several risk treatment strategies to mitigate identified operational risks. These mitigants are applied to achieve a residual risk level aligned with the Company's risk tolerances. In line with best practices, the cost of risk treatments introduced must not exceed the reward. OpRisk treatment options adopted by the Company include Risk Acceptance / Reduction, Risk Transfer, Risk Sharing and Risk Avoidance.

Operational Risk Reporting – Weekly, Monthly and Quarterly reports are circulated to relevant stakeholders highlighting key operational risks identified for awareness and timely implementation of mitigation strategies. Reports are also generated and circulated on a need-basis.

To ensure timely and comprehensive reporting of prevalent OpRisk exposures across the Group, an OpRisk Management software/application is being used across the Group. This is to aid data collation and information gathering, analysis, escalation and reporting of key OpRisk incidents or emerging trends observed. Current processes are also being automated.

COVID-19 PANDEMIC

The Company's COVID-19 Crisis Management Team meets regularly to deliberate on effective approaches to ensure continuity of business operations as the pandemic evolves worldwide whilst protecting staff and interested parties from being infected with the Covid-19 virus.

Various safety measures have been put in place to ensure the Company remains a safe place, some of these include regular deep cleansing and decontamination of all branches as a precaution, frequent COVID-19 testing (via PCR and rapid test kits) is done across the Group.

The COVID-19 awareness and vaccination drive in conjunction with CACOVID continued in the period under review as the objective to attain herd immunity within the workplace.

Awareness and updates are circulated via internal channels for all staff members to be updated with current events.

Agents and Locations

LIST OF AGENTS AND LOCATIONS		
S/N	NAME	LOCATION
1	DE PRINCE SUPERMARKET	3A ADEJOKUN STREET, ISHERI-MAGODO
2	ETISALAT NIGERIA PLC	PLOT 19 ZONE L BANANA ISLAND IKOYI, LAGOS.
SELECT HUBMART SUPERMARKETS IN LAGOS		
3	HUBMART SUPERMARKET ADEOLA-ODEKU VICTORIA ISLAND	PLOT 1263, ADEOLA-ODEKU STREET, VICTORIA ISLAND LAGOS
SELECT ARDOVA PLC FILLING STATIONS IN LAGOS		
4	FADE-ZARF INVESTMENT LTD AJIWE-AJAH (BRANDED ARDOVA)	BLOCK A, PLOT 7, BUDO FARM LAYOUT, AJIWE-AJAH LAGOS
5	MERIT PETROLEUM LTD OKOTA (BRANDED ARDOVA)	51 OKOTA ROAD OPPOSITE POLICE BARRACKS, OKOTA
6	MERIT PETROLEUM LTD IDIMU (BRANDED ARDOVA)	222 EGBEDA-IDIMU ROAD, CARWASH BUS-STOP, IDIMU
7	AL-CARE PETROLEUM LTD EGBE (BRANDED ARDOVA)	71, EGBE ROAD, POWERLINE B/STOP, EJIGBO-LAGOS
8	TIMAC GLOBAL CONCEPT IWAYA MAKOKO	IWAYA-MAKOKO ROAD YABA-LAGOS
9	NINICON PETROLEUM LTD CEMENT IPAJA (BRANDED ARDOVA)	CEMENT BUS-STOP IPAJA LAGOS
10	TAFMAH OIL AND GAS LTD MILE 12 BUS-STOP LAGOS (BRANDED ARDOVA)	MILE 12 BUS-STOP, KETU ALAPERE LAGOS
SELECT SWIFT OIL AND GAS FILLING STATIONS IN OGUN STATE		
11	SWIFT OIL & GAS IYANA-IYESI SANGO-TTA	IYANA IYESI ROAD, SANGO OTTA
12	SWIFT OIL & GAS ILOAWELA SANGO-OTTA	11, ILO AWELA ROAD, SANGO OTTA
SELECT TOTAL ENERGIES FILLING STATIONS IN PORT-HARCOURT		
13	TOTAL TRANSAMADI PH	SLAUGHTER MARKET ROAD, TRANSAMADI INDUSTRIAL LAYOUT PORT-HARCOURT.
14	TOTAL RUMOBIAKANI PH	RUBOBIAKANI ROAD, PORT-HARCOURT.
SELECT TOTAL ENERGIES FIILLING STATIONS IN LAGOS		
15	TOTAL, SURA - LAGOS ISLAND	4 SIMPSON STREET BESIDE SURA SHOPPING COMPLEX, LAGOS ISLAND
16	TOTAL STATION, MM WAY, EBUTE METTA	150/152 MM WAY, EBUTE METTA
17	TOTAL STATION, ITIRE	23/25 ITIRE RD, LAWANSON
18	TOTAL OJOTA	IKORODU ROAD OJOTA BUS-STOP LAGOS
19	TOTAL LAKOWE LAKES AJAH	LAKOWE LAKES AJAH.
SELECT TOTAL ENERGIES FILLING STATIONS IN KANO		
20	TOTAL HOTORO ROAD	HOTORO ROAD KANO
SELECT TOTAL ENERGIES FILLING STATIONS IN IBADAN		
21	TOTAL ELEYELE IBADAN	JERICHO RD. IBADAN, ALONG ONIREKE/JERICHO RD
22	TOTAL SABO OYO IBADAN	SABO ROAD, OYO STATE.

CASH-OUT LOCATIONS

CASH-OUT LOCATIONS		
S/N	**STATION NAME**	**ADDRESS**
SELECT LOCATIONS ON LAGOS ISLAND		
1	TOTAL STATION, AGUNGI	LEKKI/EPE EXP WAY, AFTER JAKANDE ROUND-ABOUT AJAH, LAGOS.

2	TOTAL STATION, AJAH AJIWEH	LEKKI/ EPE EXP WAY BY ABRAHAM ADESANYA ESTATE AJAH, LAGOS.
3	TOTAL STATION, CAMPBELL	CAMPBELL STREET, LAGOS ISLAND, LAGOS.
4	TOTAL STATION, AWOLOWO	33 AWOLOWO ROAD, IKOYI, LAGOS
5	TOTAL STATION, LAKOWE LAKES	LAKOWE LAKES, IBEJU LEKKI, LAGOS
6	TOTAL STATION, LEKKI 2	PLOT 42 OBA ELEGUSI STREET, IKATE, LEKKI, LAGOS
7	TOTAL STATION, LEKKI 1	ONIRU ESTATE LEKKI SHOPRITE
8	TOTAL STATION, LEWIS	34 LEWIS STREET SANDGROUSE, LAGOS
9	TOTAL STATION, EPE TOWN LAGOS	EPE TOWN, EPE, LAGOS
10	TOTAL STATION SURA LAGOS	SIMPSON STREET, LAGOS ISLAND, LAGOS.
11	TOTAL STATION ADDOH ROAD 1	ADDOH ROAD, OFF LEKKI/EPE LAGOS.AFTER JAKANDE ROUNDABOUT, LEKKI/ EXPRESS
12	TOTAL STATION IBEJU LEKKI	LEKKI/EPE EXPRESS WAY, IBEJU, LAGOS.IBEJU LOCAL GOVT. SECRETARIAT, IBEJU LEKKI.
13	TOTAL STATION SANGOTEDO	SANGOTEDO BUSTOP, BESIDE GOLDEN PARK ESTATE, LEKKI-AJAH
SELECT LOCATIONS ON LAGOS MAINLAND		
14	TOTAL STATION, AJEGUNLE	MOBIL ROAD, AJEGUNLE
15	TOTAL STATION, AKOKA	52, ST FINBARRS ROAD, AKOKA, LAGOS
16	TOTAL STATION, ALAPERE	139/143 DEMURIN STREET, KETU.
17	TOTAL STATION, ALAPERE 2	IBADAN-LAGOS EXPRESSWAY, ALAPERE BUS STOP, LAGOS
18	TOTAL STATION, ALAUSA	MOBOLAJI JOHNSON WAY, ALAUSA
19	TOTAL STATION, BENSON BUS STOP	27 LAGOS RD IKORODU
20	TOTAL STATION, BONNY	BONNY, MARINE BEACH APAPA LAGOS
21	TOTAL STATION, CHALLENGE	282 AGEGE MOTOR RD, MUSHIN
22	TOTAL STATION, COATES	19 COATES STREET, OYINGBO, YABA
23	TOTAL STATION, DIYA	49, DIYA STREET, IFAKO-GBAGADA, LAGOS
24	TOTAL STATION, IGANDO	IKOTUN ROAD, IGANDO
25	TOTAL STATION, IJORA	4 CAUSE WAY, IJORA
26	TOTAL STATION, IKEJA	19 TOYIN STREET, IKEJA
27	TOTAL STATION, IKORODU ROAD	193, IKORODU ROAD, PALGROOVE, LAGOS
28	TOTAL STATION, IKOSI ROAD	54, IKOSI ROAD, KETU, LAGOS
29	TOTAL STATION, ILUPEJU	INDUSTRIAL AVENUE, ILUPEJU
30	TOTAL STATION, LASU IDIMU	KM 4 LASU IDIMU ROAD, IDIMU
31	TOTAL STATION, M M WAY	150/152 MM WAY, EBUTE METTA
32	TOTAL STATION, MILE 2	MILE 2 BUS STOP AMUWO ODOFIN, BADADRY E/WAY
33	TOTAL STATION, MUSHIN	217 AGEGE MOTOR RD, MUSHIN
34	TOTAL STATION, OGBA 2	11B METAL BOX ROAD, OGBA
35	TOTAL STATION, OJOTA 1	1, IKORODU ROAD, OJOTA, LAGOS
36	TOTAL STATION, OJOTA 2	430, IKORODU ROAD, OJOTA, LAGOS
37	TOTAL STATION, OJUELEGBA	36 OJUELEGBA ROAD, SURULERE, LAGOS
38	TOTAL STATION, OKE AFA	3 OKOTA ROAD, OKE AFA, LAGOS
39	TOTAL STATION, OLD OJO ROAD	118 OLD OJO RD. AGBOJU MAZA-MAZA ORIADE LCDA
40	TOTAL STATION, OLD TOLL GATE	LAGOS/IBADAN EXPRESSWAY, ALAUSA

41	TOTAL STATION, ONIGBAGBO	25 MOBOLAJI BANK ANTHONY WAY, IKEJA
42	TOTAL STATION, OSHODI	OSHODI APAPA EXPRESSWAY, OSHODI
43	TOTAL STATION, SURULERE	LUTH ISHAGA RD, SURULERE
44	TOTAL STATION, TIN CAN	APAPA OSHODI EXPRESS WAY
45	TOTAL STATION, TOYIN	39 TOYIN STREET, IKEJA
46	TOTAL STATION, WESTERN AVENUE	115, FUNSHO WIILIAMS ROAD, IPORI, LAGOS
47	TOTAL STATION, WHARF ROAD	294 WHARF ROAD, APAPA
48	TOTAL STATION, MOSALASI	22/23 MOSHALASHI, EGBEDA IDIMU, LAGOS
49	TOTAL STATION, H/MACAULAY	272 HERBERT MACAULAY ROAD, YABA, LAGOS
50	TOTAL STATION, OREGUN	47 KUDIRAT ABIOLA WAY, OREGUN, LAGOS
51	TOTAL STATION, ISOLO 2	201 MUSHIN ROAD, ISOLO, LAGOS
52	TOTAL STATION, IGBOBI	136/138 IKORODU ROAD, LAGOS
53	TOTAL STATION, TINUBU VILLAGE	52 IKORODU ROAD, LAGOS
54	TOTAL STATION, ABULE EGBA	ABEOKUTA EXPRESS ROAD ABULE-EGBA LAGOS
55	TOTAL STATION, AGEGE	142, ABEOKUTA/AGEGE MOTOR ROAD
56	TOTAL STATION ALAKUKO	LAGOS ABEOKUTA EXPRESS ROAD ALAKUKO
57	TOTAL STATION ATAN	SOKOTO BADDAGRY EXP. AGBARA-ATAN
58	TOTAL STATION IKORODU TOWN	6 SAGAMU RD IKORODU
59	TOTAL STATION IYANA MEIRAN	MEIRAN ROAD MEIRAN LAGOS
60	TOTAL STATION OGIJO	KM6 SAGMU RD OGIJO
61	TOTAL STATION OJOKORO	KM 14 LAGOS ABEOKUTA EXPRESS OJOKORO
62	TOTAL STATION OKE ODO	LAGOS ABEOKUTA EXPRESS RD, OKE-ODO
63	TOTAL STATION OKO OBA	OLD ABEOKUTA MOTOR RD, OKO-OBA
64	TOTAL STATION PENCINEMA	18, BALOGUN STREET AGEGE
65	TOTAL STATION AJANGBADI	273 OJO IJEDE RD AJANGBADI
66	TOTAL STATION IJANIKIN	KM28 BADAGRY EXPWAY IJANIKIN
67	TOTAL STATION OKOKOMAIKO	KM22 BADAGRY EXPRESSWAY
68	TOTAL STATION SEME-BADAGRY	SEA BEACH SEME BADAGRY
69	TOTAL STATION ITIRE	23/25 ITIRE RD, LAWANSONALONG ITIRE RD, BY LAWANSON B/STOP
70	TOTAL STATION "KM 40 PSS (low volume and on the highway)"	KM 40, IBADAN-LAGOS EXPRESSWAY, MOWE, OGUN STATE.REDEEMED CAMP
71	TOTAL STATION LASU IBA	LASU/IBA ROAD. IBA
72	TOTAL STATION TOGAZANU	ALONG TOGA ROAD, BADAGRY
73	TOTAL STATION AJARA TOPA	ALONG LAGOS BADAGRY EXPRESSWAY, BY CEMETRY ROADOPPOSITE TOPA ROAD
SELECT LOCATIONS IN OGUN STATE		
74	TOTAL STATION, ODE REMO	KM 55 ODE-REMO SAGAMU- IBADAN EXPRESS RD
75	TOTAL STATION, SAGAMU CENTRE	152, AKARIGBO STREET, SAGAMU
76	TOTAL STATION EPE GARAGE	EPE GARAGE, IJEBU ODE
77	TOTAL STATION IPARA	146 OLD IBADAN RD IPARA
78	TOTAL STATION ISHARA	43 ODEREMO RD ISHARA
79	TOTAL STATION OPIC	OPIC ESTATE AGBARA-OGUN STATE

80	TOTAL STATIO SAGAMU LAGOS ROAD	185 AKARIGBO STREET IJOKO SAGAMU
81	TOTAL STATION SANGO OTTA	ABEOKUTA EXPRESS ROAD SANGO
82	TOTAL STATION IDIROKO	IDIROKO
83	TOTAL STATION KM2	KM2 SAGAMU BENIN EXPRESS WAY
84	TOTAL STATION IJEBU ITOKIN ROAD	ITOKIN RD KASOLERRI IKORODU
85	TOTAL STATION IFO	LAGOS-ABEOKUTA EXPRESS-WAY, IFO
86	TOTAL STATION ADATAN ABEOKUTA	75, IBADAN ROAD, ABEOKUTA.
87	TOTAL STATION IKEREKU ABEOKUTA	70, MAJEKODUNMI STREET, IKEREKU
88	TOTAL STATION ILARO 1 ABEOKUTA	5, ONA-OLA STREET, ILARO
89	TOTAL STATION LAFENWA ABEOKUTA	8, BRIDGE STREET, LAFENWA ABEOKUTA
90	TOTAL STATION OKEITOKU ABEOKUTA	48, OSHOLE STREET, ABEOKUTA
91	TOTAL STATION OWODE ABEOKUTA	OWODE-ILARO RD
92	TOTAL STATION WASIMI ABEOKUTA	LAGOS-ABEOKUTA EXPRESS-WAY, WASIMI
93	TOTAL STATION ABEOKUTA RD IJEBU	TOTAL SERVICE STATION, ABEOKUTA ROAD, IJEBU-ODE.
94	TOTAL STATION IBADAN RD IJEBU	12 IBADAN ROAD, IJEBU-ODE.
95	TOTAL STATION IJEBU IGBO	TOTAL FILLING STATION, IJEBU-IGBO.
96	TOTAL STATION IKANGBA IJEBU	TOTAL FILLING STATION, IKANGBA HOUSING ESTATE, IKANGBA.
97	TOTAL STATION IPERU IJEBU	TOTAL FILLING STATION, IPERU-REMO
98	TOTAL STATION MAMU IJEBU	TOTAL FILLING STATION, MAMU.
99	TOTAL STATION ORU IJEBU	TOTAL SERVICE STATION, ORU ROAD, IJEBU-IGBO.
100	TOTAL STATION ARIGBAJO PSS	LAGOS-ABEOKUTA EXPRESS-WAY, ARIGBAJOAFTER RAILWAY CROSSING ARIGBAJO, OPPOSITE ARIGBAJO MARKET
101	TOTAL STATION EJIRIN PFS	TOTAL SERVICE STATION, EJIRIN ROAD.2KM AFTER IJEBU-ODE ROUND ABOUT
102	TOTAL STATION IKENNE PSS	TOTAL SERVICE STATION, AWOLOWO WAY, IJEBU-ODE.ALONG AWOLOWO WAY, OFF IJEBU-SAGAMU EXPRESS
103	TOTAL STATION JUBILEE ESTATE	ALONG IKORODU-SHAGAMU ROAD, OPPOSITE BOT EVENT PALACE
104	TOTAL STATION OLOFIN ROAD, ILISAN	ALONG OLOFIN ROAD, OPP ILISAN MICRO FINANCE BANK, OFF IKENNE ILISAN ROAD.
105	TOTAL STATION OPP GOVT COLL	244 LAGOS RD IKORODUSTATION IS OPPOSITE GOVERMENT COLLEGE IKORODU
106	TOTAL STATION SAGAMU JUNCTION	SAGAMU JUNCTION LAGOS BENIN EXPRESSPOPULAR JUNCTION TO ENTER SAGAMU TOWN
107	TOTAL STATION EWEKORO	LAGOS ABEOKUTA EXPRESS RD, EWEKORO
SELECT LOCATIONS IN IBADAN, OYO STATE		
108	TOTAL STATION, NEW RESERVATION	IYAGANKU RD, AREA POLICE COMMAND, IBADAN
109	TOTAL STATION, SANGO STATION	OYO ROAD, SANGO, IBADAN
110	TOTAL STATION OKE ADO IBADAN	MOLETE RD., OKE ADO MOLETE-OKE BOLA RD
111	TOTAL STATION OLD LAGOS ROAD IBADAN	OLD LAGOS RD, IBADAN
112	TOTAL STATION ELEIYELE I IBADAN	JERICHO RD. IBADAN, ALONG ONIREKE/JERICHO RD
113	TOTAL STATION ADAMASINGBA IBADAN	FAJUYI RD. IBADAN, ALONG DUGBE-MOKOLA RD
114	TOTAL STATION ELEIYELE II IBADAN	JERICHO RD. IBADAN, ALONG ELEYELE-SANGO RD
115	TOTAL STATION RING ROAD S/S	LIBERTY RD. IBADAN, OLUSANYA AREA, RING ROAD
116	TOTAL STATION ORITA CHALLENGE IBADAN	OLD LAGOS RD. IBADAN, IYANA-ODOONA, ORITA CHALLENGE

117	TOTAL STATION ILUGUN IBADAN	ABEOKUTA RD., ABEOKUTA-ERUWA RD, ILUGUN TOWN
118	TOTAL STATION OLUYOLE IBADAN	OLUYOLE ESTATE, ALAAFIN AVENUE, OLUYOLE ESTATE
119	TOTAL STATION AGODI IBADAN	AGODI JUNCTION, GATE, IBADAN
120	TOTAL STATION MOKOLA IBADAN	MOKOLA ROUNDABOUT, MOKOLA, IBADAN
121	TOTAL STATION IWO ROAD IBADAN	IWO ROAD, IBADAN
122	TOTAL STATION NEW IFE RD IBADAN	NEW IFE ROAD ROUNDABOUT, NEW IFE ROAD
123	TOTAL STATION OLODE IBADAN	ALAKIA EXPRESS WAY, OLODE, ALAKIA
124	TOTAL STATION BODIJA IBADAN	SECRETARIAT-AGODIROAD, BESIDE BODIJA MARKET, IBADAN
125	TOTAL STATION ASHI IBADAN	ASHI ROAD, IBADAN, OPP CHRIST CHAPEL INTERNATIONAL CHURCH, ASHI, IBADAN
126	TOTAL STATION AGO TAPA F/S IBADAN	SANGO RD, MOKOLA
127	TOTAL STATION AKANRAN S/S IBADAN	WESLEY COLLEGE RD. LABO
128	TOTAL STATION ITUTABA F/S IBADAN	AKINLOYE WAY
129	TOTAL STATION OJE MKT S/S IBADAN	OJE MARKET, IBADAN
130	TOTAL STATION OJOO IBADAN	OYO RD. OJOO (BY ODOGBO ARMY BARRACK)
131	TOTAL STATION QUEEN ELIZABETH S/S IBADAN	TOTAL GARDEN
132	TOTAL STATION TRAILER PARK S/S IBADAN	POLY RD, IJOKODO
133	TOTAL STATION APATAPETE S/S IBADAN	ABEOKUTA RD.
134	TOTAL STATION GAISER S/S IBADAN	UMC ROAD, MOLETE
135	TOTAL STATION KINGS MKT F/S IBADAN	MOLETE RD., OJA OBA
136	TOTAL STATION RING ROAD IBADAN	LIBERTY RD. IBADAN (OLUSANYA AREA, RING ROAD)
137	TOTAL STATION WORKSHOP S/S IBADAN	KM 7, OLD LAGOS RD. IBADAN
138	TOTAL STATION EDE RD. OSHOGBO OYO	EDE ROAD, OSHOGBO.
139	TOTAL STATION EDE TOWN OYO	EDE TOWN
140	TOTAL STATION IBADAN RD. OYO	IBADAN RD. IFE
141	TOTAL STATION IGBETI OYO	IGBETTI TOWNSHIP
142	TOTAL STATION IKIRUN MP OYO	OTAEFUN, OSHOGBO
143	TOTAL STATION ISEYIN RD S/S OYO	ISEYIN RD, OYO
144	TOTAL STATION IWO M/P OYO	IWO TOWNSHIP
145	TOTAL STATION LAUTECH OYO	OPP.LADOKE AKINTOLA UNIVERSITY OGBOMOSHO
146	TOTAL STATION OSHOGBO MP OYO	STATION ROAD, OSHOGBO
147	TOTAL STATION OSHOGBO SERV. STN OYO	OLD GARAGE, OSHOGBO
148	TOTAL STATION OYO CENTER OYO	OYO TOWNSHIP
149	TOTAL STATION OYO RD. OGBOMOSO OYO	OGBOMOSHO TOWNSHIP
150	TOTAL STATION SABO RD OYO	SABO RD, OYO
151	TOTAL STATION SHAKI OYO	SHAKI TOWNSHIP
152	TOTAL STATION AIYETORO	ALONG ORITA SABO-AYETORO ROAD, CLOSE TO OJUOLAPE SHOPPING COMPLEX
153	TOTAL STATION APATAPETE S/S	ABEOKUTA RD. AFTER TURNING TO NNPC DEPOT
154	TOTAL STATION BARRACKS ROAD S/S	2, BARRACKS ROAD, SHAKI, OYO STATE

155	TOTAL STATION IGBOHO P, S,S	IGBOHO TOWNSHIP HEALTH CENTRE ROAD, IGHOHO
156	TOTAL STATION ILORIN RD, IKIRUN	ALONG OSHOGBO-IKIRUN RD, CLOSE TO AFORUSH SUPERMARKETAROUND THE AREA OF PHCN
157	TOTAL STATION IRESE-APA RD SS	ALONG OGBOMOSHO/IKIRUN, EJIGBO ROAD OYOCLOSE TO AJILETE HOUSING ESTATE OGBOMOSHO
158	TOTAL STATION J, ALLEN (COCOA HOUSE)	1, OBAFEMI AWOLOWO WAY, J-ALLEN, DUGBE, IBADAN.
159	TOTAL STATION NEW IFE RD, S/S	NEW GBAGI RD, UNDER BRIDGE
160	TOTAL STATION OLD IFE RD, S/S	OLD IFE ROAD
161	TOTAL STATION OSHOGBO SERV, STN	OSHOGBO ROAD ILESHAISOKUN STREET OSHOGBO RD
162	TOTAL STATION RANDAN OGBOMOSHO	RANDAN, ALAO-AKALA RD, OGBOMOSHOCLOSE TO BOWEN UNIVERSITY TEACHING HOSPITAL
163	TOTAL STATION SANGO U.I ROAD	SANGO-UI ROAD, OPPOSITE HALLELUYA FILLING STATION, SAMONDA, IBADAN
164	TOTAL STATION UCH PFS	UCH IBADAN UCH
SELECT LOCATIONS IN KADUNA		
165	TOTAL STATION UNGWAN RIMI	KADUNA UNGWA RIMI, KADUNA NORTH
166	TOTAL STATION SOUTH BRIDGE	KADUNA SOUTH
167	TOTAL STATION KADUNA ZARIA	ZARIA RD, KADUNA NORTH
168	TOTAL STATION WAFF RD	WAFF RD, KADUNA, KADUNA NORTH
169	TOTAL STATION KACHIA RD 1	KACHIA RD, KADUNA SOUTH
170	TOTAL STATION REFINERY RD	REFINERY RD, KADUNA SOUTH
171	TOTAL STATION KADARA SS	KADARA, KADUNA SOUTH
172	TOTAL STATION DOKA CRS SS	DOKA CRESCENT, KADUNA NORTH
173	TOTAL STATION BARNAWA	MOZAMBIQUE ROAD BARNAWA
174	TOTAL STATION MALALI	KADUNA NORTH
175	TOTAL STATION COURT HOUSE ROAD KADUNA	COURT HOUSE RD-ALONG PZ ROAD OPPSITE UNION BANK ZARIA
176	TOTAL STATION FUNTUA BYEPASS KADUNA	BYPASS FUNTUA
177	TOTAL STATION FUNTUNA MOTOR PARK KADUNA	BYPASS FUNTUA-GUSAU BYPASS ALONG GUSAU FUNTUA RD
178	TOTAL STATION HANWA JUNCTION KADUNA	HANWA JUNCTION
179	TOTAL STATION HOSPITAL ROAD ZARIA KADUNA	ALONG HOSPITAL ROAD (OPP OLD TEACHING HOSPITAL)
180	TOTAL STATION MAIN STREET KADUNA	1.MAIN ST. RD
181	TOTAL STATION MALUMFASHI KADUNA	KANO RD. MALUFASHI
182	TOTAL STATION NEW BRIDGE KADUNA	NEW BRIDGE RD
183	TOTAL STATION UNGWAN TV PSS	H 1, UNGWAN TELEVISIONTOWARDS COMMAND SECONDARY SCHOOL
SELECT LOCATIONS IN ABUJA		
184	TOTAL STATION ASOKORO	OPP POLICE HQTR, AREA 11 JUNCTION
185	TOTAL STATION JS TARKA	4 JS TARKA STREET, AREA 2
186	TOTAL STATION KURUDU	KURUDU ROAD, KURUDU, ABUJA
187	TOTAL STATION NEW KARU	NEW NYANYAN, KEFFI ROAD, ABUJA
188	TOTAL STATION MASAKA 2	KUCHIKAWU, KEFFI ROAD, ABUJA
189	TOTAL STATION UKE	UKE, KEFFI ROAD, ABUJA

190	TOTAL STATION KEFFI	KEFFI ROUNDABOUT, AKWANGA ROAD, ABUJA
191	TOTAL STATION MARARABA 2	BESIDE AA RANO, KEFFI ROAD, ABUJA
192	TOTAL STATION MASAKA 1	MASAKA, ABUJA ROAD, ABUJA
193	TOTAL STATION AIRPORT RD.	ABUJA AIRPORT ROAD
194	TOTAL STATION TOTAL HOUSE	TOTAL HOUSE ABUJA, OPP NNPC TOWERS, ABUJA
195	TOTAL STATION WUSE 1	ZONE 5 JUNCTION, OPP FEBSON MALL, ABUJA
196	TOTAL STATION WUSE 2	BERGER JUNCTION, ZONE 6, ABUJA
197	TOTAL STATION SULTAN ABUBAKAR	NEAR CUSTOMS, ZONE 3, ABUJA
198	TOTAL STATION HERBERT MACAULAY	OPP SKY MEMORIAL, ZONE 6, ABUJA
199	TOTAL STATION INDEPENDENT LAYOUT	IND. LAYOUT CBD, CARDASTRAL ZONE, ABUJA
200	TOTAL STATION UTAKO	UTAKO FCT ABUJA
201	TOTAL STATION KUBWA 1	22 JUNCTION KUBWA, ALONG GADO NASCO ROAD
202	TOTAL STATION ZUBA JUNCTION	ZUBA JUNCTION, ALONG SULEJA ROAD
203	TOTAL STATION MADALLA 2	ALONG ZUBA - KADUNA RD, MADALLA
204	TOTAL STATION POST OFFICE RD	MM WAY LOKOJA, ALONG POST OFFICE RD
205	TOTAL STATION GWAGWALADA	ALONG GWAGWALADA - ABAJI RD
206	TOTAL STATION GANAJA RD	ALONG GANAJA LOKOJA ROAD, OPPOSITE FIRST 200 HOUSING UNIT
207	TOTAL STATION TIPPER GARAGE	GWARIPA ABUJA ROAD
208	TOTAL STATION AJAOKUTA RD (SIBM)	LOKOJA AJAOKUTA RD, LOKOJA
209	TOTAL STATION SULEJA EXPRESS	ALONG KADUNA -ABUJA RD, LIVING FAITH CHURCH
210	TOTAL STATION GWARINPA	FIRST AVENUE GWARINPA
211	TOTAL STATION KUJE	KUJE TOWN
212	TOTAL STATION LUGBE ABUJA	2ND AVENUE, H CLOSE, LUGBE
213	TOTAL STATION GWAGWALADA ABUJA	ALONG GWAGWALADA - ABAJI RD
SELECT LOCATIONS IN KANO		
214	TOTAL STATION KANO COOP	1 ZARIA ROAD, NASSARAWA, KANO
215	TOTAL STATION AIRPORT ROAD KANO	181 A AIRPORT ROAD, KANO
216	TOTAL STATION TAXI PARK KANO	2 MIDDLE/COURT ROAD SABON GARI
217	TOTAL STATION CORONATION KANO	16, LAGOS STREET, CIVIC CENTER, KANO
218	TOTAL STATION ZARIA ROAD KANO	ZARIA ROAD DAWAKIN KUDU
219	TOTAL STATION WUDIL ROAD KANO	KM 11 WUDIL ROAD KANO
220	TOTAL STATION DAURA TOWN KANO	DAURA TOWN, DAURA
221	TOTAL STATION CLUB ROAD KANO	181 B, AIRPORT ROAD, KANO
222	TOTAL STATION ZOO ROAD KANO	ZOO ROAD, GANDUN ALBASA, KANO
223	TOTAL STATION HOTORO KANO	KM 2 MAIDUGURI ROAD HOTORO
224	TOTAL STATION KAFAR KWAYA KATSINA	KOFAR KWAYA, KATSINA
225	TOTAL STATION GWARZO ROAD KANO	GWARZO RD
226	TOTAL STATION IBB WAY KATSINA TOWN KANO	IBB WAY, KATSINA TOWN
227	TOTAL STATION KATSINA ROAD KANO	KATSINA RD. BACHIRAWA

228	TOTAL STATION BUK ROAD	B5 BUK RD KANOALONG BUK RD
229	TOTAL STATION FARM CENTER	ALONG GUDA ABDULLAHI ROAD, FARM CENTRE, TARAUNI LGA, KANO STATE
230	TOTAL STATION HADEJIA ROAD, KANO	HADEJI RD. MOTOR PARKHADEJIA RD. KANO
SELECT LOCATIONS IN RIVERS IMO STATE		
231	TOTAL STATION RUMUOBIAKANI	ALONG PHC ABA EXPRESS RIVER-STATE, ALONG ABA/PHC ROAD BY MARKET JUNCTION
232	TOTAL STATION RUMUOMASI	ALONG STATION R/D P.H CITY, ALONG OLD ABA ROAD BEFORE RUMUOMASI ROUNDABOUT
233	TOTAL STATION OROGBUM	PLOT IO8 ABA R/D ALONG OROGBUM P.H, ALONG ABA/PHC ROAD BY GARRISON JUNCTION
234	TOTAL STATION MILE 2	123 IKWERE ROAD MILE 2 PHC CITY, ALONG IKWERRE ROAD, MILE 2
235	TOTAL STATION MILE 5	ALONG OBIO AKPOR PH EXPRESS P.H, ALONG IKWERRE ROAD, MILE 5
236	TOTAL STATION PH 1	EXPRESSWAY PHC, OBIO/AKPOR RIVER-STATE, ALONG ABA/PH ROAD, AFTER SHELL
237	TOTAL STATION LIBERATION DRIVE	TOTAL STATION ROAD RIVER STATE, ALONG STATION ROAD, AFTER HIGH COURT
238	TOTAL STATION ELELE ALIMINI	P.H OWERRI EXPRESS R/D ALIMINI R/STATE, ALONG PHC-WARRI EXPRESS, ALIMINI
239	TOTAL STATION GRA	PLOT 171 ABA R/D P.H EXPRESS OBIO AKPOR, ALONG ABA/PHC ROAD BY GRA JUNCTION
240	TOTAL STATION PH 2	PLOT 124 TRANS AMADI LAYOUT P.H, AT SLAUGHTER ROUND ABOUT TRANSAMADI
241	TOTAL STATION RUMUADAOLU	RUMUADAOLU-RUMUOLA ROAD, PHC
242	TOTAL STATION IGWURUTA	ALONG AIRPORT ROAD, IGWURITA
243	TOTAL STATION PALM EXPRESSWAY	N/A
SELECT LOCATIONS IN OWERRI-IMO STATE		
244	TOTAL STATION OGBAKU	OWERRI - ONITSHA EXPRESSWAY, OGBAKU TOWN
245	TOTAL STATION ARUGO PARK	OWERRI-ONITSHA EXPRESSWAY BY ARUGO PARK
246	TOTAL STATION ANARA	ISIALA ROUND ABOUT
247	TOTAL STATION DOUGLAS ROAD	ALONG OWERRI - ABA EXPRESSWAY, BY DOUGLAS
248	TOTAL STATION EGBU ROAD	OWERRI - UMUAHIA RD, BY EGBU ROAD
249	TOTAL STATION OKIGWE	69 OWERRI ROAD, NEW UMUAHIA RD.
250	TOTAL STATION OWERRI CENTRE	BY OWERRI CENTRAL MARKET, BY DOUGLAS ROAD
251	TOTAL STATION ANARA OWERRI	ISIALA MBANO ROUNDABOUT ANARA
252	TOTAL STATION RESCUE LAYOUT (SUPERPOINT)	OWERRI –PH EXPRESS, OWERRI
SELECT LOCATION IN ENUGU STATE		
253	TOTAL STATION NSUKKA	NSUKKA ROUND ABOUT, NSUKKA
254	TOTAL STATION 9TH MILE F/S ENUGU	9TH MILE CORNER ENUGU
255	TOTAL STATION ABAKALIKI F/S ENUGU	55 OGOJA RD, ABAKALIKI
256	TOTAL STATION AGBANI ENUGU	82 AGBANI ROAD,ENUGU
257	TOTAL STATION AKAGBE UGWU ENUGU	ENUGU-PORT HARCOURT EXPRESSWAY, ENUGU
258	TOTAL STATION IBAGWA F/S ENUGU	IBAGWA NSUKKA
259	TOTAL STATION OGBETE ENUGU	OGBETE ROAD, COAL CAMP ENUGU

260	TOTAL STATION OJI RIVER F/S ENUGU	OLD ENUGU ROAD, OJI RIVER
261	TOTAL STATION ORBA ENUGU	KM 200, ENUGU/MAKURDI EXP, AMALLA-ORBA
262	TOTAL STATION PRESIDENTIAL RD S/S ENUGU	46/46 PRESIDENTIAL ROAD, ENUGU
263	TOTAL STATION UWANI	24 EDINBURGH ROAD, ENUGUALONG ZIKS AVE/EDINBURGH ROAD, ENUGU
SELECT LOCATIONS IN ANAMBRA STATE		
264	TOTAL STATION OGUTA RD	34 OGUTA RD, ONITSHA
265	TOTAL STATION IHIALA	ALONG OWERRI - ABA EXPRESSWAY, IHIALA TOWN
266	TOTAL STATION ABAGANA ONITSHA	OYEAGU MARKET, ABAGANA, ANMBRA STATE
267	TOTAL STATION AWKA OLD ENUGU ROAD ONITSHA	8 OLD ENUGU ROAD, AWKA, ANAMBRA
268	TOTAL STATION EKWULOBIA ONITSHA	1 AWKA ROAD, EKWULOBIA, ANAMBRA STATE
269	TOTAL STATION ENUGU ONITSHA EXP.AWKA ONITSHA	ENUGU-ONITSHA EXPRESSWAY, AWKA ANAMBRA. (NEAR AROMA JUNCTION, AWKA)
270	TOTAL STATION ENUGU ROAD ONITSHA	70 AWKA RD, ONITSHA , ANAMBRA STATE
271	TOTAL STATION ENUGU UKWU ONITSHA	OLD ONITSHA -ENUGU ROAD, ENUGU UKWU.
272	TOTAL STATION NEW MKT ROAD ONITSHA	84 NEW MARKET RD, ONITSHA
273	TOTAL STATION NKPOR JUNCTION (NEW TARZAN) ONITSHA	KM 9 ENUGU -ONITSHA EXPRESSWAY, OGIDI, ANAMBRA
274	TOTAL STATION OLD MKT ROAD ONITSHA	54 OLD MARKET RD, ONITSHA, ANAMBRA
275	TOTAL STATION ASABA COKER S/S	AFTER KOKA JUNCTION, AFTER NNPC MEGA STATION, ASABA ONITSHA EXPRESS WAY
	SELECT LOCATION IN EBONYI STATE	
276	TOTAL STATION KPIRI KPIRI	KPIRI KPRI, MILE 50, ABAKALIKI, EBONYI STATE
SELECT LOCATION IN CROSSRIVER STATE		
277	TOTAL STATION MARIAN ROAD	MARIAN ROAD, CALABAR
278	TOTAL STATION ABAK RD SS CALABAR	189 ABAK ROAD, UYO, AKWA IBOM STATE
279	TOTAL STATION CALABAR RD SS	12 CALABAR ROAD, CALABAR-(ALONG CALABAR RD.CALABAR)
280	TOTAL STATION IKOM-OLD DEALER CALABAR	60 CALABAR ROAD, 4 CORNER SQUARE, IKOM, CROSS RIVER STATE
281	TOTAL STATION IKOT EKPENE FS CALABAR	1 ABA ROAD, OPPOSITE MOTOR PARK, IKOT EKPENE, AKWA IBOM STATE
282	TOTAL STATION YELLOW DUKE SS CALABAR	EKPO ABASI-YELLO DUKE JUNCTION, CALABAR SOUTH
283	TOTAL STATION ORON RD	ORON RD, UYO TOWN, Along Uyo Airport RD
284	TOTAL STATION ORON TOWN	ORON-UYO ROAD OPPOSITE METHODIST SENIOR SCIENCE SCHOOL, ORON TOWN.
SELECT LOCATIONS IN ABIA STATE		
285	TOTAL STATION ABA CTR.	42 ASA RD., ABA-CENTRAL
286	TOTAL STATION ABA GRA.	BRASS JUNCTION ABAYI, ABA OWR.RD.
287	TOTAL STATION ABA OWR.RD.	ABA OWR.RD. ABAYI, OPP.RHEMA UNV.
288	TOTAL STATION OGBOR HILL	1 UMUOBA ROAD, NEW UMUAHIA RD.
289	TOTAL STATION OLD ABA RD. UMUAHIA	OLD ABA ROAD, ABA
290	TOTAL STATION MISSION HILL	MISSION HILL ROADMISSION HILL ROAD
291	TOTAL STATION UKWA TOWN	ALONG PH-ABA EXPRESS ROAD, UKWA TOWN. OPP. 144 ARMY BATTALION, UKWA TOWN

292	TOTAL STATION AHIARA JUNCTION S/S	AHIARA JUNCTION ABIA STATE
293	TOTAL STATION UMUAHIA S/S	UMUAHIA TOWN, UMUAHIA ABIA STATE
SELECT LOCATION IN YENEGOA-BAYELSA STATE		
294	TOTAL STATION BAYELSA	EPIA YENEGWE – YENAGUA ROAD, BAYELSA STATE
SELECT LOCATIONS IN BENIN-EDO STATE		
295	TOTAL STATION UGBOWO	UWASOTA JUNCTION, BENIN CITY, EDO STATE.
296	TOTAL STATION KM8	KM 8, SAPELE ROAD, BENIN CITY, EDO STATE.
297	TOTAL STATION 138 AKPAKPAVA	138 AKPAKPAVA ROAD, BENIN CITY, EDO STATE.
298	TOTAL STATION BENIN CENTRE	8 / 10 AKPAKPAVA ROAD, BENIN CITY, EDO STATE.
299	TOTAL STATION OLUKU JUNCTION	OLUKU JUNCTION, LAGOS ROAD, BENIN, EDO STATE.
300	TOTAL STATION 1ST EAST CIRCULAR	34 1ST EAST CIRCULAR ROAD, BENIN, EDO STATE.
301	TOTAL STATION LAGOS RD	14 URUBI STREET, IYARO, BENIN CITY, EDO STATE.
302	TOTAL STATION AUCHI SS	AUCHI TOWN
303	TOTAL STATION IKPOBA SLOPE BENIN	99 AKPAKPAVA ROAD, BENIN CITY
304	TOTAL STATION LORRY PARK BENIN	LORRY PARK, NEW BENIN MARKET, BENIN CITY
305	TOTAL STATION MISSION ROAD BENIN	41 MISSION ROAD, BENIN CITY
306	TOTAL STATION OWO ROAD BENIN	OWO ROAD, OLUKU, BENIN CITY
307	TOTAL STATION WIRE ROAD BENIN	59 WIRE ROAD, BENIN CITY
308	TOTAL STATION 3RD EAST CIRCULAR RD	MURITALA MOHAMMED WAY, BENIN CITY
309	TOTAL STATION EYAEN S/S BENIN	BENIN AUCHI ROAD, EYAEN, BENIN CITY
310	TOTAL STATION USELU PSS	163 USELU LAGOS ROAD, BENIN CITY, EDO STATE.AFTER USELU MARKET, TOTAL STATION BY THE LEFT
SELECT LOCATIONS IN DELTA STATE		
311	TOTAL STATION EFFURUN SS	298 EFFURUN SAPELE ROAD EFFURUN, WARRI, DELTA STATE
312	TOTAL STATION OKUMAGBA ESTATE SS	265 OKUMAGBA ESTATE, WARRI, DELTA STATE
313	TOTAL STATION AIRPORT ROAD SS	104 AIRPORT ROAD WARRI
314	TOTAL STATION OKUMAGBA AVENUE FS	1 OKUMAGBA AVENUE WARRI
315	TOTAL STATION WARRI CENTRE SS	168 WARRI SAPELE ROAD WARRI
316	TOTAL STATION AGBARHO SS WARRI	AGBARHO S/S PATANI EXP WAY
317	TOTAL STATION OSUBI	OSUBI RD BY OSUBI AIRPORT
318	TOTAL STATION BRIDGE HEAD 1	KM1 ASABA BENIN EXPRESS
319	TOTAL STATION ASABA UMUEZEI FS	ASABA UMUEZEI
320	TOTAL STATION BRIDGE HEAD 2	111 DENNIS OSADEBE WAY ASABA
321	TOTAL STATION ASABA FERRY	ASABA FERRY JUNCTION
322	TOTAL STATION BENIN/ASABA EXP SS	BENIN ASABA EXPRESS
323	TOTAL STATION OLD SEC RD PSS	OLD SECT RD ASABA
324	TOTAL STATION OGORODE FS	108 SAPELE WARRI ROAD SAPELE
325	TOTAL STATION OKIRIGWHRE SS	OKIRIGHWRE JUNCTION SAPELE
326	TOTAL STATION KOKO FS	KOKO EXPRESS WAY KOKO
327	TOTAL STATION MARKET ROAD UGHELLI	101 MARKET ROAD UGHELLI

328	TOTAL STATION PATANI ROAD FS	265, UGH PATANI RD UGHELLI
329	TOTAL STATION AGBOR FS	AGBOR TOWN
330	TOTAL STATION IBILLO F/S ASABA	ODO, IBILLO-FROM AUCHI,2ND TOTAL STATION BY THE RIGHT ALONG OLD UBA BANK (CLOSE TO OLD UBA IBILLO)
331	TOTAL STATION UMUNEDE ASABA	CLOSE TO UMUNEDE MARKET-UMUNEDE
332	TOTAL STATION AGBOR EXPRESS PSS	ALONG BENIN/ASABA EXPRESS, AFTER OLD AGBOR TOLL GATE, AGBOR DELTA STATE.
333	TOTAL STATION BENIN/AUCHI PSS (AVIELLE)	AUCHI/BENIN EXPRESS ROAD, IYAKPI SOUTH, IBIE
SELECT LOCATIONS IN OSUN STATE		
334	TOTAL STATION AKURE ROAD ILESA	AKURE RD, ILESHA
335	TOTAL STATION OSHOGBO ROAD ILESA	OSHOGBO RD, ILESHA
336	TOTAL STATION IFE ROAD ILESA	IFE RD, ILESHA
337	TOTAL STATION ILESHA CENTER SS	ILESHA CENTRE, ILESHA
338	TOTAL STATION IBADAN ROAD IFE	IBADAN RD, IFE
339	TOTAL STATION IFE CENTER	IFE CENTRE, IFE
340	TOTAL STATION IPETU IJESHA FS	IPETU IJESHA, IPETU IJESHA TOWN
341	TOTAL STATION MODAKEKE 2 PSS	MODAKEKE 2, IRAYE ROAD, MODAKEKE TOWN
342	TOTAL STATION APOMU TOWN FS ILESHA	IFE RD. APOMU
343	TOTAL STATION IBOKUN TOWN FS ILESHA	IBOKUN TOWN
344	TOTAL STATION ONDO RD. FS ILESHA	ONDO ROAD IFE
345	TOTAL STATION NAIRA & KOBO	ALONG IBADAN - IFE EXPRESSWAY, AFTER IKIRE JUNCTIONOPPOSITE MOBIL FILLING STATION
SELECT LOCATIONS IN KWARA STATE		
346	TOTAL STATION JEBBA ROAD ILORIN	ALONG OLD JEBBA ROAD, ILORIN
347	TOTAL STATION GERI ALIMI ILORIN	ALONG UMAR SABO ROAD, ILORIN
348	TOTAL STATION AJASE IPO 1 S/S ILORIN	AJASE IPO TOWN OFFA EXPRESS ROAD
349	TOTAL STATION EYENKORIN ILORIN	OGBOMOSHO/ILORIN RD.
350	TOTAL STATION OFFA RD ILORIN	AJASE IPO RD, OFFA (NEW OFFA GARAGE)
351	TOTAL STATION OFFA TOWN ILORIN	OFFA TOWN
352	TOTAL STATION OGBOMOSHO RD ILORIN	OGBOMOSHO RD. SURULERE, ILORIN (BY ABDULAZEEZ ROAD)
353	TOTAL STATION OLOJE S/S ILORIN	ALONG KAIAMA ROAD (BESIDE MTN OLOJE OKE ILORIN CONNECT POINT)
354	TOTAL STATION OMUARAN TOWN ILORIN	OLORUN TOWN
355	TOTAL STATION OTUN-EKITI ILORIN	ODO OJA ROAD, OTUN EKITI (OORE PALACE)
356	TOTAL STATION STATION RD ILORIN	EMIRS ROAD, ILORIN.
357	TOTAL STATION AJASE-IPO 2	ALONG OMU-ARAN AJASSE IPO RD, KWARAADJACENT TO EXCELLENT HOTEL
358	TOTAL STATION NEW YIDI ROAD	ASADAM RD
359	TOTAL STATION OKO OLOWO	ALONG NEW ILORIN JEBA RD, OKO OLOWO KAWRACLOSE TO BOVAS PETROL STATION
360	TOTAL STATION SOBI ROAD	22, SOBI ROAD, AKEREBIATA, ILORIN
361	TOTAL STATION YAKUBA ROAD PSS	SHARE-OJA OBA RD, ALONG JEBBA ROADBY ROYAL FRIENDSHIP GUEST HOUSE AND GARDEN BAROYUN

SELECT LOCATION IN AKWA-IBOM STATE		
362	TOTAL STATION UYO TOWN	179 IKOT EKPENE ROAD, UYO
SELECT LOCATIONS IN JIGAWA STATE		
363	TOTAL STATION BIRNIN KUDU JIGAWA	BIRNIN KUDU TOWN-MAIDUGURI RD. B/KUDU-BIRNIN KUDU MARKET
364	TOTAL STATION HADEJIA TOWN JIGAWA	KOFAR AREWA HADEJIA-KANO-NGURU RD-(OLD MOTOR PARK)
365	TOTAL STATION JAMA'ARE SS JIGAWA	JAMAARE TOWN
366	TOTAL STATION MALLAM MADORI JIGAWA	HADEJIA RD. MALLAM MADORI (MOTOR PARK M/MADORI)
367	TOTAL STATION WUDIL TOWN JIGAWA	GARINDAU WUDIL TOWN (BY POLICE ACADEMY MAIDUGURI ROAD)
SELECT LOCATIONS IN ZAMFARA STATE		
368	TOTAL STATION AHMADU BELLO WAY SS GUSAU	AHMADU BELLO WAY, SOKOTO BY ALIU FLY-OVER, SOKOTO KEBBI ROUNDABOUT
369	TOTAL STATION ILLELA ROAD 2 SS GUSAU	ILLELA RD, SOKOTO
370	TOTAL STATION JEGA R/ABOUT B/KEBBI GUSAU	JEGA RD, BIRNIN KEBBI (JEGA ROUNDABOUT, BIRNIN KEBBI)
371	TOTAL STATION RAILWAY STREET FS GUSAU	RAILWAY STREET GUSAU SOKOTO ROAD (GUSAU METROPOLITAN HOTEL)
372	TOTAL STATION SOKOTO ROAD, GUSAU	GADA BIYU, SOKOTO ROAD GUSAU
373	TOTAL STATION TALATA MAFARA GUSAU	SOKOTO RD, TALATA MAFARA
374	TOTAL STATION ARGUNGU PSS	SOKOTO RD ARGUNGU, KEBBIBIRNIN KEBBI ROAD
SELECT LOCATIONS IN ADAMAWA STATE		
375	TOTAL STATION AIRPORT ROAD YOLA	AIRPORT ROAD JUNCTION, JIMETA YOLA
376	TOTAL STATION GALADIMA AMINU WAY YOLA	52, GALADIMA AMINU WAY, JIMETA YOLA
377	TOTAL STATION JALINGO S/S YOLA	80, HAMMAN RUWA WAY, JALINGO
378	TOTAL STATION MICHIKA MUBI S/S YOLA	KM 18 MUBI RD MARARABA, HONG LGA
379	TOTAL STATION MM WAY S/S YOLA	55 MOHAMMED MUSTAPHA WAY, JIMETA
380	TOTAL STATION NUMAN FERRY YOLA	NUMAN FERRY
381	TOTAL STATION RAJAB MUBI PSS YOLA	ALONG MUBI ROAD, MARARABA MUBI
382	TOTAL STATION YOLA RD YOLA	ALONG YOLA ROAD, JIMETA YOLA (BY FEDERAL SECRETARIAT)
SELECT LOCATIONS IN PLATEAU STATE		
383	TOTAL STATION BARKI LADI JOS	BARKIN LADI ALONG PANKSHINAFTER BARKIN LADI LOCAL GOVT SECRETARIATE
384	TOTAL STATION BUKURU BYE PASS SS JOS	BUKURU BYEPASS
385	TOTAL STATION DOGON DUTSE SS JOS	DOGON DUTSE FS-ALONG BAUCHI ROAD (BEFORE UNIJOS MAIN CAMPUS)
386	TOTAL STATION JOS MOTOR PARK FS JOS	JOS MOTOR PARK
387	TOTAL STATION MARKET STREET SS JOS	MARKET STREET
388	TOTAL STATION SHENDAM FS JOS	SHENDAM
389	TOTAL STATION YAKUBU GOWON WAY SS JOS	YAKUBU GOWON WAY
390	TOTAL STATION ZARIA BYE PASS SS JOS	ZARIA BYE PASS
391	TOTAL STATION MANGU	MANGU TOWN BESIDE FIRST BANK
392	TOTAL STATION RING ROAD JOS	BAUCHI RING ROAD JOSCLOSE TO UNIVERSITY OF JOS SENIOR STAFF QUARTERS
SELECT LOCATIONS IN BENUE STATE		

393	TOTAL STATION AKWANGA F/S MAKURDI	ALONG AKWANGA LAFIA RD
394	TOTAL STATION GBOKO F/S (MARKET ROAD) MAKURDI	ALONG MARKET RD GBOKO BY MAIN ROUND ABOUT
395	TOTAL STATION JERICO ROAD SS MAKURDI	JERICHO RD OTUKPO (AFTER AP FILLING STATION)
396	TOTAL STATION K/IBRAHIM F/S MAKURDI	ALONG KASHIM IBRAHIM RD
397	TOTAL STATION LAFIA S/S MAKURDI	ALONG AKWANGA-MAKURDI RD
398	TOTAL STATION MKD CENTRE S/.S MAKURDI	MARKET RD WADATA
399	TOTAL STATION N.A. ROAD OTUKPO MAKURDI	N.A RD OTUKPO
400	TOTAL STATION OTUKPO RD. F/S MAKURDI	ALONG OTUKPO ROAD
401	TOTAL STATION WUKARI F/S MAKURDI	ALONG WUKARI IBE ROAD
	SELECT LOCATIONS IN BORNO STATE	
402	TOTAL STATION AIRPORT ROAD MAIDUGURI	AIRPORT RD SS KANO ROAD MAIDUGURI
403	TOTAL STATION BAMA ROAD MAIDUGURI	UNIMAID SS BAMA ROAD BY UNIVERSITY
404	TOTAL STATION DAMATURU S/S MAIDUGURI	FEZZAN PSS-KANO ROAD BY DAMBOA ROAD-BY KANO MOTOR PARK JUNTION, OPPOSITE BORNO EXPRESS PARK.
405	TOTAL STATION FEZZAN S/S (DAMBOA) MAIDUGURI	LORRY PARK, POTISKUM (MOHD IDRIS WAY, OPPOSITE MOTOR PARK)
406	TOTAL STATION GAMBORU RD SS MAIDUGURI	RACE COURSE
407	TOTAL STATION L/PARK POTISKUM SS MAIDUGURI	MAIDUGURI RD, POTISKUM
408	TOTAL STATION MAIDUGURI RD SS	DAMATURU SS
409	TOTAL STATION RACE COURSE MAIDUGURI	BAMA ROAD BY LAGOS STREET (ALONG UNIVERSITY OF MAIDUGURI.)
410	TOTAL STATION UNIMAID S/S MAIDUGURI	GAMBORU RD SS (ALONG CHAD BASIN CUSTOM ROUND ABOUT)
411	TOTAL STATION ANKPA F/, S	ANKPA ROUND ABOUTANKPA ROUND ABOUT
412	TOTAL STATION AYANGBA F/S	ALONG DEKINA ROADOPP AYANGBA POLICE STATION
SELECT LOCATIONS IN GOMBE STATE		
413	TOTAL STATION AHMADU BELLO WAY GOMBE	AHMADU BELLO WAY, SOKOTO
414	TOTAL STATION ALKALAM SS GOMBE	BAUCHI RD, GOMBE OPPOSITE GOMBE MOTORS
415	TOTAL STATION ATBU, BAUCHI GOMBE	ALONG UNIVERSITY HOSTEL ROAD BESIDE SUG GARDEN GOMBE
416	TOTAL STATION BAUCHI R/ABOUT FS GOMBE	BAUCHI ROUND ABOUT LEADING TO KANO ROAD GIDAN-MAI
417	TOTAL STATION BAUCHI RD, GOMBE	BAUCHI RD, GOMBE CLOSE GOMBE MOTOR PARK
418	TOTAL STATION BIU RD SS GOMBE	BIU RD, GOMBE BY LIJI VILLAGE
419	TOTAL STATION JOS RD SS, BAUCHI	JOS RD, BAUCHI (OPPOSITE SHABA-WANKA ARMY BARACK)
420	TOTAL STATION YANDOKA SS GOMBE	YANDOKA RD, BAUCHI (OPPOSITE AHMADU BELLO STADIUM, BAUCHI)
421	TOTAL STATION YOLA RD, KALTUNGO GOMBE	YOLA RD, KALTUNGO
422	TOTAL STATION DUKKU RD	ALONG DUKKU ROAD, OPPOSITE MUSABA HOSPITAL
SELECT LOCATIONS IN NIGER STATE		
423	TOTAL STATION BIDA ROAD 1 SS MINNA	MARKET ROAD, BIDA-ALONG MARKET RD, BIDA
424	TOTAL STATION BOSSO ROAD SS MINNA	26 BOSSO RD, MINNA-ALONG BOSSO RD, NEAR MOBIL ROUND ABOUT (OPPOSITE OBASANJO SHOPPING COMPLEX)
425	TOTAL STATION KADUNA ROAD KONTAGORA MINNA	COLLEGE RD, KONTAGORA (OPPOSITE HYDRO GARAGE)

426	TOTAL STATION LAGOS ROAD, KONTAGORA MINNA	ALONG LAGOS RD, KONTAGORA (AFTER YAURI RD JUNCTION)
427	TOTAL STATION MOKWA S/S MINNA	KM 2 BIDA MOKWA RD
428	TOTAL STATION NEW BUSSA MINNA	KAINJI ROUND ABOUT
429	TOTAL STATION RIVER BASIN, MINNA	MINNA- ZUNGERU RD
430	TOTAL STATION TEGINA MINNA	KADUNA RD, TEGINA
431	TOTAL STATION TUNDUN FULANI MINNA	TUNDUNFULANI, MINNA
432	TOTAL STATION WESTERN BYE PASS, MINNA	WESTERN BYPASS, MINNA (OPPOSITE NNPC MEGA STATION)
SELECT LOCATIONS IN ONDO STATE		
433	TOTAL STATION ADEMULEGUN RD AKURE	NO 220, ADEMULEGUN ROAD, KOLA REWIRE, ONDO TOWNSHIP
434	TOTAL STATION AKURE MOTOR PARK AKURE	CLOSE TO AKURE MOTOR PARK, ONDO TOWNSHIP, ONDO STATE
435	TOTAL STATION EREKESAN MARKET AKURE	ADESIDE ROAD, OJA MARKET, AKURE, ONDO STATE
436	TOTAL STATION HOSPITAL ROAD AKURE	OLUWATUYI RD, IJOKA AKURE
437	TOTAL STATION ILESHA ROAD AKURE	AKURE SOUTH LOCAL GOVT ROAD, AKURE ONDO STATE
438	TOTAL STATION ONDO MOTOR PARK AKURE	ODO JOMU, ONDO TOWNSHIP, ONDO STATE
439	TOTAL STATION ONDO ODOTU AKURE	ODO IJOMU, ONDO TOWNSHIP, ONDO STATE
440	TOTAL STATION ONDO YABA AKURE	EBIDO JUNCTION, YABA STREET, ONDO TOWNSHIP, ONDO STATE
441	TOTAL STATION ORE EXPRESS AKURE	IJEBU/SAGAMU EXPRESSWAY, ORE
442	TOTAL STATION ORE JUNCTION AKURE	OLD BENIN ROAD, ORE, ONDO STATE
443	TOTAL STATION ST. DAVIDS AKURE	ONDO IJOMU STREET, AKURE ONDO STATE
444	TOTAL STATION AKURE MOTOR PARK	CLOSE TO AKURE MOTOR PARK, ONDO TOWNSHIP, ONDO STATEFROM AKURE, FIRST TOTAL BY THE LEFT
445	TOTAL STATION ONDO MOTOR PARK	ODO JOMU, ONDO TOWNSHIP, ONDO STATEFROM ORE, FIRST TOTAL STATION IN ONDO TOWM
446	TOTAL STATION ONDO RD S/S	AKURE ONDO RD OPP CAC GRAMMAR SCHOOL AKURE ONDO STATE
	SELECT LOCATIONS IN EKITI STATE	
447	TOTAL STATION ADO IKERE EKITI	ADO IKERE RD, FAYOSE MKT, ADO EKITI
448	TOTAL STATION ADO IWOROKO EKITI	FAJUYI PARK, ALONG IWOROKO RD, ADO EKITI.
449	TOTAL STATION ADO OWO EKITI	OWO EXPRESS WAY, AKURE, ONDO STATE.
450	TOTAL STATION BIG H (FCE OKENE) EKITI	EIKA-ADAGU OTITE, ALONG DAURA RD (OKENE-LOKOJA RD), BY EID PRAYER GROUND
451	TOTAL STATION IKARE CENTRE EKITI	ILEPA STREET, BESIDE MOBIL FILLING STATION, IKARE, ONDO STATE
452	TOTAL STATION IKARE OWO ROAD EKITI	ALONG OWO ROAD, OKERUWA, IKARE AKOKO, ONDO STATE
453	TOTAL STATION IKERE EKITI	OKE IKERE, ALONG ADO AKURE RD, IKERE EKITI
454	TOTAL STATION IKOLE EKITI	OBA AYEYEMI ROAD, OPP FIRST BANK, IKOLE EKITI
455	TOTAL STATION OGBESE EKITI	KILO 18, AKURE OWO EXPRESS WAY, OGBESE, ONDO STATE.
456	TOTAL STATION OKENE EKITI	ABUJA LOKOJA ROAD, OKENE, KOGI STATE.
457	TOTAL STATION OWO CENTRE EKITI	NO 14 OODASA STREET, ADJACENT FIRST BANK, OWO, ONDO STATE.
458	TOTAL STATION POLY ROAD EKITI	POLY ROAD EKITI
459	TOTAL STATION AFAO ROAD	N/A
460	TOTAL STATION IDDO EKITI	NO. 94 OBARO WAY, KABBA. LOKOJA.FROM ADO EKITI, LOCATE AT ROUNDABOUT IN MAIN TOWN

461	TOTAL STATION KABBA - LOKOJA PSS	KABBA BYEPASS, OMUO EKITI, EKITI STATE.FROM OKENE, TO KABBA, ONLY TOTAL IN KABBA TOWN.
462	TOTAL STATION LOKOJA RD OKENE	EIKA-ADAGU OTITE, ALONG DAURA RD (OKENE-LOKOJA RD), BY GRACELAND MINISTRIES
463	TOTAL STATION OMUO EKITI	ILOGBO/USI ROAD, OPPOSITE EKITI PARAPO COLLEGE, IDDO EKITI.FROM KABBA, FIRST TOTAL BY THE LEFT IN OMUO.
464	TOTAL STATION ORIRE JUNCTION	TOTAL ORIRE, JUNCTION ALONG ADEBAYO RD, ADO EKITI.

5. Activities of Cards Operations

Within Nigeria and all other countries where we have a foothold, the Company continues to abide by strict standards and requirements for the issuance and usage of payment cards. We carry out continuous upgrades of our card systems to ensure optimal security, efficiency, cost effectiveness and best in class customer satisfaction. To reduce financial loss to both customers and the Company, we have implemented stringent fraud control measures to achieve this.

With relentless focus on delivering exceptional service to our customers, we diversified our card portfolio and offered a range of new products and services spanning various retail customer segments – from mass market to premium. Additionally, we increased operational efficiency via process automations and self-service enabled channels which created an improved customer experience.

We continually encourage the usage of our cards both locally and internationally by providing an enabling environment for smooth operations in terms of provision of modern technology, one of which is the contactless payment technology.

Presented below are the highlights of our card transaction volumes for the period ended 30 June 2022. With less stringent restriction on travel, there has been a gradual increase in international spend on our foreign currency cards, when comparing the same period last year. However, we were compelled to restrict our Naira denominated card products on various terminals outside Nigeria including ATMs, to curb round tripping and fraudulent activities.

5.1. Table below shows a summary of Card transactions

Category	No. of Transactions		Value of International Transaction		Value of Local Transactions	
	Jun-22	Dec-21	Jun-22	Dec-21	Jun-22	Dec-21
	‘000	‘000	₦'mm	₦'mm	₦'mm	₦'mm
Naira denominated debit cards	296,384	524,060	23,549	48,590	3,101,973	4,855,496
Foreign currency credit cards	168	273	15,364	58,121	-	-
Foreign currency debit cards	903	1,593	50,757	239,760	2,373	-

Breakdown of transactions done using Cards (Number of transactions)

	International Transactions				Local Transactions			
	ATM		POS/Web		ATM		POS/Web	
In thousands	**Jun-22**	**Dec-21**	**Jun-22**	**Dec-21**	**Jun-22**	**Dec-21**	**Jun-22**	**Dec-21**
Naira MasterCard debit	0	0	2,046	4,117	58,542	139,783	235,795	380,160
Foreign Currency Denominated Cards:								
MasterCard debit	502	60	753	1,044	2.4	-	30	-
MasterCard credit	2.4	5	47	135	-	-	-	-
Visa classic debit	14	25	251	414	0.6	-	7	-
Visa classic credit	2.5	5	66	122	0	-	0.7	-
World credit	1.8	0.3	3.9	9.1	0	-	0.02	-
Total	**522.7**	**95.3**	**3,166.9**	**5,841**	**58,545**	**139,783**	**235,832.72**	**380,160**

Breakdown of transactions done using Cards (Value of Transactions)

	International Transactions				Local Transactions			
In millions of Naira	ATM		POS/Web		ATM		POS/Web	
	Jun-22	**Dec-21**	**Jun-22**	**Dec-21**	**Jun-22**	**Dec-21**	**Jun-22**	**Dec-21**
Naira MasterCard debit	0	0	23,549	48,591	633,978	1,414,261	2,467,995	3,441,235
MasterCard debit	6,450	24,115	39,735	139,008	29	-	2,260	-
MasterCard credit	463	2,432	3,380	25,184	3	-	39	-
Visa classic debit	1,892	7,236	15,194	62,572	5	-	494	-
Visa classic credit	375	1,888	5,880	24,934	0	-	47	
World credit	32	174	830	4,472	0	-	1	-
Total	**9,212**	**35,845**	**88,568**	**304,761**	**634,015**	**1,414,261**	**2,470,836**	**3,441,235**

5.2 Type of customers' complaints and remedial measures taken

COMPLAINTS	CATEGORY OF COMPLAINT	REASONS	REMEDIAL MEASURES
Declined Transactions	Declined Transactions on International ATMs & POS/WEB	Dynamic currency conversion transactions (Naira billing) Reduced monthly international limits on the Naira Cards Insufficient funds Restriction on international ATM withdrawals	Awareness
Complaints on delayed debits & double debits for Domestic POS & Web Transactions	Delayed Debits & Double Debits	System glitch/ Technical error from Third party processors	Continuous engagement with Third party processors to ensure adequate and effective maintenance of their systems to prevent such incidences. Escalation to the relevant department of the regulators (CBN) to assist to check the activities of processors/switches responsible for persistent incidents.
Dispense Error	ATM and POS /WEB transactions (Value not received for transactions)	This occurs when an ATM attempts to dispense cash after an account has been debited but fails due to network failure. This also occurs when a customer's account has been debited for a certain amount for goods/services on POS/WEB terminals, but value is not received	Strict adherence to resolution of customers' complaints within stipulated SLA . Proactive reversal of failed transactions that are not auto reversed. Constant follow up with relevant stakeholders (e.g. switches and TPPs) to address any identified cause(s) of delayed refund.

Statement of cash flow reconciliation

(i) Financial assets held for trading

In thousands of Nigerian Naira	Group Jun-22	Group Jun-21	Company Jun-22	Company Jun-21
Opening Balance	92,767,023	67,617,678	-	-
Closing Balance	(262,320,001)	(76,244,179)	-	-
Movement during the period	(169,552,978)	(8,626,501)	-	-
Mark to Market Gains on Trading Investments	2,400,487	1,638,036	-	-
Recognised in cash flow statement	**(167,152,491)**	**(6,988,465)**	**-**	**-**

(ii) Assets pledged as collateral

Opening Balance	77,284,197	62,204,717	-	-
Closing Balance	(123,258,000)	(69,457,589)	-	-
Recognised in cash flow statement	**(45,973,803)**	**(7,252,872)**	**-**	**-**

(iii) Loans and advances to banks

Opening Balance	115,014	100,154	-	-
Closing Balance	(1,597,490)	(89,241)	-	-
Movement during the period	(1,482,476)	10,913	-	-
Impairment on financial assets	(998)	81,689	-	-
Opening Balance of placements	(6,283,858)	(32,871,229)	-	-
Closing Balance of placements	27,933,833	34,127,951	-	-
Impairment reversal on placements	(543)	-	-	-
Recognised in cash flow statement	**20,165,958**	**1,349,324**	**-**	**-**

(iv) Loans and advances to customers

Opening Balance	1,765,491,380	1,664,614,885	-	-
Closing Balance	(1,833,097,144)	(1,632,088,961)	-	-
Movement during the period	(67,605,764)	32,525,924	-	-
Impairment on financial assets	(3,518,041)	(4,796,363)	-	-
Exchange gain or loss	(17,593,091)	2,374,193	-	-
Movement in Interest Receivables on Loans advances to customers	8,586,554	3,665,507	-	-
Recognised in cash flow statement	**(80,130,342)**	**33,769,261**	-	-

(v) Restricted deposits and other assets

Opening Balance	1,134,948,825	1,226,708,553	1,407,460	-
Closing Balance	(1,142,488,443)	(1,067,576,885)	(284,063)	-
Movement during the period	(7,539,618)	159,131,668	1,123,397	-
Foreign exchange revaluation gain	8,199,905	13,489,614	-	-
Reclass from Other Asset to PPE (Cost)	51,692	61,413	-	-
Right of use Amortization	-	(2,430,876)	-	-
Derivatives fair value changes	10,271,438	(9,407,389)		
Effect Exchange fluctuation	12,889,465	(1,724,566)	-	-
Recognised in cash flow statement	**23,872,882**	**159,119,864**	**1,123,397**	**-**

(vi) Deposits from banks

Opening Balance	(97,069,542)	(104,313,800)	-	-
Closing Balance	131,799,616	129,535,081	-	-
Recognised in cash flow statement	**34,730,074**	**25,221,281**	-	-

(vii) Deposits from customers

Opening Balance	(3,921,233,255)	(3,513,617,064)	-	-
Closing Balance	4,262,634,826	3,625,217,843	-	-
Movement during the period	341,401,571	111,600,779	-	-
Effect of exchange fluctuation	23,213,506	(1,563,427)	-	-
Movement in Interest payable	90,999	(813,535)	-	-
Recognised in cash flow statement	**364,706,076**	**109,223,817**	**-**	**-**

(viii) Financial Liabilities at fair value through profit or loss

Opening Balance	**-**	-	-	-
Closing Balance	1,614,361	3,086,939	-	-
Recognised in cash flow statement	**1,614,361**	**3,086,939**	**-**	**-**

(ix) Other liabilities

Opening Balance	(229,125,827)	(356,402,489)	(6,076,055)	-
Closing Balance	316,344,485	328,338,050	27,398,670	-
Movement during the period	87,218,658	(28,064,439)	21,322,615	-
Impairment on financial assets	(15,457)	(313,977)	-	-
Lease Liability	1,675,802	1,511,110	-	-
Recognised in cash flow statement	**88,879,003**	**(26,867,306)**	**21,322,615**	**-**

(x) Interest Received

Interest Income	147,456,568	126,091,100	-	-
Movement in interest receivables	(9,568,477)	(3,737,430)	-	-
Recognised in cash flow statement	**137,888,091**	**122,353,670**	**-**	**-**

(xi) Interest Paid

Interest Expense	(26,608,342)	(19,035,827)	-	-
Movement in interest payables	2,088	825,284	-	-
Interest Paid on other borrowed fund	277,735	89,371	-	-
Recognised in cash flow statement	**(26,328,519)**	**(18,121,172)**	**-**	**-**

(xii) Impairment on financial assets

Impairment on Loans and Advance to Banks	998	(81,689)	-	-
Impairment on Loans and Advance to Customers	3,518,040	4,796,364	-	-
Impairment charge on Litigation Claims	15,457	313,977	-	-
Impairment charge on Investment Securities	(15,457)	27,730	-	-
Impairment reversal on Placement	543	-	-	-
Recognised in cash flow statement	**3,519,581**	**5,056,382**	**-**	**-**

(xiii) Redemption of investment securities

Opening Balance of FVOCI Investment Securities	270,694,499	698,336,443	-	-
Closing Balance of FVOCI Investment Securities	(277,223,441)	(293,340,837)	-	-
Opening Balance of Amortised cost Investment Securities	822,576,087	283,465,121	-	-
Closing Balance of Amortised Cost Investment Securities	(766,157,448)	(865,137,145)	-	-
	49,889,697	(176,676,418)	-	-
Income tax relating to Net change in fair value of available for sale financial assets	(6,474,185)	(5,951,928)	-	-
Fair value adjustment	(15,106,431)	(13,887,832)	-	-
Other Unquoted Equity Investment	(343,416)	-	-	-
Impairment charges on investment securities	15,457	(27,730)	-	-
purchase of investment securities	1,456,983,351	1,382,683,572	-	-
Recognised in cash flow statement	**1,484,964,473**	**1,186,139,664**	**-**	**-**

(xiv) Purchase of investment securities

Purchase of FVOCI Bills	(156,251,489)	(195,727,953)	-	-
Purchase of FVOCI Bonds	(2,770,000)	(100,000)	-	-
Purchase of Special bills	(1,086,645,326)	-	-	-
Purchase of Amortised cost bills	-	(1,123,042,180)	-	-
Purchase of subsidairy's investment securities	(211,316,536)	(63,813,439)	-	-
Recognised in cash flow statement	**(1,456,983,351)**	**(1,382,683,572)**	**-**	**-**

(xv)

Fair value changes for assets at FVPL

Mark to market gains on trading investments	(2,400,487)	(1,638,035)	-	-
Recognised in cash flow statement	(2,400,487)	(1,638,035)	-	-

6. Involvement with Unconsolidated Structured Entities

The table below describes the various investment funds which the Group does not consolidate but in which it holds interest. The funds are not consolidated because they are held in other entities which are considered as legally separate from the Group.

Type of Investment funds	Nature and purpose	Revenues
Mutual Funds	- To generate fees arising from managing assets on behalf of third party investors. - These vehicles are financed through the issue of units to investors.	Investments in units issued by the funds from which the Group earns Management Fees
- Retirement Savings Accounts (RSAs); **- Approved Existing Schemes;** **- Closed Pension Fund Administrators**	- To generate fees arising from managing pension contributions and investing same in safe and high yield investment opportunities on behalf of Pension Contributors. - To seamlessly handle benefit payment to Retirees	Administrative and Management Fees earned by the Group on the Net asset Value of the Funds under Management

The table below sets out an analysis of the Investment funds managed by the Group, their Assets Under Management, and the carrying amounts of interest held by the Group in the investment funds. The maximum exposure to loss is the carrying amount of the interest held by the Group.

Assets under Management (AuM)

In thousands of Nigerian Naira	Asset under Management		Interest Held by the Group	
Investment funds	**Jun-22**	**Dec-21**	**Jun-22**	**Dec-21**
Guaranty Trust Money Market Fund	20,497,440	8,646,209	148,391	168,342
Guaranty Trust Guaranteed Income Fund	10,307,206	10,959,696	113,390	140,361
Guaranty Trust Balanced Fund	2,160,032	2,117,757	-	-
Guaranty Trust Dollar Fund	1,790,238	1,668,563	48,986	50,205
Guaranty Trust Equity Income Fund	333,036	324,330	32,541	32,063
Kedari Investment Fund	182,084	173,283	-	-
TOTAL	**35,270,036**	**23,889,837**	**343,307**	**390,971**

Funds under Management (FuM)

In thousands of Nigerian Naira	**Funds under Management**	
	Jun-22	**Dec-21**
Retirement Savings Account Fund Classes:		
Fund I	58,897	54,212
Fund II	19,208,368	17,410,141
Fund III	3,351,786	3,094,211
Fund IV	1,568,699	1,551,709
Fund V	1,635	1,020
Fund VI	1,897	948
Privately Managed Funds:		
Approved Existing Schemes	28,095,329	26,642,024
TOTAL	**52,286,611**	**48,754,263**

7. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) **Guaranty Trust Holding Company Plc** maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

Value Added Statements

For the Period ended 30 June 2022

Group

	Jun-2022				Jun-2021			
In thousands of Nigerian Naira	Continuing operations	Discontinued operations	Total	%	Continuing operations	Discontinued operations	Total	%
Gross earnings	239,288,952	-	239,288,952		207,914,405	-	207,914,405	
Interest expense:								
-Local	(17,833,701)	-	(17,833,701)		(10,074,711)	-	(10,074,711)	
- Foreign	(8,517,678)	-	(8,517,678)		(8,961,115)	-	(8,961,115)	
	212,937,573	-	212,937,573		188,878,579	-	188,878,579	
Loan impairment charges / Net impairment loss on financial assets	(3,519,581)	-	(3,519,581)		(5,056,382)	-	(5,056,382)	
	209,417,992	-	209,417,992		183,822,197	-	183,822,197	
Bought in materials and services								
- Local	(68,094,973)	-	(68,094,973)		(57,943,443)	-	(57,943,443)	
- Foreign	(2,188,296)	-	(2,188,296)		(256,994)	-	(256,994)	
Value added	**139,134,723**	**-**	**139,134,723**	**100**	**125,621,760**	**-**	**125,621,760**	**100**
Distribution								
Employees								
- Wages, salaries, pensions, gratuity and other employee benefits	18,539,903	-	18,539,903	13	17,234,789	-	17,234,789	14
Government								
- Taxation	25,692,310	-	25,692,310	18	13,641,336	-	13,641,336	11
Retained in the Group								
- For replacement of Property and equipment / intangible assets (depreciation and amortisation)	17,345,473	-	17,345,473	12	15,330,912	-	15,330,912	12
-Profit for the year (including non - controlling interest, statutory and regulatory risk reserves)	77,557,037	-	77,557,037	57	79,414,723	-	79,414,723	63
	139,134,723	**-**	**139,134,723**	**99**	**125,621,760**	**-**	**125,621,760**	**100**

Five Year Financial Summary
Statements of financial Position

Group

In thousands of Nigerian Naira	Jun-2022	Dec-2021	Dec-2020	Dec-2019	Dec-2018
Assets					
Cash and bank balances	1,038,773,906	933,591,069	745,557,370	593,551,117	676,989,012
Financial assets at fair value through profit or loss	262,320,001	104,397,651	67,535,363	-	-
Financial assets held for trading	-	-	-	73,486,101	11,314,814
Derivative financial assets	14,289,305	24,913,435	26,448,550	26,011,823	3,854,921
Investment securities:					
– Fair Value through profit or loss	3,904,458	3,904,458	3,273,771	33,084,367	2,620,200
– Fair Value through other comprehensive Income	273,662,395	276,041,190	693,371,711	585,392,248	536,084,955
– Held at amortised cost	766,157,451	846,923,215	283,582,832	145,561,232	98,619,509
Assets pledged as collateral	123,258,000	79,273,911	62,200,326	58,036,855	56,777,170
Loans and advances to banks	1,597,490	115,014	99,043	1,513,310	2,994,642
Loans and advances to customers	1,833,097,144	1,802,587,381	1,662,731,699	1,500,572,046	1,259,010,359
Restricted deposits and other assets	1,137,835,972	1,137,554,208	1,226,481,116	577,433,006	508,678,702
Property and equipment	199,278,338	203,971,924	148,782,835	141,774,863	111,825,917
Intangible assets	29,103,787	19,573,604	19,872,523	20,245,232	16,402,621
Deferred tax assets	2,720,129	3,187,937	4,716,154	2,256,570	2,169,819
Total assets	**5,685,998,376**	**5,436,034,997**	**4,944,653,293**	**3,758,918,770**	**3,287,342,641**
Liabilities					
Deposits from banks	131,799,616	118,027,576	101,509,550	107,518,398	82,803,047
Deposits from customers	4,262,634,826	4,012,305,554	3,509,319,237	2,532,540,384	2,273,903,143
Financial liabilities at fair value through profit or loss	1,614,361	-	-	1,615,735	1,865,419
Derivative financial liabilities	1,228,279	1,580,971	2,758,698	2,315,541	3,752,666
Other liabilities	316,277,220	231,519,271	356,222,575	233,425,713	140,447,508
Current income tax liabilities	15,467,593	22,676,168	21,592,016	20,597,088	22,650,861
Debt securities issued	-	-	-	-	-
Other borrowed funds	99,961,020	153,897,499	113,894,768	162,999,909	178,566,800
Deferred tax liabilities	11,324,398	12,800,866	24,960,772	10,568,534	7,075,956
Total liabilities	**4,840,307,313**	**4,552,807,905**	**4,130,257,616**	**3,071,581,302**	**2,711,065,400**
Capital and reserves attributable to equity holders of the parent entity					
Share capital	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590
Share premium	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114
Treasury shares	(8,125,998)	(8,125,998)	(6,928,103)	(6,531,749)	(5,583,635)
Retained earnings	164,068,117	198,358,025	193,921,810	119,247,653	107,248,944
Other components of equity	532,375,954	535,938,145	473,434,457	422,704,836	323,991,767
Capital and reserves attributable to equity holders of the parent entity	**826,504,777**	**864,356,876**	**798,614,868**	**673,607,444**	**563,843,780**
Non-controlling interests in equity	19,186,286	18,870,216	15,780,809	13,730,024	12,433,461
Total equity	**845,691,063**	**883,227,092**	**814,395,677**	**687,337,468**	**576,277,241**
Total equity and liabilities	**5,685,998,376**	**5,436,034,997**	**4,944,653,293**	**3,758,918,770**	**3,287,342,641**

Five Year Financial Summary Cont'd
Statements of comprehensive income

Group

In thousands of Nigerian Naira	Jun-2022	Jun-2021	Jun-2020	Jun-2019	Jun-2018
Interest income	147,199,607	126,091,101	153,708,481	148,992,664	161,880,719
Interest expense	(26,351,379)	(19,035,826)	(26,093,017)	(32,627,904)	(43,951,186)
Net interest income	**120,848,228**	**107,055,275**	**127,615,464**	**116,364,760**	**117,929,533**
Loan impairment charges	(3,519,038)	(4,714,675)	(6,769,093)	(2,186,033)	(2,031,734)
Net interest income after loan impairment charges	**117,329,190**	**102,340,600**	**120,846,371**	**114,178,727**	**115,897,799**
Fee and commission income	46,479,355	38,284,192	24,729,059	35,348,970	27,356,320
Fee and commission expense	(6,713,478)	(1,428,928)	(2,435,031)	(1,505,138)	(1,446,593)
Net fee and commission income	**39,765,877**	**36,855,264**	**22,294,028**	**33,843,832**	**25,909,727**
Net gains on financial instruments classified as held for trading	23,598,680	17,685,428	10,791,307	9,488,464	12,649,671
Other income	22,011,310	25,853,684	35,909,970	28,039,447	24,745,351
Total other income	**45,609,990**	**43,539,112**	**46,701,277**	**37,527,911**	**37,395,022**
Total Operating income	202,705,057	182,734,976	189,841,676	185,550,470	179,202,548
Net impairment reversal / (charge) on other financial assets	(543)	(341,707)	3,180,078	108,445	-
Net operating income after net impairment loss on financial assets	**202,704,514**	**182,393,269**	**193,021,754**	**185,658,915**	**179,202,548**
Personnel expenses	(18,539,903)	(17,234,789)	(18,775,719)	(18,578,601)	(18,576,247)
Right-of-use asset depreciation	-	-	(958,621)	(1,230,467)	(801,684)
Depreciation and amortisation	(17,345,473)	(17,761,788)	(14,024,670)	(10,622,861)	(8,230,390)
Other operating expenses	(63,569,791)	(54,340,633)	(49,548,900)	(39,439,644)	(41,961,610)
Total expenses	**(99,455,167)**	**(89,337,210)**	**(83,307,910)**	**(69,871,573)**	**(69,569,931)**
Profit before income tax	**103,249,347**	**93,056,059**	**109,713,844**	**115,787,342**	**109,632,617**
Income tax expense	(25,692,310)	(13,641,336)	(15,442,834)	(16,654,105)	(14,051,037)
Profit for the period	**77,557,037**	**79,414,723**	**94,271,010**	**99,133,237**	**95,581,580**

Earnings per share for the profit from continuing operations attributable to the equity holders of the parent entity during the period (expressed in naira per share):

– Basic	2.70	2.79	3.32	3.50	3.38
– Diluted	2.70	2.79	3.32	3.50	3.38

Share Capitalization History

YEAR	AUTHORISED		ISSUED			
	INCREASE	CUMULATIVE	INCREASE	CUMMULATIVE	NO. OF SHARES	CONSIDERATION
1991	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	Cash
1992	35,000,000	60,000,000	NIL	25,000,000	25,000,000	NIL
1993	NIL	60,000,000	25,000,000	50,000,000	50,000,000	Scrip
1994	40,000,000	100,000,000	NIL	50,000,000	50,000,000	NIL
1995	NIL	100,000,000	50,000,000	100,000,000	100,000,000	SCRIP
1996	100,000,000	200,000,000	300,000,000	400,000,000	400,000,000	Cash
1997	300,000,000	500,000,000	600,000,000	1,000,000,000	1,000,000,000	SCRIP
1998	250,000,000	750,000,000	500,000,000	1,500,000,000	1,500,000,000	SCRIP
1999	NIL	750,000,000	NIL	1,500,000,000	1,500,000,000	NIL
2000	NIL	750,000,000	NIL	1,500,000,000	1,500,000,000	NIL
2001	250,000,000	1,000,000,000	500,000,000	2,000,000,000	2,000,000,000	Initial Public Offer
2002	1,000,000,000	2,000,000,000	500,000,000	2,500,000,000	2,500,000,000	SCRIP
2003	NIL	2,000,000,000	500,000,000	3,000,000,000	3,000,000,000	SCRIP
2004	1,000,000,000	3,000,000,000	1,000,000,000	4,000,000,000	4,000,000,000	SCRIP
2004	NIL	3,000,000,000	2,000,000,000	6,000,000,000	6,000,000,000	Public Offer
2005	2,000,000,000	5,000,000,000	NIL	6,000,000,000	6,000,000,000	NIL
2006	NIL	5,000,000,000	2,000,000,000	8,000,000,000	8,000,000,000	SCRIP
2007	2,500,000,000	7,500,000,000	2,000,000,000	10,000,000,000	10,000,000,000	SCRIP
2007	NIL	7,500,000,000	3,679,415,650	13,679,415,650	13,679,415,650	GDR Underlying Shares
2008	7,500,000,000	15,000,000,000	1,243,583,241	14,922,998,890	14,922,998,890	SCRIP
2008	NIL	15,000,000,000	3,730,749,723	18,653,748,613	18,653,748,613	SCRIP
2009	NIL	15,000,000,000	4,663,437,153	23,317,185,766	23,317,185,766	SCRIP
2010	15,000,000,000	30,000,000,000	NIL	23,317,185,766	23,317,185,766	NIL
2010	20,000,000,000	50,000,000,000	5,829,296,442	29,146,482,207	29,146,482,207	SCRIP
2011	NIL	50,000,000,000	284,697,017	29,431,179,224	29,431,179,224	IFC Special Placement
2012	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2013	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2014	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2015	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2016	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2017	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2018	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2019	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2020	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2021	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL

Dividend History

Ten-year dividend and unclaimed dividend history as at June 30, 2022

Dividend No.	Dividend Type	Financial Year Ended	Total Dividend Amount Declared	Dividend Per Share	Net Dividend Amount Unclaimed as at 30-Jun-22	Percentage Dividend Amount Unclaimed
Payment 40	Interim	09-11-12	7,357,794,806.00	25 Kobo	247,658,991.63	3.37%
Payment 41	Final	31-12-12	38,260,532,991.20	130 kobo	1,195,557,015.13	3.12%
Payment 42	Interim	12-09-13	7,357,794,806.00	25 Kobo	269,263,300.48	3.66%
Payment 43	Final	31-12-13	42,675,209,874.80	145 kobo	1,427,033,228.52	3.34%
Payment 44	Interim	15-09-14	7,357,794,806.00	25 Kobo	252,932,581.41	3.44%
Payment 45	Final	31-12-14	44,146,768,836.00	150 kobo	1,369,484,208.57	3.10%
Payment 46	Interim	18-09-15	7,357,794,806.00	25 Kobo	236,401,920.89	3.21%
Payment 47	Final	31-12-15	44,735,392,420.48	152 Kobo	1,307,984,311.67	2.92%
Payment 48	Interim	09-09-16	7,357,794,806.00	25 Kobo	235,027,588.34	3.19%
Payment 49	Final	31-12-16	51,504,563,642.00	175 kobo	1,570,168,701.60	3.05%
Payment 50	Interim	05-09-17	8,829,353,767.20	30 kobo	302,446,605.84	3.43%
Payment 51	Final	31-12-17	70,634,830,137.60	240 kobo	3,298,995,008.07	4.67%
Payment 52	Interim	29-08-18	8,829,353,767.20	30 kobo	412,767,553.03	4.67%
Payment 53	Final	31-12-18	72,106,389,098.80	245 kobo	3,342,683,574.98	4.64%
Payment 54	Interim	10-09-19	8,829,353,767.20	30 kobo	418,694,405.78	4.74%
Payment 55	Final	31-12-19	73,577,948,060.00	250 kobo	3,518,785,890.53	4.78%
Payment 56	Interim	21-09-20	8,829,353,767.20	30 kobo	431,355,711.62	4.89%
Payment 57	Final	31-12-20	79,464,183,904.80	270 kobo	3,868,428,825.54	4.87%
Payment 58	Interim	27-09-21	8,829,353,767.20	30 kobo	448,066,413.95	5.07%
Payment 59	Final	31-12-21	79,464,183,904.80	270 kobo	4,052,068,077.85	5.10%

2021 CSR REPORT

At Guaranty Trust, we are committed to implementing social initiatives that impact positively on the communities where we operate in line with our strategic pillars of Community Development, Education, Environment, and Art.

Pillar	Amount (₦)
Community Development	61,878,306
Education	83,635,717
Others	2,177,100
Total	**147,691,122**

This report highlights the various ways we have continued to build connections with people in our communities, foster engagements with our stakeholders, and deliver great experiences to everyone through CSR.

Fostering Cooperation Through Sports

Lagos International Polo Tournament

The Lagos International Polo Tournament is an important fixture on the Nigerian sporting calendar. The prestigious tournament made a return to social circles in February 2022 after a two-year hiatus, and hosted some of the finest polo ponies, top athletes, and umpires at the Lagos Polo Club, Ikoyi.

A total of 30 teams competed in 4 major cup categories including the Silver Cup, Lagos Low Cup, Lagos Open Cup, and the tournament's most sought-after prize, the Majekodunmi Cup. The expanded tournament also featured 6 other subsidiary cups over a 3-week long display of high-class polo and entertainment.

Widely regarded as the Sports of Kings, Polo has continued to gain popularity in Africa with Nigeria emerging as a major polo destination. Our longstanding support for the Lagos International Polo Tournament demonstrates our commitment to the growth and advancement of the sport thus amplifying the great stories being told across Africa and around the world.

2022 Nigerian University Games

The 26th edition of the Nigerian University Games (NUGA) held at the University of Lagos from March 16th to 27th, 2022. Over 5,000 athletes from 75 accredited universities competed in 16 sporting events including athletics, badminton, basketball, chess, cricket, football, handball, hockey, judo, scrabble, squash, swimming, table tennis, taekwondo, tennis, and volleyball. The event also featured exhibition sports like weightlifting, water sports and canoe rowing.

NUGA aims to foster unity amongst youths in Nigerian universities and encourage participation in sports in the spirit of friendship, solidarity, and fair play. Over the years, the Nigerian

University Games have produced notable athletes who went on to represent Nigeria on the global stage in competitions like the Commonwealth Games and the Olympics. In supporting NUGA, GTCO continues to lead the line in sports advocacy as a way of promoting excellence and fair play whilst laying a solid foundation for talent development in the community.

Community Development and Health

Support for Women and Children

Women and children occupy a special place in society. While women contribute in no small measure to social and economic transformation, children represent the future. It is therefore crucial for women and children to be celebrated not just on special occasions but every day, with each opportunity.

The 2022 International Women's Day campaign was themed #BreakTheBias and highlighted the need for gender equality towards creating a world free of bias and discrimination against women. We backed several activities in support for 2022 IWD centered around inclusivity and care for women.

For 2022 Children's Day, we partnered with various schools nationwide to deliver impactful extracurricular activities for the students.

Care for Pregnant Women with HIV

Our long-running partnership with St. Kizito Clinic, an accredited Prevention Mother to Child Transmission (PMTCT) Centre offering expert medical care to women and children affected by the Human Immunodeficiency Virus (HIV), serves to support the hospital in their efforts to stop mother-to-child transmission of HIV. On an annual basis, St Kizito Clinic provides clinical care for over 70,000 pregnant women living with HIV.

This year, we donated a Haematology Analyzer Mindray BC-3200 machine and reagents to the clinic which will provide free blood tests for white blood cell count, complete blood count, coagulation, and reticulocyte analysis as well as clinical screening (covering immunity, effectiveness of treatment and the collateral effects of drugs) of patients with Tuberculosis (TB).

Walk for Better Health

The Covid-19 pandemic exposed weaknesses in global healthcare systems especially as it relates to the poor and vulnerable in society. It also highlighted effective measures to maintain good health with simple lifestyle choices such as proper hygiene and moderate exercise. We supported the Monthly Health Walk organised by The Limi Hospital, Abuja, with the theme, "Walk Together for Better Health". The community outreach event also included free medical checkups and webinars aimed at combating the serious health implications of a sedentary lifestyle and promoting awareness on cardiovascular diseases.

Financial Education

Financial Literacy Day

To mark 2022 Financial Literacy Day, over 413 students in Osun, Plateau and Kwara States participated in various activities to promote financial literacy. The primary objective of this initiative as promoted by the Central Bank of Nigeria is to inculcate financial discipline in children and improve their ability to effectively understand and apply financial skills such as personal financial management, savings, investing, and budgeting, which will empower them for the future.

Promoting Enterprise

2022 GTCO Food and Drink Festival

Since inception in 2016, the GTCO Food and Drink Festival has served to showcase our diversity and industry as a people whilst delivering a sumptuous culinary experience. For the 5th edition, the showpiece event which held from April 30th of April to the 2nd of May 2022, had over 150 free stalls with vendors exhibiting the very best of Nigerian street food and other culinary delights to thousands of food enthusiasts who thronged the GTCentre.

Regarded as the biggest food festival in Africa, the 2022 GTCO Food and Drink Festival featured a total of 14 Masterclasses facilitated by amazing chefs who combined elements of storytelling and culture to deliver compelling gastronomic experiences in a pleasant, lively ambience. The well-fitted play area served to add another layer of excitement for children at the event, keeping them meaningfully engaged.

As part of the activities leading up to the 2022 GTCO Food and Drink Festival, a cooking competition tagged, “GTCO Chef Masters”, premiered in Cote d’ Ivoire. The winner of the competition, Debora Pangni, hosted a Masterclass on Ivorian cuisine.

With the annual GTCO Food and Drink Festival, we hope to give new impetus to the development of local food systems by providing a free platform for SMEs and retailers in the food value-chain to interact with food business experts and consumers from around the world.