FCMB GROUP PLC
Unaudited Interim Financial Statements
Period ended 30 September 2022

FCMB GROUP PLC
UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2022

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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		GROUP		COMPANY	
In thousands of Naira	**Note**	**30 SEP 2022**	**30 SEP 2021**	**30 SEP 2022**	**30 SEP 2021**
Gross earnings		**200,067,805**	149,467,354	**3,469,917**	3,431,460
Interest and discount income	8	**154,083,707**	115,750,817	**365,495**	306,811
Interest expense	9	**(61,028,343)**	(50,359,804)	**-**	-
Net interest income		**93,055,364**	65,391,013	**365,495**	306,811
Fee and commission income	11	**34,587,341**	25,622,655	**686,324**	513,433
Fee and commission expense	11	**(7,415,139)**	(5,376,389)	**(409)**	(478)
Net fee and commission income		**27,172,202**	20,246,266	**685,915**	512,955
Net trading income	12	**8,557,742**	6,610,286	**-**	-
Other revenue	14(a)	**1,937,911**	93,798	**2,270,893**	2,552,677
		10,495,653	6,704,084	**2,270,893**	2,552,677
Other income	14(b)	**901,104**	1,389,798	**147,205**	58,539
Net impairment losses on financial instruments	10	**(18,704,695)**	(4,765,368)	**-**	-
Personnel expenses	15	**(25,008,335)**	(21,965,306)	**(407,905)**	(222,015)
Depreciation and amortisation expenses	16	**(6,981,498)**	(6,004,440)	**(15,006)**	(14,766)
General and administrative expenses	17	**(33,214,845)**	(24,865,505)	**(658,286)**	(608,782)
Other operating expenses	18	**(21,210,401)**	(20,388,828)	**(97,742)**	(100,575)
Profit before minimum tax and income tax		**26,504,549**	15,741,714	**2,290,569**	2,484,844
Minimum tax	20	**(868,889)**	(334,116)	**-**	-
Taxation charge	20	**(2,714,934)**	(1,602,993)	**-**	-
Profit for the period		**22,920,726**	13,804,605	**2,290,569**	2,484,844
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Unquoted equity investments at fair value through other comprehensive income:					
- Net change in fair value		**5,493,227**	19,633	**-**	-
- Foreign currency translation differences		**-**	-	**-**	-
		5,493,227	19,633	**-**	-
Items that may be subsequently reclassified to profit or loss:					
Debt investments at fair value through other comprehensive income:					
- Net change in fair value		**(5,685,460)**	(2,788,585)	**-**	-
- Net impairment reclassified from profit or loss		**275,598**	182,854	**-**	-
		(5,409,862)	(2,605,731)	**-**	-
Foreign currency translation differences for foreign operations		**546,398**	613,659	**-**	-
		(4,863,464)	(1,992,072)	**-**	-
Other comprehensive income for the period, net of tax		**629,763**	(1,972,439)	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**23,550,489**	11,832,166	**2,290,569**	2,484,844
Profit attributable to:					
Equity holders of the Company		**22,602,772**	13,704,818	**2,290,569**	2,484,844
Non-controlling interests		**317,954**	99,787	**-**	-
		22,920,726	13,804,605	**2,290,569**	2,484,844
Total comprehensive income attributable to:					
Equity holders of the Company		**23,232,535**	11,729,926	**2,290,569**	2,484,844
Non-controlling interests		**317,954**	102,240	**-**	-
		23,550,489	11,832,166	**2,290,569**	2,484,844
Basic and diluted earnings per share (Naira)	19	**1.16**	0.70	**0.12**	0.13

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

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

		GROUP		COMPANY	
In thousands of Naira	**Note**	**30 SEP 2022**	**31 DEC 2021**	**30 SEP 2022**	**31 DEC 2021**
ASSETS					
Cash and cash equivalents	21	**303,810,633**	362,700,083	**64,529**	621,755
Non-pledged trading assets	22(a)	**5,845,507**	41,538,274	**-**	-
Investment securities	24	**593,461,585**	372,548,333	**7,595,944**	6,007,162
Assets pledged as collateral	25	**117,206,624**	115,456,683	**-**	-
Loans and advances to customers	26	**1,185,050,743**	1,063,589,192	**-**	-
Other assets	27	**198,207,628**	127,410,850	**5,998,796**	7,849,591
Restricted reserve deposits	28	**442,875,715**	329,739,147	**-**	-
Investment in subsidiaries	29	**-**	-	**127,378,197**	127,378,197
Investment in associate		**-**	6,810,651	**-**	-
Property and equipment, and right of use assets	30	**49,611,992**	47,084,551	**39,041**	42,815
Intangible assets	31	**29,309,535**	17,155,970	**-**	-
Deferred tax assets	32	**9,163,500**	9,163,896	**-**	-
Total assets		**2,934,543,462**	2,493,197,630	**141,076,507**	141,899,520
LIABILITIES					
Trading liabilities	23(b)	**-**	5,174,902	**-**	-
Deposits from banks	33	**155,470,200**	160,746,916	**-**	-
Deposits from customers	34	**1,816,842,245**	1,554,413,623	**-**	-
Retirement benefit obligations	35	**356,803**	14,855	**-**	-
Current income tax liabilities	20(ii)	**6,236,977**	5,449,065	**48,386**	50,926
Deferred tax liabilities	32(a)	**-**	308,729	**-**	-
Other liabilities	36	**247,290,203**	199,465,224	**8,355,259**	7,505,765
Provision	37	**8,321,762**	6,747,270	**-**	-
On-lending facilities	38	**242,136,604**	157,873,774	**-**	-
Debt securities issued	39	**122,242,921**	78,493,492	**-**	-
Borrowings	40	**72,156,527**	80,704,066	**-**	-
Total liabilities		**2,671,054,242**	2,249,391,916	**8,403,645**	7,556,691
EQUITY					
Share capital	41	**9,901,355**	9,901,355	**9,901,355**	9,901,355
Share premium	42	**115,392,414**	115,392,414	**115,392,414**	115,392,414
Retained earnings	42	**79,015,054**	62,872,102	**7,379,093**	9,049,060
Other reserves	42	**58,187,825**	55,058,784	**-**	-
		262,496,647	243,224,655	**132,672,862**	134,342,829
Non-controlling Interests		**992,573**	581,059	**-**	-
		263,489,220	243,805,714	**132,672,862**	134,342,829
Total liabilities and equity		**2,934,543,462**	2,493,197,630	**141,076,507**	141,899,520
Acceptances and guarantees	44	**289,592,216**	281,178,633	**-**	-

The financial statements and the accompanying notes and significant accounting policies were approved by the Board of Directors on 21 October 2022 and signed on its behalf by:

Ladi Balogun
Group Chief Executive
FRC/2013/IODN/00000001460

Deji Fayose
Chief Financial Officer
FRC/2021/001/00000025061

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

GROUP

In thousands of Naira

	Share capital	Share premium	Retained earnings	Statutory reserve	AGSMEIS reserve	Forbearance Reserve	Translation reserve	Fair value reserve	Regulatory risk reserve	Non-controlling Interest	Total equity
Balance at 1 January 2022	**9,901,355**	**115,392,414**	**62,872,102**	**15,544,938**	**3,521,475**	**1,960,712**	**10,950,928**	**18,490,731**	**4,590,000**	**581,059**	**243,805,714**
Profit for the period	-	-	22,602,772	-	-	-	-	-	-	317,954	**22,920,726**
Other comprehensive income											
Equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	**5,493,227**	-		**5,493,227**
Debt investments at fair value through other comprehensive income	-	-	-	-	-	-		(5,409,862)	-		**(5,409,862)**
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	546,398	-	-		**546,398**
Total comprehensive income for the period	**-**	**-**	**22,602,772**	**-**	**-**	**-**	**546,398**	**83,365**	**-**	**317,954**	**23,550,489**
Transfer between reserves											
Transfer to statutory reserve	-	-	(2,499,278)	2,499,278	-	-	-	-	-		-
Transfer to AGSMEIS reserve	-	-	-	-	-	-	-	-	-		-
Transfer from regulatory risk reserve	-	-	-	-	-	-	-	-	-		-
Transfer to forebearence reserve	-	-	-	-	-	-	-	-	-		-
Dividend paid	-	-	(3,960,542)	-	-	-	-	-	-	(28,801)	(3,989,343)
Adjustment of Interest in NCI	-	-	-	-	-	-	-	-	-	122,361	122,361
Total Contributions by and distributions	**-**	**-**	**(6,459,820)**	**2,499,278**	**-**	**-**	**-**	**-**	**-**	**93,559.65**	**(3,866,983)**
Balance at 30 September 2022	**9,901,355**	**115,392,414**	**79,015,054**	**18,044,216**	**3,521,475**	**1,960,712**	**11,497,326**	**18,574,096**	**4,590,000**	**992,573**	**263,489,220**
Balance as at 1 January 2021	**9,901,355**	**115,392,414**	**47,482,438**	**15,084,874**	**2,089,362**	**1,960,712**	**9,804,197**	**20,891,624**	**4,133,669**	**379,555**	**227,120,200**
Profit for the period	-	-	13,704,818	-	-	-	-	-	-	99,787	**13,804,605**
Other comprehensive income											
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	19,633	-	-	**19,633**
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(2,605,731)	-	-	**(2,605,731)**
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	611,206	-	-	2,453	**613,659**
Total comprehensive income for the period	**-**	**-**	**13,704,818**	**-**	**-**	**-**	**611,206**	**(2,586,098)**	**-**	**102,240**	**11,832,166**
Transfer between reserves											
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer to AGSMEIS reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer from regulatory risk reserve			4,133,669						(4,133,669)		**-**
Dividend paid			(2,970,407)							(12,838)	**(2,983,244)**
Adjustment of interest in NCI	-	-	-	-	-	-	-	-	-	22,829	**22,829**
	-	**-**	**1,163,262**	**-**	**-**	-	-	-	(4,133,669)	9,992	**(2,960,415)**
Balance at 30 September 2021	**9,901,355**	**115,392,414**	**62,350,518**	**15,084,874**	**2,089,362**	**1,960,712**	**10,415,403**	**18,305,526**	**-**	**491,786**	**235,991,951**

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

COMPANY
In thousand of Naira

	Share capital	Share premium	Retained earnings	Statutory reserve	AGSMEIS reserve	Forbearance Reserve	Translation reserve	Fair value reserve	Regulatory risk reserve	Non-controlling Interest	Total equity
Balance at 1 January 2022	**9,901,355**	**115,392,414**	**9,049,069**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**134,342,838**
Profit for the period	-	-	**2,290,569**	-	-	-	-	-	-	-	**2,290,569**
Other comprehensive income											
Equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Debt investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	**2,290,569**	-	-	-	-	-	-	-	**2,290,569**
Transactions with owners recorded directly in equity											
Dividend paid	-	-	(3,960,542)	-	-	-	-	-	-	-	(3,960,542)
Total Contributions by and distributions	**-**	**-**	**(3,960,542)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,960,542)**
Balance at 30 September 2022	**9,901,355**	**115,392,414**	**7,379,093**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**132,672,865**
Balance as at 1 January 2021	**9,901,355**	**115,392,414**	**6,930,769**	**-**	**-**	**-**	**-**	**2,817**	**-**	**-**	**132,227,355**
Profit for the period	-	-	**2,484,844**	-	-	-	-	-	-	-	**2,484,844**
Other comprehensive income											
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	**2,484,844**	-	-	-	-	-	-	-	**2,484,844**
Transactions with owners recorded directly in equity											
Dividend paid	-	-	(2,970,407)	-	-	-	-	-	-	-	**(2,970,407)**
Total Contributions by and distributions	**-**	**-**	**(2,970,407)**	**-**	**-**	-	-	-	-	-	(2,970,407)
Balance at 30 September 2021	**9,901,355**	**115,392,414**	**6,445,206**	**-**	**-**	**-**	**-**	**2,817**	**-**	**-**	**131,741,792**

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

In thousands of Naira	Note	GROUP 30 SEP 2022	GROUP 30 SEP 2021	COMPANY 30 SEP 2022	COMPANY 30 SEP 2021
Cash flows from operating activities					
Profit for the year		**22,920,726**	13,804,605	**2,290,569**	2,484,844
Adjustments for:					
Net impairment loss on financial assets	10	**18,704,695**	4,765,368	**-**	-
Fair value gain on financial assets held for trading		**(415,773)**	-	**-**	-
Amortisation of intangibles	16	**1,313,483**	1,183,196	**-**	-
Depreciation of property and equipment	16	**5,668,015**	4,821,244	**15,006**	14,766
Gain on disposal of property and equipment	14(b)	**(26,004)**	(509,703)	**205**	393
Unrealised foreign exchange gains	14(a)(ii)	**(1,348,469)**	(2,746,298)	**(139,042)**	(178,630)
Other operating expenses - provisions for litigation no longer required	18(a)	**1,783,750**	1,733,163	**-**	-
Net interest income		**(93,055,364)**	(65,391,013)	**(365,495)**	(306,811)
Dividend income		**(837,554)**	(582,190)	**(2,131,851)**	(2,374,047)
Tax expense	20	**3,583,823**	1,937,109	**-**	-
		(41,460,560)	(37,749,829)	**(330,608)**	(359,485)
Changes in operating assets and liabilities					
Net increase in restricted reserve deposits		**(113,136,568)**	(27,334,946)	**-**	-
Net decrease in derivative assets held for risk management		**-**	1,884,398	**-**	-
Net decrease / (increase) in trading assets		**35,276,994**	(28,371,981)	**-**	-
Net decrease in loans and advances to customers		**(123,832,908)**	(150,062,439)	**-**	-
Net decrease in other assets		**(58,685,030)**	(58,722,885)	**1,865,676**	1,678,068
Net (increase) / decrease in trading liabilities		**(5,174,902)**	63,431,073	**-**	-
Net decrease in deposits from banks		**(5,276,716)**	132,751,549	**-**	-
Net decrease in deposits from customers		**262,428,622**	151,187,516	**-**	-
Net decrease in on-lending facilities		**84,262,830**	64,279,078	**-**	-
Net increase in assets pledged as collateral		**(7,435,401)**	44,951,903	**-**	-
Net decrease in derivative liabilities held for risk management		**-**	(1,871,869)	**-**	-
Net increase in provision		**(1,992,153)**	(1,838,750)	**-**	-
Net decrease / (increase) in other liabilities		**58,257,924**	30,266,618	**1,214,681**	(583,407)
		83,232,132	182,799,436	**2,749,749**	735,176
Interest received		**147,724,790**	117,172,272	**631,598**	306,811
Interest paid		**(62,918,013)**	(54,679,985)	**-**	-
Dividends received		**837,554**	582,190	**2,131,851**	2,374,047
VAT paid		**(1,555,910)**	(2,460,333)	**(2,851)**	(1,353)
Income taxes paid		**(2,777,973)**	(2,070,906)	**(2,540)**	(18,255)
Net cash generated from operating activities		**164,542,580**	241,342,674	**5,507,807**	3,396,426
Cash flows from investing activities					
Purchase of property and equipment	30	**(8,414,932)**	(6,410,024)	**12,839**	(8,284)
Purchase of intangible assets	31(a)	**(3,045,705)**	(1,676,726)	**-**	-
Purchase of intangible assets work-in-progress	31(a)	**(830,616)**	-	**-**	-
Proceeds from sale of property and equipment		**853,164**	563,366	**1,400**	29,372
Acquisition of investment securities		**(294,937,731)**	(78,627,658)	**-**	-
Proceeds from sale and redemption of investment securities		**58,026,548**	73,934,327	**-**	-
Net cash generated / (used in) from investing activities		**(248,349,272)**	(12,216,715)	**14,239**	21,088
Cash flows from financing activities					
Proceeds from long term borrowings	40(b)	**5,527,177**	46,330,918	**-**	-
Repayment of long term borrowings	40(b)	**(13,546,319)**	(140,247,433)	**-**	-
Proceeds from debt securities issued		**41,201,377**	826,100	**-**	-
Dividends paid to owners		**(3,960,542)**	(2,970,407)	**(3,960,542)**	(2,970,407)
Net cash (used in)/generated from financing activities		**29,221,693**	(96,060,822)	**(3,960,542)**	(2,970,407)
Net increase / (decrease) in cash and cash equivalents		**(54,585,000)**	133,065,137	**1,561,504**	447,108
Cash and cash equivalents at start of period		**362,729,825**	216,777,376	**621,755**	1,213,939
Increase /(decrease) in cash and cash equivalents		**(54,585,000)**	133,065,137	**1,561,504**	447,108
Effect of exchange rate movement on cash and cash equivalents held		**(4,308,389)**	11,749,612	**(2,118,730)**	(437,215)
Cash and cash equivalents at end of period		**303,836,436**	361,592,125	**64,529**	1,223,832

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

:o the consolidated and separate financial statements

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

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

FCMB Group Plc is a company domiciled in Nigeria. The address of the Company's registered office is 44 Marina, Lagos. These unaudited reports for the period ended 30 September 2022 comprise the Company and its subsidiaries (together referred to as the 'Group').

These unaudited consolidated and separate financial statements were authorised for issue by the Board of directors on 21 October 2022.

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

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

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

(ii) Basis of accounting
The financial statements have been prepared under the historical cost convention with the exception of the following:

- Financial assets and liabilities measured at amortised cost;

- Derivative financial instruments which are measured at fair value; and

- Non-derivative financial instruments, carried at fair value through profit or loss, or fair value through OCI are measured at fair value.

(iii) Functional and presentation currency

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

(iv) Use of estimates and judgments

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

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

(a) Judgements

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

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

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

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2021 is included in the following notes.

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

– Note 7: measurement of the fair value of financial instruments with significant unobservable inputs.
– Note 32: recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used.
– Note 31(d) - (e): impairment testing for CGUs containing goodwill: key assumptions underlying recoverable amounts.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 5.

Basis of Consolidation

(i) Subsidiaries

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

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

(ii) Special purpose entities

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

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

(iii) Loss of control

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

(iv) Common control transactions

Common control transactions in the consolidated financial statement are accounted for at book value accounting. Any method chosen by an entity are consistently used for all similar common control transactions in its consolidated financial statements; i.e. it cannot use IFRS 3 accounting for some common control transactions and book value accounting for other similar transactions.

The difference between the consideration paid and the book value of the asset represents transaction with shareholder and should therefore be recorded in equity. The assets and liabilities transferred are recognised at the carrying amounts recognised previously in the transferor's consolidated financial statements. The Group adopted the book value method of accounting for its common control transactions.

(v) Transactions eliminated on consolidation

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

Foreign currency

(i) Foreign currency transactions and balances

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

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

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

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

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

(ii) Foreign operations

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

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

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

Interest

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

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

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

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

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

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

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

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

Fees and commission

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

Other fees and commission income, including loan account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

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

Net trading income

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and be presented together with others.
Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, dividends and foreign exchange differences.

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

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

Dividend income

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

Leases

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

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

(i) Group acting as a lessee

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

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

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

(ii) Group acting as a lessor

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

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

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

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

Income tax

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

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

(a) Current income tax

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

– Company income tax is computed on taxable profits
– Tertiary education tax is computed on assessable profits
– National Information Technology Development Agency levy is computed on profit before tax
– Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)
– National Agency for Science and Engineering Infrastructure (NASENI) levy is computed on 0.25% of Profit Before Tax for commercial companies in the banking, mobile communication, ICT, aviation, maritime and oil and gas sectors.

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

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.
Minimum tax is determined based on the sum of:
- the highest of; 0.25% of revenue of N500,000, 0.5% of gross profit, 0.25% of paid up share capital and 0.5% of net assets; and
- 0.125% of revenue in excess of N500,000.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

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

(b) Deferred tax

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

Deferred tax is not recognised for:

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

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

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

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

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

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

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

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

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

Financial assets and financial liabilities

(i) Recognition and initial measurement

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

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

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

(ii) Classification

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

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

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

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

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

Reclassifications

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

Financial liabilities

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

(iii) Derecognition

Financial assets

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

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

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

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

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

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

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

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

Financial liabilities

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

(iv) Modification of financial assets and financial liabilities

Financial assets

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

If the cash flow of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and derecognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in other income in profit or loss.

Financial liabilities

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

(v) Offsetting

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

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

(vi) Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

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

:o the consolidated and separate financial statements

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

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

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

(vii) Impairment

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

No impairment loss is recognised on equity investments.

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

Loss allowances for lease receivable are always measured at an amount equal to lifetime ECL.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

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

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

Measurement of ECL

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

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

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

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

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

Restructured financial assets

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

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

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

Credit-Impaired financial assets

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

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

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

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

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

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

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

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

Write-off policy

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

Measurement of impairment

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

Reversal of impairment

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

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

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

Write-off

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

(viii) Designation at fair value through profit or loss

Financial assets

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

Financial liabilities

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

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

(i) Cash and cash equivalents

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

(ii) Restricted reserve deposits

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

Trading assets and liabilities

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

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

Assets pledged as collateral

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

Loan and advances

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

- loans and advances measured at amortised cost; they are initially measured at fair value plus incremental direct transsaction costs, and subsequently at their amortised cost using the effective interest method;
- loans and advances mandatorily measured at fair value through profit or loss or designated as at fair value through profit or loss; these are measured at fair value with changes recognised immediately in profit or loss; and
- finance lease receivables.

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

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

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

Investment securities

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

- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt and equity investment securities mandatorily measured at fair value through profit or loss or designated at fair value through profit or loss; these are at fair value with changes recognised immediately in profit or loss;
- debt securities measured at fair value through other comprehensive income; and
- equity investment securities designated at fair value through other comprehensive income.

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

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

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

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

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

Derivatives held for risk management purposes

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

:o the consolidated and separate financial statements

Property and equipment

(i) Recognition and measurement

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

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Items of work in progress are recognised at cost less any observable impairment. A review for impairment is carried out when circumstances or situations suggests that the asset carrying amount may not be recoverable. Impairment loss is recognized when the current asset value is less than the cost.

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

(iv) De-recognition

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

Intangible assets

(i) Goodwill

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

Subsequent measurement

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Software

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

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The maximum useful life of software is four years.

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

Impairment of non-financial assets

The Group's non-financial assets with carrying amounts other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year at the same time.

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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Deposits, debt securities issued, onlending facilities and borrowings

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

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

Sale and repurchase agreements

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

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

Provisions

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

Financial guarantees and loan commitments

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

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

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

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

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

Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans

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

(iii) Termination benefits

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

Share capital and reserves

(i) Share issue costs

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

(ii) Dividend on the Group's ordinary shares

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

(iii) Share premium

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

(iv) Retained earnings

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

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

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

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

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

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

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

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

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

Earnings per share

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

Segment reporting

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

Segment results that are reported to the Executive Management Committee (being the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Operating expense - general and administrative expenses and other operating expenses

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

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

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

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

Deposit for Investment in AGSMEIS

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

Consumables

Consumables include stocks 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 consumables are issued to customers, their carrying amount is recognized as an expense in the period in which the relevant revenue is recognized.

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.

Standards issued but not yet adopted

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2021 and have not been applied in preparing these (consolidated and separate) financial statements. Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Group (or Company) are set out below.

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

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

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

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

Standards and interpretations effective during the reporting period

Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2021. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

(i) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Relating to Interest Rate Benchmark Reform

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

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

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

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

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

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

Group has assessed and quantified its exposure to IBORs on its financial instruments that will be reformed as part of this market-driven initiative.
• The Group currently does not have financial assets linked to LIBOR that will be impacted by the IBOR reform.
• The Group has some financial Liabilities which are linked to LIBOR and might be affected by the IBOR reforms.
As at the reporting date, the Group is in discussion with its lender on the impending change in the reference rate and collation of feedback. Negotiations have not yet commenced but we believe this will start closer to the cessation of 1, 3 and 6 months LIBOR by June 2023. The carrying amount of the financial liabilities as at the reporting date is N63.4 billion. Refer to Note 40 in the financial statements.

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

In March 2021, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

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

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

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

Impact on accounting for changes in lease payments applying the exemption
The Group has applied the practical expedient retrospectively to all rent concessions that meet the conditions in IFRS 16:46B, and has not restated prior period figures. There were no rent concessions enjoyed.

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

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

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

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

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

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

		GROUP		COMPANY	
		30 SEP 2022	30 SEP 2021	30 SEP 2022	30 SEP 2021
8	**Interest and discount income**				
	Cash and cash equivalents	**832,208**	559,708	**99,392**	21,546
	Loans and advances to customers	**123,013,749**	99,132,572	**-**	-
	Investment securities at amortised cost	**13,871,351**	7,726,957	**254,616**	247,837
	Investment securities at FVOCI	**16,366,399**	8,331,580	**11,487**	37,428
	Total interest income	**154,083,707**	115,750,817	**365,495**	306,811
9	**Interest expense**				
	Deposits from banks	**3,783,894**	6,950,579	**-**	-
	Deposits from customers	**41,419,458**	26,291,527	**-**	-
		45,203,352	33,242,106	**-**	-
	Borrowings	**7,775,868**	9,057,326	**-**	-
	Debt securities issued	**6,363,251**	7,281,386	**-**	-
	Onlending facitilies	**1,507,223**	571,387	**-**	-
	Interest expense on lease liabilities	**178,649**	207,599	**-**	-
		61,028,343	50,359,804	**-**	-
	The amounts reported above include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and financial liabilities.				
	Financial assets measured at amortised cost	**137,717,308**	107,419,237	**354,008**	269,383
	Financial assets measured at FVOCI	**16,366,399**	8,331,580	**11,487**	37,428
	Total	**154,083,707**	115,750,817	**365,495**	306,811
	Financial liabilities measured at amortised cost	**61,028,343**	50,359,804	**-**	-
10	**Net impairment loss on financial assets**				
	Loan and advances	**16,621,046**	9,900,720	**-**	-
	Other assets	**5,584,619**	(706,051)	**-**	-
	Investment securities - amortised cost	**159,378**	(269,785)	**-**	-
	Investment securities - fair value other comprehensive income	**275,893**	182,853	**-**	-
	Cash and cash equivalents	**631**	(26,057)	**-**	-
	Financial guarantee contracts and loan commitment issued	**129,099**	105,587	**-**	-
	Recoveries on loans previously written off	**(4,065,971)**	(4,421,899)	**-**	-
		18,704,695	4,765,368	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira For the period ended		GROUP 30 SEP 2022	GROUP 30 SEP 2021	COMPANY 30 SEP 2022	COMPANY 30 SEP 2021
11	**Disaggregation of fee and commission income by major type of services;**				
	Credit related fees	**474,704**	439,176	**-**	-
	Account Maintenance	**4,965,055**	3,397,677	**-**	-
	Letters of credit commission	**5,486,082**	694,522	**-**	-
	Commission on off-balance sheet transactions	**902,708**	558,181	**-**	-
	Electronics fees and commissions	**10,146,139**	9,907,321	**-**	-
	Service fees and commissions	**12,612,653**	8,003,364	**686,324**	513,433
	Gross Fee and commission income	**34,587,341**	25,622,655	**686,324**	513,433
	Electronics fees and commissions recoverable expenses	**(6,026,326)**	(4,674,782)	**-**	-
	CheAlue books recoverable expenses	**(26,481)**	(22,420)	**-**	-
	Other banks charges	**(1,362,332)**	(679,187)	**(409)**	(478)
	Fee and commission expense	**(7,415,139)**	(5,376,389)	**(409)**	(478)
	Net fee and commission income	**27,172,202**	20,246,266	**685,915**	512,955

In thousands of Naira For the period ended		GROUP 30 SEP 2022	GROUP 30 SEP 2021	COMPANY 30 SEP 2022	COMPANY 30 SEP 2021
12	**Net trading income**				
	Foreign exchange trading income	**68,499**	307,038	**-**	-
	FGN bonds trading income	**1,220,647**	4,660,499	**-**	-
	Treasury bills trading income	**7,268,596**	1,642,749	**-**	-
		8,557,742	6,610,286	**-**	-
13	**Net income from financial instruments mandatorily measured at fair value through profit or loss**				
	Net income arising on:				
	Fair value gain on derivative financial instruments held for risk management	**-**	-	**-**	-
		-	-	**-**	-
14(a)	**Other revenue**				
	Dividends on eAluity investment securities in the subsidiaries	**-**	-	**2,131,851**	2,374,047
	Dividends on unAluoted equity securities (see note (a)(i))	**837,554**	582,190	**-**	-
	Foreign exchange gains (see note (a)(ii))	**1,348,469**	2,746,298	**139,042**	178,630
	Modification loss on restructured facilities (see note (a)(iii))	**(248,112)**	(3,234,690)	**-**	-
		1,937,911	93,798	**2,270,893**	2,552,677

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

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

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

14(b)	**Other income**				
	Gain on sale of property and equipment	**26,004**	509,703	**(205)**	(393)
	Rental income	**875,100**	880,095	**147,410**	58,932
		901,104	1,389,798	**147,205**	58,539
(ii)	Other income comprises:				
	Rental income	**254,221**	58,652	**147,410**	58,652
	Others	**620,879**	821,443	**-**	280
		875,100	880,095	**147,410**	58,932

Notes to the consolidated and separate financial statements

In thousands of Naira For the period ended	GROUP 30 SEP 2022	GROUP 30 SEP 2021	COMPANY 30 SEP 2022	COMPANY 30 SEP 2021
15 Personnel expenses				
Wages and salaries	**18,376,093**	17,246,166	**222,722**	195,633
Contributions to defined contribution plans	**525,740**	487,188	**11,975**	7,724
Other employee benefits (see note (a) below)	**6,106,502**	4,231,952	**173,208**	18,658
	25,008,335	21,965,306	**407,905**	222,015

(a) **Other employee benefits**

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

	GROUP 30 SEP 2022	GROUP 30 SEP 2021	COMPANY 30 SEP 2022	COMPANY 30 SEP 2021
16 Depreciation and amortisation				
Amortisation of intangibles	**1,313,483**	1,183,196	**-**	-
Depreciation of property and eAIuipment and right of use assets	**5,668,015**	4,821,244	**15,006**	14,766
	6,981,498	6,004,440	**15,006**	14,766

In thousands of Naira	GROUP 30 SEP 2022	GROUP 30 SEP 2021	COMPANY 30 SEP 2022	COMPANY 30 SEP 2021
17 General and administrative expenses				
Communication, stationery and postage	**2,006,531**	1,834,214	**12,883**	3,979
Business travel expenses	**713,729**	396,646	**1,488**	743
Advert, promotion and corporate gifts	**3,199,246**	2,319,564	**15,227**	12,376
Business premises and equipment costs	**5,128,225**	3,782,298	**25,885**	10,603
Operating lease expenses	**706,772**	577,400	**7,353**	5,049
Directors' emoluments and expenses	**1,367,582**	1,250,965	**439,165**	470,361
IT expenses	**6,949,027**	5,387,393	**8,341**	6,637
Contract Services and training expenses	**5,937,498**	5,610,832	**284**	1,216
Vehicles maintenance expenses	**705,193**	719,311	**3,201**	1,903
Security expenses	**1,688,879**	1,619,897	**-**	-
Auditors' remuneration	**239,718**	228,588	**33,750**	31,500
Professional charges	**4,572,445**	1,138,397	**110,709**	64,415
	33,214,845	24,865,505	**658,286**	608,782

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 SEP 2022	GROUP 30 SEP 2021	COMPANY 30 SEP 2022	COMPANY 30 SEP 2021
18 Other operating expenses				
NDIC Insurance Premium	**4,442,259**	4,079,041	**-**	-
AMCON Levy	**12,841,873**	10,891,565	**-**	-
Insurance expenses	**774,698**	665,936	**13,894**	11,722
Others (see note (a) below)	**3,151,571**	4,752,286	**83,849**	88,853
	21,210,401	20,388,828	**97,743**	100,575
(a) Others comprises:				
AGM, meetings and shareholders expenses	**206,524**	308,042	**63,424**	69,417
Donation and sponsorship expenses	**215,557**	1,394,724	**-**	-
Entertainment expenses	**267,390**	141,789	**2,906**	777
Fraud and forgery expense	**100,166**	67,440	**-**	-
Other accounts written off	**177,028**	48,725	**14**	80
Provision for litigation	**1,783,750**	1,733,163	**-**	-
Industrial training fund levy	**165,945**	155,870	**4,623**	3,325
Nigeria Social Insurance Trust Fund expenses	**155,686**	145,592	**4,623**	3,325
Penalties	**27,100**	317,050	**-**	-
Miscellaneous expenses	**52,426**	354,626	**8,260**	3,434
	3,151,572	4,752,286	**83,850**	88,853

In thousands of Naira	GROUP 30 SEP 2022	GROUP 30 SEP 2021	COMPANY 30 SEP 2022	COMPANY 30 SEP 2021
19 Earnings per share				
Basic and diluted earnings per share				
Profit attributable to equity holders (N'000)	**22,920,726**	13,804,605	**2,290,569**	2,484,844
Weighted average number of ordinary shares in issue ('000)	**19,802,710**	19,802,710	**19,802,710**	19,802,710
	1.16	0.70	**0.12**	0.13
20 Tax expense				
(i) **Current tax expense:**				
Minimum tax	**868,889**	334,116	**-**	-
National Information Technology Development Agency (NITDA) levy	**180,668**	107,023	**-**	-
Nigeria Police Trust Fund levy	**903**	534	**-**	-
Tertiary education tax	**311,084**	90,145	**-**	-
Corporate income tax	**2,177,112**	1,405,291	**-**	-
	3,583,823	1,937,109	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
(ii) **Current income tax liability**				
At 1 January	**5,449,065**	4,502,688	**50,926**	49,568
Tax paid	**(2,777,973)**	(1,847,156)	**(2,540)**	(12,871)
Tax refund	**(17,938)**	(117,386)	**-**	(5,384)
Minimum tax	**868,889**	465,254	**-**	3,895
National Information Technology Development Agency (NITDA) levy	**180,668**	154,211	**-**	2,226
Nigeria Police Trust Fund levy	**903**	1,015	**-**	255
Tertiary education tax (see note 20(i))	**311,084**	13,236	**-**	13,236
National Agency for Science and Engineering Infrastructure (NASENI) levy	**45,167**	37,996	**-**	-
Income tax expense	**2,177,112**	2,239,206	**-**	-
	6,236,977	5,449,065	**48,386**	50,926

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
21 Cash and cash eAluivalents				
Cash	**30,497,423**	65,711,784	**-**	-
Current balances with banks within Nigeria	**2,659,370**	2,982,046	**64,529**	621,755
Current balances with banks outside Nigeria	**209,333,661**	199,717,584	**-**	-
Placements with foreign banks	**11,904,924**	45,025,298	**-**	-
Unrestricted balances with Central banks	**40,446,760**	45,388,016	**-**	-
	303,836,436	362,729,825	**64,529**	621,755
Less impairment allowances	**(25,803)**	(29,742)	**0**	0
	303,810,633	362,700,083	**64,529**	621,755

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

	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
22(a) Non-pledged trading assets				
Federal Government of Nigeria Bonds - fair value through profit or loss (FVTPL)	**5,234,381**	12,473,822	**-**	-
Treasury Bills - fair value through profit or loss (FVTPL)	**611,126**	29,064,452	**-**	-
	5,845,507	41,538,274	**-**	-

	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
(b) Trading liabilities				
Short sold positions - Federal Government of Nigeria Bonds - fair value through profit or loss (FVTPL)	**-**	-	**-**	-
Short sold positions - Treasury bills - fair value through profit or loss (FVTPL)	**-**	5,174,902	**-**	-
	-	5,174,902	**-**	-

	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
24 Investment securities				
Investment securities at amortised cost	**232,592,964**	172,882,523	**5,746,582**	6,007,162
Investment securities at FVOCI - debt instruments	**329,543,155**	172,884,325	**1,849,362**	-
Investment securities at FVOCI - Quoted equity investments	**86,851**	92,776	**-**	-
Investment securities at FVOCI - unquoted equity investments	**31,238,615**	26,688,710	**-**	-
	593,461,585	372,548,333	**7,595,944**	6,007,162
(a) Investment securities at amortised cost				
Federal Government of Nigeria (FGN) Bonds - listed	**148,102,104**	82,141,626	**-**	-
Federal Government of Nigeria (FGN) EuroBonds - listed	**50,384,071**	-	**-**	-
State Government Bonds - unlisted	**14,889,798**	9,874,172	**-**	-
Corporate bonds - unlisted	**15,890,426**	10,412,308	**3,597,436**	3,395,069
Placements	**6,311,888**	889,402	**2,317,542**	-
	235,578,287	103,317,508	**5,914,978**	3,395,069
Less impairment allowances	**(2,985,323)**	(2,149,910)	**(168,396)**	(141,117)
	232,592,964	101,167,598	**5,746,582**	3,253,952

In thousands of Naira

	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
(c) Investment securities at FVOCI				
Federal Government of Nigeria (FGN) Bonds - listed	**149,615,812**	55,858,306	**-**	-
Federal Government of Nigeria (FGN) Sukuk Bonds	**13,411,093**	43,497	**-**	-
Treasury bills - listed	**164,367,541**	219,911,524	**-**	-
Unclaimed dividend investment fund	**1,849,362**	1,495,938	**1,849,362**	1,495,938
Legacy Debt Fund	**51,424**	51,424	**-**	-
Legacy USD Bond Fund	**148,689**	148,689	**-**	-
Legacy Money Market Fund	**60,000**	60,000	**-**	-
	329,503,921	277,569,378	**1,849,362**	1,495,938
Less impairment allowance	**39,234**	58,958	**-**	-
	329,543,155	277,628,336	**1,849,362**	1,495,938

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
(d) **Investment securities at FVOCI - Quoted equity investments**				
Industrial and General Insurance Plc	**4,326**	4,326	**-**	-
Food Concepts	**3,245**	3,245	**-**	-
Legacy Equity Fund	**79,280**	79,280	**-**	-
	86,851	86,851	**-**	-
(e) **Investment securities at FVOCI - unquoted equity investments**				
Credit Reference Company Limited	**377,450**	265,360	**-**	-
Nigeria Inter-bank Settlement System Plc	**12,506,750**	1,720,680	**-**	-
Africa Finance Corporation	**11,284,300**	14,093,016	**-**	-
Africa Export-Import Bank, Cairo	**1,754,298**	1,104,125	**-**	-
Smartcard Nigeria Plc	**1,339,350**	613,602	**-**	-
FMDAI (OTC) Plc	**3,878,091**	2,271,443	**-**	-
Shared Agent Network Expansion Facilities Limited (SANEF)	**70,314**	98,249		-
AIICO Pensions Limited	**-**	6,765,273	**-**	-
Financial Derivative Ltd	**28,062**	28,062	**-**	-
	31,238,615	26,959,810	**-**	-

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
25 **Assets pledged as collateral**				
The nature and carrying amounts of the non tradable financial assets pledged as collaterals are as follows:				
(a) **Investment Securities - FVOCI**				
Treasury Bills - listed	**44,606,710**	35,772,155	**-**	-
Federal Government of Nigeria (FGN) Bonds - listed	**19,033,485**	13,205,414	**-**	-
	63,640,195	48,977,569	**-**	-
(b) **Investment Securities - FVTPL**				
Treasury Bills - listed	**-**	3,120,944	**-**	-
	-	3,120,944	**-**	-
(c) **Investment Securities - Amortized cost**				
Treasury Bills - listed	-	-	-	-
Federal Government of Nigeria (FGN) Bonds - listed	**53,566,429**	63,358,170	**-**	-
	53,566,429	63,358,170	**-**	-
	117,206,624	**115,456,683**	**-**	**-**

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
26 Loans and advances to customers				
(a) Overdrafts	**94,957,605**	67,649,104	**-**	-
Term loans	**885,933,949**	949,982,863	**-**	-
On-lending facilities	**244,993,034**	85,768,266	**-**	-
Advances under finance lease (see note (b) below)	**9,757,387**	9,757,387	**-**	-
Gross loans and advances to customers at amortised costs	**1,235,641,975**	1,113,157,620	**-**	-
Less impairment loss allowance	**(50,591,232)**	(49,568,428)	**-**	-
Net loans and advances to customers	**1,185,050,743**	1,063,589,192	**-**	-

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
(b) **Finance lease**				
Loan and advances to customer at amortised cost include the following finance lease:				
Gross investment:				
Less than one year	**4,955,014**	4,955,014	**-**	-
Between one and five years	**6,206,290**	6,206,290	**-**	-
	11,161,304	11,161,304	**-**	-
Unearned finance income	**(1,403,917)**	(1,403,917)	**-**	-
Net investment in finance leases	**9,757,387**	9,757,387	**-**	-
Less impairment allowance	**(324,232)**	(324,232)	**-**	-
	9,433,155	9,433,155	**-**	-
Net investment in finance leases				
Net investment in finance leases, receivables:				
Less than one year	**4,954,975**	4,954,975	**-**	-
Between one and five years	**4,802,412**	4,802,412	**-**	-
	9,757,387	9,757,387	**-**	-

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
27 Other assets				
(a) **Other financial assets:**				
E-settlement receivables	**19,157,178**	20,369,917	**-**	-
Agric SMEIS receivables	**3,521,438**	2,747,962	**-**	-
Differentiated Cash Reserve ReAluirement Scheme (DCRR) recievable	**144,402,093**	86,084,707	**-**	-
Related parties receivables	**-**	-	**5,990,288**	7,842,766
Insurance claims and fraud receivables	**5,249,933**	3,102,194	**-**	-
Judgement debt receivables	**4,112,985**	4,043,588	**-**	-
Accounts receivable - deposits for investments	**395,889**	13,601,688	**-**	-
Accounts receivable- TSA refunds	**433,101**	433,101	**-**	-
Accounts receivables	**35,843,372**	12,593,700	**85,814**	85,806
	213,115,989	142,976,857	**6,076,102**	7,928,572
Less impairment allowances	**(27,020,109)**	(21,209,342)	**(92,187)**	(92,187)
	186,095,880	121,767,515	**5,983,915**	7,836,385
(b) **Other non-financial assets:**				
Prepayments	**10,616,624**	4,780,952	**14,881**	13,206
Consumables	**1,495,124**	862,383	**-**	-
	12,111,748	5,643,335	**14,881**	13,206
	198,207,628	**127,410,850**	**5,998,796**	**7,849,591**

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
28 Restricted reserve deposits				
Restricted mandatory reserve deposits with central banks (see note (a) below)	**419,869,266**	309,628,683	**-**	-
Special Cash Reserve ReAluirement (see note (b) below)	**22,841,064**	20,110,464	**-**	-
LDR Cash Reserve	**165,385**	-	**-**	-
	442,875,715	329,739,147	**-**	-

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

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

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
29 Investment in Subsidiaries				
(a) Investment in subsidiaries comprises:				
First City Monument Bank Limited (see note (i) below)	-	-	**115,422,326**	115,422,326
FCMB Capital Markets Limited (see note (ii) below)	-	-	**240,000**	240,000
CSL Stockbrokers Limited (CSLS) (see note (iii) below)	-	-	**3,053,777**	3,053,777
FCMB Trustees Limited (see note (iv) below)	-	-	**220,000**	220,000
FCMB Microfinance Bank Limited (see note (v) below)	-	-	**150,000**	150,000
FCMB Pensions Limited (see note (vi) below)	-	-	**7,925,884**	7,925,884
Credit Direct Limited (see note (vii) below)	-	-	**366,210**	366,210
Carrying amount	-	-	**127,378,197**	**127,378,197**

(b) **Group entities**

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

Company Name	Country of incorporation	Nature of Business	Percentage of eAluity capital held (Direct	Financial year end
(1) First City Monument Bank Limited (see Note (i) below)	Nigeria	Banking	100%	31 Dec 2020
(2) FCMB Capital Markets Limited (see Note (ii) below)	Nigeria	Capital Market	100%	31 Dec 2020
(3) CSL Stockbrokers Limited (CSLS) (see Note (iii) below)	Nigeria	Stockbroking	100%	31 Dec 2020
(4) FCMB Trustees Limited (see Note (iv) below)	Nigeria	Trusteeship	100%	31 Dec 2020
(5) FCMB Microfinance Bank Limited (see Note (v) below)	Nigeria	Micro-lending	100%	31 Dec 2020
(6) FCMB Pensions Limited (see Note (vi) below)	Nigeria	Pension Fund Administrator	92.80%	31 Dec 2020
(7) Credit Direct Limited (see Note (vii) below)	Nigeria	Micro-lending	100%	31 Dec 2020

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

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

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

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

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

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

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

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

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

30 This comprises:

(a) **Property and equipment, and right of use assets**

GROUP

30 SEP 2022

In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost									
At 1 January	**4,684,743**	**25,253,370**	**6,212,749**	**6,127,177**	**5,213,591**	**43,298,597**	**9,999,494**	**709,442**	**101,499,163**
Additions during the period	20,000	215,463	264,063	298,015	573,095	4,763,170	449,027	1,832,099	8,414,932
Disposal during the period	-	-	-	-	(235,849)	(3,559,597)	(881)	-	(3,796,327)
Derecognised during the year	-	-	(1,371,815)	-	-	-	-	- -	1,371,815
Effect of movements in exchange rates	-	-	114,809	11,679	-	8,543	230	-	135,261
Balance at the end	**4,704,743**	**25,468,833**	**5,219,806**	**6,436,871**	**5,550,837**	**44,510,713**	**10,447,870**	**2,541,541**	**104,881,214**
Accumulated depreciation									
At 1 January	-	**4,954,875**	**1,884,822**	**4,225,894**	**3,571,752**	**28,424,430**	**8,894,536**	**-**	**51,956,309**
Depreciation for the period	-	509,185	429,151	305,124	376,122	3,776,121	272,312	-	5,668,015
Eliminated on Disposal	-	(129,154)	-	(17,760)	(40,625)	(2,780,942)	(686)	-	(2,969,167)
Derecognised during the period	-	-	(648,133)	-	-	-	-	-	(648,133)
Effect of movements in exchange rates	-	218,927	219,355	26,927	453,909	5,850	337,230	-	1,262,198
Balance at the end	**-**	**5,553,833**	**1,885,195**	**4,540,185**	**4,361,158**	**29,425,459**	**9,503,392**	**-**	**55,269,222**

31 DEC 2021

In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost									
At 1 January	**4,684,743**	**24,819,328**	**5,418,126**	**6,114,556**	**5,307,299**	**36,823,734**	**9,605,213**	**2,013,515**	**94,786,514**
Additions during the year	-	306,437	1,066,788	6,374	52,785	4,931,102	371,708	420,271	7,155,464
Reclassifications	-	127,605	-	-	-	1,571,020	25,637	(1,724,262)	-
Disposal during the year	-	-	-	-	(146,493)	(32,607)	(3,188)	- -	182,287.2
Derecognised during the year	-	-	(386,974)	-	-	-	-	-	(386,974)
Items written-off during the year	-	-	-	-	-	-	-	(82)	(82)
Effect of movements in exchange rates	-	-	114,809	6,247	-	5,348	124	-	126,528
Balance at the end	**4,684,743**	**25,253,370**	**6,212,749**	**6,127,177**	**5,213,591**	**43,298,597**	**9,999,494**	**709,442**	**101,499,163**
Accumulated depreciation									
At 1 January	-	**4,503,685**	**1,523,655**	**4,238,371**	**4,328,727**	**25,044,352**	**8,945,260**	**-**	**48,584,050**
Depreciation for the year	-	527,626	733,874	142,146	509,270	4,230,694	319,207	-	6,462,817
Eliminated on Disposal	-	(76,436)	-	69,994.00	(400,557)	(59,961) -	31,085.00	-	(498,045)
Derecognised during the year	-	-	(162,165)	-	-	-	-	-	(162,165)
Effect of movements in exchange rates	-	-	21,281	3,494	-	3,057	123	-	27,955
Balance at the end	**-**	**4,954,875**	**2,116,645**	**4,454,005**	**4,437,440**	**29,218,142**	**9,233,505**	**-**	**54,414,612**
Carrying amounts:									
Balance at 30 September 2022	**4,704,743**	**19,915,000**	**3,334,611**	**1,896,686**	**1,189,679**	**15,085,254**	**944,478**	**2,541,541**	**49,611,992**
Balance at 31 December 2021	4,684,743	20,298,495	4,096,104	1,673,172	776,151	14,080,455	765,989	709,442	47,084,551

Notes to the consolidated and separate financial statements

COMPANY

30 SEP 2022

In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost									
At 1 January	**-**	**-**	**-**	**5,181**	**52,500**	**20,759**	**12,437**	**-**	**90,877**
Additions during the period	-	-	-	-	-	7,859	1,204	3,776	12,839
Disposal during the period	-	-	-	-	-	(1,301)	(881)	-	(2,182)
Balance at the end	**-**	**-**	**-**	**5,181**	**52,500**	**27,317**	**12,760**	**3,776**	**101,534**
Accumulated depreciation									
At 1 January	-			**4,267**	**29,531**	**9,629**	**4,635**	**-**	**48,062**
Depreciation for the year	-	-	-	389	9,844	2,867	1,907	-	15,007
Eliminated on Disposal	-	-	-	-	-	(189)	(388)	- -	577
Balance at the end	**-**	**-**	**-**	**4,656**	**39,375**	**12,307**	**6,154**	**-**	**62,492**

31 DEC 2021

In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost									
At 1 January	**-**	**-**	**-**	**5,181**	**91,893**	**19,181**	**9,018**	-	**125,273**
Additions during the year	-	-	-	-	-	8,988	6,607	-	15,594
Disposal during the year	-	-	-	-	(39,393)	(7,410)	(3,188)	-	(49,990)
Balance at the end	**-**	**-**	**-**	**5,181**	**52,500**	**20,759**	**12,437**	**-**	**90,877**
Accumulated depreciation									
At 1 January	-	**-**	**-**	**3,749**	**24,613**	**14,212**	**4,386**	**-**	**46,960**
Depreciation for the year (see note 16)	-	-	-	518	14,766	2,096	2,039	-	19,419
Eliminated on Disposal	-	-	-	-	(9,848)	(6,679)	(1,790)	-	(18,317)
Derecognised during the year	-	-	-	-	-	-	-	-	-
Balance at the end	**-**	**-**	**-**	**4,267**	**29,531**	**9,629**	**4,635**	**-**	**48,062**
Carrying amounts:									
Balance at 30 September 2022	**-**	**-**	**-**	**525**	**13,125**	**15,010**	**6,606**	**3,776**	**39,041**
Balance at 31 December 2021	-	-	-	914	22,969	11,130	7,802	-	42,815

Notes to the consolidated and separate financial statements

	GROUP		COMPANY	
	30 SEP 2022	**31 DEC 2021**	**30 SEP 2022**	**31 DEC 2021**
31 Intangible assets				
(a) **Software**				
Cost				
At 1 January	**16,472,531**	14,055,712	**3,851**	3,851
Additions during the year	**3,045,705**	1,268,836	**-**	-
Work-in-progress - additions during the year	**830,616**	1,126,533	**-**	-
Effect of movement in exchange rates	**(10,320)**	21,450	**-**	-
Balance at the end	**20,338,532**	16,472,531	**3,851**	3,851
Accumulated amortisation				
At 1 January	**10,655,538**	9,073,029	**3,851**	3,851
Amortisation for the year	**1,313,483**	1,564,874	**-**	-
Effect of movement in exchange rates	**(2,481)**	17,635	**-**	-
Balance at the end	**11,966,540**	10,655,538	**3,851**	3,851
Carrying amount	**8,371,992**	**5,816,993**	**-**	**-**

(b) There were no capitalised borrowing costs related to any acquisition during the period (31 December 2021: nil)

(c) There was no impairment loss on the Group's software during the period (31 December 2021: nil)

	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
(d) **Goodwill**				
At 1 January	**11,338,977**	11,338,977	**-**	-
Acquired during the period	**9,598,566**	-	**-**	-
Carrying amount	**20,937,543**	11,338,977	**-**	-
	29,309,535	17,155,970	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira

32 Deferred tax assets and liabilities

(a) **Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

Group

		Liabilities	**Net**	**Assets**	**Liabilities**	**Net**
	30 SEP 2022			**31 DEC 2021**		
Property and eAIuipment	1,203,659	-	1,203,659	1,203,659	(308,729)	894,930
Allowances for loan losses	2,342,096	-	2,342,096	2,403,788	-	2,403,788
Tax loss carried forward	5,545,989	-	5,545,989	5,556,449	-	5,556,449
Effects of movement in exchange rates	36,865		36,865	-	-	0
Net tax assets/ (liabilities)	9,163,500	-	9,128,609	9,163,896	- 308,729.00	8,855,167

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
33 Deposits from banks				
Money market deposits	**108,534,175**	48,908,251	**-**	-
Trade related obligations to foreign banks	**46,936,025**	111,838,665	**-**	-
	155,470,200	**160,746,916**	**-**	**-**

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
34 Deposits from customers				
Term deposits	**536,720,340**	469,267,802	**-**	-
Current deposits	**832,949,845**	671,058,399	**-**	-
Savings	**447,172,060**	414,087,422	**-**	-
	1,816,842,245	1,554,413,623	**-**	-

Notes to the consolidated and separate financial statements

35 Retirement benefit obligations

Defined contribution scheme

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

Total contributions to the scheme for the period were as follows:				
At 1 January	**14,855**	325,557	**-**	-
Charged to profit or loss for the period	**525,740**	672,205	**11,975**	7,724
Employee contribution for the period	**420,592**	625,940	**9,580**	6,179
Total amounts remitted for the period	**(604,384)**	(1,608,847)	**(21,555)**	(13,903)
Balance at the end	**356,803**	14,855	**-**	-

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
36 Other liabilities				
(a) **Other financial liabilities:**				
Customers' deposit for letters of credit	**97,688,932**	38,998,581	**-**	-
Bank cheAlues/drafts	**4,905,873**	5,773,225	**-**	-
Negotiated letters of credits	**26,581,381**	16,236,590	**-**	-
E-settlement payables	**22,461,181**	3,780,036	**-**	-
Withholding tax and value added tax payables	**1,447,431**	1,178,988	**22,293**	45,743
Collections account balances (see note (c))	**32,891,141**	92,697,835	**-**	-
Unclaimed items	**5,609,442**	6,268,231	**-**	-
Undisbursed intervention funds (see note (d))	**198,756**	2,302,269	**-**	-
AMCON Sinking fund accounts payable (see note (e))	**301,164**	973,061	**-**	-
Accounts payable - others	**38,745,153**	22,266,784	**6,248,375**	5,767,228
Accounts payable - unclaimed dividend	**1,205,716**	1,377,491	**1,697,849**	1,377,491
	232,036,170	191,853,091	**7,968,517**	7,190,462
(b) **Other non-financial liabilities:**				
Deferred income & Rent received in advance (see note (f))	**1,001,630**	649,725	**-**	-
Accrued expenses	**11,798,408**	4,346,079	**386,742**	315,303
Lease liability (see note (g))	**2,453,995**	2,616,329	**-**	-
	15,254,033	7,612,133	**386,742**	315,303
	247,290,203	**199,465,224**	**8,355,259**	**7,505,765**

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

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

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

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

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

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2022	31 DEC 2021	30 SEP 2022	31 DEC 2021
37 Provision				
Legal claims	**6,301,898**	4,856,590	**-**	-
Financial guarantee contracts and loan commitments issued	**2,019,864**	1,890,680	**-**	-
	8,321,762	**6,747,270**	**-**	**-**

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2022	31 DEC 2021	30 SEP 2022	31 DEC 2021
38 On-lending facilities				
Bank of industry (BOI)	**1,800,956**	1,692,065	**-**	-
Commercial Agriculture Credit Scheme (CACS)	**4,464,196**	9,458,134	**-**	-
Real Sector Support Facility (RSSF)	**58,827,675**	9,990,796	**-**	-
Real Sector Support Facility (RSSF) Differentiated Cash Reserve ReAluirement Scheme (DCRR)	**105,300,418**	87,374,305	**-**	-
Power & Aviation Intervention Fund	**13,048,330**	14,736,961	**-**	-
Micro, Small and Medium Enterprises Development Fund (MSMEDF)	**2,059,572**	229,192	**-**	-
Development Bank of Nigeria (DBN)	**56,635,457**	34,392,321	**-**	-
	242,136,604	157,873,774	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
39 Debt securities issued				
Debt securities at amortised cost:				
Bond issued	**5,509,904**	5,059,795	**-**	-
Note issued	**20,916,337**	19,784,732	**-**	-
Note issued	**22,429,435**	21,529,975	**-**	-
Note issued	**29,997,168**	29,998,440	**-**	-
Note issued	**4,202,304**	2,120,550	**-**	-
Commercial paper issued	**39,187,773**	-	**-**	-
	122,242,921	78,493,492	**-**	-

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
At 1 January	**78,493,492**	101,531,205	**-**	-
Accrued coupon interest for the year	**1,631,085**	306,786	**-**	-
Additions during the year	**41,201,377**	657,655	**-**	-
Repayments during the year	**-**	(26,000,000)	**-**	-
Coupon interest paid during the year	**(579,652)**	(574,910)	**-**	-
Effects of movement in exchange rates	**1,496,619**	2,572,756	**-**	-
Balance at the end	**122,242,921**	78,493,492	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
40 Borrowings				
(a) Borrowings comprise:				
European Investment Bank (EIB)	**-**	2,320,868	**-**	-
Oikocredit Cooperative Society, Netherlands	**3,239,797**	4,253,459	**-**	-
Societe De Promotion et De Participation Pour La Cooperation EconomiAIue SA. (Proparco)	**14,745,150**	14,777,885	**-**	-
FCMB Asset Management	**22,791,647**	17,264,470		-
African Export-Import Bank (Afrexim)	**31,379,933**	42,087,384	**-**	-
	72,156,527	80,704,066	**-**	-

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
(b) Movement in borrowings account during the period was as follows:				
At 1 January	**80,704,066**	159,718,037	**-**	-
Additions during the year	**5,527,177**	64,040,385	**-**	-
Repayments during the year	**(13,546,319)**	(142,634,377)	**-**	-
Effects of movement in exchange rates	**(528,397)**	(419,979)		-
Balance at the end	**72,156,527**	80,704,066	**-**	-

-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 SEP 2022	GROUP 31 DEC 2021	COMPANY 30 SEP 2022	COMPANY 31 DEC 2021
41 Share capital				
Issued and fully paid				
19.8billion ordinary shares of 50k each (31 December 2021: 19.8billion)	**9,901,355**	9,901,355	**9,901,355**	9,901,355

42 Share premium and reserves

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

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

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

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

(i). Statutory reserve: Nigerian banking regulations reAIuire the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The Bank transferred 15% of its 'profit after tax to statutory reserves as at period end (31 December 2021: 15%).

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

(iii). Fair Value Reserve: The fair value reserves comprise:

- the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income and

- the cumulative net change in fair value of debt securities at fair value through other comprehensive income until the assets are derecognised or reclassified. The amount is reduced by the amount of loss allowance.

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

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

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

43 Non-controlling Interest (NCI)

Disclosure of NCI in the Group's subsidiary

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

	CSL CAPITAL (UK) LIMITED		FCMB PENSIONS LIMITED		GROUP	
	30 SEP 2022	31 Dec 2021	30 SEP 2022	31 Dec 2021	30 SEP 2022	31 Dec 2021
NCI Percentage	**25.00%**	**25.00%**	**7.20%**	**7.20%**		
Total Assets	885,566	1,368,830	18,050,018	12,238,734	18,935,584	13,607,564
Total Liabilities	(245,283)	319,582	8,190,842	7,811,691	7,945,559	8,131,273
Net Assets	1,130,850	1,049,248	9,859,176	4,427,043	10,990,026	5,476,291
Net assets attributable to NCI	282,712	262,312	709,861	318,747	992,573	581,059
Movement in NCI						
Balance at 1 January	262,312	127,876.39	318,747	251,679	581,059	379,555
Dividend paid/declared	-	-	(28,801)	(14,400)	(28,801)	(14,400)
(Reduction)/ Addition due to acquisition of shares by the Group	(196,880)	-	319,241	2,604	122,361	2,604
Share of post acquisition profit	217,280	127,656	100,674	80,490	317,954	208,146
Share of other comprehensive income	-	6,780	-	(1,626)	-	5,154
Total NCI at reporting date	282,712	262,312	709,861	318,747	992,573	581,059

Notes to the consolidated and separate financial statements

44 Contingencies

(a) Legal Proceedings

Other contingent liabilities and commitments

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

Nature of instruments

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Group will only be reAluired to meet these obligations in the event of the customer's default, the cash reAluirements of these instruments are expected to be considerably below their nominal amounts. Other contingent liabilities include transaction related customs and performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customer's creditworthiness. Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed year, or have no specific maturity dates but are cancellable by the lender subject to notice reAluirements. Documentary credits commit the Group to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers. The following tables summarise the nominal principal amount of contingent liabilities and commitments with contingent risk.

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

	GROUP		COMPANY	
In thousands of Naira	**30 SEP 2022**	**31 DEC 2021**	**30 SEP 2022**	**31 DEC 2021**
Performance bonds and guarantees	**163,916,848**	141,733,924	**-**	-
Loan commitments	**3,869,461**	3,869,461	**-**	-
Clean line letters of credit	**121,752,002**	135,225,605	**-**	-
	289,538,311	280,828,990	**-**	-
Other commitments	**53,905**	349,643	**-**	-
	289,592,216	281,178,633	**-**	-

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

Notes to the consolidated and separate financial statements
For the period ended

45 Group subsidiaries and related party transactions

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

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

(b) **Subsidiaries:**

Transactions between FCMB Group Plc and its subsidiaries which are eliminated on consolidation are not separately disclosed in the consolidated financial statements. The Group's effective interests and investments in subsidiaries as at 30 September 2022 are shown below.

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

(c) **Significant restrictions**

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which its banking subsidiaries operate. The carrying amounts of banking subsidiaries' assets and liabilities are N37.78billion andN38.65billion respectively (31 December 2021: N169.79billion and N150.61billion respectively).

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

(d) **Condensed Financial Information**

(i) The condensed financial data of the consolidated entities as at 30 September 2022 were as follows:

RESULTS OF OPERATIONS											
In thousands of Naira	**FCMB GROUP PLC**	**FCMB LIMITED GROUP**	**FCMB CM LIMITED**	**CSL STOCKBROKERS LIMITED GROUP**	**FCMB TRUSTEES LIMITED**	**FCMB MFB LIMITED**	**FCMB PENSIONS LIMITED**	**CREDIT DIRECT LIMITED**	**TOTAL**	**CONSOLIDATION JOURNAL ENTRIES**	**GROUP**
Interest and discount income	365,495	143,735,213	88,187	245,819	34,230	6,154	261,183	9,680,545	154,416,826	(333,119)	154,083,707
Interest expense	-	(59,306,193)	-	(23,801)	-	(166)	-	(2,031,303)	(61,361,463)	333,120	(61,028,343)
Net interest income	**365,495**	**84,429,020**	**88,187**	**222,018**	**34,230**	**5,988**	**261,183**	**7,649,242**	**93,055,363**	**0.90**	**93,055,364**
Other income	3,104,013	29,567,135	679,490	2,462,700	103,356	1,090	4,241,713	541,367	40,700,864	(2,131,905)	38,568,959
Operating income	**3,469,508**	**113,996,155**	**767,677**	**2,684,718**	**137,586**	**7,078**	**4,502,896**	**8,190,609**	**133,756,227**	**(2,131,904)**	**131,624,323**
Operating expenses	(1,178,939)	(77,069,203)	(360,083)	(1,153,407)	(81,482)	(12,506)	(2,505,396)	(4,054,062)	(86,415,078) -	1.00	(86,415,079)
Impairment losses on financial instruments	-	(17,699,897)	-	(40,358)	7	8	-	(964,455)	(18,704,695)	-	(18,704,695)
Profit before tax	**2,290,569**	**19,227,055**	**407,594**	**1,490,953**	**56,111**	**(5,420)**	**1,997,500**	**3,172,092**	**28,636,454**	**(2,131,905)**	**26,504,549**
Income tax expense	-	(1,406,722)	(134,503)	(380,847)	(15,711)	-	(599,250)	(1,046,790)	(3,583,823)	-	(3,583,823)
Profit after tax	**2,290,569**	**17,820,333**	**273,091**	**1,110,106**	**40,400**	**(5,420)**	**1,398,250**	**2,125,302**	**25,052,631**	(2,131,905)	**22,920,726**
Other comprehensive income	-	629,763	-	-	-	-	-	-	629,763	-	629,763
Total comprehensive income for the period	**2,290,569**	**18,450,096**	**273,091**	**1,110,106**	**40,400**	**(5,420)**	**1,398,250**	**2,125,302**	**25,682,394**	**(2,131,905)**	**23,550,489**

Notes to the consolidated and separate financial statements
For the period ended

FINANCIAL POSITION

In thousands of Naira	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	CSL STOCKBROKERS LIMITED GROUP	FCMB TRUSTEES LIMITED	FCMB MFB LIMITED	FCMB PENSIONS LIMITED	CREDIT DIRECT LIMITED	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Assets											
Cash and cash equivalents	64,529	292,562,573	598,320	4,335,414	799,339	241,240	1,232,143	4,617,519	304,451,077	(640,444)	303,810,633
Restricted reserve deposits	-	442,875,715	-	-	-	-	-	-	442,875,715	-	442,875,715
Non-pledged trading assets	-	4,270,381	133,590	1,441,536	-	-	-	-	5,845,507	-	5,845,507
Loans and advances to customers	-	1,157,218,331	69,480	317,332	1,034	(5)	127,658	27,316,913	1,185,050,743	-	1,185,050,743
Assets pledged as collateral	-	117,206,624	-	-	-	-	-	-	117,206,624	-	117,206,624
Investment securities	7,595,944	582,372,250	1,076,108	1,570,492	155,473	9,000	4,061,221	-	596,840,488	(3,378,903)	593,461,585
Investment in subsidiaries	127,378,197	-	-	-	-	-	-	-	127,378,197	(127,378,197)	-
Property and equipment, and right of use assets	39,041	44,620,977	66,745	382,605	11,071	5,516	2,011,482	2,474,553	49,611,990	-	49,611,992
Intangible assets	-	13,811,237	-	83,194	998	-	9,686,922	382,070	23,964,421	5,345,114	29,309,535
Deferred tax assets	-	9,134,443	25,244	3,813	-	-	-	-	9,163,500	-	9,163,500
Other assets	5,998,796	189,014,012	294,921	1,355,534	138,893	-268	930,592	728,081	198,460,561	(252,933)	198,207,628
	141,076,507	**2,853,086,543**	**2,264,408**	**9,489,920**	**1,106,808**	**255,483**	**18,050,018**	**35,519,136**	**3,060,848,823**	**(126,305,363)**	**2,934,543,462**
Financed by:											
Trading liabilities	-	-	-	-	-	-	-	-	-	-	-
Deposits from banks	-	155,470,200	-	-	-	-	-	-	155,470,200	-	155,470,200
Deposits from customers	-	1,817,450,219	-	-	-	13,781	-	-	1,817,464,000	(621,755)	1,816,842,245
Borrowings	-	49,364,879	-	-	-	-	-	22,791,648	72,156,527	-	72,156,527
On-lending facilities	-	242,136,604	-	-	-	-	-	-	242,136,604	-	242,136,604
Debt securities issued	-	125,640,513	-	-	-	-	-	-	125,640,513	(3,397,592)	122,242,921
Retirement benefit obligations	-	6,338	-	-	-	-	343,377	7,088	356,803	-	356,803
Current income tax liabilities	48,386	3,753,232	276,705	379,496	17,513	661	647,872	1,113,112	6,236,977	-	6,236,977
Provision	-	8,321,762	-	-	-	-	-	-	8,321,762	-	8,321,762
Other liabilities	8,355,259	222,187,563	311,595	3,569,994	611,288	15,063	7,199,593	1,350,162	243,600,517	3,689,686	247,290,203
Share capital	9,901,355	5,000,000	500,000	943,577	50,000	150,000	973,575	500,000	18,018,507	(8,117,152)	9,901,355
Share premium	115,392,414	97,846,691	-	1,057,251.00	170,001	-	4,569,950	-	219,036,307	(103,643,893)	115,392,414
Retained earnings	7,379,093	69,913,491	1,176,108	3,413,716	258,006	134,898	3,243,099	7,220,740	92,739,151	(13,724,098)	79,015,054
Other reserves	-	55,995,051	-	125,886	-	-58,920	1,072,552	2,536,386	59,670,955	(1,483,130)	58,187,825
Non Controlling Interest	-	-	-	-	-	-	-	-	-	992,573	992,573
	141,076,507	**2,853,086,543**	**2,264,408**	**9,489,920**	**1,106,808**	**255,483**	**18,050,018**	**35,519,136**	**3,060,848,823**	**(126,305,361)**	**2,934,543,462**
Acceptances and guarantees	**-**	**289,592,216**	**-**	**-**	**-**	**-**	**-**	**-**	**289,592,216**	**-**	**289,592,216**

Notes to the consolidated and separate financial statements
For the period ended

CONDENSED FINANCIAL INFORMATION

(ii) The condensed financial data of the consolidated entities as at 30 September 2021 were as follows:

RESULTS OF OPERATIONS

In thousands of Naira	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	CSL STOCKBROKERS LIMITED	FCMB TRUSTEES LIMITED	FCMB MFB LIMITED	FCMB PENSIONS LIMITED	CREDIT DIRECT LIMITED	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Interest and discount income	306,811	106,789,088	24,323	102,414	49,188	10,021	110,054	8,662,176	116,054,075	(303,258)	115,750,817
Interest expense	-	(49,263,818)	-	(7,244)	(15,987)	(1,163)	-	(1,374,850)	(50,663,062)	303,258	(50,359,804)
Net interest income	**306,811**	**57,525,270**	**24,323**	**95,170**	**33,201**	**8,858**	**110,054**	**7,287,326**	**65,391,013**	**-**	**65,391,013**
Other income	3,124,171	22,861,938	411,345	1,797,998	87,131	597	2,621,060	400,937	31,305,177	(2,965,029)	28,340,148
Operating income	**3,430,982**	**80,387,208**	**435,668**	**1,893,168**	**120,332**	**9,455**	**2,731,114**	**7,688,263**	**96,696,190**	**(2,965,029)**	**93,731,161**
Operating expenses	(946,138)	(65,796,453)	(318,391)	(1,104,814)	(73,775)	(46,217)	(1,558,666)	(3,970,608)	(73,815,062)	590,983	(73,224,079)
Impairment losses on financial instruments	-	(3,556,844)	-	87,780	-	(3,119)	-	(1,293,185)	(4,765,368)	-	(4,765,368)
Profit before tax	**2,484,844**	**11,033,911**	**117,277**	**876,134**	**46,557**	**(39,881)**	**1,172,448**	**2,424,470**	**18,115,760**	**-**	**15,741,714**
Income tax expense	-	(531,818)	(38,701)	(242,286)	(13,036)	-	(311,193)	(800,075)	(1,937,109)	-	(1,937,109)
Profit after tax	**2,484,844**	**10,502,093**	**78,576**	**633,848**	**33,521**	**(39,881)**	**861,255**	**1,624,395**	**16,178,651**	**(2,374,046)**	**13,804,605**
Other comprehensive income	-	(1,984,454)	-	12,015	-	-	-	-	(1,972,439)	-	(1,972,439)
Total comprehensive income for the year	**2,484,844**	**8,517,639**	**78,576**	**645,863**	**33,521**	**(39,881)**	**861,255**	**1,624,395**	**14,206,212**	**(2,374,046)**	**11,832,166**

FINANCIAL POSITION

In thousands of Naira	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	CSL STOCKBROKERS LIMITED	FCMB TRUSTEES LIMITED	FCMB MFB LIMITED	FCMB PENSIONS LIMITED	CREDIT DIRECT LIMITED	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Assets											
Cash and cash equivalents	1,213,939	353,206,516	156,417	4,035,346	420,261	193,594	1,286,285	4,312,778	364,825,136	(3,242,904)	361,582,232
Restricted reserve deposits	-	339,081,101	-	-	-	-	-	-	339,081,101	-	339,081,101
Non-pledged Trading assets	-	36,339,828	-	1,333,942.00	-	-	-	-	37,673,770	-	37,673,770
Loans and advances to customers	-	943,061,087	80,879	405,854	1,638	17,588	88,142	23,918,518	967,573,706	-	967,573,706
Assets pledged as collateral	-	141,476,018	-	-	-	-	-	-	141,476,018	-	141,476,018
Investment securities	4,749,890	394,344,959	1,399,723	415,987	498,116	9,000	7,816,520	-	409,234,195	(3,391,600)	405,842,595
Investment in subsidiaries	127,378,197	-	-	-	-	-	-	-	127,378,197	(127,378,197)	-
Property and equipment, and right of use assets	42,065	42,933,911	3,403	364,989	18,898	10,855	1,729,353	2,479,430	47,582,904	-	47,582,904
Intangible assets	-	11,127,613	-	58,125	2,129	-	35,106	241,845	11,464,818	5,345,115	16,809,933
Deferred tax assets	-	8,006,531	25,244.00	-	-	-	-	-	8,031,775	-	8,031,775
Other assets	499,195	89,665,136	100,102	1,171,431	78,774	3,555	843,179	865,789	93,227,161	(1,030,513)	92,196,648
	133,883,286	**2,359,242,700**	**1,765,768**	**7,785,674**	**1,019,816**	**234,592**	**11,798,585**	**31,818,360**	**2,547,548,781**	**(129,698,099)**	**2,417,850,682**
Financed by:											
Trading liabilities	-	71,793,024	-	-	-	-	-	-	71,793,024	-	71,793,024
Deposits from banks	-	252,116,707	-	-	-	-	-	-	252,116,707	-	252,116,707
Deposits from customers	-	1,411,166,960	-	-	-	15,033	-	379,333	1,411,561,326	(3,242,903)	1,408,318,423
Borrowings	-	45,882,508	-	-	-	-	-	19,919,014	65,801,522	-	65,801,522
On-lending facilities	-	124,645,918	-	-	-	-	-	-	124,645,918	-	124,645,918
Debt securities issued	-	108,689,590	-	-	-	-	-	-	108,689,590	(3,391,599)	105,297,991
Retirement benefit obligations	-	95,759	-	-	-	-	141,290	6,407	243,456	-	243,456
Current income tax liabilities	31,313	2,811,505	63,049	225,395	12,364	-	381,561	843,704	4,368,891	-	4,368,891
Deferred tax liabilities	-	-	25,244	6,158	1,859	5,037	109,003	95,442	242,743	-	242,743
Provision	-	7,302,741	3,083	-	-	-	-	-	7,305,824	-	7,305,824
Other liabilities	2,110,181	128,808,363	221,942	3,026,188	543,666	21,725	6,671,162	1,266,040	142,669,267	(945,035)	141,724,232
Share capital	9,901,355	5,000,000	500,000	943,577	50,000	150,000	800,000	500,000	17,844,932	(7,943,577)	9,901,355
Share premium	115,392,414	97,846,690	-	1,057,250	169,999	-	404,142	-	214,870,495	(99,478,081)	115,392,414
Retained earnings / (accumulated deficit)	6,445,206	50,994,008	952,450	2,430,104	241,928	(2,886)	2,440,409	6,523,559	70,024,778	(7,674,260)	62,350,518
Other reserves	2,817	52,088,927	-	97,002	-	45,683	851,018	2,284,861	55,370,308	(7,514,431)	47,855,877
Non-controlling Interests	-	-	-	-	-	-	-	-	-	491,787	491,787
	133,883,286	**2,359,242,700**	**1,765,768**	**7,785,674**	**1,019,816**	**234,592**	**11,798,585**	**31,818,360**	**2,547,548,781**	**(129,698,099)**	**2,417,850,682**
Acceptances and guarantees	**-**	**258,230,058**	**-**	**-**	**-**	**-**	**-**	**-**	**258,230,058**	**-**	**258,230,058**