Jaiz Bank

...FOR A BETTER LIFE

Q3

UNAUDITED ACCOUNT

2023

CONTENTS

INTRODUCTION

Jaiz Banks unaudited Financial Statements for the period ended 30 September, 2023 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. Mohammed Mustapha Bintube	-	Chairman
Alh. Musbahu Muhammed Bashir	-	Non-Executive Director
Alh. (Dr.) Aminu Alhassan Dantata, CON	-	Non-Executive Director
Alh. Mukhtar Danladi Hanga	-	Non-Executive Director
H.R.H. Engr. Bello Muhammad Sani, OON	-	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
Hadi Muhammad Abdul Mutallab	-	Non-Executive Director
Alh. Mamun Ibrahim Maude	-	Non-Executive Director
Mrs. Aisha Waziri Umar	-	Independent Director
Dr. Abdullateef Bello	-	Independent Director
Mallam Ahmed Alhaji Hassan	-	Ag. Managing Director/CEO
Mr. AbdulFattah Olanrewaju Amoo, FCA	-	Executive Director Business Development , South
Alhassan Abdulkarim	-	Executive Director, Business Development, North
	-	

Company Secretary

Mohammed Shehu
FRC/2017/NBA/00000016416
Plot 1073 J.S Tarka Street,
Garki Area 3, Abuja.

Registered Office:

Jaiz Bank PLC
Jaiz House
Plot 1073 J. S Tarka Street
Garki Area 3, Abuja.

Registrar and Transfer Office:

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

Independent Auditor

Delloite & Touché
Civic Towers
Plot GA1 Ozumba Mbadiwe Avenue
Lagos

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

We the undersigned hereby certify the following with regards to our financial report for the period ended 30 September, 2023 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 A. Hassan, FCA
Ag. Managing Director/CEO
FRC/2013/ICAN/000000104528

Oseni K Bello
Ag. Chief Financial Officer
FRC/2013/ICAN/000000002476


FINANCIAL
STATEMENTS
BALANCE SHEET
CASH FLOWS
EQUITY
INCOME STATEMENTS

Statement of Financial Position

As at 30 September, 2023

	Notes	2023	2022
Assets		**N'000**	**N'000**
Cash and balances with Central Bank of Nigeria	3	140,510,942	92,983,775
Due from banks and other financial institutions	4	52,563,553	24,098,813
Investment in sukuk	5(i)	132,498,550	75,654,990
Interbank Murabaha	5(ii)	9,002,041	-
Financing Assets(net)	6	164,751,185	136,976,580
Inventory Financing(net)	7	29,339,813	36,602,296
Property and Equipment (net)	8	11,035,349	8,803,174
Leasehold improvement (net)	9	63,846	45,878
Intangible assets (net)	10	573,425	624,673
Other assets	11	3,949,524	2,281,815
Deferred tax asset		1,747,460	1,747,460
Total assets		**546,035,690**	**379,819,455**
Liabilities			
Customer current deposits	12a	201,518,416	140,814,965
Onward financing	13	43,747,353	32,784,097
Other liabilities	14	68,176,800	25,374,271
Tax payable		446,412	398,655
Total liabilities		**313,888,981**	**199,371,989**
Equity of investment account holders			
Customers' unrestricted investment accounts	12b	204,068,968	150,642,667
Total equity of investment account holders		**204,068,968**	**150,642,667**
Owners' equity			
Share capital	15	17,270,586	17,270,586
Share premium	16	1,348,446	1,348,446
Retained earnings	17	557,903	2,284,961
Risk regulatory reserve	18	2,554,328	2,554,328
Statutory reserve	19	5,340,854	5,340,854
Other reserves	20	1,005,623	1,005,623
Total Owner's Equity		**28,077,741**	**29,804,799**
Total equity and liabilities		**546,035,690**	**379,819,455**

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

Signed on behalf of the Board of Directors on 30th October 2023.

Ahmed A. Hassan, FCA
Ag.Managing Director/CEO
FRC/2013/ICAN/000000104528

Oseni K Bello
Ag. Chief Finance Officer
FRC/2013/ICAN/00000002476

Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 September, 2023

	Notes	SEPT 2023 N'000	SEPT 2022 N'000	3 Month Ended SEPT 2023 N'000	3 Month Ended SEPT 2022 N'000	Dec 2022 N'000
Income:						
Income from financing contracts	22	19,335,484	15,410,029	6,550,679	5,450,866	21,588,665
Income from investment activities	23	11,765,652	6,971,274	4,205,361	2,722,888	9,861,802
Gross income from financing & Investment transactions		**31,101,136**	**22,381,303**	**10,756,040**	**8,173,754**	**31,450,467**
Impairment (charges)	32	(2,888,628)	(2,993,821)	(962,876)	(993,821)	(3,888,913)
Net Income after provisions		**28,212,508**	**19,387,482**	**9,793,164**	**7,179,933**	**27,561,554**
Return to equity investment accountholder	25(a)	(7,500,165)	(4,710,573)	(2,599,622)	(1,823,633)	(6,905,436)
Bank's share as equity investor/ mudarib		**20,712,343**	**14,676,909**	**7,193,543**	**5,356,300**	**20,656,119**
Fees and commission	26	1,781,527	1,027,923	870,539	365,128	1,638,830
		22,493,870	**15,704,832**	**8,064,082**	**5,721,428**	**22,294,948**
Other Income						
Other operating income	27	246,184	326,571	166,542	2,917	340,087
Unrealised exchange loss	28	(84,031)	(64,599)	(26,274)	(4,915)	(142,998)
Total Income		**22,656,023**	**15,966,805**	**8,256,897**	**5,729,259**	**22,492,037**
Expenses:						
Staff costs	29	7,068,203	6,168,434	2,584,420	2,065,570	8,100,246
Depreciation and amortisation	30	984,983	863,449	350,071	320,380	1,153,906
Operating expenses	31(I)	7,923,195	5,090,023	2,571,599	1,962,355	6,605,150
Total expenses		**15,976,382**	**12,121,986**	**5,506,090**	**4,348,305**	**15,859,302**
Profit before tax		**6,679,641**	**3,844,889**	**2,750,808**	**1,380,954**	**6,632,734**
Income tax credit/(expense)		(267,186)	(576,651)	(90,629)	(450,081)	248,543
Profit for the period		**6,412,455**	**3,268,248**	**2,660,171**	**930,873**	**6,881,277**
Other Comprehensive income						
Foreign currency translation difference		-	-	-	-	-
Total comprehensive income for the period		**6,412,455**	**3,268,248**	**2,660,179**	**930,873**	**6,881,277**
Earnings per share						
Basic and diluted Earnings per share (kobo)		18.56 kobo	9.46 kobo	6.30 kobo	2.68 kobo	19.92 kobo

Statement of Changes in Equity

As at 30 September, 2023

31 DECEMBER 2022

	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 January 2022	17,270,586	1,348,446	(680,248)	2,428,354	549,246	112,313	3,276,471		24,305,169
Profit for the period	-	-	6,881,277	-	-	-	-		6,881,277
Total comprehensive income for the period	**-**	**-**	**6,881,277**	**-**	**-**	**-**	**-**	**-**	**6,881,277**
Transfer to risk regulatory reserve			(125,974)	125,974	-	-	-	-	-
Transfer to statutory reserve	-	-	(2,064,383)	-	-	-	2,064,383	-	-
Transfer to AGSMEIS	-	-	(344,064)	-	344,064	-	-	-	-
Dividend Paid	-	-	(1,381,647)	-	-	-	-	-	(1,381,647)
Balance as At 31 December 2022	**17,270,586**	**1,348,446**	**2,284,961**	**2,554,328**	**893,310**	**112,313**	**5,340,854**	**-**	**29,804,799**

30 SEPTEMBER 2023

	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 1January 2023	17,270,586	1,348,446	2,284,961	2,554,328	893,310	112,313	5,340,854	-	29,804,799
Profit for the period	-	-	-	-	-	-	-		-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-
Transfer to risk regulatory reserve			-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer to AGSMEIS	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	(1,727,058)	-	-	-	-	-	(1,727,058)
Balance as At end of period	**17,270,586**	**1,348,446**	**557,903**	**2,554,328**	**893,310**	**112,313**	**5,340,854**	**-**	**29,804,799**

Statutory Reserve

Nigerian banking regulations require Banks to make an annual appropriation to a stipulated to a statutory reserve. As stipulated by section 15(1) of the 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 the account. 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

As at 30 September, 2023

	2023 N'000	2022 N'000
Cash flows from operating activities		
Profit for the period	**6,412,455**	**6,881,277**
Adjustments for non -cash items:		
Depreciation	886,059	994,867
Amortisation of intangible asset	80,286	127,615
Amortisation of leasehold	18,641	31,425
Amortisation of right of use assets	330,118	477,687
Impairment on financing asset	2,638,878	3,450,777
Impairment on other Asset	249,750	435,719
Income tax expense	(267,186)	(248,543)
Net cash flows before changes in working capital	**10,616,185**	**12,150,825**
Working capital movement:		
Murabaha receivables	(13,277,396)	(17,879,312)
Investment in musharaka	14,380	18,357
Bai Muajjal	148,278	(374,474)
Istisna	(5,634,954)	(2,824,708)
Ijara rental receivables	11,178,556	(5,464,321)
Qard hassan	63,936	(72,037)
Investment in Salam	(21,311)	(150,918)
Interbank Murabaha	(9,002,041)	-
Investment in properties	-	-
Investment in trading assets	(6,862,483)	16,226,938
Other asset	(2,247,578)	250,461
Customers' current account	60,703,450	29,255,531
Other financing	10,963,256	1,247,606
Other liabilities	36,657,259	11,650,190
Tax paid	(47,757)	(472,612)
Net cash provided by (used in) operating activities	**(84,320,103)**	**11,107,650**
Investing activities		
Investment in Sukuk	(56,843,560)	(12,181,751)
Purchase of property, plant & equipment	(3,1118,234)	(3,180,586)
Proceed from disposal of property, plant & equipment	-	13,676
Improvement on leasehold poperties	(17,967)	(24,724)
Purchase of intangible assets	(47,676)	(177,448)
Net cash provided by/(used in) Investing activities	**(60,027,438)**	**(15,550,834)**
Financing activities		
Distribution to charity	-	(288)
Customers investment accounts	53,426,301	53,113,492
Dividends paid to owners	(1,727,058)	(1,381,650)
Net cash provided by/(used in) financing activities	**51,699,243**	**51,731,554**
Increase/(decrease) In cash and cash equivalents	75,991,908	47,288,371
Cash and cash equivalents at beginning of period	117,082,587	69,794,217
Cash and cash equivalents At 30th June	**193,074,496**	**117,082,587**

Notes to the Financial Statements

As at 30 September, 2023

1. Reporting entity

Jaiz 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 Jaiz House, Plot 1073, J.S Tarka Street, Area 3, Garki Abuja, Nigeria.The Financial Statement of the Bank as at 30 September 2023, 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 30th October, 2023.

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 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.

2.1. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a. Basis of measurement

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, except for the following :

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

b. 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.

c. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').The financial statements are presented in Naira', which is the Bank's presentation currency which is further rounded up to the nearest thousand (N'000)

d. 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 associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual Results may differ from these estimates.

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

.

2.2. Standard and interpretations

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.

Standards and interpretations effective during the reporting period

I. Amendments to IFRS 3 Business Combinations-Reference to the Conceptual Framework

The Bank would apply the standard retrospectively before its application date.

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework.
They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.
Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.
The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

ii. Amendment to IAS 16 Property, Plant and Equipment-Proceeds before Intended Use

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

The bank has reviewed her property plant and equipment as at 31 December 2022 and no PPE item was deemed to have generated any proceeds from sale of any item produced while bringing the asset to the location and condition necessary for its intended use on or after the beginning of the earliest period presented when the entity first applies the amendment.

iii. Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract

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

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The amendments are not expected to have a material impact on the Bank.

iv. Annual Improvements to IFRS Standards 2018-2020—Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture:

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity.

This amendment does not have an impact on the Bank's financial statements.

2.3. 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 2023:

Standard	Content	Effective date
IAS 1	Presentation of Financial Statements relating to classification of Liabilities as Current or Non-Current	1 January, 2023
IFRS 17	Insurance contracts	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 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

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

The amendment is effective for annual periods beginning on or after 1 June 2023 and must be applied retrospectively if the entity carefully consider that there are aspects of the amendments that suggest that terms of their existing loan agreements should be renegotiated.

The Bank currently presents its statement of financial position based on liquidity. However, the Bank will consider whether some of the amendments may impact its current practice.

ii. IFRS 17 - Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 -Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

The standard general model is supplemented by the variable fee approach and the premium allocation approach.
The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required.
Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.
This standard does not impact the Bank in anyway as the Bank do not engage in insurance business.

iii. Amendment to IFRS 10 and IAS 28 - Sale or Contribution of Assets Between Investor and its Associates or Joint Venture.

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The amendment is not applicable to the Bank.

iv. Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

v. Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

A change in accounting estimate that results from new information or new developments is not the correction of an error.

The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

vi. Amendment to IAS 12 - Deferred Tax Related to Assets & Liabilities Arising from a single transaction

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

Notes to the Financial Statements

As at 30 September, 2023

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. Gains and losses on conversion are reported the income statement.

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

b. Cash and cash equivalents

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 equivalents are short term, highly liquid instruments which are:
readily convertible into cash, whether in local or foreign currencies; and 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 is 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

vi. 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 ECL (expected credit losses) for all facilities and other debt financial assets not held at FVPL (fair value through profit or loss), 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 12mECL (12 months' expected credit loss) The 12m ECL is the portion of LTECLs (lifetime expected credit loss) that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months 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:

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 facilities also include facilities where the credit risk has improved and the facilities has been reclassified from Stage 2.

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

Stage 3: Loans 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-months 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-months 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 loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

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 12 month after the reporting date. The Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 month following the reporting date. These expected 12-months 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 loan 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 loans 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.

Financing commitments and letters of credit: When estimating LTECLs for undrawn financing in cash flows if the financing is drawn down, based on a probability-weighting of the four scenarios commitments, the Bank estimates the expected portion of the financing commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected short falls.

The calculation 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 financing are expected to be recovered, including the probability that the financing will cure 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.

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
- Qualitative - e.g. material breaches of covenant;
- Quantitative- e.g. overdue status and non-payment on another obligation of the same customer/customer group to the banks; and
- Based on data developed internally and obtained from external sources
- Disappearance of an active market for a security because of financial difficulties
- 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

Financing 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;
- financing 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 financing 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

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 repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or shall 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.

.

Notes to the Financial Statements

As at 30 September, 2023

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:

- Recovery cost is expected to be higher than the outstanding debt
- Amount obtained from realisation of credit collateral security leaves a balance of the debt
- It is reasonably determined that no further recovery on the facility is possible

All credit facility write-offs require endorsement by the Management Credit and Board Credit Committee, as defined by the Bank. Credit write-off approval is documented in writing and properly initiated by the Management Credit and Board Credit Committee

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

D. 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 year 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 work in progress 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.

E. Intangible assets

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.

De-recognition of Asset

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

F. 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.

G. Islamic financing and investing contracts

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

i. Ijarah

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

ii.Murabaha

This is a sale contract whereby the Bank sells to customer commodities or other asset 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 items purchased according to specific terms and conditions. Profit from murabaha is quantifiable at the commencement of the transaction. Such income is recognized as it accrues over the period of the contract on effective profit rate method on balance outstanding.

iii. 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 ("Sani" or "Seller") undertakes to construct, for a 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 specifications to be delivered during a pre-agreed period of time 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 taken by third parties under the control responsibility of the Sani'. Under an Istisna'a contract the Bank cound be the Sani' or 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 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, Shari'ah compliant trust certificates.

viii. Qard Hassan

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.

H. Income recognition

The Bank recognised income on Shari'ah 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 year 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.

I. Fees and commission income

Fees and commission income and expenses that are integral to the applicable rate on a financial asset or liability are included in the measurement of the rate. Other fees and commission income, including account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised at a point in time, or over time as the performance obligations are satisfied.

i. Dividend Income

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other operating income and recognised gross of the associated withholding tax. The withholding tax expense is included as a component of taxation charge for the relevant period..

ii. Non-credit related fee income

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

iii. 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 Year 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.

iv. 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.

v. Service income

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

vi. 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.

vii. 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.

J. Expense recognition

a. Profit on mudaraba payable (banks and non-banks)

Profit on these is accrued on a time-apportioned basis over the year 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.

K. Taxation

Income Tax is the amount of income tax payable on the taxable profit for the year 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 year in which it is related profit arise. Income tax expense comprises current tax (company income tax, tertiary education tax national information technology development agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

a. (a) Current tax

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

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

L. 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.

M. 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.

N. Employee benefits

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due in respect of service rendered before the end of the reporting year.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting year in which the employees render the service are discounted to their present value at the reporting date.

The Bank operates a funded, defined contribution pension scheme for employees. Employees and the Bank contribute 8% and 10% respectively of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2014.

Termination benefits

The Bank recognises termination benefits as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Bank settles termination benefits within twelve months and are accounted for as short-term benefits.

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

O. 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.

P. Financial guarantees and financing 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. financing 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.

Q. 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

Notes to the Financial Statements

As at 30 September, 2023

R. 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.

S. 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 Bank 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.

The Bank has appointed the Management committee charged with the responsibility of allocating resources and assessing performance as the Chief Operating Decision Maker as required under IFRS 8.The CODM is reviewed and advised by the Board for decisions on significant transactions and or events.

T. Customer deposit

The Bank is required to maintain specific records for all the classes of deposits.The average daily balances for a particular month of all the classes of deposits will be used in the computation of the profitability of the Bank.The average daily balances of each Investment Account holder depositor will also be the basis for the distribution of profits to the depositor.

All deposits accepted by Bank shall only be utilised in the provision of finances, investment in securities, inter-bank placements and other business prescribed by CBN that complies with Shari'ah.All division must ensure that all investments complying with the Shari'ah laws.

U. 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. Share premium

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

iii. 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 permissible activities.

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 regulatory risk reserve represents the difference between the impairment on financing and investments determined using the prudential guidelines issued by the various Central Bank of Nigeria compared with the expected credit loss model used in determining the impairment loss allowance under IFRSs.

Where the financing loss impairment determined using the prudential guidelines is greater than the financing loss impairment determined using the expected credit loss model under IFRSs, the difference is transferred to regulatory risk reserve. When the prudential provisions is less than IFRS provisions, the excess charges resulting is transferred from the regulatory risk reserve to retained earnings to the extent of the non-distributable reserve previously recognised. This reserve is not available for distribution to shareholders.

vii. Earnings 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.

viii. Dividend on the Bank's ordinary shares

Dividends on the Bank's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Bank's shareholders.

V. Right-of-Use Assets

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 remeasurement 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.

W. Investment Property

In 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% c 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 (AS 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.

Notes to the Financial Statements

As at 30 September, 2023

3 Cash and balances with Central Bank of Nigeria

	2023 N '000	2022 N '000
Cash	11,682,882	6,398,992
Current account with CBN	30,391,631	11,356,335
Deposit with CBN	97,540,237	74,676,308
CBN AGSMEIS Balance	896,191	552,141
At End of Period	**140,510,942**	**92,983,775**

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

a Balances with banks within Nigeria:

Total	-	-

b Balances with banks outside Nigeria:

First Bank UK	15,136,193	13,934,942
AFRIXIM	4,342,037	768,952
Banco De Sabadel	852,383	35,069
Standard Chartered	28,624,622	8,443,026
Bank Al-Bilad	717,268	222,766
Zenith Bank UK	2,610,689	157,395
FCMB UK	258,510	246,836
Bank of Beirut	21,850	289,827
Total	**52,563,553**	**24,098,813**
At End of Period June (a+b)	**52,563,553**	**24,098,813**

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 Liabilities are included in customers' domiciliary deposit and margin deposits under "Other Liabilities"(see Note 15).

5 Investment in sukuk

At 1 January	69,762,069	57,738,790
Addition during the year	55,522,169	35,093,605
Disposal/Redemption	(18,313,189)	(23,070,326)
Gross investment in Sukuk	**106,971,04**	**69,762,069**
Premium	9,445,076	4,976,249
Rental Receivable	4,059,135	916,672
At End of Period	**132,498,550**	**75,654,990**

Notes to the Financial Statements

As at 30 September, 2023

i FGN Sovereign Sukuk		
At 1 January	64,006,541	56,765,436
Addition during the year	55,5222,169	30,093,605
Disposal/Redemption	(18,010,000)	(22,852,500)
Gross Investment in Sukuk	**101,518,797**	**64,006,541**
Premium	9,445,076	4,976,249
Rental Receivable	3,763,119	637,857
At end of period	**114,726,905**	**69,620,647**
ii State Sukuk		
At 1 January	4,782,174	-
Addition during the year	-	5,000,000
Disposal/Redemption	(233,618)	(217,826)
Gross Investment in Sukuk	**4,298,000**	**4,782,174**
Rental Receivable	72.707,82	248,474
At end of period	**4,370,707**	**5,030,648**
ii Corporate Sukuk		
At 1 January	973,354	973,354
Disposal/Redemption	(95,839)	-
Gross Investment in Sukuk	**877,515**	**973,354**
Premium	-	-
Rental Receivable	13,248	30,341
At end of period	**890,755**	**1,003,695**

5(ii) Interbank Murabaha		
Interbank Murabaha	9,002,041	-
Balance as at End of Period	**9,002,041**	**-**

6 Financing Asset		
Investment in Musharaka (Net)	4,548	9,803
Murabaha receivables (Net)	91,281,048	79,024,116
Investment Bai Mu'ajjal (Net)	2,426,548	2,664,149
Investment in istisna (Net)	21,926,376	16,612,498
Investment in ijara assets (Net)	48,257,460	37,896,046
Qard hassan (Net)	177,533	113,607
Investment in Salam (Net)	677,672	656,361
Total Financing Assets	**164,751,185**	**136,976,580**
a Investment in Musharaka		
Gross Investment in Musharaka	5,648	20,028
Allowance for impairment	(1,100)	(10,225)
At end of period	**4,548**	**9,803**
b Murabaha receivables		
Murabaha retail	13,394,221	9,573,968
Murabaha corporate	74,613,607	61,559,074
Commercial Agric. Credit Scheme	443,338	509,924
Paddy Aggregation Scheme	326,476	326,774
Murabaha Staff	411,384	322,144
Murabaha SME	16,759,21	19,922,770
Gross recievables	**105,948,846**	**92,214,653**
Allowance for impairment	(5,820,411)	(4,404,216)
Deferred profit	(8,846,579)	(8,786,322)
At End of Period	**91,281,048**	**79,024,116**

c	**Investment in Bai Mu'ajjal**		
	Bai Mu'ajjal corporate	3,158,821	3,354,980
	Gross receivables	**3,158,821**	**3,354,980**
	Allowance for imprairement	(209,886)	(120,564)
	Deferred Profit	(522,386)	(570,267)
	At end of period	**2,426,548**	**2,664,149**
d	**Investment in istisna**		
	Istisna recievable	25,967,534	18,559,253
	Gross Investment in Istisna	**25,967,534**	**18,559,253**
	Allowance for impairment	(488,252)	(167,176)
	Deferred Profit	(3,552,906)	(1,779,579)
	At end of period	**21,926,376**	**16,612,498**
e	**Investment in ijara assets**		
	Ijara wa iqtina	34,374,170	30,809,999
	Ijara home finance	6,839	8,800
	Ijara auto & other	10,872,045	4,581,814
	Ijara other intervention	990,496	617,575
	Gross Investment in Ijara	**46,243,550**	**36,018,188**
	Ijara accrued profit	4,320,591	3,367,797
	Impairment allowance	(2,306,681)	(1,489,939)
	At end of period	**48,257,460**	**37,896,046**
f	**Qard hassan**		
	At 1 January	201,735	51,500
	Granted to staff	10,900	1,800
	Granted to customers	356,000	6,180,000
	Gross qard hassan	**568,635**	**6,031,566**
	Repayments		
	Staff repayment	9,808	14,922
	Customer repayment	293,000	6,180,000
	Total repayment during the year	**302,974**	**6,031,566**
	Gross receivable	**265,661**	**201,735**
	Impairment Allowance	(88,127)	(88,127)
	At end of period	**177,533**	**113,607**

The staff portion is made up of facilities grant to employees to buy the Bank's shares during the 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 qard hassan to customers during the period."

g	**Investment in Salam**		
	Salam Corporate	1,361,604	1,340,223
	Gross Investment in Salam	**1,361,604**	**1,340,223**
	Allowance for impairement	(683,932)	(683,862)
	Deferred Profit	-	-
	At end of period	677,193	656,361

Notes to the Financial Statements
As at 30 September, 2023

7	**Inventory Financing**		
	Advances for LC murabaha	162,727	409,866
	Inventory for sale - (note 7(I))	32,805,552	39,886,383
	Gross Investment in assets held for sale	**32,968,279**	**40,296,249**
	Deferred Inventory	(108,680)	(174,567)
	Impairment allowance	(3,519,786)	(3,519,386)
	At End of Period	**29,339,813**	**36,602,296**

7(i)	**Schedules of inventory for sale**		
	Inventory - other properties	15,158	44,349
	Mur Inv financing	32,790,393	39,842,034
	Total inventory for sale	**32,805,552**	**39,886,383**

8. Property, Plant and Equipment

	Freehold Land N' 000	Building Freehold N' 000	Office Equipment N' 000	Motor Vehicle N' 000	Furnitures & Fixtures N' 000	Computer Equipment N' 000	Fixed Assets WIP N' 000		Total N' 000
Cost									
At 1 January 2022	88,203	958,127	1,291,348	1,230,234	439,427	3,555,953	3,064,995		10,628,287
Additions	246,780	323,715	706,989	417,665	47,298	496,270	941,869		3,180,586
Reclassification	(11,117)	-	-	-	-	-	-		(11,117)
Disposals	-	(15,600)	-	-	-	-	-		(15,600)
At 31 December 2022	323,866	1,266,242	1,998,337	1,647,900	486,724	4,052,224	4,006,864		13,782,156
At 1 January 2023	323,866	1,266,242	1,998,337	1,647,900	486,724	4,052,224	4,006,864		13,782,156
Additions	65,128	35,204	57,841	619,436	6,031	4,427	1,316,357		2,104,425
At End of the Period	**388,994**	**1,276,112**	**2,006,135**	**1,800,350**	**489,987**	**4,056,134**	**4,640,395**		**14,658,108**
Accum. Dep. & impairment									
At 1 January 2022	-	109,910	883,203	470,316	220,542	2,302,068	-		3,986,040
Depreciation	-	(17,946)	241,499	244,995	62,667	569,963	-		1,101,178
Disposals	-	(1,924)	-	-	- -	-	-		(1,924)
At 31 December 2022	-	90,040	1,124,702	715,311	283,209	2,765,720	-		4,978,983
At 1 January 2023	-	90,040	1,124,702	715,311	283,209	2,765,720	-		4,978,983
Depreciation	-	19,356	199,203	193,721	45,625	337,846	-		795,751
Disposals	-	-	-	-	-	-	-		-
At end of the period	-	109,396	1,323,906	909,032	328,834	3,103,567	-		5,774,734
Carrying amount									
At end of period	508,994	1,194,151	820,951	1,858,019	174,032	962,565	5,515,737	-	11,035,349
At 31 December 2022	**323,866**	**1,176,203**	**873,634**	**932,588**	**203,515**	**1,286,503**	**4,006,864**	**-**	**8,803,174**

Notes to the Financial Statements

As at 30 September, 2023

		2023	2022
9	**Leasehold improvement**		
	Cost	**N'000**	**N'000**
	As at 1 January	947,362	911,521
	Reclassification	-	11,117
	Addition	41,464	24,724
	At End of Period	**988,826**	**947,362**
	Amortisation and impairment		
	As at 1 January	901,484	870,059
	Amortisation for the year	23,496	31,425
	At End of Period	**924,980**	**901,484**
	Carrying amount		
	At 1 January	45,878	41,462
	At End of Period	**63,846**	**45,878**
10	**Intangible assets**		
	Cost		
	As at 1 January	1,280,493	1,103,045
	Addition	29,035	177,448
	At End of Period	**1,309,528**	**1,280,493**
	Amortisation and impairment losses		
	As at 1 January	655,819	528,205
	Amortisation for the year	127,615	127,615
	At End of Period	**736,102**	**655,819**
	Carrying amount		
	At 1 January	624,673	574,840
	At end of the period	**573,425**	**624,673**
11	**Other Assets**		
	Sundry debtors	1,562,156	1,580,175
	Right of use asset	535,068	343,375
	Other prepayments	1,447,064	247,996
	Prepaid Deposit Insurance	326,093	-
	Prepaid staff allowance	418,412	68,963
	Inventory and other security items	188,789	164,207
	Investment properties	985,200	492,500
	Account receivables	608,473	952,300
	Settlement suspense receivable	-	354,275
	Investment in financial inclusion centres	340,000	290,000
	Total	**6,411,254**	**4,493,791**
	Impairment allowance	(2,461,729)	(2,211,979)
	At End of Period	**3,949,524**	**2,281,812**
	Movement in other assets:		
	At 1 January	4,493,791	5,219,529
	Additions / (Reduction)	1,917,463	(725,738)
	Impairment allowance	(2,461,729)	(2,211,979)
	At End of Period	**3,949,524**	**2,281,812**

Notes to the Financial Statements

As at 30 September, 2023

		2023	2022
		N'000	N'000
12a	**Customers' current account**		
	Analysis by type of account		
	Current account	201,518,416	140,814,965
	At End of Period	**201,518,416**	**140,814,965**
12b	**Unrestricted investment account**		
	Savings account	147,368,263	113,242,202
	Jaiz term deposit (note 12 d)	56,700,706	37,400,465
	At End of Period	**207,068,968**	**150,642,667**
	Total Deposit(a + b)	**405,587,384**	**291,457,632**
12c	**Analysis by type of customer**		
	Government	1,680,727	4,852,026
	Corporate	144,188,368	97,887,022
	Individual	259,718,289	188,718,585
	At End of Period	**405,587,384**	**291,457,633**
12d	**Analysis of Jaiz Term Deposit maturity by product**		
	JTD 30 days	32,444,922	24,901,233
	JTD 60 days	3,593,682	2,878,270
	JTD 90 days	14,030,892	5,173,106
	JTD 180 days	3,387,520	2,545,059
	JTD above 360 days	3,243,687	1,902,797
	At End of Period	**56,700,706**	**37,400,465**

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

13	**Onward financing**		
	Onward financing	43,747,353	32,784,097
	At End of Period	**43,747,353**	**32,784,097**
14	**Other liabilities**		
	Managers' cheque	705,971	1,265,061
	Letter of credit deposits	31,919,839	8,701,505
	Accounts payable	1,000,485	1,934,542
	Vendors payable	259,242	637,319
	Other tax liabilities	969,142	404,170
	Profit payable in Suspense	748,203	704,820
	Settlement payables	11,205,497	-
	Sundry payables	3,846,677	1,103,951
	Deposit for Shares	8,355,286	8,364,926
	Accrued allowance	1,668,586	1,885,914
	Accrued audit fee & other expenses	63,673	48,807
	Accrued Expenses	77,841	75,244
	Sundry deposit	6,277	6,886
	Unearned income	60,550	49,269
	Dividend Payable	105,085	105,085
	Unaudited YTD Profit	6,412,455	
	Other payables	127,159	57,117
	Interbranch	615,965	786
	Impairment allowance on Off Balance sheet items	28,866	28,866
	At End of Period	**68,147,934**	**25,374,266**

		2023	2022
15	**Owners' equity**		
a	**Share capital**	**N'000**	**N'000**
(i)	Authorised		
	50,000,000,000 ordinary shares of N0.50 each	25,000,000	25,000,000
	At End of Period	**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"

		2023	2022
(ii)	**Issued and fully paid share capital**		
	34,541,172,177 ordinary shares of N0.50 each at 1 January	17,270,586	17,270,586
	At End of Period	**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.

		2023	2022
16	**Share premium**		
	At 1 January	1,348,446	1,348,446
	At End of Period	**1,348,446**	**1,348,446**

		2023	2022
17	**Retained earnings**		
	At 1 January	2,284,961	(680,248)
	Transfer to risk regulatory reserve	-	(125,974)
	Transfer to statutory reserve	-	(2,064,383)
	Transfer to AGSMEIS	-	(344,064)
	Dividend Paid	(1,727,058)	(1,381,647)
	Profit for the year	-	6,881,277
	At End of Period	**557,903**	**2,284,961**

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

		2023	2022
18	**Risk regulatory reserve**		
	At 1 January	2,554,328	2,428,354
	Adjustment against retained earnings	-	125,974
	At End of Period	**2,554,328**	**2,554,328**

The regulatory risk reserves warehouses 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 IFRSs.

		2023	2022
19	**Statutory reserve**		
	At 1 January	5,340,854	3,276,471
	Adjustment against retained earnings	-	2,064,383
	At End of Period	**5,340,854**	**5,340,854**

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 .

Notes to the Financial Statements

At at 30 September. 2023

		2023	2022
20	**Other reserves**	**2023**	**2022**
(a)	**Other comprehensive income**	**N'000**	**N'000**
	At 1 January	112,313	112,313
	At End of Period	**112,313**	**112,313**
(b)	**Agricultural /small and medium enterprises investment scheme**		
	At 1 January	893,310	549,246
	Provision for the year	-	344,064
	At End of Period	**893,310**	**893,310**
	Total (a + b)	**1,005,623**	**1,005,623**

Notes to the Financial Statements

As at 30 September. 2023

		9 Months Ended SEPT 2023	3 Month Ended SEPT 2023	9 Months Ended SEPT 2022	3 Month Ended SEPT 2022	December 2022
21	**Income from financing contracts**					
	Murabaha transactions	N'000	N'000	N'000	N'000	N'000
	Murabaha profit - corporate	9,256,692	3,046,000	6,184,793	2,305,395	8,774,902
	Murabaha profit - retail	2,845,750	992,506	3,084,903	1,057,681	4,139,976
	Murabaha income - LC	357,579	94,086	684,103	238,203	890,228
	Bai Mu'ajjal	450,334	150,093	499,224	164,801	664,367
	Total profit from murabaha transactions	**12,910,355**	**4,282,685**	**10,453,022**	**3,766,081**	**14,469,473**
	Ijara transactions					
	Ijara Wa Iqtina Profit- Corporate	1,412,230	480,415	1,475,590	411,916	1,795,136
	Ijara Wa Iqtina Profit-Retai	2,142,983	779,516	1,729,513	666,627	2,399,506
	Ijara Finance Lease Profit	401,919	149,491	268,454	106,372	393,728
	Ijara Finance LC	96,813	-	-	-	144,040
	Ijara wa Iqtina Profit-others	356,099	226,292	157,568	60,847	232,639
	Total profit from Ijara transactions	**4,410,045**	**1,635,714**	**3,631,124**	**1,245,763**	**4,965,049**
	Others					
	Istisna	1,993,534	712,056	12,273,716	463,735	1,773,420
	Salam	21,549	479	52,364	25,266	52,303
	Musharaka	1	-	198	198	(198)
	Total profit from other financing/investment contracts	**2,015,084**	**632,281**	**1,325,882**	**489,002**	**2,154,144**
	Total income from financing contracts	**19,335,484**	**6,550,679**	**15,410,029**	**5,450,866**	**21,588,665**
22	**Income from investment activities**					
	Trading assets	1,651,537	334,802	1,130,856	504,063	2,239,392
	Sukuk	9,075,943	3,479,457	5,627,582	2,005,989	7,622,410
	Interbank murabaha	1,038,173	391,101	212,836	328,618	328,618
	Total income from investing activities	**11,765,652**	**4,205,361**	**6,971,274**	**2,277,888**	**10,190,420**
23	**Impairment Charge**					
	Impairment Charges	**2,888,628**	**962,876**	**2,993,821**	**993,821**	**3,888,913**
24	**(i) Net Financing & Investment Income**					
	Gross Financing & Investment Income net of impairment charges	18,419,344	9,947,547	16,335,925	7,179,933	27,561,554
		28,212,508	**9,793,164**	**19,387,482**	**7,179,933**	**27,561,554**

25(a)	**(ii). Return on equity investment account holders**					
	Profit from financing investments paid to mudarabah account holders	**7,500,165**	**2,599,622**	**4,710,573**	**1,823,633**	**6,905,436**
25(b)	**(iii) Mudarib fees/profit of joint investments**					
	Bank's Fees as Mudarib	10,434,259	3,692,015	5,212,945	2,015,880	7,614,846
	Profit from Bank joint investments	10,278,085	3,501,527	9,463,966	3,340,420	13,041,272
	Bank's fees as Mudarib/profit from Bank joint investments	**28,212,508**	**9,793,164**	**19,387,482**	**7,179,933**	**27,561,554**
26	**Fees and commission**					
	Banking services	387, 363	145, 472	355,134	145,104	448,868
	Net income from E-Business	696,030	228, 521	389,818	133,443	530,259
	LC/ trade finance income	698,133	496,546	282,971	86,581	659,703
	At End of Period	**1,781,527**	**870,539**	**1,027,923**	**365,128**	**1,638,830**
27	**Other operating income**					
	Wakala income	174,775	152,775	81,901	2,917	81,901
	Miscellaneous income	71,409	13,767	244,670	-	258,185
	As At End of Period	**246,184**	**166,542**	**326,571**	**2,917**	**340,087**
28	**Unrealized Exchange Gain/(Loss)**					
	Foreign currency revaluation	(84,031)	(26,274)	(64,599)	(4,915)	(142,998)
	At End of Period	**(84,031)**	**(26,274)**	**(64,599)**	**(4,915)**	**(142,998)**
29	**Staff costs**					
	Salaries	6,224,460	2,299,454	5,694,978	2,368,270	7,481,793
	Staff pension	238,213	94,385	207,891	71,151	277,029
	Training and seminar expenses	236,246	66,717	100,653	45,076	125,662
	Other staff expenses	369,284	123,864	164,911	418,926	215,761
	At End of Period	**7,068,203**	**2,584,420**	**6,168,434**	**2,065,570**	**8,100,246**
30	**Depreciation and amortisation**					
	Depreciation of property, plant & equipment	886,059	312,015	763,673	283,592	994,867
	Amortisation of leasehold improvement	18,641	11,397	27,637	10,832	31,425
	Amortisation of intangible assets	80,283	26,658	72,138	25,956	127,615
	As At End of Period	**984,983**	**350,071**	**863,449**	**320,380**	**1,153,906**
31(I)	**Operating expenses**					
	Advertising and marketing	680,799	221,977	369,411	120,561	313,297
	Administrative - note 31 (iii)	2,303,899	8944,632	1,797,935	657,750	2,457,827
	Subscription and professional fees	260,382	60,670	216,202	86,877	284,869
	ACE's Expense	63,312	21,000	34,888	19,888	43,132
	Right-of-use assets amortisation- note 31 (ii)	330,118	111,384	333,280	100,751	477,687
	Licences	943,364	248, 538	595,971	238,003	678,249
	Bank charges	85,161	32,688	86,693	31,308	117,285
	Audit fee & other expenses	49,000	16,000	35,712	11,597	51,913
	Bonus & Benefits	330,871	152,361	683,238	237,036	283,763
	Deposit insurance premium	1,076,563	328,766	174,117	174,117	936,941
	Bandwith and connectivity	175,116	31,090	123,211	32,585	164,423
	Directors expenses	1,625,609	452,492	639,367	251,882	795,765
	At End of Period	**7,923,195**	**2,571,599**	**5,090,023**	**1,962,255**	**6,605,150**
31(ii)	**Right-of-use amortisation/ rental charges**					
	Right-of-use assets amortisation	330,118	111,384	333,280	100,751	477,687
	At End of Period	**330,118**	**111,384**	**333,280**	**100,751**	**477,687**

Notes to the Financial Statements
As at 30 September, 2023

31(iii) Administrative	SEPT 2023 N'000	SEPT 2023 N'000	3 Month Ended SEPT 2022 N'000	3 Month Ended SEPT 2022 N'000	December 2022 N'000
Telephone expenses	2,188	854	2,563	575	3,122
SWIFT/NIBBS charges	62,507	22,743	44,613	6,353	48,894
Courier charges	23,671	8,302	26,344	8,490	40,835
Service contract (HR and Admin)	932,379	377,476	553,514	191,660	767,273
Local and foreign travels	117,554	59,545	104,287	65,072	133,897
Printing & Stationaries	151,968	48,433	113,142	44,017	161,900
Repairs and maintenance	239,129	81,051	280,444	99,341	357,112
Security related expenses	100,650	29,086	79,358	27,849	104,294
Money and other Insurance	249,878	90,635	97,400	34,132	58,975
Fuel expense	313,133	107,399	216,411	76,638	291,217
Data recovery & IT related expenses	36	32	41	(3)	41
Newspaper, magazine & periodicals	-	-	2,475	226	2,475
Entertainment	26,604	9,829	19,334	8,365	29,652
Communications & Support expenses	25,343	24,077	212,445	83,135	283,241
Sundry expenses	54,329	34,522	27,937	2,093	152,515
Cash shortage written off	2,717	1,887	6,334	1,369	6,915
Listing expenses	10	10	2,860	-	2,860
Industry certification	1,803	-	8,433	8,433	12,610
At End of Period	**2,303,899**	**894,632**	**1,797,935**	**657,750**	**2,457,827**

32 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.

30 SEPTEMBER, 2023

Name	Related Party	Relationship With The Bank	Limit Receivable	Amount	Classification
Abdulfattah Olanrewaju Amoo	Abdulfattah	Excecutive Director	59,400	32,355	Performing
Ahmed Alhaji Hassan	Ahmed A. Hassan	Excecutive Director	64,500	17,298	Performing
Alhassan Abdulkarim	Alhassan Abdulkarim	Executive Director	34,146	35,122	Performing
Bellmari Energy Limited	Dangote Industries Ltd	Significant Shareholder	1,500,000	1,781,090	Performing
Bello Muhammad Sani	Hrh Engr. Sani Bello	Non-executive Director	80,250	49,701	Performing
Dangote Cement PLC	Dangote Cement Ltd	Significant Shareholder	4,095,500	4,822,003	Performing
Dantata Food & Allied Coy Product Ltd	Alh. (Dr) Aminu Alhassan Dantata	Non-executive Director	304,000	321,271	Performing
Fursa Food Limited	Fursa Food Limited	Significant Shareholder	896,920	433,203	Performing
Mohammed Mustapha Bintube	Mohammed Mustapha Bintube	Chairman	99,710	39,845	Performing
			6,633,926	**7,531,887**	

December 2022

Name	Related Party	Relationship With The Bank	Limit Receivable	Amount	Classification
Bellmari Energy Limited	Dangote Industries Ltd	Significant Shareholder	679,000	688,441	Performing
Noble Hall Limited	Dr. Umaru Abdulmutallab	Chairman	279,995	256,809	Substandard
Bello Muhammad Sani	Hrh Engr. Sani Bello	Non-executive Director	80,250	77,750	Performing
Abdulfattah Olanrewaju Amoo	Abdulfattah Olanrewaju Amoo	Executive Director	59,400	37,279	Performing
Abdulmutallab Muhammad Had	Dr. Umaru Abdulmutallab	Chairman	40,000	30,645	Performing
Ahmed Alhaji Hassan	Ahmed A. Hassan	Executive Director	64,500	33,184	Performing
Mamun Ibrahim Maude	Alh. Mamun Ibrahim Maude	Non-executive Director	10,000	3,166	Performing
At End of Period			**1,213,145**	**1,127,274**	
Off Balance Sheet					
Dangote Cement Plc	Dangote Indutries Ltd	Significant Shareholder		18,592	Performing
At End of Period				**18,592**	

33 Significant Shareholding (5% & Above)

	2023		2022	
	Holdings	%	Holdings	%
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	4,023,971,327	11.65
Dr.Umaru Abdul Mutallab	3,500,000,000	10.13	3,500,000,000	10.13
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
Balance as at 30 September	**23,441,374,036**	**67.87**	**23,441,374,036**	**67.87**

34 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.

35 Earnings per share

Basic earnings per share

Basic earnings per share of 18.56kobo (2022: 9.46 kobo) is based on the profit of N6.41 billion (30 Sept 2022: N3.27 billion) attributable to shareholders with ordinary shares of 34,541,172 (2022:- 34,541,172)

Profit attributable to ordinary shareholders	Sep-23	Sep-22	2022
	N'000	N'000	N'000
Profit for the period	6,412,455	3,268,248	6,881,277
Profit attributable to ordinary shareholders	**6,412,455**	**3,268,248**	**6,881,277**

Weighted average number of ordinary shares	Sep-23	Sep-22	2022
	In Thousand	In Thousand	In Thousand
Issued ordinary shares at 1 January	34,541,172	34,541,172	34,541,172
Weighted average number of ordinary shares	**34,541,172**	**34,541,172**	**34,541,172**
Basic and diluted earnings per share (Kobo)	**18.56 kobo**	**9.46 kobo**	**19.92 kobo**

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

36 Contingencies and commitments

"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 off set 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 year, 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:

Details	2023 N'000	2022 N'000
Advanced payment guarantees	17,885,566	15,957,428
Letters of credit	65,669,752	27,609,827
Bonds and guarantees	5,923,454	4,213,282
Wakala guarantee	2,469,274	2,978,593
Balance as At 30 June	**91,948,046**	**50,759,130**

(iii) Capital commitments

There were no capital commitments at the end of the reporting period of 30 September, 2023.

(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.

customercare@jaizbankplc.com
+234 (0) 708 063 5500, 708 063 5555
www.jaizbankplc.com
JaizBankPlc JaizBankNG