2022
UNAUDITED
ACCOUNT
Q4

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CONTENTS

INTRODUCTION

Jaiz Banks unaudited Financial Statements for the period ended 31 December 2022 comply with the applicable legal Requirements of the Securities and Exchange Commission regarding interim Financial Statements. These financial statements contain extract of the unaudited financial statements prepared in accordance with IAS 34 Interim Financial Reporting, its interpretation issued by the International Accounting Standards Board and adopted by the Financial Reporting Council of Nigeria.

DIRECTORS, OFFICERS & PROFESSIONAL ADVISERS

Directors

Alh. (Dr.) Umar Abdul Mutallab, FCA, CON	-	Chairman
Alh. (Dr.) Aminu Alhassan Dantata, CON	-	Non-Executive Director
Alh. Musbahu Muhammed Bashir	-	Non-Executive Director
Alh. Mukhtar Danladi Hanga	-	Non-Executive Director
H.R.H. Engr. Bello Muhammad Sani, OON	-	Non-Executive Director
Mall. Falalu Bello, FCIB, OFR	-	Non-Executive Director
Mr. Mohammed Seedy Njie	-	Non-Executive Director
Alh. (Dr.) Umaru Kwairanga, F.IoD, FCS, FCIP	-	Non-Executive Director
Alh. (Dr.) Muhammadu Indimi, OFR		-Non-Executive Director
Alh. Mamun Ibrahim Maude	-	Non-Executive Director
Mrs. Aisha Waziri Umar	-	Independent Director
Dr. Abdullateef Bello	-	Independent Director
Dr. Sirajo Salisu Ph.D	-	Managing Director
Mr. AbdulFattah Olanrewaju Amoo, FCA	-	Executive Director, Business Development, South
Ahmed Alhaji Hassan, FCA	-	Executive Director Services/CFO

Company Secretary

Mr. Shehu Mohammed
FRC/2017/NBA/00000016416
No 73 Ralph Shodeinde Street,
Central Business District, Abuja.

Registered Office:

Jaiz Bank Plc.
Kano House
No 73 Ralph Shodeinde Street,
Central Business District, Abuja.

Registrar and Transfer Office:

Africa Prudential Plc.
(Formerly UBA Registrars Plc.)
220B Ikorodu Road, Lagos.

Independent Auditor

Deloitte & Touche
Civic Towers,
Plot GA1 Ozumba Mbadiwe Road,
Victoria Island, Lagos, Nigeria.

Tax Advisors

Oladele Konsulting
(Chartered Tax Practitioner & Management Consultants)
Suite C11 Othini Plaza, Plot 1528, Nouakchott Street
Wuse Zone 1, Abuja.

CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT & SECURITIES ACT NO. 29 OF 2007

We the undersigned hereby certify the following with regards to our financial report for the period ended 31 December. 2022 that:

(a) We have reviewed the report and to the best of our knowledge, the report does not contain;

(I) Any untrue statement of a material fact, or
(ii) Omit to state a material fact which would make the statements misleading in the light of the circumstances under which such statements were made;

(b) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Company as of, and the periods presented in the report.

(c) We;
(i) Are responsible for establishing and maintaining internal controls;
(ii) Have evaluated the effectiveness of the company's internal controls as of the date with 90 days prior to the reports;

(iii) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as that date;

(e) We have disclosed to the audit committee;

(I) All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and

(ii) Any fraud whether or not material, that involve management or other employees who have significant role in the company's internal controls;

(f) We have identified in the report whether or not there was significant changes in the internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regards to significant deficiencies and material weakness.

Ahmed Alhaji Hassan, FCA
Chief Financial Officer
FRC/2013/ICAN/00000004528

Sirajo Salisu Ph.D
Managing Director/CEO
FRC/2022/PRO/DIR/003/641972


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Statement of Profit or Loss and Other Comprehensive Income

For the period ended 31 December 2022

	Notes	DEC. 2022 N'000	3 Month Ended DEC. 2022 N'000	3 Month Ended DEC. 2021 N'000	DEC. 2021 N'000
Income:					
Income from financing contracts	30	21,588,665	5,965,801	4,513,639	15,205,240
Income from investment activities	31	9,861,802	2,510,052	2,510,052	8,972,187
Gross income from financing transactions		**31,450,467**	**8,475,853**	**7,023,691**	**24,177,427**
Impairment (charges)	38	(3,888,913)	(993,821)	(1,441,558)	(3,720,926)
Bank's share as equity investor/ mudarib		**27,561,554**	**7,482,032**	**5,582,133**	**20,456,502**
Return to equity investment accountholder	32(I)	(6,905,436)	(2,194,863)	(1,601,844)	(4,939,957)
Net Spread after Provision		**20,656,119**	**5,287,169**	**3,980,289**	**15,516,544**
Other Income					
Fees and commission	33	1,638,830	598,506	244,301	1,108,774
Other operating income	34	340,087	13,515	181,821	557,162
Total Income		**22,635,035**	**5,899,190**	**4,406,411**	**17,182,480**
Expenses:					
Staff costs	36	8,100,246	1,931,812	1,820,081	7,044,421
Depreciation and amortisation	37	1,260,217	470,747	203,509	781,980
Operating expenses	38(I)	6,604,918	1,514,895	1,024,880	4,983,276
Total expenses		**15,965,380**	**3,917,454**	**3,242,272**	**12,809,678**
Profit before tax		6,669,655	1,981,736	1,357,940	4,372,803
Income tax expenses	20	(583,595)	(145,899)	(121,971)	(73,575)
Profit for the period		**6,086,060**	**1,835,837**	**1,235,696**	**4,299,228**
Other comprehensive income					
Item that may be reclassified to profit or loss					
Foreign currency translation difference	35	(142,998)	4,915	21,201	(214,728)
Total comprehensive income for the period		**5,946,062**	**1,840,752**	**1,257,171**	**4,084,500**
Earnings per share					
Basic and diluted Earnings per share (kobo)		17.62 kobo			13.8 kobo

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

Statement of Financial Position

For the period ended 31 December 2022

Assets	Notes	December 2022 N'000	Dec. 2021 N'000
Cash and balances with Central Bank of Nigeria	3	92,982,772	48,113,817
Due from banks and other financial institutions	4	23,711,723	21,680,400
Investment in sukuk	5	75,654,990	63,473,239
Investment in Musharaka	6	10,131	28,160
Murabaha receivables	7	81,190,841	63,371,224
Investment in Bai Mu'ajjal	8	2,311,534	2,424,511
Investment in istisna	9	12,388,849	13,800,888
Investment in ijara assets	10	38,007,484	33,115,954
Qard hassan	11	191,805	41,571
Investment in Salam	12	1,339,990	505,452
Investment in assets held for sale	15	38,138,242	20,767,542
Property and Equipment	16	8,696,864	6,642,247
Leasehold improvement	17	45,878	41,462
Intangible assets	18	624,673	574,840
Other assets	19	2,148,055	3,445,684
Deferred tax asset	20b	1,248,588	1,248,588
Total assets		**378,692,420**	**279,275,581**
Liabilities			
Customer current deposits	21a	140,879,782	111,559,434
Other financing	22	32,679,097	31,536,491
Other liabilities	23	31,428,965	13,724,375
Tax payable	-	281,072	620,938
Total liabilities		**205,268,916**	**157,441,238**
Equity of investment account holders			
Customers' unrestricted investment accounts	21b	150,642,980	97,529,175
Total equity of investment account holders		**150,642,980**	**97,529,175**
Owners' equity			
Share capital	24	17,270,586	17,270,586
Share premium	25	1,348,446	1,348,446
Retained earnings	26	(2,120,992)	(739,345)
Risk regulatory reserve	27	2,428,354	2,428,354
Statutory reserve	28	3,276,471	3,276,471
Other reserves	29	577,657	720,655
Total equity		**22,780,523**	**24,305,168**
Total equity and liabilities		**378,692,420**	**279,275,581**

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

Signed on behalf of the Board of Directors on 30 January, 2022

Dr. Umaru A. Mutallab, FCA, CON
Chairman
FRC/2013/ICAN/00000004391

Sirajo Salisu Ph.D
Managing Director/CEO
FRC/2022/PRO/DIR/003/641972

Ahmed A. Hassan, FCA
Chief Financial Officer
FRC/2013/ICAN/000000104528

Statement of Changes in Equity

For the period ended 31 December 2022

DECEMBER 2021	Share Capital	Share Premium	Retained Earnings	Risk Regulatory Reserve	CBN (AGSMEIS) Reserve	Other Comp income	Statutory Reserve	Foreign Currency Translation Reserve	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2021	14,732,125	627,365	(2,538,887)	2,175,084	354,605	112,313	2,108,625	273,824.60	17,845,054
Profit for the period	-	-	4,299,228	-	-	-	-		4,299,228
Foreign currency translation difference	-	-	-	-	-	-	-	(214,728)	(214,728)
Total comprehensive income for the period	-	-	4,299,228	-	-	-	-	214,728	4,084,499
Increase in share capital (Private Placement)	2,538,461	721,082	-	-	-	-	-	-	3,259,543
Transfer to risk regulatory reserve	-	-	(253,270)	253,270	-	-	-	-	
Transfer to statutory reserve	-	-	(1,167,846)	-	-	-	1,167,846	-	-
Transfer to AGSMEIS	-	-	(194,641)	-	194,641	-	-	-	-
Dividend Paid	-	-	(883,929)	-	-	-	-	-	(883,929)
Balance at 31 December 202	17,270,586	1,348,447	(739,346)	2,428,354	549,246	112,313	3,276,470	(214,728)	24,305,168
Balance at 1 January 2022	17,270,586	1,348,447	(739,346)	2,428,354	549,246	112,313	3,276,470	(214,728)	24,305,168
Profit for the period	-	-	-	-	-	-	-	-	
Foreign currency translation difference	-	-	-	-	-	-	-	(142,998)	(142,998)
Total comprehensive income for the period	-	-	-	-	-	-	-	(142,998)	142,998
Increase in share capital (Private Placement)	-	-	-	-	-	-	-	-	
Transfer to risk regulatory reserve	-	-	-	-	-	-	-		
Transfer to statutory reserve	-	-		-	-	-	-		- -
Transfer to AGSMEIS	-		-		-		-	-	
Dividend Paid	-	-	(1,381,647)	-	-	-	-	-	(1,381,647)
Balance as at 30 September 2022	17,270,586	1,348,447	(2,120,992)	2,428,354	549,246	112,313	3,276,471	(357,726)	22,780,523

Statutory Reserve

Nigerian banking regulations require Banks to make an annual appropriation to a statutory reserve. As stipulated by section 15(1) of the Banks and Other Financial Institutions Act of 2020, 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 capital.

Non Distributable Regulatory Reserve

This is a reserve created by comparing impairment of risk assets under IFRS and provisions for risk assets using CBN Prudential Guidelines. Where the impairment amount under IFRS is lower than the provisions amount under Prudential Guidelines, the IFRS impairment figure is used in the accounts. However, the difference between the IFRS impairment and Prudential guidelines provisioning is charged to the retained earnings and transferred to a non distributable reserve.

Statement of Cashflows

For the period ended 31 December 2022

	Dec. 2022 N'000	Dec. 2021 N'000
Cash flow from operating activities		
Profit for the period	5,943,062	4,084,500
Adjustments for non -cash items:		
Depreciation	1,101,177	676,082
Amortisation of intangible assets	127,615	79,013
Amortisation of leasehold	31,425	26,886
Amortisation of right of use assets	477,687	414,761
Impairment on financing assets	3,888,913	3,720,926
Income tax expense	(583,595)	73,575
Foreign currency revaluation loss	142,998	214,728
Net cash flows before changes in working capital	**12,296,472**	**9,290,470**
Working capital movement:		
Investment in Sukuk	(12,181,751)	10,322,336
Murabaha receivables	(19,386,321)	(23,708,133)
Investment in musharaka	18,030	(9,192)
Bai Muajjal	103,635	(613,079)
Istisna	1,373,809	(10,476,916)
Ijara rental receivables	(6,492,411)	(8,824,020)
Qard hassan	(247,464)	45,800
Investment in Salam	(834,538)	(494,340)
Investment properties	-	1,603,513
Investment in trading assets	(17,370,699)	(2,085,524)
Other assets	676,944	(2,645,495)
Customers' current account	29,320,348	36,978,721
Other financing	1,142,606	16,131,249
Other liabilities	10,601,407	(10,407,438)
Tax paid	(339,866)	(427,742)
Net cash provided by (used in) operating activities	**(1,462,798)**	**14,680,209**
Investing activities		
Purchase of property, plant & equipment	(3,171,394)	(4,372,507)
Proceed from sale of property, plant & equipment	15,600	5,457
Improvement on leasehold properties	(4,416)	(20,822)
Purchase of intangible assets	(208,873)	(178,039)
Net cash provided by/(used in) Investing activities	**(3,369,083)**	**(4,565,911)**
Financing activities		
Distribution to charity	-	(792)
Customers investment accounts	53,113,805	(3,403,253)
Issue of ordinary share	-	3,259,543
Dividends paid to owners	(1,381,647)	(883,929)
Net cash provided by/(used in) financing activities	**51,732,159**	**(1,028,431)**
Increase/(decrease) In cash and cash equivalents	46,900,278	9,085,868
Cash and cash equivalents at beginning of period	69,794,217	60,708,349
Cash and cash equivalents at 31 December	**116,694,495**	**69,794,217**

Notes to the Financial Statements

For the period ended 31 December 2022

1. REPORTING ENTITY

JJaiz Bank Plc (the "Bank") is the first fully fledged non-interest financial institution in Nigeria. The Bank was granted a banking license to carry on the business of non interest banking and commenced operation on January 6th, 2012 with three branches in two states and the Federal Capital Territory. It was established as a private limited liability Company but was converted to a Public limited liability company in April 2016 and now trades its Stock on the Nigeria Stock Exchange.

The address of the Bank's registered office is Kano House, Plot 73, Ralph Shodeinde Street, Central Business District, and Abuja, Nigeria. The Financial Statement of the Bank as at 25th October 2022, is only for the Bank as it has no subsidiary and/or Associate company. These financial statements were approved and authorized for issue by the Board of Directors on 25thOctober 2022. The Directors have the power to amend and issue the financial statements.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the requirements of International Financial Reporting standards (IFRS) as issued by International Accounting standards Board (IASB).For matters that are peculiar to Islamic Banking and Finance, the Bank relies on the Statement of Financial Accounting ("SFA") and Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), Standards issued by the Islamic Financial Services Board ("IFSB") and Circulars issued by the Central Bank of Nigeria ("CBN") shall also be of guidance.

3 BASIS OF MEASUREMENT

Statement of compliance with International Financial Reporting Standards

The Bank's financial statements are to be prepared under the historical cost convention, and may be modified by their valuation of certain investment securities, property, plant and equipment. Financial statements are to be prepared mainly in

accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). For matters that are peculiar to Islamic Banking and Finance, the Bank shall rely on the Statement of Financial Accounting ("SFA") and Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), Standards issued by the Islamic Financial Services Board ("IFSB") and Circulars issued by the Central Bank of Nigeria ("CBN") shall also be of guidance.

i Financial assets measured at fair value through profit or loss.
ii Financial instruments measured at fair value through other comprehensive income

2.1 Significant Accounting Policies

a Going Concern

The Bank's management shall be making assessment of the Bank's ability to continue as a going concern and where satisfied that the Bank has the resources to continue in business for the foreseeable future, shall form a judgment and prepare accounting information based on that premise. In any situation whereby the Board of Directors is aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern such issues shall be disclosed in the annual report.

b. Functional and presentation currency

The Bank presented its Financial Statements in its functional currency the Nigeria Naira. All values is rounded to the naira's thousands of Naira (N'000) except where otherwise stated.

c Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and core assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years. Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in separate financial statements. Actual Results may differ from these estimates.

4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS EFFECTIVE DURING THE YEAR

The accounting policies adopted are consistent with those of the previous financial period except as noted below which became effective January 2021. Adoption of the standard did not result in changes in the amounts previously recognised in the financial statements. However the standard affected disclosures of the Bank.

2.2 Changes to accounting policies

i New and amended standards and interpretations

lThe accounting policies adopted are consistent with those of the previous financial period except as noted below which became effective January 2021. Adoption of the standard did not result in changes in the amounts previously recognised in the financial statements. However the standard affected disclosures of the Bank.

ii. Amendments to IFRS 16 Leases relating to COVID-19 related rent concessions

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take avariety of forms, including payment holidays and deferral of lease payments.In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

The Bank had no such Covid -19 related rent concessions, there is no impact on the Bank's financial statements

5. Standards and interpretations issued/amended but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2021:

Standard	Content	Effective date
IAS 37	Provisions, Contingent Liabilities and Contingent Assets relating to onerous contracts.	1 January, 2022
IAS 16	Property, plant and equipment relating to proceeds before intended use	1 January, 2022
IAS 1	Presentation of Financial Statements relating to classification of Liabilities as Current or Non-Current	1 January, 2023
IAS 12	Amendment to IAS 12-Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January, 2023
IFRS 8	Amendment to IFRS 8-Definition of Accounting Estimates	1 January, 2023

The Bank has not applied the following new or amended standards in preparing these financial statements as it plans to adopt these standards at their respective effective dates.

i. Amendments to IAS 37 (Onerous Contracts - Costs of Fulfilling a Contract)

In May 2020, the IASB issued amendments to IAS 37 to specify which cost of fulfilling a contract comprises the costs that relate directly to the contract. The standard further states that costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
The Bank is currently evaluating the impact of this amendment on the Bank's financial statements.

ii Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entity to deduct proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management from the cost of an item of property, plant and equipment. Entities are however allowed to recognize the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendment is effective for annual periods beginning on or after 1 January 2022. Early adoption is permitted. The Bank is currently evaluating the impact of this amendment on the Bank's financial statements.

iii. Amendments to IAS 1

IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The impact of this amendment on the Bank's financial statements is currently under evaluation.

v. Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: right-of-use assets and lease liabilities, and decommissioning, restoration and similar liabilities The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. The Bank is currently evaluating the impact of this amendment on the Bank's financial statements.

v. Amendments to IAS 8 Definition of Accounting Estimates

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The Bank is currently evaluating the impact of this amendment on it's financial statements.

6. SIGNIFICANT ACCOUNTING POLICIES a Transactions in Foreign Currencies

`The financial statements are presented in Nigerian Naira, which is the reporting currency in line with IAS21 (Effects of foreign exchange) Transactions in foreign currencies are recorded in the books at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are converted into Naira at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated into Naira using the exchange rates as at the dates of the initial recognition. Non-monetary items measured at fair value in a foreign currency are translated into Naira using the exchange rates at the date when the fair value is determined. Exchange gains and losses on non-monetary items classified as "fair value through statement of income" are taken to the income statement and for items classified at "fair value through equity" such differences are taken to the statement of comprehensive income

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at closing rate.

b Cash and Cash Equivalent

i. Cash in hand
ii. Balance held with Central Bank of Nigeria
iii. Balance with banks in Nigeria and outside Nigeria
iv. Demand deposit denominated in Naira and other foreign currencies

Cash equivalent are short term, highly liquid instruments which are:

i. readily convertible into cash, whether in local and foreign currencies; and
ii. so near to their maturity dates as to present insignificant risk of changes in value as a result of changes in profits rates.

c Financial Instrument

i Initial recognition and measurement

"Financial assets and liabilities, with the exception of financing to customers, deposits to customers and banks, are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. Financing to customers are recognised when assets purchased are transferred to the customers. The Bank recognises deposits from customers and banks when funds are received. Financial instruments are recognised initially when the Bank becomes a party to the contractual provisions of the instruments.

ii Classification and Measurement

Financial asset or liability are measured initially at fair value plus or minus, for an item not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in income statement at initial recognition.

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

- those to be measured at amortised cost.
- those to be measured at fair value through other comprehensive income
- those to be measured at fair value through profit or loss

The classification depends on the Bank's business model (i.e. business model test) for managing financial assets and the contractual terms of the financial assets cash flows (i.e. solely payments of principal and return - SPPI test).

DEBT INSTRUMENTS

Amortised Cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

i The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
ii The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and return on the principal amount outstanding.

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in income statement when the asset is derecognised or impaired. Returns from these financial assets is determined using the effective rate of return (ERR) method and reported in income statement as 'income'.

The amortised cost of a financial instrument is defined as the amount at which it was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the 'effective rate of return method' of any difference between that initial amount and the maturity amount, and minus any loss allowance. The effective rate of return method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the income or expense over the relevant period. The effective rate of return (ERR) is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's net carrying amount.

BUSINESS MODEL ASSESSMENT

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

I The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual return revenue, maintaining a particular return rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

ii How the performance of the portfolio is evaluated and reported to management;

iii The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

iv How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

v. The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised

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

Assessment of whether contractual cash flows are solely payments of principal and return

The Bank assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).'Return' is include consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

The most significant elements of return within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the return rate is set.

Financial Liabilities

The Bank's holding in financial liabilities is in financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in income statement.

i Financial Liabilities at fair value through Profit or Loss

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

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

ii Financial Liabilities at Amortised Cost

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

Modifications of Financial Assets and Financial Liabilities

i Financial Assets

When the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortised cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in income statements as 'gains and losses arising from the derecognition of financial assets measured at amortised cost'.

If the cash flows 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 Bank recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective rate of return (or credit-adjusted effective rate of return for purchased or originated credit-impaired financial assets). The amount arising from adjusting the gross carrying amount is recognised as a modification gain or loss in income statement as part of impairment charge for the year.

ii Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. This occurs when the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate of return, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. 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 income statement. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment (i.e. the modified liability is not substantially different), any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Offsetting of Financial Instruments

Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right and under Sharia'a framework to set off the recognized amounts and the Bank intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

The Bank recognizes allowance for expected credit losses for all facilities and other debt financial assets not held at FVPL, together with facilities commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 years' expected credit loss (12mECL)

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 years after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments

Loss allowances for accounts receivable are always measured at an amount equal to lifetime ECL. The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its financing facilities into Stage 1, Stage 2, Stage 3 and POCI, as described below:

Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 also include facilities where the credit risk has improved and the facilities has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 also include facilities, where the credit risk has improved and the facilities has been reclassified from Stage 3.

Stage 3: Facilities considered credit-impaired. The Bank records an allowance for the LTECLs

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

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime 2 or stage 3 of the ECL bucket, the Bank would continue to monitor such financial assets for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-years ECL (Stage 1). In addition to the 90 days probationary period above, the Bank also observes a further probationary period of 90 days to upgrade from Stage 3 to 2. This means a probationary period of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12-years ECL (Stage 1).

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Measurement of ECLs

The Bank calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the expected profit rate. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and return, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued return from missed payments
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs.

When relevant, the assessment of multiple scenarios also incorporates how defaulted facilities are expected to be recovered, including the probability that the loans will accrue and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Mechanics of the ECL method are summarised below:

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

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

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

POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit-adjusted EIR.

Facility Commitments and Letters of Credit:

When estimating LTECLs for undrawn facility in cash flows if the facility is drawn down, based on a probability-weighting of the four scenarios commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls. The expected cash shortfalls are discounted at an approximation to the expected EIR on the facility.

Forward Looking Information

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

In its ECL models, the Bank relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Exchange rate
- House price indices
- Inflation
- Crude Oil prices

To evaluate a range of possible outcomes, the bank formulates three scenarios: a base case, an upward and a downward scenario

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

Definition of Default and Credit Impaired Financial Assets

The Bank considers a financial asset to be in default when:

- it is established that due to financial or non-financial reasons the borrower is unlikely to pay its credit obligations to the Bank in full without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is past due 90 days or more on any material credit obligation to the Bank

In assessing whether a borrower is in default, the Bank considers indicators that are

i qualitative - e.g. material breaches of covenant;

ii quantitative - e.g. overdue status and non-payment on another obligation of the same customer/customer group to the banks; and

iii based on data developed internally and obtained from external sources

iv Disappearance of an active market for a security because of financial difficulties

v Others include death, insolvency, breach of covenants, etc

Inputs into the assessment of whether a financing exposure is in default and their significance may vary over time to reflect changes in circumstances.

Renegotiated Financing Facilities

Where possible, the Bank seeks to restructure financing facilities rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new conditions. Management continually reviews renegotiated facilities to ensure that all future payments are highly expected to occur.

When the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the finance customer, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

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

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition.

This amount is included in calculating the cash shortfalls from the existing financial asset. The cash shortfalls are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Presentation of allowance for ECL in the Statement of Financial Position

Facility 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;
- **Facility commitments and financial guarantee contracts:** generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the facility commitment component separately from those on the drawn component: the Bank 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 FVOCI:** no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Collateral Valuation

"To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The Bank's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same is it was under IAS 39. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

Collateral Repossession

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

d. Write-Off

The Bank has in place Board approved policy that guides write-off of facilities. The Bank will write off financial assets (and any related allowances for impairment losses) when the Criticized Asset Committee (CAC) determines that the assets are uncollectible. In determining financial assets to write off, CAC considers amongst others:

a. The occurrence of significant changes in the obliger/issuer's financial position such that the obligor/issuer can no longer pay the obligation;

b. That proceeds from the collateral will not be sufficient to pay back the entire exposure

c. The Prudential Guidelines (Section 3.21) d. The Bank's Investment Policy

Every effort will be made to recover a debt owed to the Bank before it is considered for write off. This includes all the processes prescribed in the ERM policies from collection by the relationship officer once a facility is due, to employing recovery agents, and litigation for those considered to be in terminal default.

The BOD is responsible for delegating limits and authority to write off. This limit may be delegated at the discretion of the Board. The BOD is responsible for defining and delegating the approval limits for all balances that meet the criteria to be written off. The following delegated limits applies to the concerned Board and Management committees:

S/N	Board/Management	Delegation
1.	Crystalized Assets Committee	Five Million (N5,000,000:00) and Below
2	Board Risk Committee	Above N5 Million (N5,000,000:00) - N50 Million (N50,000,000:00)
3	Board of Directors	Above N50 Million (N50,000,000:00), subject to any regulatory limit

e Property Plant and Equipment

The bank recognizes items of property, plant and equipment at the time the cost is incurred. They are stated at historical cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Bank and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Construction cost in respect of offices is carried at cost as work in progress.

On completion of construction, the related amounts are transferred to the appropriate category of fixed assets.

Payments in advance for items of fixed assets are included as Prepayments in Other Assets and upon delivery are reclassified as additions in the appropriate category of property and equipment.

Depreciation

Depreciation is to be provided on a straight-line basis to write off the cost of asset over their estimated useful live. The annual rate which should be applied consistently over time are as follows:

Motor vehicle	(5 years)
Furniture and fittings	(5 years)
Equipment	(5 years)
Computer Equipment- General	(3 years)
Computer Equipment- Special	(5 years)
Computer software	(10 years)
Freehold Buildings	(50 years)

Leasehold improvement over the expected life of the lease

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from it use. Gain and losses are recognised in the income statement. Depreciation is charged when the assets are available for use irrespective of whether they are put to use. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of income for the year.

f. INTANGIBLE ASSETS

Computer software

Software licenses acquired by the Bank are stated at cost less accumulated amortization and accumulated impairment loss (if any). Expenditure incurred on internally developed software is recognized as an asset when the Bank is able to complete the software development and use it in such a manner that it will be able to generate economic benefit to the Bank, and that the cost to complete the development can reliably be measured by the Bank. Internally developed software cost that is capitalized includes cost directly attributable to developing the software, and is amortized over the useful economic life of the software. Amortization is recognized in the income statement on a straight line basis over the estimated useful life of the software.

g INVENTORY

Inventory of stationery and consumables held by the Bank are to be stated at the lower of cost and net realizable value in line with IAS 2. When inventories become old or obsolete, an estimate is to be made of their net realizable value. For individually significant amounts, this estimation is to be performed on an individual basis. For amounts that are not individually significant, collective assessment shall be made and allowance applied according to the inventory type and degree of ageing or obsolescence based on historical selling prices.

h. Islamic Financing and Investing Contracts

The Bank engages in Sharia'a compliant Islamic banking activities through various Islamic instruments such as Ijarah, Murabaha, Musharaka, Istisna'a and Wakala.

I Ijarah

The Bank complies fully with the requirements of Sharia in recognition and measurement of Ijarah financing. The periodic lease rentals receivable are treated as rental income during the period they occur and charge thereon is included in operating expenses while initial direct cost incurred are written off to the income statement in the period they are incurred.

ii Murabaha

This is a sale contract whereby the Bank sells to a customer commodities and other assets at an agreed upon profit mark up on cost. The Bank purchases the assets based on a promise received from customer to buy the item purchased according to specific terms and conditions. Profit from Murabaha is quantifiable at the commencement of the transaction. Such income is recognised as it accrues over the period of the contract on effective profit rate method on the balance outstanding.

ii Musharaka

Musharaka contracts represents a partnership between the Bank and a customer whereby each party contributes to the capital in equal or varying proportions to establish a new project or share in an existing one, and whereby each of the parties becomes an owner of the capital on a permanent or declining basis and shall have a share of profits or losses. These are stated at the fair value of consideration given less any amounts written off and provision for impairment, if any.

iv Istisna'a

A sale contract between two parties whereby the Bank (the "Sani" or "Seller") undertakes to construct, for its customer (the "Mustasni" or "Purchaser"), a specific asset or property (being "Al-Masnoo") according to certain pre-agreed specifications to be delivered during a pre-agreed period of time in consideration of a pre-determined price, which comprises the cost of construction and a profit amount. The work undertaken is not restricted to be accomplished by the Sani' alone and the whole or part of the construction/development can be undertaken by third parties under the control and responsibility of the Sani'. Under an Istisna'a contract the Bank could be the Sani' or the Mustasni'. Istisna'a profit (difference between the sale price of Al-Masnoo to the customer and the Bank's total Istisna'a cost) is internally accounted for on a time-apportioned basis over the period of the contract based on the principal amount outstanding.

v Wakala

A contract between a Bank and a customer whereby one party (the principal: the Muwakkil) appoints the other party (the agent: Wakil) to invest certain funds according to the terms and conditions of the Wakalah for a fixed fee in addition to any profit exceeding the expected profit as an incentives for the Wakil for the good performance. Any losses as result of the misconduct or negligence or violation of the the terms and conditions of the Wakalah are borne by the Wakil for otherwise, they are by the principal.

vi. Bai-Mu'ajjal

Is a contract between the Bank and the Customer whereby the Bank sells certain/specified goods/assets to the Customer, purchased as per order and specification of the Customer at an agreed price payable within a fixed future date in lump sum or by fixed instalments.Thus it is a credit sale of goods/assets in which ownership of the goods/assets is transferred by the Bank to the Customer but the payment of sale price by the Customer is deferred for a fixed period.

vii. Sukuk

Certificates which are equal in value and represent common shares in the ownership of a specific physical asset (leased or to be leased either existing or to be constructed in future), or in the ownership of cash receivables of selling an existing-owned asset, or in the ownership of goods receivables, or in the ownership of the assets of Mudaraba or Partnership companies. In all these cases, the Sukuk holders shall be the owners of their common shares in the leased assets, or in the cash receivables, or the goods receivable, or in the assets of the Partnership or the Mudaraba.These comprise asset backed, Sharia'a compliant trust certificates.

vi. Qard Hasan

Is non profit bearing financing whereby the customer borrows funds for a period of time with an understanding that the same amount shall be repaid by the end of agreed period.

I. INCOME RECOGNITION

The Bank recognised income on Sharia'a compliant Islamic banking activities through various Islamic instruments such as Ijarah, Murabaha, Musharaka, Istisna'a and Wakala.

i. Ijarah

Ijarah income is recognized on a time-apportioned basis, over the lease term. Accrual of income is suspended when the bank believes that the recovery of these amounts may be doubtful.

ii. Murabaha

Where the income is quantifiable and contractually determined at the commencement of the contract, income is recognized on a time-apportioned basis over the period of the contract based on the principal amounts outstanding. Accrual of income is suspended when the bank believes that the recovery of these amounts may be doubtful.

iii. Musharaka

Income on Musharaka Contracts is recognized when the right to receive payment is established or on distribution by the Musharek.

iv. Wakala

Estimated income from Wakala is recognised on an accrual basis over the period, adjusted by actual income when received. Losses are accounted for on the date of declaration by the agent.

v Sukuk

Income is accounted for on a time apportioned basis over the terms of the Sukuk.

vi. Fees and Commission Income

The Bank earns fee and commission income from a diverse range of services it provides to its customers.

vii. Dividend

Dividends from investments in equity securities are recognized when the right to receive the payment is established. This is usually when the dividend has been declared.

viii. Non-Credit related Fee Income

This is recognized at the time the services have been performed and delivered or the transaction has been completed.

ix. Sale of Property under Development

Where property is under development and agreement has been reached to sell such property when construction is complete, the bank considers whether the contract comprises:

- Contract to construct a property; or
- Contract for the sale of completed property

Where a contract is judged to be for the construction of a property, revenue is recognized using the percentage of completion method, as construction progresses. The percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

Where the contract is judged to be for the sale of a completed property, revenue is recognized when the significant risks, rewards and control of ownership of the property are transferred to the buyer.

x. Foreign Income

Commission on negotiation of various letters of credit and overdue Profit on delayed foreign payments are accounted for on receipt.

Other Profit and income earned on the Bank's own funds held outside Nigeria are accounted for on receipt.

xi Service Income

Revenue from rendering of services is recognized when the services are rendered.

xii Revenue from Sale of Goods

Revenue from sales of goods is recognized when the significant risks, rewards and control of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

xiii Bank's Share as a Mudarib

The Bank's share as a mudarib for managing the equity of investment account holders is accrued based on the terms and conditions of the related mudaraba agreements whereas, for off balance sheet equity of investment accounts, mudarib share is recognized when distributed

i. EXPENSE RECOGNITION

a. Profit on Mudaraba Payable (Banks and Non-Banks)

Profit on these is accrued on a time-apportioned basis over the period of the contract based on the principal amounts outstanding.

b. Return on Equity of Investment Accountholders

Return on equity of investment account holders is based on the income generated from jointly financed assets after deducting Mudarib share and is accrued based on the terms and conditions of the underlying Mudaraba agreement. Investors' share of income represents income generated from assets financed by investment account holders net off allocated administrative expenses and provisions. The bank's share of profit is deducted from the investors' share of income before distribution to investors.

j. TAXATION

a Current income taxation

Income tax is the amount of income tax payable on the taxable profit for the period determined in accordance with current statutory rate. Income tax payable on profits, based on the applicable tax law, is recognized as an expense in the period in which the related profits arise. All taxes related issues including deferred tax are treated in accordance with IAS 12 (Income taxes).

b. Deferred Taxation

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the temporary differences between the net book value of qualifying fixed assets and their corresponding tax written down value in accordance with IAS 12 (Income taxes). The principal temporary differences arise from depreciation of property, plant and equipment, provisions for pensions and other post-retirement benefits, provisions for Investment losses and tax losses carried forward. The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the timing differences can be utilized.

k. INVESTMENT

Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs and subsequently accounted for depending on their classification as amortised cost, fair value through profit or loss or fair value through other comprehensive income.

l. EMPLOYEE BENEFITS

Defined Contribution Plans

A defined contribution plan is a pension plan under which the Bank pays fixed contributions to a separate entity. The rate of contribution by the Bank and its employee is 10% and 8% respectively of basic salary, housing and transport allowance in line with the new Pension Reform Act, 2014. The Bank has no legal or constructive obligations to pay further contributions Membership of the scheme is automatic upon resumption of duty with the Bank. The Bank has no further payment obligations once the contributions have been paid to Pension Fund Administrators (PFA).

The Bank's liabilities in respect of the defined contribution are to be charged to statement of profit or loss for the year in which they become payable. Payments are made to Pension Fund Administrator (PFA) are financially independent of the bank.

m. PROVISIONS

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

n. Financial Guarantees and Loan Commitments

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

i The amount of the loss allowance, and
ii The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

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

"Transactions that are not currently recognized as assets or liabilities in the balance sheet, but which nonetheless give rise to credit risks, contingencies and commitments are reported off balance sheet. Such transactions included letters of credit, bonds, guarantees, acceptances, trade related contingencies such as documentary credits etc.
Outstanding and unexpired commitments at year end in respect of these transactions are to be shown by way of note to the financial statements. "

o. BORROWINGS

i Murabaha and Due to Banks

This represents funds received from banks on the principles of murabaha contracts and are stated at fair value of consideration received less amounts settled.

ii Murabaha and Due to Non-Banks

These are stated at fair value of consideration received less amounts settled. Profit paid on borrowings is recognized in the statement of income for the year.

p. FIDUCIARY ACTIVITIES

The Bank acts as trustee in its capacity as a Mudarib when managing the equity of investment account holders. Equity of investment account holders is invested in murabaha and due from banks, sukuk and financing contracts with customers. Equity of investment account holders is carried at fair value of consideration received less amounts settled. Expenses are allocated to investment accounts in proportion of average equity of investment account holders to total average assets of the Bank.

Income is allocated proportionately between equity of investment account holders and owners' equity on the basis of the average balances outstanding during the year and share of the funds invested. Equity and assets of restricted investment account holders are carried off-balance sheet as they are not assets and liabilities of the Bank.

q. SEGMENT REPORTING

The Bank prepares its segment information based on geographical and business segments as primary and secondary reporting segments, respectively in accordance with IFRS 8 (Operating segments).
A business segment is a pool of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments."

r. GIFTED ASSETS

The recording of the gift would be based on nature, lifetime and materiality of the gift. If the gift is usable or has a material value addition to the business like Property, plant and equipment would be recognized in an asset of appropriate category hence a debit, In terms of credit several approaches are acceptable recognizing it to Owners equity via Profit or Loss Account or Other Comprehensive Income. The Bank adapted recognition through other comprehensive income to the owners' equity.

s. INVESTMENT PROPERTY

"An Investment Property is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the Bank. A piece of property is treated as an investment property if it is not occupied substantially for use in the operations of the Bank, an occupation of more than 15% of the property is considered substantial.

The initial Recognition is to be at its cost price while for subsequent measurement the Bank adapted the fair value model which carry the investment properties in the balance sheet at their market value and revalued periodically on a systematic basis at least once in every three years in accordance in (IAS 40). Investment properties are not subject to periodic charge for depreciation.

"When there is a decline in value of an investment property, the carrying amount of the property is written down to recognize the loss. Such a reduction is charged to the statement of income. Reductions in carrying amount are reversed when there is an increase, following a revaluation in accordance with the Bank's policy, in the value of the investment property, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of investment property is credited to owners' equity as revaluation surplus. To the extent that a decrease in carrying amount offsets a previous increase, for the same property that has been credited to revaluation surplus and not subsequently reversed or utilized, it is charged against that revaluation surplus rather than the statement of income.

An increase on revaluation which is directly related to a previous decrease in carrying amount for the same property that was charged to the income statement is credited to income statement to the extent that it offsets the previously recorded decrease.

Investment properties are disclosed separate from the property and equipment used for the purposes of the business in line with IAS 40 (Investment Properties)

t. SHARE CAPITAL AND RESERVES

i Share issue cost

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds

ii. Dividend on Ordinary Shares

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

Dividends for the period that are declared after the end of the reporting period are dealt with in the subsequent events note.

iii. Share Premium

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

iv. Statutory Reserve

"The banking regulations in Nigeria 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.

iv AGSMIES Reserve

The AGSMIES reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside 5% of their annual profit after tax for equity investments in permissble activites.

v Retained Earnings

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

vi Regulatory Risk Reserve

The reserve warehouses the difference between the impairment balance on financing facilities as determined in accordance with the provisions of Prudential guidelines of Central Bank of Nigeria (CBN) when compared with the assessment in line with the requirement of IFRS 9 Expected credit loss model. The key component of Prudential Guidelines (PG) is the setting aside provision on all performing loans assessed under the PG.

u. EARNING PER SHARE

The Bank presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

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

v. LEASES

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognizes lease liabilities to make lease payments and rightof-use assets representing the right to use the underlying assets.

vi. Right-of-use assets

This represent the Bank's right to use leased assets over the life of the agreement /contract which have been accounted for in line with IFRS 16, as described under accounting policies. The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Notes to the Financial Statements

For the period ended 31 December 2022

3	Cash and balances with Central Bank of Nigeria		DECEMBER 2022	DECEMBER 2021
			N '000	N '000
	Cash		6,398,992	7,004,120
	Current account with CBN		11,355,332	7,102,020
	Deposit with CBN		74,676,308	33,670,498
	CBN AGSMEIS Balance		552,141	337,179
	for the period ended		**92,982,772**	**48,113,817**

a Cash on hand constitutes the aggregate cash balances in the vaults of the Bank branches while Deposits with the Central Bank of Nigeria represent Mandatory Reserve Deposits (as prescribed by the CBN) and are not available for use in the bank's day to day operations.

b Differentiated Cash Reserve Requirement (DCRR) is included in Bank's deposit with CBN: Under this Programme, Deposit Money Banks (DMBs) may request from the CBN, a release of the funds under their Cash Reserve Requirement (CRR) to finance eligible projects subject to DMBs providing evidence that the funds shall be directed to the projects approved by the CBN.

4	Due from banks and other financial institutions			
	Balances with banks within Nigeria:			
	First Bank Plc		-	1,870
		a	**-**	**1,870**
	Balances with banks outside Nigeria:			
	First Bank UK		11,565,725	6,171,615
	AFRIXIM		759,822	109,139
	Banco De Sabadel		30,782	86,501
	Standard Chartered		8,181,558	10,949,907
	Bank Al-Bilad		220,212	227,010
	Zenith Bank UK		426,226	4,060,475
	FCMB UK		153,146	54,009
	Bank of Beirut		2,374,253	19,873
		b	**23,711,724**	**21,678,530**
	for the period ended	a+b	**23,711,723**	**21,680,400**

i The balances held with Banks outside Nigeria substantially represent the Naira equivalent of Foreign currency balances held on behalf of customers in respect of letters of credit, cash collaterals and bank's induced transactions. The corresponding Liabilty is included in customers' domiciliary deposit and margin deposits under "Other Liabilities".

5	**Investment in sukuk**		
	Opening Balance	57,738,790	66,914,638
	Addition during the period	31,093,605	9,254,152
	Disposal/Redemption	(19,070,326)	(18,430,000)
	Gross investment in Sukuk	**69,762,069**	**57,738,790**
	Premium	4,976,249	5,094,392
	Rental Receivable	916,672	640,057
	for the period ended	**75,654,990**	**63,473,239**

The total sukuk investment is broken down into i and ii below:

		Dec-22	Dec-21
I	State Sukuk	N '000	N '000
	Opening Balance	-	557,338
	Addition during the period	5,000,000	-
	Disposal/Redemption	(217,826)	(557,338)
	Gross investment in Sukuk	**4,782,174**	**-**
	Premium		
	Rental Receivable	248,474	-
	for the period ended	**5,030,648**	**-**
ii	**FGN Sovereign Sukuk**		
	Opening Balance	56,765,436	66,914,638
	Addition during the period	26,093,605	8,280,798
	Disposal/Redemption	(18,852,500)	(18,430,000)
	Gross investment in Sukuk	**64,006,541**	**56,765,436**
	Premium	4,976,249	5,094,392
	Rental Receivable	886,330	583,455
	for the period ended	**69,869,121**	**62,443,283**
iii	**Corporate Sukuk**		
	Opening Balance	973,354	-
	Addition during the period	-	973,354
	Disposal/Redemption	-	-
	Gross investment in Sukuk	**973,354**	**973,354**
	Premium	-	-
	Rental Receivable	30,341	56,602
	for the period ended	**1,003,695**	**1,029,956**
6	**Investment in Musharaka**		
	Gross Investment in Musharaka	20,028	38,058
	Allowance for impairement	(9,897)	(9,897)
	for the period ended	**10,131**	**28,160**
7	**Murabaha receivables**		
	Murabaha retail	9,573,968	11,446,168
	Murabaha corporate	65,581,566	44,226,034
	Commercial Agric. Credit Scheme	509,924	458,561
	Paddy Aggregation scheme	326,774	691,132
	Murabaha staff	322,144	160,913
	Murabaha SME	19,922,770	16,918,764
	Gross recievables	**96,237,146**	**73,901,572**
	Allowance for impairment	(6,259,983)	(4,033,494)
	Deffered profit	(8,786,322)	(6,496,855)
	for the period ended	**81,190,841**	**63,371,224**

Notes to the Financial Statements

For the period ended 31 December 2022

		Sep-22	Dec-21
8	**Investment in Bai Mu'ajjal**	**N '000**	**N '000**
	Bai Mu'ajjal corporate	3,354,980	3,369,836
	Gross receivables	**3,354,980**	**3,369,836**
	Allowance for impairement	(473,178)	(338,342)
	Deffered Profit	(570,267)	(606,983)
	for the period ended	**2,311,534**	**2,424,511**
9	**Investment in istisna**		
	Istisna recievable	14,536,761	16,219,598
	Allowance for impairment	(368,334)	(355,236)
	Deffered Profit	(1,779,579)	(2,063,474)
	for the period ended	**12,388,849**	**13,800,888**
10	**Investment in ijara assets**		
	Ijara wa iqtina	30,809,999	24,477,745
	Ijara home finance	8,800	12,881
	Ijara auto & others	5,199,389	5,616,697
	Gross investment in ijara	**36,018,188**	**30,107,323**
	Ijara accrued profit	3,367,797	3,744,115
	Impairment allowance	(1,378,500)	(735,484)
	for the period ended	**38,007,484**	**33,115,954**
11	**Qard hassan**		
	Balance at 1 Jan	51,500	126,200
	Granted to staff	1,800	-
	Granted to customers	6,180,000	-
	Gross qard hassan	**6,233,300**	**126,200**
	Repayments		
	Staff repayment	14,922	36,929
	Customer repayment	6,016,643	37,771
	Total repayment during the period	**6,031,566**	**74,700**
	Gross receivables	**201,735**	**51,500**
	Impairment allowance	(9,930)	(9,930)
	for the period ended	**191,805**	**41,571**

The staff portion is made up of facilities grant to employees to buy the Bank's shares under 2012 Private Placement exercise and facilities taken over by the Bank from their previous employers. Staff under critical situations were also granted this type of facility. The Bank granted N6.18billion to customers during the period.

Notes to the Financial Statements

For the period ended 31 December 2022

		Dec-22	Dec-21
12	**Investment in Salam**	N '000	N '000
	Salam Corporate	1,340,223	519,510
	Gross Investment in Salam	**1,340,223**	**519,510**
	Allowance for impairement	(232)	(293)
	Deffered Profit	-	(13,765)
	for the period ended	**1,339,990**	**505,452**

14	**Investment in assets held for sale**		
	Advances for LC murabaha	409,866	3,180,623
	Inventory for sale - (note 14(I))	39,756,383	19,846,630
		40,166,249	**23,027,253**
	Deffered Inventory	(174,567)	(668,454)
	Impairment allowance	(1,983,440)	(1,591,256)
	for the period ended	**38,008,242**	**20,767,542**
14(i)	**Schedules of inventory for sale**		
	Repossessed property	-	1,305,011
	Inventory - other properties	44,349	110,909
	Mur Inv financing	39,712,034	18,430,710
	Total inventory for sale	**39,756,383**	**19,846,630**

15 Property, Plant and Equipment

	Freehold Land	Building Freehold	Office Equipment	Motor Vehicle	Furnitures & Fixtures	Computer Equipment	Fixed Assets WIP	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
At 1 January 2021	67,203	769,201	1,109,028	742,679	257,923	2,724,924	654,229	6,325,187
Additions/ Reclassification	21,000	188,926	182,320	544,363	181,503	843,629	2,410,766	4,372,507
Disposals	-	-	-	(56,808)	-	(12,600)	-	(69,408)
At 31 December, 2021	88,203	958,127	1,291,348	1,230,234	439,427	3,555,953	3,064,995	10,628,286
At 1 January 2022	88,203	958,127	1,291,348	1,230,234	439,427	3,555,953	3,064,995	10,628,286
Additions/ Reclassification	235,663	323,715	706,989	544,363	47,298	843,629	941,869	3,643,526
Disposals	-	(15,600)	-		-	-	-	(15,600)
for the period ended 2022	323,866	1,266,242	1,998,337	1,646,900	486,724	4,052,224	4,006,864	13,782,157
Accumulated depreciation and impairment								
At 1 January 2021	-	92,700	738,211	395,140	196,974	1,950,882	-	3,373,906
Depreciation	-	17,210	144,992	131,985	23,568	358,326	-	676,082
Disposals	-	-	-	(56,808)	-	(7,140)	-	(63,948)
At 31 December, 2021	-	109,910	883,203	470,316	220,542	2,302,068	-	3,986,040
At 1 January 2022	-	109,910	883,203	470,316	220,542	2,302,068	-	3,986,040
Depreciation	-	16,214	212,600	244,995	66,281	561,087	-	1,101,177
Adjustments	-	(34,161)	28,899	-	(3,614)	8,876	-	-
Disposals	-	(1,924)	-	-	-	-	-	(1,924)
for the period ended 2022	-	90,040	1,124,702	715,311	283,209	2,872,031	-	5,085,293
Carrying amount								
At 1 January 2022	67,203	676,501	370,817	347,539	60,950	774,042	654,229	2,951,281
for the period ended 2022	323,866	1,176,203	873,634	932,589	203,516	1,180,193	4,006,864	8,696,864
At 31 December, 2021	88,203	848,217	408,145	759,918	218,884	1,253,885	3,064,995	6,642,247

		Dec-22	Dec-21
17	Leasehold improvement		
	Cost	N'000	N'000
	Opening balance	911,521	890,699
	Addition	35,841	20,822
	for the period ended	947,362	911,521
	Amortisation and impairment losses		
	Opening balance	870,059	843,173
	Amortisation for the period	31,425	26,886
	for the period ended	901,484	870,059
	Carrying amount		
	At 1 January	41,462	47,526
	for the period ended	45,878	41,462
18	Intangible assets		
	Cost		
	Opening balance	1,103,045	925,006
	Addition	177,448	178,039
	Disposal	-	-
	for the period ended	1,280,493	1,103,045
	Amortisation and impairment losses		
	Opening balance	528,205	449,192
	Amortisation for the period	127,615	79,013
	for the period ended	655,819	528,205
	Carrying amount		
	At 1 January	574,840	475,815
	for the period ended	624,673	574,840
19	Other assets		
	Sundry debtors	1,577,759	1,148,408
	Right of use asset	343,375	374,531
	Other prepayments	247,996	6,108
	Prepaid staff allowance	68,963	103,126
	Inventory and other security items	164,207	116,597
	Investment properties	492,500	-
	Account receivables	883,149	758,831
	Settlement suspense	289,668	2,536,010
	Investment in financial inclusion centres	290,000	175,917
	Total	2,148,055	5,219,529
	Impairment allowance	(2,209,563)	(1,773,844)
	for the period ended	1,655,555	3,445,684

			Dec-22 N'000	Dec-21 N'000
	Movement in other assets:			
	Opening balance		3,445,684	2,586,287
	Changes in the period		129,764	2,633,241
	Impairment allowance		(2,209,563)	(1,773,844)
	for the period ended		1,365,885	3,445,684

21a	Customers' current account			
	Analysis by type of account			
	Current account		140,879,782	111,559,434
	for the period ended		140,879,782	111,559,434
21b	Unrestricted investment account			
	Savings account		113,210,375	66,353,442
	JAPSA term deposit (note 21 d)		37,432,605	31,175,733
	for the period ended		150,642,980	97,529,175
	Total Deposit	**(a+b)**	291,522,762	209,088,609
21c	Analysis by type of customer			
	Government		4,852,026	6,302,432
	Corporate		97,947,956	74,708,206
	Individual		188,722,780	128,077,971
	for the period ended		291,522,762	209,088,609
21d	Analysis of JAPSA maturity by product			
	JTD 30 days		24,933,373	19,664,600
	JTD 60 days		2,878,270	1,154,476
	JTD 90 days		5,173,106	6,538,364
	JTD 180 days		2,545,059	2,353,460
	JTD above 360 days		1,902,797	1,464,832
	for the period ended		37,432,605	31,175,732

The Bank has different JAPSA tenored deposits which give customers the opportunity to choose from a basket of return available for different tenors.

23	Other liabilities	Dec-22	Dec-21
		N'000	N'000
	Managers' cheque	1,265,061	229,955
	Letter of credit margin deposits	8,248,050	6,345,852
	Accounts payable	2,733,996	464,765
	Other tax liabilities	271,424	261,693
	Profit payable in Suspense	704,820	343,325
	E-banking payables	-	2,443,320
	Due to charity	140	25
	Sundry payables	9,458,314	1,634,334
	Accrued allowance	1,885,914	1,703,750
	Accrued audit fee and expense	48,807	33,940
	Sundry deposit	6,886	93,475
	Unearned income	49,269	92,095
	Unaudited YTD Profit	6,669,655	-
	Other payables	56,977	48,536
	Interbranch	786	444
		31,400,099	13,695,509
	Impairment allowance on Off Balance sheet items	28,866	28,866
	for the period ended	31,428,965	13,724,375

24	Owners' equity		
a	Share capital		
(i)	Authorised	Dec-22	Dec-21
		N'000	N'000
	50,000,000,000 ordinary shares of N0.50 each	25,000,000	25,000,000
	for the period ended	25,000,000	25,000,000

Ordinary shareholding:

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

(ii)	Issued and fully paid share capital		
	34,541,172,177 ordinary shares of N0.50 each at 1 January	17,270,586	14,732,125
		-	2,538,461
	for the period ended	17,270,586	17,270,586

The holders of ordinary shares are entitled to receive dividends and each shareholder is entitled to a vote at the meetings of the Bank. All ordinary shares rank equally."

25	Share premium		
	Opening balance	1,348,446	627,365
	Movement during the period	-	721,082
	for the period ended	1,348,446	1,348,446

Share premium is the excess paid by shareholders over the nominal value for their shares. There was movement in share premium account during the period.

		Dec. 2022	Dec. 2021
26	Retained earnings	N'000	N'000
	Opening balance	(739,345)	(2,538,887)
	Transfer to risk regulatory reserve	-	(253,270)
	Transfer to statutory reserve	-	(1,167,846)
	Transfer to AGSMEIS	-	(194,641)
	Dividend Paid	(1,381,647)	(883,929)
	Proﬁt for the period	-	4,299,228
	for the period ended	(2,120,992)	(739,345)

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

27	Risk regulatory reserve		
	Opening balance	2,428,354	2,175,084
	Adjustment against retained earnings	-	253,270
	for the period ended	2,428,354	2,428,354

The regulatory risk reserves warehouse the difference between the allowance for impairment losses on balance on financing and investment based on Central Bank of Nigeria prudential guidelines compared with the expected credit loss model used in calculating the impairment under IFRS.

28	Statutory reserve	N'000	N'000
	Opening balance	3,276,471	2,108,625
	Adjustment against retained earnings	-	1,167,846
	for the period ended	3,276,471	3,276,471

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

29	Other reserves		
(a)	Other comprehensive income		
	Opening balance	171,409	386,137
	Movement in the period	(142,998)	(214,728)
	for the period ended	28,411	171,409
(b)	Agricultural /small and medium enterprises investment scheme		
	Opening balance	549,246	354,605
	Provision for the period	-	194,641
	for the period ended	549,246	549,246
	Total (a + b)	577,657	720,655

Notes to the Financial Statements

For the period ended 31 December 2022

		DEC 2022	3 Month Ended DEC 2022	3 Month Ended DEC 2021	DEC 2021
30	Income from financing contracts	2022	2022	2021	2021
	Murabaha transactions	N'000	N'000	N'000	N'000
	Murabaha profit - corporate	8,774,902	2,590,109	1,957,224	6,600,398
	Murabaha profit - retail	4,139,976	1,055,073	836,235	2,870,485
	Murabaha income - LC	890,228	206,125	194,348	625,314
	Bai Mu'ajjal	664,367	165,143	163,255	593,618
	Total profit from murabaha transactions	**14,469,473**	**4,016,450**	**3,151,062**	**10,689,815**
	Ijara transactions				
	Ijara Wa Iqtina Profit- Corporate	1,795,136	319,546	(172,661)	1,368,931
	Ijara Wa Iqtina Profit-Retai	2,399,506	669,994	1,115,312	2,169,689
	Ijara Finance Lease Profit	393,728	125,274	102,169	232,383
	Ijara Finance LC	144,040	144,040	-	2,872
	Ijara wa Iqtina Profit-others	232,639	75,071	64,490	129,466
	Total profit from Ijara transactions	**4,965,049**	**1,333,924**	**1,109,311**	**3,903,341**
	Others				
	Istisna	1,773,420	499,705	250,323	608,680
	Salam	52,303	(61)	2,942	3,259
	Musharaka	(198)	-	-	144.80
	Interbank murabaha	328,618	115,782	-	
	Total profit from other financing/investment contracts	**2,154,144**	**615,426**	**253,265**	**612,084**
	Total income from financing contracts	**21,588,665**	**5,965,801**	**4,513,639**	**15,205,240**
31	Income from investment activities				
	Trading assets	2,239,392	1,108,535	271,899	1,028,756
	Sukuk	7,622,410	1,994,828	1,844,058	7,943,432
-	Rental		-	-	-
	Total income from investing activities	**9,861,802**	**2,510,052**	**2,379,334**	**8,972,187**
32	(i). Return on equity investment account holders				
	Profit from financing investments paid to mudarabah account holders	**6,905,436**	**2,194,863**	**1,601,844**	**4,939,957**
	(ii) Mudarib fees/profit of joint investments			-	-
	Bank's Fees as Mudarib	7,912,659	2,699,716	1,335,852	6,472,617
	Profit from Bank joint investments	12,743,459	3,279,493	2,391,808	9,043,927
	Bank's fees as Mudarib/profit from Bank joint investments	**27,561,554**	**8,174,072**	**5,329,504**	**20,456,502**
33	Fees and commission				
	Banking services	449,166	94,032	104,286	466,912
	Net income from E-Business	529,961	127,742	24,406	197,757
	LC/ trade finance income	659,703	376,732	115,609	444,105
	As at 30 September	**1,638,830**	**598,506**	**244,301**	**1,108,774**

		YTD DEC 2022 N'000	3 Month Ended DEC 2022 2022	3 Month Ended DEC 2021 2021	DEC 2021 N'000
34	**Other operating income**				
	Wakala income	81,901	-	98,075	359,795
	Miscellaneous income	258,185	13,515	83,746	197,367
	for the period ended	**340,087**	**13,515**	**181,821**	**557,162**
35	**Other comprehensive income**				
	Foreign currency revaluation	(142,998)	(78,398)	(301,956)	(214,728)
	for the period ended	**(142,998)**	**(78,398)**	**(301,956)**	**(214,728)**
36	**Staff costs**				
	Salaries	7,481,793	1,786,815	1,706,190	6,562,615
	Staff pension	277,029	69,138	65,230	231,488
	Training and seminar expenses	125,662	25,009	23,824	59,098
	Other staff expenses	215,761	50,850	24,838	191,220
	for the period ended	**8,100,246**	**1,931,812**	**1,820,081**	**7,044,421**
37	**Depreciation and amortisation**				
	Depreciation of property, plant & equipment	1,101,177	382,107	189,517	676,082
	Amortisation of leasehold improvement	31,425	3,788	6,327	26,886
	Amortisation of intangible assets	127,615	84,852	7,665	79,013
	for the period ended	**1,260,217**	**470,747**	**203,509**	**781,980**
38(I)	**Operating expenses**				
	Advertising and marketing	313,297	(56,114)	(28,855)	220,530
	Administrative - note 36 (iii)	2,457,827	659,893	663,387	2,165,056
	Subscription and professional fees	284,869	68,667	88,926	206,524
	ACE's Expense	43,132	8,244	6,999	28,879
	Right-of-use assets amortisation- note 36 (ii)	477,687	144,408	106,974	414,761
	Licences	678,249	82,278	59,830	521,039
	Bank charges	117,052	30,359	16,877	126,816
	Audit fee & other expenses	51,913	16,201	9,659	36,081
	Deposit insurance premium	936,941	253,703	171,517	720,488
	Bonus & Benefits	283,763	109,646	43,801	193,801
	Bandwidth and connectivity	164,423	41,212	(47,016)	7,632
	Directors' expenses	795,765	156,398	(67,218)	341,668
	for the period ended	**6,604,918**	**1,514,895**	**1,024,880**	**4,983,276**
38(ii)	**Right-of-use amortisations/ rental charges**				
	Right-of-use assets amortisation	477,687	144,408	106,974	414,761
	for the period ended	**477,687**	**144,408**	**106,974**	**414,761**

This relates to amortisation on Right-of-use assets in line with IFRS 16.

Notes to the Financial Statements

For the period ended 31 December 2022

38(iii) Administrative	DEC 2022	3months(DEC 2022)	3months(DEC 2021)	DEC 2021
	N'000	N'000	N'000	N'000
Telephone expenses	3,122	559	637	3,685
SWIFT/NIBBS charges	48,894	4,282	9,113	38,832
Courier charges	40,835	14,491	9,679	29,776
Service contract (Outsource)	767,273	213,760	183,818	765,927
Local and foreign travels	133,897	29,610	29,990	90,121
Printing & Stationaries	161,900	48,758	29,966	121,405
Repairs and maintenance	357,112	76,668	24,121	268,411
Security related expenses	104,294	24,936	23,421	93,644
Money and other Insurance	58,975	(38,425)	12,694	49,429
Fuel expense	291,217	74,806	37,467	140,258
Data recovery & IT related expenses	41	-	163	181
Newspaper, magazine & periodicals	2,475	-	18	2,238
Entertainment	29,652	10,318	6,381	24,506
Communications & Support expenses	283,241	70,796	147,095	359,257
Sundry expenses	152,515	124,578	147,485	168,675
Cash shortage w/o	6,915	581	1,339	6,002
Listing expenses	2,860	-	-	2,709
Industry certification	12,610	4,177	-	-
for the period ended	**2,457,827**	**659,893**	**663,387**	**2,165,056**

40. Related parties

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

(I) Related parties: Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes investment as well as key management personnel.

(ii) Transaction with key management personnel: The Bank's key management personnel, and persons connected with them, are also considered related parties. The definition of key management includes the close family members of key personnel and any entity over which key management exercise control. Close family members are those who may be expected to influence, or be influenced by that individual in their dealings with Jaiz Bank plc and its related entities/parties.

2022

Name	Related Party	Relationship With The Bank	Limit Receivable	Amount	Classification
Bellmari Energy Limited	Dangote Industries Ltd	Significant Shareholder	679000	688,441	Performing
Noble Hall Limited	Dr. Umaru Abdulmutallab	Chairman	279995	256,809	Substandard
Bello Muhammad Sani	Hrh Engr. Sani Bello	Non-executive Director	80250	77,750	Performing
Abdulfattah Olanrewaju Amoo	Abdulfattah O. Amoo	Executive Director	59400	37,279	Performing
Ahmed Alhaji Hassan	Ahmed A. Hassan	Executive Director	14500	461	Performing
Abdulmutallab Muhammad Hadi	Dr. Umaru Abdulmutallab	Chairman	40000	30,645	Performing
Ahmed Alhaji Hassan	Ahmed A. Hassan	Executive Director	50000	32,723	Performing
Mamun Ibrahim Maude	Alh. Mamun Ibrahim Maude	Non-executive Director	10000	3,166	Substandard
As At 31 December, 2022			**1,213,145**	**1,127,274**	

Off Balance Sheet					
Dangote Cement Plc	Dangote Indutries Ltd	Significant Shareholder		18,592	
As At 31 December, 2022				**18,592**	**Performing**

2021

Name	Related Party	Relationship With The Bank	Limit Receivable	Amount	Classification
Abdulfattah Olanrewaju Amoo	Abdulfattah O. Amoo	Executive Director	59,400	43,564	Performing
AbdulMutallab Muhammad Hadi	Dr. Umaru Abdul Mutallab	Chairman	40,000	31,583	Performing
Ahmed Alhaji Hassan	Ahmed A. Hassan	Executive Director	-	51,003	Performing
Bellmari Energy Limited	Dangote Indutries Ltd	Significant shareholder	899,895	760,515	Watchlist
Bello Muhammad Sani	HRH Engr. Sani Bello	Non Executive Director	80,250	77,750	Performing
Fountain University, Osogbo. Nigeria	Dr. Umaru Abdul Mutallab	Chairman	25,113	21,798	Performing
Fursa Foods Limited	Dr. Aminu Alhassan Dantata	Significant shareholder	1,295,666	247,341	Performing
Hassan Usman	Hassan Usman	Managing Director	34,114	8,353	Performing
Noble Hall Limited	Dr. Umaru Abdul Mutallab	Chairman	279,995	265,736	Performing
As at 31 December 2021			**2,714,433**	**1,507,642**	

Off Balance sheet					
Dangote Cement Plc	Dangote Indutries Ltd	Significant shareholder		18,592	Performing
As at 31 December 2021				**18,592**	

41 Significant Shareholding (5% & Above)

	2022 Holdings	2022 %	2021 Holdings	2021 %
Dr.Muhammadu Indimi	8,310,736,121	24.06	8,310,736,121	24.06
Dantata Investment & Securities Limited	4,023,971,327	11.65	4,484,157,327	12.98
Dr. Umaru Abdul Mutallab	3,500,000,000	10.13	4,000,000,000	11.58
Altani Investment Limited	2,600,000,000	7.53	2,600,000,000	7.53
Islamic Development Bank	2,506,666,588	7.26	2,506,666,588	7.26
Dangote Industries ltd	2,500,000,000	7.24	2,500,000,000	7.24
	23,441,374,036	**67.87**	**24,401,560,036**	**70.65**

42 Insider Trading & Market Abuse Prohibition

"The Bank has in place a policy which in general terms prohibits the unauthorized disclosure of any price-sensitive non-public information (Insider Information) acquired in the Bank by its Directors, employees and members of their immediate family and household and the misuse of such information with regard to securities trading. The policy sets standard terms and conditions similar to the standards set out by the Nigerian Stock Exchange on Insider Trading. The Bank ensures that all Directors and Staff are kept informed about the policy as it is periodically circulated to Directors and Staff to serve as a reminder of their obligations under it. Directors, insiders and related parties are therefore prohibited from disposing, selling, buying or transferring their shares in the Bank during a "lock up" period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Bank from time to time.

In addition to the above, the Bank commits itself to making necessary disclosures in compliance with Rule 111 of the Securities and Exchange Commission ("SEC") Rules and Regulations which stipulates that Directors and top Management employees and other insiders of public companies shall notify the SEC of any sale or purchase of shares in the Bank, not later than forty-eight (48) hours after such activity."

43 Earnings per share

Basic earnings per share

Basic earnings per share of 17.62 kobo (2021: 13.80 kobo) is based on the profit of N6.08 billion (31 December 2021: N4.29 billion) attributable to shareholders with ordinary shares of 34,541,172 (2021:- 31,156,557,459)

Profit attributable to ordinary shareholders

	Dec-22 N'000	DEC 2021 N'000
Profit for the period	6,086,060	4,299,228
Profit attributable to ordinary shareholders	**6,086,060**	**4,299,228**

Weighted average number of ordinary shares	**2022 In Thousand**	**2021 In Thousand**
Issued ordinary shares at 1 January	34,541,172	29,464,250
Weighted average number of ordinary shares at 31 September	**34,541,172**	**31,156,557**

Basic and diluted earnings per share (Kobo)	17.62 kobo	13.8 kobo

There have been no transactions during the period which caused dilution of the earnings per share.

50 Contingencies and commitments

(i) Litigation and claims

"Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. The Bank has proper controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing.
The Bank, in its ordinary course of business, is presently involved in 27 litigation suits. 21 cases instituted against the Bank, 6 cases instituted by the Bank, 1 judgement in favour of the Bank awaiting execution and NIL;

(ii) Other contingent liabilities

"In the course of business, the Bank enters into various types of transactions that involves several undertakings acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise letter of credit, guarantees and undrawn financial commitments.

Nature of instruments

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

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

Other contingent liabilities include transaction related performance bonds and overdrawn commitment and are generally short term to third parties which are not directly dependent on the customer's credit worthiness. Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed period, or have no specific maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Bank to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.
The table below summarises the fair value amount of contingent liabilities and commitments off-financial position risk:"

	2022	2021
	N'000	N'000
Advanced payment guarantees	15,957,428	6,081,125
Letters of credit	27,609,827	24,407,797
Bonds and guarantees	4,213,282	7,498,243
Wakala guarantee	2,978,593	8,597,835
Undrawn commitment	-	-
Balance as at 30 September	50,759,130	46,585,001

(iii) Capital commitments

There were no capital commitments at the end of the reporting period of 31 December 2022.

(iv) Guarantees and other financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the company's financial position, financial performance and cash flows have been taken into account in the preparation of these financial statements.

Shareholding Structure/Free Float Status

Company Name	-JAIZ BANK PLC
Board Listed	-M ain Board
Year End	-D ecember
Reporting Period	-P eriod Ended December 31,2022

Shareholding Structure/Free Float Status

Description	2022		2021	
	Unit	%	Unit	%
Issued Share Capital	34,541,172,377.00	100%	34,541,172,377	100%
Substantial Shareholdings (5% and above)				
Mutallab Umaru Abdul	3,500,000,000	10.13%	4,000,000,000	13.58%
Dantata Investment & Securities Ltd	4,023,971,327	11.65%	4,484,157,327	12.98
Indimi Muhammadu	8,310,736,121	24.06%	8,310,736,1214	24.06%
Islamic Development Bank	2,506,666,588	7.26%	2,506,666,588	7.26%
Dangote Industries	2,500,000,000	7.24%	2,500,000,000	7.24%
Althani Investment Ltd	2,600,000,000	7.53%	2,600,000,000	7.53%
Total Substantial Shareholdings	25,008,884,552	72.41%	20,610,059,475	69.95%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Dantata Aminu Alhassan	1,567,510,516	4.54%	1,567,510,516	4.54%
Mallam Falalu Bello (Indirect)	40,000,000	0.12%	40,000,000	0.12%
Mallam Falalu Bello (Direct)	9,496,750	0.03%	12,496,750	0.04%
HRH (Egnr.) Bello Mohammed Sani (Direct)	12,500,000	0.04%	12,500,000	0.04%
Alh, (Dr.) Umaru Kwairanga (Indirect)	2,018,610,279	5.84%	2,047,448,426	5.93%
Alh (Dr.) Umaru Kwairanga (Direct)	34,900,000	0.10%	34,770,000	0.10%
Alh Mukhtar Sani Hanga (Indirect)	-	0.00%	-	0.00%
Mr. Seedy Mohammed Njie (Indirect)	-	0.00%	-	0.00%
Alh. Ibrahim Mamun Maude	-	0.00%	-	0.00%
Mrs Aisha Waziri Umar	-	0.00%	-	0.00%
Dr. Abdullateef Bello (Direct)	4,000	0.00%	4,000	0.00%
Dr. Sirajo Salisu (Direct)	-	0.00%	-	0.00%
Mr. Abdulfattah O. Amoo FCA (Direct)	2,200,000	0.01%	200,000	0.00%
Mr. Ahmed A. Hassan	1,994,000	0.01%	962,000	0.00%
Total Directors' Shareholdings	3,687,095,545	10.67%	3,715,891,692	10.76%
Other Influential Shareholdings				NIL
Total Other Influential Shareholdings	-	0%	-	0%
Free Float in Units and Percentage	7,412,702,796.00	21.46%	6,423,720,649.00	18.60%
Free Float in Value	6,449,051,432.52		3,597,283,563.44	

Declaration:
Jaiz Bank PLC with free float value of N6,449,051,561.89 (21.46%) as at 31 December 2022 is compliant with the Nigerian Exchange Group's free float requirments for companies listed on the Main Board

Jaiz Bank PLC with free float value of N3,597,283,563.44 (18.60%) as at 31 December 2021 is compliant with the Nigerian Exchange Group's free float requirments for companies listed on the Main Board

Note;

Share price as at December 31, 2022	0.87
Share price as at December 31, 2021	0.56

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