Guaranty Trust Bank plc
RC 152321
Plot 635, Akin Adesola Street,
P. O. Box 75455, Victoria Island,
Lagos State, Nigeria.
Tel: 01-4480740-9, 2714580-9
Head Office www.gtbank.com

GTBank

June 2021

AUDITED HALF YEAR REPORT

Proudly African, Truly International

Introduction

Guaranty Trust Bank's Consolidated Financial Statements complies with the applicable legal Requirements of the Nigerian Securities and Exchange Commission interim Financial Statements and comprises Separate and Consolidated Financial Statements of the Bank and the Group for the period ended 30 June, 2021. The consolidated financial statements have been 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. For better understanding, certain disclosures and some prior period figures have been presented in line with current period figures. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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Corporate Governance

Introduction

In the pursuit to deliver greater shareholder value, Guaranty Trust Bank Plc ("the Bank") has continued to subject its operations to the highest standards of corporate governance, which is an essential foundation for sustainable corporate success. In view of globalization, digitalization and increased penetration of artificial intelligence in the World and specifically in the Banking industry, the resolve to maintain good corporate governance principles has become increasingly significant to us. We are committed to upholding the creed and principles of good Corporate Governance in all our operations which is the bedrock of strong public trust and confidence reposed in us by shareholders, business partners, employees and the financial markets and the key to our continued long-term success even in the face of the Covid-19 pandemic which affected every facet of our lives.

In building our corporate governance objective, the Bank's "Orange Rules" of Simplicity, Professionalism, Service, Friendliness, Excellence, Trustworthiness, Social Responsibility and Innovation signify the Bank's guiding ideologies upon which it was established and remain the foundation upon which we have built and developed our exemplary corporate governance practices. The Bank's Orange rules are fundamental to our culture and are part of the everyday conduct of the Bank's business.

A principle that guides our operations and actions is, success is only worth celebrating when achieved through a process supported and sustained with the right values and principles, at Guaranty Trust Bank Plc, these values have been enshrined in every employee, processes and systems through our Orange Rules.

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

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

The Bank complies with the requirements of the Central Bank of Nigeria ("CBN") in respect of internal review of its compliance status with defined corporate governance practices and submits reports on the Bank's compliance status to the CBN and the Nigeria Deposit Insurance Corporation. The Bank also conducts an Annual Board and Directors' Evaluation and Appraisal covering all aspects of the Boards' structure, composition, responsibilities, processes and relationships, in compliance with the requirement of the CBN and FRC Codes. To conduct the Annual Board Evaluation and Appraisal for the financial year ended December 31, 2020, the Board engaged the consultancy firm of Ernst and Young. The independent consultants carried out a comprehensive review of the effectiveness of the Board by evaluating the performance of the Board, the

Board Committees and Directors. The report of the Evaluation and Appraisal has now been presented to Shareholders at the 31st Annual General Meeting of the Bank.

The Board Evaluation and Appraisal report for the financial year ended December 31, 2020, by the independent consultants to the Board revealed that the Bank was in substantial compliance with the provisions of the FRC Code.

During the 2021 half year the Bank executed various governance initiatives/activities which included; the review of the Bank's Corporate Governance Code and Charters of all the Board Committees in order to align same with leading international practices and existing regulations in the Country. The Bank also put in place a Charter for the Board of Directors to delineate the responsibilities of the Board. The Board and its Committees also carried out annual self-assessments to review compliance with the terms of reference as contained in their respective Charters.

We continue to serve customers, clients and communities; and create value for stakeholders. Entrenched in the fibre of the Bank is the culture of openness which promotes healthy discourse and encourages employees to report improper activities. The belief that success is only worth celebrating when achieved the right way through a process supported and sustained with the right values remains one of the Bank's guiding principles. Our commitment to this principle is for us the key to keeping public trust and confidence in our Bank and the key to our continued long-term success.

Conversion into a Financial Holding Company Structure

Against the backdrop of the widespread transformation of businesses and sectors/industries across the globe brought on by rapid advancements in technology, it became imperative for the Bank to adjust its operating model and service offerings to remain relevant in the financial services landscape of the future and position the Group for sustainable long-term growth. The Board believed that the best way to achieve this was through a restructuring of the Bank's Group into a holding company structure with Guaranty Trust Holding Company Plc ("Holdco") which would hold the Bank, the Banking Subsidiaries and other permissible non-banking entities.

Benefits of the Conversion

The following are expected to be the benefits of the Conversion: (i) Greater strategic flexibility and opportunity for diversification of the Group's revenues; (ii) Better positioning to deal with emerging competition, for example, fintechs and payment service banks; (iii) More focused regulatory oversight of the various arms of the Group; (iv) More efficient management structure with the Holdco having the responsibility of assessing strategic initiatives for the overall benefit of the Group; (v) Preservation of senior management team, culture and business model; and (vi) Preservation of shareholder value.

Management is appreciative of the shareholders for the overwhelming support given for the conversion process as evidenced by the unanimous adoption of the resolution at the Court Ordered Meeting which was held in December 2020. The Bank completed the conversion process to a Holding Company structure during the half year and it is expected that the holding company structure would become operational in the second half of the 2021 financial year.

Governance Structure

The Board

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

Corporate Governance

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

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

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

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

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through six (6) Committees, namely, Board Risk Management, Board Credit, Board Human Resources and Nominations, Board Remuneration, Board Information Technology Strategy, and the Board Audit. In addition to the Board Committees, the Statutory Audit Committee of the Bank also performs its statutory role as stipulated by the Companies and Allied Matters Act (2020).

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

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

Two (2) of the Non-Executive Directors were "Independent Directors", appointed based on the core values enshrined in the Bank's Code of Corporate Governance and the criteria laid down by the CBN for the appointment of Independent Directors. The Independent Directors do not have any significant shareholding interest or any special business relationship with the Bank.

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

The Board met twice during the half year ended June 30, 2021.

Responsibilities of the Board

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

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

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

Other powers reserved for the Board are the determination of Board structure, size and composition, including appointment and removal of Directors, succession planning for the Board and senior management and Board Committee membership; approval of mergers and acquisitions, branch expansion and establishment of subsidiaries; approval of remuneration policy and packages of the Managing Director and other Board members, appointment of the Managing Director and other Directors of subsidiaries nominated by the Bank; approval of the Board performance evaluation process, corporate governance framework and review of the performance of the Managing Director; approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Credit, Corporate governance and Anti – Money laundering, and approval of all matters of importance to the Bank as a whole because of their strategic, financial, risk or reputational implications or consequences.

Roles of Chairman and Chief Executive

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

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

Director Nomination Process

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

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

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

Induction and Continuous Training

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

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

The Bank attaches great importance to training its Directors and for this purpose, continuously offers training and education from onshore and offshore institutions to its Directors, in order to enhance their performance on the Board and the various committees to which they belong. Due to the impact of Covid-19 and restrictions of movement into most countries, some of the Bank's Non-Executive Directors attended foreign and/or local courses in the half year ended June 30, 2021.

Changes on the Board

In the course of the half year ended June 30, 2021, Mrs. Osaretin Demuren (Chairman), Mr. Bayo Adeola (Non-Executive Director), Mr. Demola Odeyemi (Executive Director) and Mr. Bolaji Lawal (Executive Director), retired from the Board.

Non-Executive Directors' Remuneration

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

Details of remuneration paid to Executive and Non-Executive Directors is contained in Note 46 of this report.

Board Committees

The Board carries out its responsibilities through its Standing Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has six (6) Standing Committees in addition to the Statutory Audit Committee of the Bank, namely; Board Risk Management Committee, Board Credit Committee, Board Human Resources and Nominations Committee, Board Remuneration Committee, Board Information Technology Strategy Committee and Board Audit Committee.

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

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

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

Board Risk Management Committee

This Committee is tasked with the responsibility of setting and reviewing the Bank's risk policies. The coverage of supervision includes the following: Credit Risk, Reputational Risk, Operations Risk, Technology Risk, Market Risk, Liquidity Risk and other pervasive risks as may be posed by the events in the industry at any point in time.

The Terms of Reference of the Board Risk Management Committee include to:

- review and recommend for the approval of the Board, the Bank's Risk Management Policies including the risk profile and limits;
- determine the adequacy and effectiveness of the Bank's risk detection and measurement systems and controls;
- evaluate the Group's internal control and assurance framework annually, in order to satisfy itself on the design and completeness of the framework relative to the activities and risk profile of the Bank and its subsidiaries;
- oversee Management's process for the identification of significant risks across the Bank and the adequacy of risk mitigation, prevention, detection and reporting mechanisms;
- review and recommend to the Board for approval, the contingency plan for specific risks;
- review the Bank's compliance level with applicable laws and regulatory requirements which may impact on the Bank's risk profile;
- conduct periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Bank's risk profile;
- handle any other issue referred to the Committee from time to time by the Board.

The Chief Risk Officer of the Bank presents regular briefings to the Committee at its meetings.

The Committee meets quarterly and additional meetings are convened as required. The Committee met twice during the half year ended June 30, 2021.

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

Mr. Hassan undertook extensive Executive level Business and Leadership Education in world-class institutions including Harvard Business School in Boston, MA, United States of America (USA), Columbia Business School in New York, NY, USA, Kellogg School of Management at Northwestern University in Chicago, IL, USA, Cranfield School of Management in Cranfield, UK, London Business School in London, UK, Institute of Directors (IoD) London and Institute for Management Development (IMD) in Lausanne, Switzerland. Mr. Hassan also completed the Senior Management Programme (SMP16) at the Lagos Business School in 2002.

Mr. Hassan is a member of IoD London, IoD Nigeria and other professional organizations such as AAPG (American Association of Petroleum Geologist), NAPE (Nigeria Association of Petroleum Explorationist), NMGS (Nigerian Mining and Geosciences Society) and COMEG (Council of Nigeria Mining Engineers and Geoscientists).

Mr. Hassan is a philanthropist, with deep commitment towards youth and community empowerment.

Ibrahim Hassan holds the revered title of Sarkin Dawaki of the Mubi Emirate of Adamawa State and joined the Board in April 2010.

Profile of Mrs. Victoria Osondu Adefala

Mrs. Victoria Osondu Adefala holds a Bachelor of Laws (LL.B) degree (1987) from the University of Lagos, Lagos State, Nigeria and a Master's degree in International Law (LL.M) from University of Houston Bates Law School, Houston, Texas. She was called to the Nigerian Bar in 1988.

Mrs. Adefala is a seasoned professional with over twenty-four (24) years' work experience in diverse industries including Manufacturing, Finance and Transportation as well as the Legal profession, having worked with the African Chamber of Commerce, Houston, Texas, Michelin Nigeria Limited and Alstom Nigeria.

Mrs. Adefala served as the Country President and Managing Director of Alstom Nigeria up till 2016. Prior to working at Alstom, Mrs. Victoria Osondu Adefala was an Executive Director at Michelin Nigeria Limited, and sits on the Board of both local and international companies.

Mrs. Adefala is the Managing Partner of WHITGIFT Law Firm.

She joined the Board in September 2017.

Non-Executive Directors' Remuneration

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

Details of remuneration paid to Executive and Non-Executive Directors is contained in Note 46 to the consolidated and separate financial statements of this report.

Board Committees

The Board carries out its responsibilities through its Standing Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has six (6) Standing Committees in addition to the Statutory Audit Committee of the Bank, namely; Board Risk Management Committee, Board Credit Committee, Board Human Resources and Nominations Committee, Board Remuneration Committee, Board Information Technology Strategy Committee and Board Audit Committee.

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

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

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The Terms of Reference of the Board Risk Management Committee include:

- To review and recommend for the approval of the Board, the Bank's Risk Management Policies including the risk profile and limits;
- To determine the adequacy and effectiveness of the Bank's risk detection and measurement systems and controls;
- To evaluate the Group's internal control and assurance framework annually, in order to satisfy itself on the design and completeness of the framework relative to the activities and risk profile of the Bank and its subsidiaries;
- To oversee Management's process for the identification of significant risks across the Bank and the adequacy of risk mitigation, prevention, detection and reporting mechanisms;
- To review and recommend to the Board for approval, the contingency plan for specific risks;
- To review the Bank's compliance level with applicable laws and regulatory requirements which may impact on the Bank's risk profile;
- To conduct periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Bank's risk profile;
- To handle any other issue referred to the Committee from time to time by the Board.

The Chief Risk Officer of the Bank presents regular briefings to the Committee at its meetings.

The Committee meets quarterly and additional meetings are convened as required. The Committee met twice (during the half year ended June 30, 2021.

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

S/No	Name	Status	Designation	Dates of Attendance
1.	Mr. H. A. Oyinlola	Non-Executive Director	Chairman	26-Jan-2021 20-Apr-2021
2.	Mr. J. K. O. Agbaje	Managing Director	Member	26-Jan-2021 20-Apr-2021
3.	Ms. I. L. Akpofure	Non-Executive (Independent) Director	Member	26-Jan-2021 20-Apr-2021
4.	Mr. B. T. Soyoye*	Non-Executive (Independent) Director	Member	26-Jan-2021 20-Apr-2021
5.	Mr. A. A. Odeyemi*	Executive Director	Member	26-Jan-2021 20-Apr-2021
6.	Mrs. M. C. Olusanya	Executive Director	Member	26-Jan-2021 20-Apr-2021

*Retired from the Board of Directors at the Board Meeting held in April 2021

Board Credit Committee

This Committee is responsible for approval of credit facilities in the Bank. The Terms of Reference of the Board Credit Committee include to:

- consider and approve specific loans above the Management Credit Committee's authority limit, as determined by the Board from time to time;
- review Management Credit Committee's authority level as and when deemed necessary and recommend new levels to the Board for consideration;
- conduct quarterly review of credits granted by the Bank to ensure compliance with the Bank's internal control systems and credit approval procedures;
- notify all Director related loans to the Board;
- monitor and notify the top debtors to the attention of the Board;
- review the Bank's internal control procedures in relation to credit risk assets and ensure that they are sufficient to safeguard the quality of the Bank's risk assets;
- review the Asset and Liability Management of the Bank;
- ensure that the Bank complies with regulatory requirements regarding the grant of credit facilities;
- handle any other issue referred to the Committee from time to time by the Board.

In view of the volume of transactions that require Board Credit Committee approvals, there are instances where the need arises for credits to be approved by members expeditiously between Board Credit Committee Meetings. Such urgent credits are circulated amongst the members for consideration and approval in line with a defined procedure that ensures that all members of the Committee are furnished with full information on such credits. All credits considered as "Large Exposures" as defined by the Board of Directors from time to time are considered and approved by the Board Credit Committee at a special meeting convened for that purpose.

The Board Credit Committee meets at least once in each quarter. However, additional meetings are convened as required. The Committee met four (4) times during the half year ended June 30, 2021.

The Board Credit Committee is made up of the following members:

S/No	Name	Status	Designation	Dates of Attendance
1	Mr. O. M. Agusto	Non-Executive Director	Chairman	26-Jan-2021 01-Apr-2021 20-Apr-2021 22-June-2021
2	Mr. K. A. Adeola*	Non-Executive Director	Member	26-Jan-2021 01-Apr-2021 20-Apr-2021
3	Mr. I. Hassan	Non-Executive Director	Member	26-Jan-2021 01-Apr-2021 20-Apr-2021 22-June-2021

4	Mrs. V.O. Adefala	Non-Executive (Independent) Director	Member	26-Jan-2021 01-Apr-2021 20-Apr-2021 22-June-2021
5	Mr. H. Musa	Executive Director	Member	26-Jan-2021 01-Apr-2021 20-Apr-2021 22-June-2021
6	Mr. J. M. Lawal*	Executive Director	Member	26-Jan-2021 01-Apr-2021 20-Apr-2021
7	Mr. B. G. Okuntola	Executive Director	Member	26-Jan-2021 01-Apr-2021 20-Apr-2021 22-June-2021

*Retired from the Board of Directors at the Board Meeting held in April 2021

Board Human Resources and Nominations Committee

This Committee is responsible for the approval of human resource matters, identification and nomination of candidates for appointment to the Board and Board governance issues such as annual evaluation of the performance of the Managing Director and the Board, induction and continuous education, approval of promotion of top management staff, corporate governance, succession planning, conflict of interest situations and compliance with legal and regulatory provisions.

The Committee is also responsible for the oversight of strategic people issues, including employee retention, equality and diversity as well as other significant employee relations matters.

The membership of the Committee is as follows:

S/No	Name	Status	Designation	Dates of Attendance
1	Mr. I. Hassan	Non-Executive Director	Chairman	25-Jan-2021
2	Mr. J.K.O. Agbaje	Managing Director	Member	25-Jan-2021
3	Mr. H.A. Oyinlola	Non-Executive Director	Member	25-Jan-2021
4	Mrs. M. C. Olusanya	Executive Director	Member	25-Jan-2021

The Committee is required to meet at least once a year, and additional meetings may be convened as the need arises. The Committee met once during the half year ended June 30, 2021.

Board Remuneration Committee

The Board Remuneration Committee has the responsibility of setting the principles and parameters of Remuneration Policy across the Bank, determining the policy of the Bank on the remuneration of the Managing Director and other Executive Directors and the specific remuneration packages and to approve the policy relating to all remuneration schemes and long-term incentives for employees of the Bank.

The Board Remuneration Committee comprised the following members during the period under review:

S/No	Name	Status	Designation	Dates of Attendance
1	Mr. O. M. Agusto	Non-Executive Director	Chairman	27-Jan-2021
2	Mr. K.A Adeola*	Non-Executive Director	Member	27-Jan-2021
3	Mrs. V.O. Adefala	Non-Executive (Independent) Director	Member	27-Jan-2021

*Retired from the Board of Directors at the Board Meeting held in April 2021

The Committee is required to meet at least once a year, and additional meetings may be convened as the need arises. The Committee met once during the half year ended June 30, 2021.

Board Information Technology Strategy Committee

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

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

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

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

S/No	Name	Status	Designation	Dates of Attendance
1	Mr K. A. Adeola*	Chairman	Chairman	19-Apr-2021
2	Mr J. K. O. Agbaje	Managing Director	Member	19-Apr-2021
3	Mr. H.A. Oyinlola	Non-Executive Director	Member	19-Apr-2021
4	Ms. I. L. Akpofure	Non-Executive (Independent) Director	Member	19-Apr-2021
5	Mr A. A. Odeyemi*	Executive Director	Member	19-Apr-2021
6	Mr. J. M. Lawal*	Executive Director	Member	19-Apr-2021
7	Mr. H. Musa	Executive Director	Member	19-Apr-2021

*Retired from the Board of Directors at the Board Meeting held in April 2021

The Committee is required to hold its Meetings twice in a year. The Committee met once during the half year ended June 30, 2021.

Board Audit Committee

The Board Audit Committee is responsible for oversight of audit functions, without prejudice to the statutory Audit Committee established in compliance with CAMA, which is not considered a board committee.

The Terms of Reference of the Board Audit Committee include to:

- keep the effectiveness of the Bank's system of accounting, reporting and internal control under review and to ensure compliance with legal and agreed ethical requirements;
- review the activities, findings, conclusions and recommendations of the external auditors relating to the Bank's annual audited financial statements;
- review the Management Letter of the External Auditor and Management's response thereto;
- review the appropriateness and completeness of the Bank's statutory accounts and its other published financial statements;
- oversee the independence of the external auditors;
- receive a summary of whistle blowing cases reported and the result of the investigation from the Head of Internal Audit;
- ensure that the Bank's Investment Valuation Policy is updated to take into account changes in International Financial Reporting Standards (IFRS) as issued and/or amended from time to time by the International Accounting Standards Board and/or in valuation techniques as recommended by the European Venture Capital Association and best practices.

The Board Audit Committee comprised the following members during the period under review:

S/No	Name	Status	Designation	Dates of Attendance
1.	Ms. I. L. Akpofure	Non-Executive (Independent) Director	Chairman	25-Jan-2021 19-Apr-2021
2.	Mr. O. M. Agusto	Non-Executive Director	Member	25-Jan-2021 19-Apr-2021
3.	Mr. I. Hassan	Non-Executive Director	Member	25-Jan-2021 19-Apr-2021

The Committee is required to hold its Meetings once every quarter. The Committee met twice during the half year ended June 30, 2021.

Statutory Audit Committee of the Bank

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

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

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

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

The Statutory Audit Committee of the Bank met twice during the half year. The following members served on the Committee during the during the half year ended June 30, 2021.

S/No	Name	Status	Designation	Attendance	Dates of Attendance
1	Mrs. S. O. J. Mbagwu-Fagbemi	Shareholders' Representative	Chairman	2	25-Jan-2021 19-Apr-2021
2	Alhaji M. O. Usman	Shareholders' Representative	Member	2	25-Jan-2021 19-Apr-2021
3	Mrs. A. Kuye	Shareholders' Representative	Member	2	25-Jan-2021 19-Apr-2021
4	Mr. I. Hassan*	Non-Executive Director	Member	1	25-Jan-2021
5	Mr. O. M. Agusto	Non-Executive Director	Member	2	25-Jan-2021 19-Apr-2021
6	Ms. I. L. Akpofure	Non-Executive (Independent) Director	Member	2	25-Jan-2021 19-Apr-2021

Attendance of Board and Board Committee Meetings

The table below shows the frequency of meetings of the Board of Directors and Board Committees, as well as Members' attendance for the half year ended June 30, 2021.

S/N	DIRECTORS	BOARD	BOARD CREDIT COMMITTEE	BOARD RISK MANAGEMENT COMMITTEE	BOARD HUMAN RESOURCES & NOMINATION COMMITTEE	BOARD REMUNERATION COMMITTEE	BOARD I.T. STRATEGY	BOARD AUDIT COMMITTEE
	DATE OF MEETINGS	27-Jan-2021 21-Apr-2021	26-Jan-2021 01-Apr-2021 20-Apr-2021 22-June-2021	26-Jan-2021 20-Apr-2021	25-Jan-2021	27-Jan-2021	19-Apr-2021	25-Jan-2021 19-Apr-2021
	NUMBER OF MEETINGS	**2**	**4**	**2**	**1**	**1**	**1**	**2**
1	Mrs. O. A. Demuren[1*]	2	N/A	N/A	N/A	N/A	N/A	N/A
2	Mr. J. K. O Agbaje	2	N/A	2	1	N/A	1	N/A
3	Mr. O. M. Agusto	2	4	N/A	N/A	1	N/A	2
4	Mr. K. A. Adeola*	2	3	N/A	N/A	1	1	N/A
5	Mr. I. Hassan	2	4	N/A	1	N/A	N/A	2
6	Mr. H. A. Oyinlola	2	N/A	2	1	N/A	1	N/A
7	Ms. I. Akpofure	2	N/A	2	N/A	N/A	1	2
8	Mrs. V. O. Adefala	2	4	2	N/A	N/A	N/A	N/A
9	Mr. A. A. Odeyemi*	2	N/A	2	N/A	N/A	1	N/A
10	Mr. H. Musa	2	4	N/A	N/A	N/A	1	N/A
11	Mr. J. M. Lawal*	2	3	N/A	N/A	N/A	1	N/A
12	Mrs. M. C. Olusanya	2	N/A	2	1	N/A	N/A	N/A
13	Mr. B. G. Okuntola	2	4	N/A	N/A	N/A	N/A	N/A

[1] The Chairman is not a member of any Committee in compliance with the CBN Code which prohibits the chairman of the Board from being a member of any Committee;
*Retired from the Board of Directors at the Board Meeting held in April, 2021
N/A -Not Applicable

Tenure of Directors

In order to ensure both continuity and injection of fresh ideas, the tenure for Non-Executive Directors is limited to a maximum of three (3) terms of four (4) years each, i.e. twelve (12) years whilst the maximum tenure for Independent Non-Executive Directors is limited to a maximum of two (2) terms of four (4) years each, i.e. eight (8) years.

This is in compliance with the directives of the CBN and FRC Codes.

Board Evaluation and Appraisal

In the Bank's customary manner of imbibing the best corporate governance practices, the Board engaged an Independent Consultant, Ernst and Young , to carry out the annual Board and Directors appraisal for the 2020 financial year. The annual appraisal covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies and respective roles in the Board performance, as well as the Bank's compliance status with the provisions of the CBN and SEC Codes.

The Annual Board and Director Evaluation and Appraisal Report for the 2020 financial year was presented to shareholders at the 31st Annual General Meeting of the Bank.

Shareholders

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

Shareholders' Associations.

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

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

Protection of Shareholders' Rights

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

Communication Policy

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

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

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

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

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

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

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

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

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

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

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

Information Flow

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

The Company Secretary

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

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

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

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

Insider Trading and price sensitive information

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

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

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

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

Management Committees

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

The standing Management Committees in the Bank are:

- Management Risk Committee;
- Management Credit Committee;
- Criticized Assets Committee;
- Asset and Liability Management Committee;
- Information Technology (IT) Steering Committee;
- Information Technology (IT) Risk Management Committee

Management Risk Committee

This Committee is responsible for regular analysis and consideration of risks in the Bank. The Committee meets from time to time and at least quarterly. However, additional meetings may be held if required. The Committee reviews and analyses environmental issues and policies impacting either directly or remotely on the Bank, brainstorms on such issues and recommends steps to be taken by the Bank. The Committee's approach is risk based.

The Committee provides inputs for the Board Risk Management Committee and also ensures that the decisions and policies emanating from the Committee's meetings are implemented.

The mandate of the Committee includes;

- The review of the effectiveness of GTBank's overall risk management strategy at the enterprise level;
- The follow-up on management action plans based on the status of implementation compiled by the Management Risk Committee;
- The identification and evaluation of new strategic risks including corporate matters involving regulatory, business development issues, etc., and the suitability of mitigants;
- The review of the enterprise risk scorecard and determination of the risks to be escalated to the Board on a quarterly basis.

Management Credit Committee

This is the Committee responsible for ensuring that the Bank complies fully with the Credit Policy Guide as laid down by the Board of Directors. The Committee also provides inputs for the Board Credit Committee. This Committee reviews and approves credit facilities to individual obligors not exceeding an aggregate sum to be determined by the Board from time to time. The Management Credit Committee is responsible for reviewing and approving all credits that are above the approval limit of the Managing Director as determined by the Board. The Committee reviews the entire credit portfolio of the Bank and conducts periodic assessment of the quality of risk assets in the Bank. It also ensures that adequate monitoring of credits is carried out. The

Committee meets weekly depending on the number of credit applications to be considered.

The secretary of the Committee is the Head of the Credit Administration Unit of the Bank.

Criticized Assets Committee

This Committee is responsible for the assessment of the risk asset portfolio of the Bank. It highlights the status of the Bank's assets in line with the internal and external regulatory framework and directs appropriate actions in respect of delinquent assets. The Committee ensures that adequate provisions are taken in line with the regulatory guidelines.

Asset and Liability Management Committee

This Committee is responsible for the management of a variety of risks arising from the Bank's business including, market and liquidity risk management, loan to deposit ratio analysis, cost of funds analysis, establishing guidelines for pricing on deposit and credit facilities, exchange rate risks analysis, balance sheet structuring, regulatory considerations and monitoring of the status of implemented asset and liability strategies. The members of the Committee include the Managing Director, Executive Directors, the Treasurer, the Head of the Financial Control Group, the Chief Risk Officer as well as a representative of the Asset and Liability Management Unit.

Information Technology (IT) Steering Committee

The Committee is responsible for assisting Management with the implementation of IT strategy approved by the Board. The roles and responsibilities of the Committee include:

1. **Planning, Budgeting and Monitoring**
   - Review and approval of the Bank's IT plan and budget (short and long term).
   - Review IT performance against plans and budgets, and recommend changes, as required.
   - Review, prioritization and approve IT investment initiatives.
   - Establishment of a balance in approval of overall IT investment portfolio in terms of risk, return and strategy.

2. **Ensuring Operational Excellence**
   - Making recommendations to Management on strategies for new technology and systems.
   - Review and approval of changes to IT structure, key accountabilities, and practices.
   - Ensuring project priorities and success measures are clearly defined, and effectively monitored.
   - Conducting a review of exceptions and projects on selected basis.
   - Performing service catalogue reviews for continued strategic relevance.
   - Review and approval of current and future technology architecture for the Bank.
   - Monitoring service levels, improvements and IT service delivery.
   - Assessing and improving the Bank's overall IT competitiveness.

3. **IT Risk Assurance**
   - Review and approve governance, risk and control framework.
   - Monitoring compliance with defined standards and agreed performance metrics.
   - Ensuring that vulnerability assessments of new technology are performed.
   - Reviewing and ensuring the effectiveness of the IT Risk Management and Security plan.
   - Ensuring the effectiveness of disaster recovery plans and review reports on periodic disaster recovery testing.
   - Reviewing key IT risk and security issues relevant to the Bank's IT processes / systems.
   - Ensuring that the Bank complies with relevant laws and regulations.

Information Technology (IT) Risk Management Committee

The Information Technology Risk Management Committee is responsible for establishing standardised IT risk management practices and ensuring compliance, for institutionalising IT risk management in the Bank's operations at all levels; and identifying and implementing cost effective solutions for IT risk mitigation. The Committee is also responsible for the continuous development of IT risk management expertise and ensuring that a proactive risk management approach is adopted throughout the Bank to drive competitive advantage.

Monitoring Compliance with Corporate Governance

Chief Compliance Officer

The Chief Compliance Officer monitors compliance with money laundering requirements and the implementation of the Corporate Governance Code of the Bank.

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

Whistle Blowing procedures

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

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

Code of Conduct

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

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

Human Resources Policy

The Human Resources policy of the Bank is contained in the Directors' Report on page 51 of this Half Year Report.

Employee Share-ownership Scheme

The Bank has in place an employee share ownership scheme called the Staff Investment Trust (SIT) scheme. Under the Bank's Articles of Association, the Scheme is authorized to hold up to a specified percentage of ordinary shares of the Bank for the benefit of eligible employees of the Bank.

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

Internal Management Structure

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

Subsidiary governance

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

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

As at June 30, 2021, the Group had eight (8) International banking subsidiaries and two (2) sub-subsidiaries. The operations and management of these subsidiaries are monitored and controlled by GTBank Plc as described below:

Oversight function

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

Subsidiary Board Representation

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

Subsidiary Board Committees

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

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

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

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

Representation on the Local Board and Board Committees

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

Management of Subsidiaries

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

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

Existence of Group Co-ordination Unit

The business activities and performance of GTBank Subsidiaries are monitored through the Group Coordination unit of the International Banking Directorate of GTBank Plc. The Unit is saddled with the responsibility of monitoring the subsidiaries, providing necessary support and addressing issues arising from their activities. The unit also prepares monthly reports on the performance of the subsidiaries and bi-annual risk management reports to the Board of Directors of the bank. The performance of the unit is assessed based on the extent to which the subsidiaries are effectively monitored and attended to.

Monthly Management Reporting

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

Business Performance Review Session

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

Annual System and Control Audit

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

Annual Risk Management Audit

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

Group Compliance Function

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

Group Treasury Function

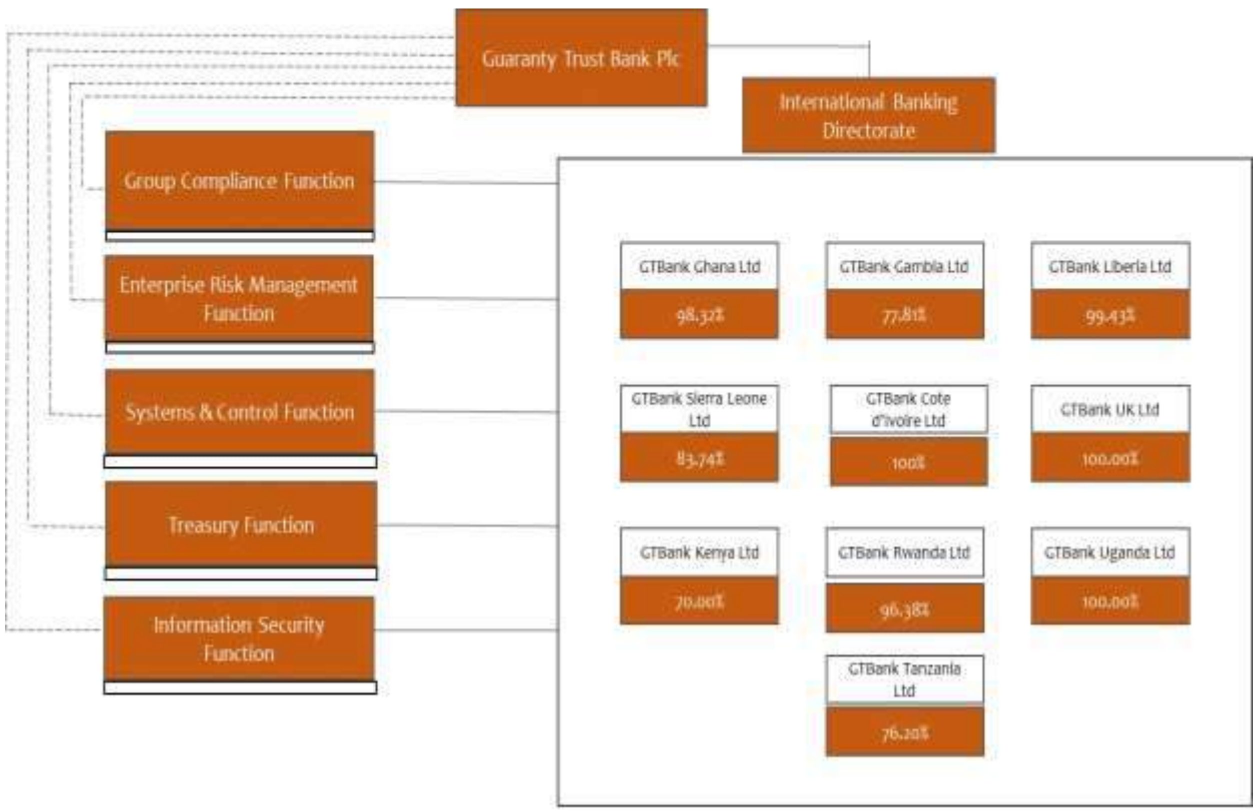
The Group Treasury function is responsible for providing required guidance in optimizing the deployment of resources in the subsidiaries except GTBank UK. The key focus is efficiency of the Balance Sheet. Monthly Assets and Liabilities review meetings are held with the Group treasury team to create synergies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

Group Information Security Assurance

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

External Auditors' Report

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


Guaranty Trust Bank Plc
International Banking Directorate
Group Compliance Function
Enterprise Risk Management Function
Systems & Control Function
Treasury Function
Information Security Function
GTBank Ghana Ltd
98.32%
GTBank Gambia Ltd
77.81%
GTBank Liberia Ltd
99.43%
GTBank Sierra Leone Ltd
83.74%
GTBank Cote d'Ivoire Ltd
100%
GTBank UK Ltd
100.00%
GTBank Kenya Ltd
70.00%
GTBank Rwanda Ltd
96.38%
GTBank Uganda Ltd
100.00%
GTBank Tanzania Ltd
76.20%
Board Reporting Line

Introduction

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

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

Market Place

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

The Bank's Environmental & Social Risk Management (ESRM) framework is integrated into our credit approval process to ensure that our lending activities do not have adverse environmental and social implications on the environment. Thus, in the reporting period, we screened all the 412 corporate credits approved by the Bank for E&S risks. Our ESRM team categorizes project-related transactions into high, medium and low risks. We conducted enhanced due diligence for customers operating in the high-risk sectors; and moderate due diligence for customers in medium-risk sectors, as classified by the Central Bank of Nigeria (CBN) to review their E&S practices against key national regulations and international best practices. We applied an exclusion checklist to all credits (High, medium & low). Through our due diligence assessment, we came up with Environmental and Social Action Plans (ESAP). We require our customers to implement the ESAP, and we monitor the progress of implementation over time.

In line with our commitment to developing all-inclusive financial products and ensuring the access of critical services to all, the Bank launched the #GiveHerBetaHealth campaign. Through this initiative, the Bank provided 1,000 self-employed women with BetaHeath for a year, at no cost. BetaHealth is a low-cost healthcare package launched in 2020 that provides coverage for essential health services at a subscription fee of N500 per month. With the #GiveHerBetaHealth campaign launched in 2021 to celebrate International Women's Day (IWD21), the Bank empowered 1,000 self-employed women in the informal sector with free access to essential healthcare services for a year.

As part of the Bank's initiative to extend financial services to unbanked individuals, the Bank currently has 51 agent banking locations across the country. Through these agent banking locations, we received deposits of about N666 million in the first- half of 2021. From our partnership with CBN SANEF Initiative, we opened 2,693 new accounts in the reporting period.

As a brand renowned for innovation, the Bank continues to develop self-service options to serve our customers. During the year, we deployed the card printing machine to some of our locations. With this fully digitalized initiative, customers can now print their ATM cards by themselves without having to fill any form or queue at our locations. We continue to add to the bouquet of services available on our e-channels; ibank, Gtworld, USSD, among others. Through our Habari platform, our customers can shop for diverse products online, pay bills, watch videos, listen to music, among others. We continue to improve the platform to meet and support the lifestyles of everyone.

The Bank continues to lead across all key parameters in the banking sector and was recognized with multiple awards in the reporting period. Some of these awards include:

Best Banking Group

In recognition of its resilient business system despite the accompanying challenges of the Covid-19 pandemic, the Bank was awarded the Best Banking Group in Nigeria by the World Finance Banking Awards**.**

Most Admired Financial Services Brand in Africa

For its strong financial performance and continued support for customers during the pandemic, Guaranty Trust Bank retained the top spot for the second year in a row as the most Admired Financial Services Brand in Africa in the 11th anniversary rankings of Brand Africa 100. By this, the Bank is ranked top 100 admired brands in Africa.

Most Innovative Bank in Nigeria

For our value-added innovative approach to the delivery of financial product and services, the Bank was awarded the most innovative Bank in Nigeria by the World Finance Banking Awards.

Best Retail Bank in Nigeria

For our customer-centric approach to business, a sustained impact in the retail sector and our affirmed commitment to accelerating Africa’s progress, Guaranty Trust Bank was awarded as the Best Retail Bank in Nigeria by the World Finance Banking Awards.

African Banker of the year

For his sustained appetite for excellence, and exceptional leadership in Africa’s banking sector, the MD/CEO, Guaranty Trust Bank Segun Agbaje was awarded African Banker of the year by the World Finance Banking Awards.

Best Digital Bank

For its pioneering commitment towards digital transformation, the Bank was awarded the Best Digital Bank by the World Business Outlook. Also, our mobile banking platform was recognized as the Best Mobile Banking App during the reporting period.

Community

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

In terms of community development, we made donations towards the renovation of police stations. This will enhance the safety of lives and properties in our communities. To cushion the economic and health impact of the Covid-19 pandemic, the Bank in conjunction with CA-Covid provided support to communities.

In terms of promoting education, we donated benches for students in six (6) university campuses - University of Lagos, University of Nigeria Nsukka, University of Benin, Nnamdi Azikiwe University, Lagos State University and Babcock University. In celebration of Financial Literacy Day, we provided financial literacy training to 400 secondary school students. The objective of the training is to enhance the financial knowledge of the students. We also extended our support towards school activities across several secondary schools and universities.

In terms of Arts promotion, 40 participants benefitted from the arts and photography workshops supported by the Bank to promote Arts in Nigeria. A summary of CSR projects facilitated by the Bank in the first half of 2021 are listed below:

Area of Focus	Project Description	Beneficiaries
Arts	**Support Towards Arts & Photography** – To promote Arts in Nigeria, the Bank donated a monetary sum of ₦450,000.00 to supports arts and photography workshops.	40 participants
Education	**Financial Literacy for Students**- We took advantage of the Financial Literacy Day to sensitize 400 secondary school students on financial literacy.	400 participants
	Renovation: We renovated a hostel at the University of Lagos and provided benches for students in six universities in Nigeria.	1,200
	School Support – The Bank donated a monetary sum of ₦450,000.00 to support school activities in secondary schools and universities.	Schools
Security	**Renovation of Police Stations** – The Bank spent approximated ₦ 282 Million towards the renovations of police stations.	Nigerian Police Force
Sports/Youth Development	**GTBank Masters Cup-** An annual football tournament for secondary schools in Lagos State. The Bank spent ₦ 15,582,256 in organizing and hosting the football competition.	1000 participants

Environment

As a first-class financial service provider, we remain committed to environmental protection. As such, we implement a hands-on approach in minimizing our Greenhouse Gas (GHG) emissions which include but not limited to the timely shutdown of our branches, replacement of physical meetings with virtual meetings, cut-down of business travels, implementation of duplex printing, among others. We track the performance of our GHG minimization strategies by monitoring our electricity, fuel, water, solid waste, CO2 footprint, and paper usage. With the full resumption of staff to work, we recorded an increase in our carbon footprints, such as an increase in paper, energy, and water usage. However, we continue to adopt energy-efficient strategies to ensure optimum use of resources and reduce our carbon footprint.

The Bank presently has 6 Main Branches, 6 e-branches, and 36 offsite locations powered by a hybrid of solar and conventional energy supply (Grid and Diesel Generators). These branches have ATMs and communication devices powered by solar panels. We currently have 92 ATMs powered by alternative sources of energy (solar energy). There were no negative environmental and social impacts issues reported on any of our branches or projects financed. In the first half of the year, the E&S Team participated in the ISO 14001 lead implementer training and certification exercise. This will enhance the implementation of the Bank's Environmental Management System in line with international standards.

Workplace

Our workforce remains our most valued asset at GTBank as we continue to channel resources towards human capital development and maintaining a safe workplace. To ensure the health and safety of our employees as the world continues to combat the Covid-19 pandemic, we rolled out a vaccination plan for our staff. In conjunction with Ca-Covid, we registered and scheduled interested employees to receive the Covid-19 vaccines. The Operational Risk Management (ORM) Group in conjunction with the HR Group also published several awareness slides on Health and Safety during the period.

In line with our commitment to support employees, the Bank has an Employee Assistance Programme accessible to all employees to provide psychological and emotional support whenever they need it. The Human Resources Group releases weekly educational slides on the intranet tagged Wellness Wednesday, which encourages employees to adopt a healthy lifestyle, and Finance Fridays which provides savings and investment-related tips.

In line with our drive for capacity building, we trained 2,679 employees on subject matters ranging from Financial Modelling, Business Continuity, Business Etiquette, Customer Relationship Management, Risk

Management, Environmental and Social Risk Management, Effective leadership & Supervision, Managing Stress among others. The Orange League Football competition resumed in June 2021 after a pause in March 2020 due to the Covid-19 pandemic. The football competition is aimed at promoting friendly competition among our various business lines.

Guaranty Trust Bank remains committed to promoting gender equality and women empowerment. The ratio of women in the employment of the Bank and in senior management positions is currently 45% and 31% respectively. The percentage of women on our Board of Directors is currently at 38%. To celebrate International Women's Day in March 2021, we organized a virtual panel discussion for our female employees themed: Breaking Career Boundaries, to enhance their career growth and development.

Progress on CBN's Nigerian Sustainable Banking Principles (NSBP)

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

NSBP PRINCIPLES	DEFINITION	PROGRESS UPDATE
Principle 1	**Our Business Activities: Environmental & Social Risk Management.** Integration of environmental and social consideration into our lending activities.	• All our transactions (412) were screened for E&S risk in the period under review. • To date, we have visited/conducted desktop Due Diligence Assessments for 135 customers. Based on the review of relevant documents and information provided by the client, we came up with action plans to be closed out by the customers.
Principle 2	**Our Business Operations: Environmental & Social Footprint.** Avoidance of the negative impact of our Business Operations.	• We presently have 48 branches powered by alternative power source (ATMs & communication equipment). We currently have 92 ATMs powered by alternative sources of energy (solar energy).
Principle 3	**Human Rights:** Respect for the rights of all in Business Operations.	• All 412 transactions booked were assessed for human rights risks such as child labour and forced labour.

		Assessment comprises of initial screening with the Exclusion Checklist for all customers and Further Due Diligence Assessment for High Risk customers.
Principle 4	**Women's Economic Empowerment:** promote economic empowerment through a gender inclusive workplace culture and provide products and services for women.	• There was a decrease in the number of female employees in the work force (86 female). • The number of women on our board reduced by 1 from the last reporting period. However, the percentage of women on the board increased by 7% (from 31% in December 2020 to 38%). • The Bank enrolled 1,000 women for free health insurance under the Beta Health initiative to mark International Women's Day. The Bank remains committed to developing products that provide first class banking services to all classes of people regardless of gender, age or location.
Principle 5	**Financial Inclusion:** Promotion of financial inclusion and provision of financial services to individuals and communities that have limited or no access to the formal financial sector.	• Through our agent banking locations, we received deposits of ₦666 Million. • We also partnered with CBN SANEF Initiative. We were able to open 2,693 new accounts in the first half of 2021. • During the review period, the Bank taught Financial Literacy Skills to Secondary School Students across Nigeria.
Principle 6	**E&S Governance:** Implementation of a transparent E&S governance practices within the institution and assess the E&S governance of our clients.	• Our internal audit team (SYSCON) conducts monthly visit to track and monitor our progress on E&S using our annual plan.

		• We provided update to our investors (e.g. IFC) on our E&S performance • We provide quarterly reports on our E&S journey to the Bank's management and board.
Principle 7	**Capacity Building:** development of capacity to identify, assess and manage E&S risks and opportunities associated with the bank's business activities and operations	• The Bank's E&S team participated in the ISO 14001 Lead Implementer training. • We published E&S learning case studies on critical E&S issues on the intranet.
Principle 8	**Collaborative Partnerships:** collaboration across the sector and leveraging on international partnerships and move the financial sector as one and ensure consistency with international standards.	• The Bank remains a member of the network of Sustainability Champions in Nigeria. • IFC and PROPARCO conduct annual review of the Bank's sustainability performance as part of the partnership with the Bank.
Principle 9	**Reporting:** regularly review and report our progress in meeting the principles/	• The Bank rendered the Bi-Annual Sustainability Report to the regulator (CBN) and dedicated a chapter on the Bank's sustainability journey in the financials. • We also provide periodic updates to our investors such as IFC on the integration of ESRM in the Bank's framework. • Report on our sustainability journey and Social Key Performance Indicators (KPI) also shared with the Board of Directors on a quarterly basis.

The United Nations Sustainable Development Goals (SDGs)

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

<u>**SDG 1**- End poverty in all its forms everywhere</u>

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

<u>**SDG 2**- End hunger, achieve food security, improved nutrition and promote sustainable agriculture</u>.

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

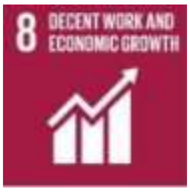
SDG 3 - Ensure healthy lives and promote well-being for all at all ages

- At GT Bank, we have a long line of innovative products and services aimed at adding value to people's everyday lives. During the year, we launched #GiveHerBetaHealth campaign to draw attention to the need for universal essential healthcare coverage, especially for women in the informal sector. Through the initiative, the leading African financial institution provided 1000 self-employed women with BetaHealth for a year, at no cost. These beneficiaries can walk into over 1,000 hospitals nationwide and get attended to for select medical cases, at no cost.

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

- Education remains at the heart of our CSR, based on our awareness that education has multiplier effects on the economic growth and development of a nation. We continue to finance educational facilities and lending to schools. We also continually implement several initiatives to promote education such as provision of support for school activities in secondary schools and universities, renovation of school hostel, provision of benches for students in six universities in Nigeria, provision of financial literacy training for secondary schools, Masters Cup for Secondary schools, amongst others.

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



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

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

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

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

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

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

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

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

Summary of our ESG Materiality

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

- **Access and affordability:** At GTBank, we continue to increase access to our services and create affordable services. In the first-half of the year, we deployed the card printing machine to some of our locations. With this innovation, customers can print their ATM cards without having to fill any form or queuing at our locations. We also continue to enhance the features of our Alternative Delivery Channels such as GTworld, *737#, internet banking among others. During the period, to mark International Women's Day, we provided 1,000 self-employed women with free access to essential healthcare services for a year, at no cost.

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

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

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

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

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

Complaints and Feedback

Introduction

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

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

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

The Feedback Channels/ Customer Touch points

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

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

Customers' opinion on products, services and processes

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

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

Complaints Handling and Resolution Structure

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

Complaints and Feedback

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

The complaints handling process is reviewed periodically and complaints received are categorised and reviewed properly with the aim of enhancing the Bank's delivery of efficient and effective services.

The Bank ensures that complaints are dealt with in an equitable, objective and unbiased manner. We also endeavor to align our procedures with regulatory requirements and international best practice in a bid to ensure that the complaint handling process is fair and reasonable.

REPORTS TO THE CBN ON CUSTOMER COMPALINTS

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

Below is a breakdown of Complaints received and resolved by the Bank between January and June 2021 pursuant to CBN Consumer Protection Regulation dated December 20, 2019.

	Description	Number		Amount Claimed (N'000)		Amount Refunded (N'000)	
		2021	2020	2021	2020	2021	2020
1	Pending Complaints brought forward from prior period	0	53	0	328,758	-	-
2	Received Complaints	191,995	32,193	489,323	530,674	-	-
3	Resolved Complaints	191,643	32,246	489,271	859,432	311,630	63,524
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved Complaints pending with the Bank carried forward *	352	0	52	0	-	-

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

Complaints and Feedback

The table below show Complaints received and resolved by the Bank in other currencies for the half year 2021 and 2020 respectively.

RECEIVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed	
		2021	**2020**
1	United States Dollars	$15,704	$61,269
2	Great Britain Pounds	£0	£19,399
3	Euros	€0	€ 5,594

RESOLVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed		Amount Refunded	
		2021	**2020**	**2021**	**2020**
1	United States Dollars	$15,704	$61,269	$287	$16,493
2	Great Britain Pounds	£0	£19,399	£0	£5,034
3	Euros	€0	€ 5,594	€0	€ 5,000

UNRESOLVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed	
		2021	**2020**
1	United States Dollars	$0	$34
2	Great Britain Pounds	£0	£0
3	Euros	€0	€0

REPORTS TO THE CBN ON FRAUD AND FORGERIES

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

Fraud and Forgeries	Jun-2021	Jun-2020
Number of Fraud Incidents	6,622	9,662
Amount Involved (N'000)	564,854.75	642,186.64
Amount Involved (USD$'000)	50.38	175.35
Actual/Expected Loss (N'000)	88,895.47	38,363.43
Actual/Expected Loss (USD$'000)	0.00	0.00

Anti-Money laundering and combating the Financing of Terrorism (AML/CFT) framework

At Guaranty Trust Bank PLC ("The Bank"), we are committed to the fight against all forms of financial crime, which includes, money laundering, terrorism financing, bribery and corruption. To this end, the Bank has continually implemented a framework for Anti-Money Laundering ("AML"), Combating the Financing of Terrorism ("CFT") and the Prevention of the Financing and Proliferation of Weapons of Mass Destruction. Strict adherence to the same is mandatory for all members of staff Group wide.

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

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

Structure of the framework

Policies and procedural guidelines have been developed by the Bank and are regularly reviewed/revised to ensure that they remain relevant and current and are in line with the evolving regulatory requirements and leading practices. The Policies and Procedures clearly articulate the Bank's AML and CFT stance in the global fight against financial crime and are available on the Bank's intranet site for access to all members of staff at any point in time.

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

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

Scope of the framework

The scope of the Bank's AML/CFT framework includes the following:

(i) Board and Management responsibilities:

The Board of Directors of the Bank has oversight responsibilities for the AML/CFT framework. The Board ensures that the Bank's Management and all employees conform strictly with all regulatory and internal procedures relating to AML/CFT and that the Bank maintains a zero tolerance to regulatory infraction. In accordance with AML/CFT global best practice, the "tone is set from the top". The Bank's Designated Chief Compliance Officer is appointed by the Board of Directors and approved by the Central Bank of Nigeria.

(ii) Reports to Senior Management and the Board:

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

(iii) Know Your Customer (KYC) procedures:

A duly completed account opening form and the provision of identification and other relevant information and documents are the foundation/bedrock for on-boarding a customer in the Bank. Customer Due Diligence (CDD) is conducted prior to entering into any banking relationship with a customer. This includes at a minimum, identity and address verification as well as ascertaining the source of income and wealth of the customer.

Where appropriate, KYC includes ascertaining who the Ultimate Beneficial Owner (UBO), Legal representatives and Trustees are.

Enhanced Due Diligence (EDD) is conducted on high risk customers including Politically Exposed Persons (PEPs). The approval of Senior Management and Compliance is required prior entering into a relationship with high risk countries.

The Bank takes requisite and regulatory measures when embarking on relationships with Designated Non-Financial Businesses and Professionals (DNFBPs) and other prescribed businesses, due to their perceived risk and in compliance with regulatory requirements.

As part of the Bank's KYC and CDD procedures, identification documents are requested and obtained to confirm the ultimate beneficial owners of a business and the organization's control and structure. Sanction screening is also conducted prior to entering into a relationship as well as prior to effecting a transaction to ensure that the Bank does not enter into a relationship with a sanctioned person/entity.

The Bank is in compliance with the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards criteria, and thus, have put measures in place in identifying the defined persons in the Bank's database. All identified US persons are required to complete the requisite tax forms i.e. W8 BEN, W8 BEN-E and W9. A Customer who fails to complete the forms would be regarded as recalcitrant.

(iv) Transaction Monitoring:

Transaction monitoring occurs on a manual and automated basis. The former is performed by all members of staff, who are regularly provided with red flags to look out for and the latter resides within the Compliance Unit.

All members of staff are aware of the fact that suspicious activities/ transactions should immediately be referred to the Compliance Unit.

Suspicious Transactions are brought to the attention of the Compliance Unit on a manual or automated basis, the former by way of members of staff filing internal suspicious transaction reports to the Compliance Unit and the latter by way of transaction monitoring tools reviewed by Compliance Officers. If deemed appropriate, a report is filed to the NFIU.

To properly monitor transactions passing through the Bank's systems, the SAS AML tool, has been fully deployed in the Bank, providing an advancement in the means by which transactions are monitored and investigated.

(v) Transaction Reporting:

Regulatory and statutory requirements provide that certain reports and returns are made to regulatory bodies. In Nigeria, the Nigerian Financial Intelligence Unit (NFIU) is the agency charged with the responsibility of receiving the following core transaction based reports:

The following are the transaction-based reports sent to the NFIU in accordance with statutory and regulatory requirements:

- Currency Transaction Report (CTR)
- Foreign Currency Transaction Report (FTR)
- Suspicious Transaction Report (STR)

The Bank renders reports to the NFIU and the Central Bank of Nigeria (CBN) in accordance with the provisions of Sections 2, 6 and 10 of the Money Laundering (Prohibition) Act of 2011 as amended ("the Act").

Section 2 of the Act provides that financial institutions must submit a report on all international transfer of funds and securities of a sum exceeding ten thousand dollars ($10,000) or its equivalent in other foreign currencies.

Section 6 of the Act provides that a financial institution must submit a report on all unusual suspicious transactions.

Section 10 of the Act provides that any lodgment or transfer of funds in excess of N5 million and above for individuals and N10 million and above for corporate customers must be reported.

(vi) Relationship with Regulators and Law Enforcement Agencies:

The Bank understands that part of its corporate and social responsibility is to cooperate with law enforcement agencies in the fight against financial crime. To this end, the Bank maintains a cordial and supportive relationship with all regulatory and law enforcement agencies. The Bank promptly complies with all requests made, pursuant to the law, and provides information to regulators including the NFIU, the CBN and other relevant agencies.

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

(vii) Sanctions Compliance Management:

The Bank as a policy, does not enter into any relationship with sanctioned individuals/entities. All employees, as applicable to their functions, are required to screen names of individuals and organizations who have or plan to enter a business relationship or carry out a transaction with/through the Bank against the Bank's internal watch list.

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

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

(viii) Politically Exposed Persons (PEPs)

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

In line with FATF's recommendation, the Bank employs the use of an automated monitoring tool in identifying and monitoring PEP transactions. This is achieved through the thorough review of information provided by customers and their transaction trends.

Establishment of new accounts for PEPs as well as continuity of such accounts (for those already existing in the system) is subject to the approval of an Executive Director and the Compliance Unit.

(ix) AML/CFT principles for Correspondent Banking:

The Bank only enters into and maintains correspondent banking relationships with financial institutions that have implemented sufficient AML/CFT policies and procedures. The Bank does not enter into any form of relationships with shell banks nor maintain any payable through accounts. The Bank ensures that due diligence is performed annually on our correspondent relationships to avoid AML/CFT risks.

(x) Prohibited Business Relationships:

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

(xi) Risk Assessment:

The Bank conducts Risk Assessment on its customers, products and services. This is to ensure that AML/CFT risks are identified and mitigated.

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

The Bank is committed to the highest standards of ethical conducts in all its endeavors and interactions. The Bank has zero tolerance for any form of bribery, corruption, fraud and unethical practices among employees, between the Bank and its employees, as well as between the Bank and external parties. The Bank also expects the same standards to be applied by third parties acting on behalf of the Bank.

(xiii) AML/CFT Training:

The Bank places a high premium on the training of its employees. Training is conducted to ensure employees are well informed about the AML/CFT laws, KYC principles and the red flags of money laundering or terrorism financing which may occur in their job functions. Annual Compliance training is mandatory for all members of staff, including Senior Management and Directors.

Training is conducted via e-learning, face to face or on an ad hoc basis by email to the appropriate personnel in relation to topical national and international findings.

(xiv) AML/CFT Audits:

In order to adhere to regulations and to ensure an ever-evolving fit for use Compliance function, internal audit of the AML/CFT function is conducted on a quarterly basis. The purpose of the audit is to test the adequacy of the AML/CFT functions and ensure that the AML/CFT measures put in place by the Bank are effective.

The report and findings of the audit are circulated to Senior management. A follow-up to the audit takes place to ensure that the relevant issues are closed out and highlighted recommendations have been implemented.

(xv) Record Retention:

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

(xvi) Data Protection:

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

Internal Control and Risk Management Systems

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

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

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

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

Control Environment

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

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

Risk Assessment

The Board and Senior Management regularly assess the risks the Bank is exposed to, including risks relating to financial reporting. Management Committees meets on a regular basis to assess the credit, market, interest rates, liquidity, legal and reputational risks facing the bank. Senior Management also regularly considers whether the existing internal controls are effective in relation to the risks identified in the financial reporting process.

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

Periodic Independent Assessment of the Internal Audit Function

In line with the Nigerian Code of Corporate Governance, banks are to undergo an independent Quality Assurance Review (QAR) of their Internal Audit function. The objective of this review is to assess the Internal Audit function's conformance to regulatory standards and requirements, as well as to identify improvement opportunities. One of such reviews was recently concluded in the bank and going forward, it will be conducted periodically as mandated by the Code.

Control Activities

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

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

Top Management Reviews

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

Activity Control

Control functions are embedded within each business area for self-checking of activities within the areas (for instance, transactions call over for timely detection of errors is carried out by all posting units).

Physical Controls

There are policies guiding access to the Bank's physical and financial assets, including dual custody, use of overrides etc.

Compliance with Limits

The Bank sets internal limits guiding its trading book activities, liquidity and interest rate gaps, credit concentration limits. The limits are monitored on a daily basis by an independent unit outside the business areas.

Approval and Authorisation Limits

- There are segregation of duties; no officer can start and conclude transactions
- Limits exist for credit and expense approvals. Transactions are approved at appropriate levels.

Verifications and Reconciliations

All internal ledgers are regularly proofed and reconciled; exception reports are generated.

Whistle Blowing

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

Information and Communication/ Monitoring

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

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

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

Directors' Report

For the Half year ended June 30, 2021

The Directors of Guaranty Trust Bank Plc ("the Bank") are pleased to present their report on the affairs of the Bank and its subsidiaries ("the Group"), together with the Group audited financial statements and the auditor's report for the half year ended June 30, 2021.

Legal form and principal activity

Guaranty Trust Bank Plc was incorporated as a private limited liability company on July 20, 1990 and obtained a license to operate as a commercial bank on August 1, 1990. The Bank commenced operations on February 11, 1991. It became a public limited company on April 2, 1996, with the listing of its shares on The Nigerian Stock Exchange on September 9, 1996. The Bank was issued a Universal Banking license by the Central Bank of Nigeria on February 5, 2001.

The Bank was issued a Commercial Banking License with International Scope on December 20, 2012, by the Central Bank of Nigeria, following the divestment from all its non-banking subsidiaries in compliance with the Central Bank of Nigeria Regulation on Scope of Banking Activities and other Ancillary Matters.

The Bank's principal activity remains the provision of commercial banking services to its customers, such as retail banking, granting of loans and advances, corporate finance, money market activities and related services, as well as foreign exchange operations.

The Bank has the following overseas subsidiaries: Guaranty Trust Bank (Gambia) Limited, Guaranty Trust Bank (Sierra Leone) Limited, Guaranty Trust Bank (Ghana) Limited, Guaranty Trust Bank (United Kingdom) Limited, Guaranty Trust Bank (Liberia) Limited, Guaranty Trust Bank (Cote d'ivoire) S.A., Guaranty Trust Bank (Kenya) Limited, Guaranty Trust Bank (Rwanda) Limited, Guaranty Trust Bank (Uganda) Limited, Guaranty Trust Bank (Tanzania) Limited.

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

Operating results

The snapshot of the Group's operating results for the Half year ended June 30, 2021, are shown below:

	Group Jun-21 N'000	**Group Jun-20 N'000**	**Parent Jun-21 N'000**	**Parent Jun-20 N'000**
Gross Earnings	207,914,405	225,138,817	158,602,359	180,820,197
Profit before income tax	93,056,059	109,713,844	75,420,632	91,304,373
Income tax expense	(13,641,336)	(15,442,834)	(8,031,543)	(11,402,156)
Profit for the year	79,414,723	94,271,010	67,389,089	79,902,217
Profit attributable to:				
Equity holders of the parent entity	78,140,614	93,366,687	67,389,089	79,902,217
Non-controlling interests	1,274,109	904,323	-	-
Earnings Per Share (Kobo) - Basic	279	332	229	271
Earnings Per Share (Kobo) - Diluted	279	332	229	271

Dividends

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

Directors and their interest

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

	Names	Direct Holding June 2021	*Indirect Holding June 2021	Direct Holding Dec. 2020	*Indirect Holding Dec. 2020
		Shares of 50k each		Shares of 50k each	
1	Mrs. O. A. Demuren*	868,295	-	868,295	-
2	Mr. Olusegun Agbaje	32,146,651	9,481,3501[1]	32,146,651	9,481,350[1]
3	Mr. Adebayo Adeola*	2,681,640	-	2,681,640	-
4	Mr. Ibrahim Hassan	630,838	-	630,838	-
5	Mr. Olabode Agusto	200,000	-	200,000	-
6	Mr. H. A. Oyinlola	-	352,900	-	352,900
7	Ms. Imoni Akpofure	-	-	-	-
9	Mrs. V. O. Adefala	160,000	-	160,000	-
10	Mr. Demola Odeyemi*	7,661,601	1,688,550[1]	7,661,601	1,688,550[1]
11	Mr. Haruna Musa	102,875	12,500[1]	102,875	12,500[1]
12	Mr. Bolaji Lawal*	137,382	116,400[1]	137,382	116,400[1]
13	Mrs. Miriam Olusanya	247,866	234,350[1]	247,866	234,350[1]
14	Mr. Babajide Okuntola	-	-	-	-

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

*Retired from the Board of Directors at the Board Meeting held in April 2021

There has been no material changes to Directors' shareholdings within the period under review.

Directors' Remuneration

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

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

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

Changes on the Board

In the course of the half year ended June 30, 2021, Mrs. Osaretin Demuren (Chairman), Mr. Bayo Adeola (Non-Executive Director), Mr. Demola Odeyemi (Executive Director) and Mr. Bolaji Lawal (Executive Director), retired from the Board.

Shareholding analysis

The analysis of the distribution of the shares of the Bank as at June 30, 2021, is as follows:

Share Range			Number of Shareholders	% of Shareholder	Number of Holdings	% Shareholding
1	-	10,000	252,547	76.9224	749,066,553	2.55
10,001	-	50,000	56,644	17.2530	1,224,633,139	4.16
50,001	-	100,000	9,008	2.7437	635,131,811	2.16
100,001	-	500,000	7,774	2.3679	1,594,953,016	5.42
500,001	-	1,000,000	1,036	0.3156	724,566,653	2.46
1,000,001	-	5,000,000	971	0.2958	1,961,383,524	6.66
5,000,001	-	10,000,000	132	0.0402	890,935,015	3.03
10,000,001	-	50,000,000	131	0.0399	2,880,682,310	9.79
50,000,001	-	100,000,000	31	0.0094	2,280,300,998	7.75
100,000,001	-	500,000,000	32	0.0097	6,705,486,385	22.78
500,000,001	-	1,000,000,000	3	0.0009	2,468,320,093	8.39
1,000,000,001	-	2,000,000,000	4	0.0012	5,955,232,040	20.23
SUB TOTAL :-			328,313	99.9997	28,070,691,537	95.38
GTBANK GDR UNDERLYING SHARES			1	0.0003	1,360,487,687	4.62

TOTAL			**328,314**	**100.0000**	**29,431,179,224**	**100.00**

According to the Register of Members as at June 30, 2021, no individual shareholder held more than 5% of the issued share capital of the Bank except for the following:

SHAREHOLDER	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
Stanbic Nominees Nigeria Limited	6,165,841,484	20.95

Stanbic Nominees Nigeria Limited ("Stanbic") held 20.95% of the Bank's shares largely in trading accounts on behalf of various investors. Stanbic does not exercise personal voting rights on the said shares.

Donations and charitable gifts

In order to identify with the aspirations of various sections of the society, the Group donated a total sum of ₦2,484,099,482 (June 30, 2020: ₦1,713,892,466) as donations and charitable contributions during the period. It comprises contributions to Educational organizations, Art and Cultural organizations amongst others.

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

SECTOR	BENEFICIARY/PROJECT	AMOUNT (₦)
Arts	Photography workshop Masterclass	450,000
Community Development	Support for Police Force - Purchase of Equipment	2,000,000,000
	Support for Police Force - Renovation of Police Stations	282,060,321
	Covid-19 Support	62,189,015
	Swiss Red Cross Partnership	57,235,140
	Health Support for women in the informal sector	8,761,062
	School Support - UNILAG Hostel Renovation	4,344,705
	CSR Profiling	1,000,000
	Support for ICAN Conference	1,000,000
	Others	919,708
Education	Masters Cup	15,512,531
	Financial Literacy Project	527,000
	School Support - Valedictory Service	100,000
Others	Support towards Bankers Funds	50,000,000
Grand Total		**2,484,099,482**

Post balance sheet events

There were no post balance sheet events which could have a material effect on the financial position of the Group as at June 30, 2021 and profit and other comprehensive income attributable to equity holders on the date other than as disclosed in the consolidated and separate financial statements.

Research and development

The Bank, on a continuous basis, carries out research into new banking products and services.

Gender Analysis

The average number and percentage of males and females employed during the period June 30, 2021 vis-a-vis total workforce is as follows:

	Male	Female	Total	Male	Female
		Number		**%**	
Employees	1,725	1,429	3,154	55%	45%

Gender analysis in terms of Board and Top Management as at June 30, 2021 is as follows:

	Male	Female	Total	Male	Female
		Number		%	
Board	7	4	11	64%	36%
Top Management (AGM - GM)	35	26	61	57%	43%
Total	**42**	**30**	**72**	**58%**	**42%**

Detailed Gender analysis in terms of Board and Top Management as at June 30, 2021 is as follows:

	Male	Female	Total	Male	Female
		Number		**%**	
Assistant General Manager	12	14	26	46%	54%
Deputy General Manager	11	9	20	55%	45%
General Manager	9	2	11	82%	18%
Executive Director	2	1	3	67%	33%
Managing Director	1	0	1	100%	0%
Non-Executive Directors	4	3	7	57%	43%
Total	**39**	**29**	**68**	**57%**	**43%**

Human Resources Policy

(1) Recruitment

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

(2) Diversity and Inclusion

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

The Bank seeks to achieve a minimum of 30% and 40% female representation at Board and Top Management levels respectively, subject to identification of candidates with appropriate skills. For the purpose of this statement, "Board" refers to Managing Director/CEO, Executive Directors and Non-Executive Directors while "Top Management" refers to General Manager, Deputy General Manager and Assistant General Manager grades.

(3) Employment of Physically Challenged Persons

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

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

(4) Employee Involvement and Training

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

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

(5) Health, Safety and Welfare of Employees

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

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

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

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

BY ORDER OF THE BOARD

Erhi Obebeduo
Company Secretary
FRC/2017/NBA/00000016024
Plot 635, Akin Adesola Street, Victoria Island, Lagos
28 July 2021

Statement of Directors' Responsibilities in Relation to the Preparation of the Consolidated and separate Financial Statements for the Period Ended June 30, 2021

The Directors accept responsibility for the consolidated and separate preparation of the financial statements set out from pages 62 – 331 that give a true and fair view in accordance with the requirements of the International Financial Reporting Standards.

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

Going Concern:

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

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

SIGNED ON BEHALF OF THE DIRECTORS BY:

HARUNA MUSA
Executive Director

FRC/2017/CIBN/00000016515

28 July 2021

SEGUN AGBAJE
Group Managing Director

FRC/2013/CIBN/00000001782

28 July 2021

Report of the Audit Committee

For the period ended June 30, 2021

To the members of Guaranty Trust Bank Plc

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020, the members of the Audit Committee of Guaranty Trust Bank Plc hereby report as follows:

- We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act, 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

- We are of the opinion that the accounting and reporting policies of the Bank and Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the half year ended 30 June, 2021 were satisfactory and reinforce the Group's internal control systems.

- We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February, 2004 on "Disclosure of directors' related credits in the financial statements of banks", and hereby confirm that an aggregate amount of N7,806,534,000 (31 December, 2020: N7,864,207,000) was outstanding as at 30 June, 2021. The status of performance of insider related credits is as disclosed in Note 46d.

- We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Bank's system of accounting and internal control.

Mrs. Sandra Mbagwu-Fagbemi
Chairman, Audit Committee
28 July, 2021
FRC/2020/002/00000020305

Members of the Audit Committee are:

1. Mrs. Sandra Mbagwu-Fagbemi - Chairman
2. Alhaji M.A. Usman
3. Mrs. A. Kuye

(Members 1–3: - Shareholder's Representatives)

4. Mr. Bode Agusto
5. Ibrahim Hassan[*]
6. Ms. Imoni Akpofure

[*]*Stepped down from the Committee to ensure the Bank complied with the new composition requirement by CAMA 2020.

Corporate Responsibility for Financial Statements as at 30 June 2021

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

Financial Information

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

II. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of and for the period ended 30th June 2021.

Effective Internal Controls

I. Effective internal controls have been designed to ensure that material information relating to the Bank and its Subsidiaries are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.
II. The effectiveness of the Group's Internal controls have been evaluated within 90 days prior to 30th June 2021.
III. The Group's Internal Controls are effective as at 30th June 2021.

Disclosures

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

SIGNED BY:

CHIEF FINANCIAL OFFICER	GROUP MANAGING DIRECTOR
BANJI ADENIYI	SEGUN AGBAJE
FRC/2013/ICAN/00000004318	FRC/2013/CIBN/00000001782
28 July, 2021	28 July, 2021

Ernst & Young
10th & 13th Floors
UBA House
57 Marina
P.O. Box 2442, Marina
Lagos, Nigeria

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email: service@ng.ey.com
www.ey.com

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GUARANTY TRUST BANK PLC (NOW GUARANTY TRUST BANK LIMITED)

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the consolidated and separate financial statements of Guaranty Trust Bank PLC ("the Bank"; now Guaranty Trust Bank Limited) and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 30 June 2021, and the consolidated and separate income statements, consolidated and separate statements of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the period then ended, and a summary of significant accounting policies and notes to the consolidated and separate financial statements.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Bank as at 30 June 2021 and its consolidated and separate financial performance and consolidated and separate cash flows for the period then ended in accordance with the International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act 2020, the Banks and Other Financial Institutions Act (BOFIA) 2020, and relevant circulars issued by the Central Bank of Nigeria (CBN) and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

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

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GUARANTY TRUST BANK PLC (NOW GUARANTY TRUST BANK LIMITED)
– Continued

Key Audit Matters – Continued

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

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>
Credit impairment for financial assets and off-balance sheet exposures

Financial assets (cash in bank balances, loans and advances, debt securities and other receivables) and off- balance sheet exposures (loan commitments and financial guarantee contracts issued) constitute a significant portion of the Group (90% and 81%) and the Bank's (90% and 89%) total assets and off-balance sheet accounts, respectively. The International Financial Reporting Standards (IFRS) 9 - Financial Instruments requires the use of an expected credit loss model (ECL) for recognising impairment of financial instruments.

The ECL model involves the application of considerable level of judgement and estimation in determining inputs for ECL calculation such as:

• determining criteria for significant increase in credit risk (SICR) for the purpose of stage assessment.
• assessing the relationship between default and macro-economic variables.
• incorporating forward looking information in the expected credit loss and establishing multiple scenarios with related probability weights.
• factors incorporated in determining the Probability of Default (PD), the Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD).
• factors considered in cash flow estimation including timing and amount.
• factors considered in collateral valuation.
• factors considered in determining Credit Conversion Factor (CCF) for off balance sheet exposures such as bonds and guarantees and loan commitments.

The determination of ECL is considered a key audit matter given the significance of balances of financial assets and off-balance sheet exposures, and the level of complexity and judgement involved in the process.
</td><td>
Our audit approach was a combination of control reliance and substantive procedures.

We reviewed IT General and Application controls governing the IT systems used to calculate expected credit losses such as the process for data migration and upload, access controls over inputs into the system, change management controls and staging configuration within the system.

We reviewed management's criteria for default and significant increase in credit risk (SICR) by reviewing customer files and account statements for selected obligors to identify quantitative and qualitative indicators of SICR and default.

In addition, for stage 3 financial assets, we assessed all the assumptions considered in the estimation of recovery cash flows, the discount factor, collateral valuation, and timing of realization.

Working with our credit risk modelling specialists, we gained an understanding of how the PD, LGD and EAD were derived by reviewing the ECL model documentation and performing walkthroughs.

Our specialists evaluated and performed the following in respect of the ECL parameters:

Probability of default (PD)
• Assessed the Group's rating scale based on their homogenous categories.
• Re-computed the through-the-cycle PDs, by observing yearly migration of balances from a performing state to a non-performing state rating over a five-year period.
• Re-calculated the conversion of through-the-cycle PDs to conditional PDs.

Loss given default (LGD)
• Reviewed the assumptions used in determining LGD.
• Tested historical data for recoveries on unsecured exposures and re-computed unsecured LGD in order to assess the reasonableness of the Group's LGD computations.
• Reviewed and challenged the reasonableness of collateral parameters.
</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GUARANTY TRUST BANK PLC (NOW GUARANTY TRUST BANK LIMITED)
– Continued

Key Audit Matters – Continued

Key Audit Matter	How the matter was addressed in the audit
Refer to Notes 6(a) and (b) (Use of estimates and judgments), Note 3b(j)(V) (Impairment of financial assets), Note 4(f) (Financial risk management - credit risk), Note 23 (Cash in bank balances), Note 26 (Investment securities), Note 28 (Loans and advances to banks), Note 29 (Loans and advances to customers), Note 34 (Restricted deposits and other assets), Note 38(e) (Other Liabilities – Impairment on contingents) and Note 43 (Contingencies – Acceptances, bonds, guarantees and other obligations for the account of customers) to the consolidated and separate financial statements for relevant disclosures relating to credit impairment of financial assets and off balance-sheet exposures.	***Exposure at default (EAD)*** We re-computed the Lifetime exposures at default using the EAD parameters contained in the loan book. For overdrafts and off-balance sheet instruments, we reviewed the methodology for computing the credit conversion factor (CCF) and assess the reasonableness of assumptions made. We recognised the impact of Covid-19 by applying post-model adjustments on the PDs. We also reviewed the qualitative and quantitative disclosures for appropriateness and reasonableness to ensure conformity with IFRS 9 - Financial Instruments and IFRS 7 – Financial Instruments: Disclosures.

Other Matters

The consolidated and separate financial statements of the Group and the Bank for the year ended 31 December 2020 and for the period ended 30 June 2020 were audited by another auditor who expressed an unmodified opinion on the consolidated and separate financial statements for the year ended 31 December 2020 on 25 February 2021, and for the period ended 30 June 2020 on 20 August 2020.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Guaranty Trust Bank Group Financial Statements Together with Directors' and Auditor's Reports for the period ended 30 June 2021", which includes the Corporate Governance, Subsidiary Governance, Sustainability Report, Complaints and Feedback, Anti-money Laundering and Combating Terrorist Financing Framework, Internal Control and Risk Management Systems, Directors' Report, Statement of Directors' Responsibilities, Report of the Audit Committee, Corporate Responsibility for Financial Statements, and Other National Disclosures as required by the Companies and Allied Matters Act 2020, and the Financial Reporting Council Act, No. 6, 2011, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GUARANTY TRUST BANK PLC (NOW GUARANTY TRUST BANK LIMITED)
– Continued

Other information – Continued

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARANTY TRUST BANK PLC (NOW GUARANTY TRUST BANK LIMITED)

– Continued

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARANTY TRUST BANK PLC (NOW GUARANTY TRUST BANK LIMITED)

– Continued

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

iii) As stated in Note 47 to the consolidated and separate financial statements, the Bank paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act 2020 and circulars issued by Central Bank of Nigeria during the period ended 30 June 2021.

Anthony Oputa
FRC/2013/ICAN/00000000980

For: Ernst & Young
Lagos, Nigeria
13 August 2021

Financial statements

Consolidated and separate statements of financial position

As at 30 June 2021

In thousands of Nigerian Naira	*Notes*	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Assets					
Cash and bank balances	23	794,323,951	745,557,370	517,772,696	493,209,016
Financial assets at fair value through profit or loss	24	76,244,179	67,535,363	3,487,412	36,226,876
Derivative financial assets	25	35,389,350	26,448,550	35,389,350	26,448,550
Investment securities:					
– Fair value through profit or loss	26	3,273,771	3,273,771	3,273,771	3,273,771
– Fair value through other comprehensive income	26	290,067,066	693,371,711	180,410,186	596,932,440
– Held at amortised cost	26	865,137,145	283,582,832	663,755,117	77,820,332
Assets pledged as collateral	27	69,457,589	62,200,326	69,071,631	61,955,975
Loans and advances to banks	28	89,241	99,043	89,241	39,749
Loans and advances to customers	29	1,632,088,961	1,662,731,699	1,339,073,889	1,410,577,734
Restricted deposits and other assets	34	1,067,576,885	1,226,481,116	1,017,670,851	1,160,172,271
Investment in subsidiaries	30	-	-	56,903,032	56,903,032
Property and equipment	31	153,501,362	148,782,835	133,322,339	128,689,540
Intangible assets	32	19,515,587	19,872,523	9,152,074	9,294,319
Deferred tax assets	33	10,616,550	4,716,154	5,097,065	-
Total assets		**5,017,281,637**	**4,944,653,293**	**4,034,468,654**	**4,061,543,605**
Liabilities					
Deposits from banks	35	129,535,081	101,509,550	6,692	12,733
Deposits from customers	36	3,625,217,843	3,509,319,237	2,941,790,590	2,881,686,058
Financial liabilities at fair value through profit or loss	37	3,086,939	-	3,086,939	-
Derivative financial liabilities	25	2,292,109	2,758,698	2,292,109	2,758,698
Other liabilities	38	328,338,050	356,222,575	292,500,262	321,975,804
Current income tax liabilities	21	13,759,868	21,592,016	11,926,254	19,719,757
Other borrowed funds	40	110,469,179	113,894,768	107,122,703	113,470,753
Deferred tax liabilities	33	7,000,105	24,960,772	-	19,520,277
Total liabilities		**4,219,699,174**	**4,130,257,616**	**3,358,725,549**	**3,359,144,080**

Consolidated and separate statements of financial position (Continued)

In thousands of Nigerian Naira	*Notes*	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Capital and reserves	41				
Share capital		14,715,590	14,715,590	14,715,590	14,715,590
Share premium		123,471,114	123,471,114	123,471,114	123,471,114
Treasury shares		(7,537,348)	(6,928,103)	-	-
Retained earnings		163,870,625	193,921,810	99,669,819	137,049,475
Other components of equity		485,692,081	473,434,457	437,886,582	427,163,346
Capital and reserves attributable to equity holders of the parent entity		**780,212,062**	**798,614,868**	**675,743,105**	**702,399,525**
Non-controlling interests in equity		17,370,401	15,780,809	-	-
Total equity		**797,582,463**	**814,395,677**	**675,743,105**	**702,399,525**
Total equity and liabilities		**5,017,281,637**	**4,944,653,293**	**4,034,468,654**	**4,061,543,605**

Approved by the Board of Directors on 28 July 2021:

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

Executive Director
Haruna Musa
FRC/2017/CIBN/00000016515

Group Managing Director
Segun Agbaje
FRC/2013/CIBN/00000001782

The accompanying notes are an integral part of these financial statements

Consolidated and separate income statements

For the Period ended 30 June 2021

In thousands of Nigerian Naira	*Notes*	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Interest income calculated using the effective interest method	9	116,864,807	150,486,443	84,911,349	124,375,557
Interest income on financial assets at fair value through profit or loss	9	9,226,294	3,222,038	7,417,671	2,025,832
Interest expense	10	(19,035,826)	(26,093,017)	(10,894,875)	(20,349,346)
Net interest income		**107,055,275**	**127,615,464**	**81,434,145**	**106,052,043**
Loan impairment charges	11	(4,714,675)	(6,769,093)	(2,124,464)	(4,524,377)
Net interest income after loan impairment charges		**102,340,600**	**120,846,371**	**79,309,681**	**101,527,666**
Fee and commission income	12	38,284,192	26,457,209	26,005,296	17,599,450
Fee and commission expense	13	(1,428,928)	(2,435,031)	(622,085)	(1,757,249)
Net fee and commission income		**36,855,264**	**24,022,178**	**25,383,211**	**15,842,201**
Net gains on financial instruments held at fair value through profit or loss	14	10,430,087	10,791,307	3,946,210	4,101,032
Other income	15	33,109,025	34,181,820	36,321,833	32,718,326
Net impairment (charge)/reversal on other financial assets	16	(341,707)	3,180,078	-	3,111,874
Personnel expenses	17	(17,234,789)	(17,449,311)	(11,216,676)	(11,801,541)
Right-of-use asset depreciation	18	(2,430,876)	(958,621)	(1,585,223)	(403,084)
Depreciation and amortisation	19	(15,330,912)	(14,024,670)	(13,205,259)	(12,022,194)
Other operating expenses	20	(54,340,633)	(50,875,308)	(43,533,145)	(41,769,907)
Profit before income tax		**93,056,059**	**109,713,844**	**75,420,632**	**91,304,373**
Income tax expense	21	(13,641,336)	(15,442,834)	(8,031,543)	(11,402,156)
Profit for the Period		**79,414,723**	**94,271,010**	**67,389,089**	**79,902,217**
Profit attributable to:					
Equity holders of the parent entity		78,140,614	93,366,687	67,389,089	79,902,217
Non-controlling interests		1,274,109	904,323	-	-
		79,414,723	**94,271,010**	**67,389,089**	**79,902,217**
Earnings per share attributable to the equity holders of the parent entity during 'the year (expressed in naira per share):					
– Basic	22	2.79	3.32	2.29	2.71
– Diluted	22	2.79	3.32	2.29	2.71

The accompanying notes are an integral part of these financial statements

Consolidated and separate statements of other comprehensive income

For the Period ended 30 June 2021

In thousands of Nigerian Naira	***Notes***	**Group Jun-2021**	**Group Jun-2020**	**Parent Jun-2021**	**Parent Jun-2020**
Profit for the period		79,414,723	94,271,010	67,389,089	79,902,217
Other comprehensive income to be reclassified to profit or loss in subsequent Periods:					
Foreign currency translation differences for foreign operations		(2,731,600)	1,806,511	-	-
Income tax relating to foreign currency translation differences for foreign operations	21	819,480	(541,953)	-	-
Net change in fair value of other financial assets FVOCI		(19,839,760)	16,714,161	(20,830,464)	16,578,553
Income tax relating to change in fair value of other financial assets FVOCI	21	5,951,928	(5,014,248)	6,249,139	(4,973,566)
		(15,799,952)	12,964,471	(14,581,325)	11,604,987
Other comprehensive (loss)/income for the Period, net of tax		(15,799,952)	12,964,471	(14,581,325)	11,604,987
Total comprehensive income for the Period		**63,614,771**	**107,235,481**	**52,807,764**	**91,507,204**
Total Comprehensive Income attributable to:					
Equity holders of the parent entity		**61,670,623**	**106,283,334**	**52,807,764**	**91,507,204**
Non-controlling interests		**1,944,148**	**952,147**	**-**	**-**
Total comprehensive income for the period		**63,614,771**	**107,235,481**	**52,807,764**	**91,507,204**

The accompanying notes are an integral part of these financial statements

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

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

[1] Please refer to Note 41

Consolidated Statement of Changes in Equity
For the six month period ended 30 June 2020
Group

In thousands of Nigerian Naira	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Treasury shares	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total equity attributable to parent	Non-controlling interest	Total equity
Balance at 1 January 2020	**14,715,590**	**123,471,114**	**62,428,155**	**344,886,516**	**(6,531,749)**	**1,979,715**	**13,410,450**	**119,247,653**	**673,607,444**	**13,730,024**	**687,337,468**
Total comprehensive income for the Period:											
Profit for the period	-	-	-	-	-	-	-	93,366,687	93,366,687	904,323	94,271,010
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	1,170,927	-	1,170,927	93,631	1,264,558
Fair value adjustment	-	-	-	-	-	11,745,720	-	-	11,745,720	(45,807)	11,699,913
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**11,745,720**	**1,170,927**	**-**	**12,916,647**	**47,824**	**12,964,471**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**11,745,720**	**1,170,927**	**93,366,687**	**106,283,334**	**952,147**	**107,235,481**
Transactions with equity holders, recorded directly in equity:											
Transfers for the period	-	-	250,280	22,827,040	-	-	-	(23,077,320)	-	-	-
Dividend to equity holders	-	-	-	-	-	-	-	(73,577,950)	(73,577,950)	(61,132)	(73,639,082)
	-	**-**	**250,280**	**22,827,040**	**-**	**-**	**-**	**(96,655,270)**	**(73,577,950)**	**(61,132)**	**(73,639,082)**
Balance at 30 June 2020	**14,715,590**	**123,471,114**	**62,678,435**	**367,713,556**	**(6,531,749)**	**13,725,435**	**14,581,377**	**115,959,070**	**706,312,828**	**14,621,039**	**720,933,867**

Statement of Changes in Equity
For the six month period ended 30 June 2021
Parent

In thousands of Nigerian Naira	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves[1]	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2021	**14,715,590**	**123,471,114**	**62,317,634**	**361,346,899**	**3,498,813**	**137,049,475**	**702,399,525**
Total comprehensive income for the Period:							
Profit for the Period	-	-	-	-	-	67,389,089	67,389,089
Other comprehensive income, net of tax							
Fair value adjustment	-	-	-	-	(14,581,325)	-	(14,581,325)
Total other comprehensive income	**-**	**-**	**-**	**-**	**(14,581,325)**	**-**	**(14,581,325)**
Total comprehensive income	-	-	-	-	(14,581,325)	67,389,089	**52,807,764**
Transactions with equity holders, recorded directly in equity:							
Transfers for the period	-	-	6,286,797	19,017,764	-	(25,304,561)	-
Dividend to equity holders	-	-	-	-	-	(79,464,184)	(79,464,184)
	-	**-**	**6,286,797**	**19,017,764**	-	**(104,768,745)**	**(79,464,184)**
Balance at 30 June 2021	**14,715,590**	**123,471,114**	**68,604,431**	**380,364,663**	**(11,082,512)**	**99,669,819**	**675,743,105**

[1] Please refer to Note 41

Statement of Changes in Equity
For the six month period ended 30 June 2020
Parent

In thousands of Nigerian Naira	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2020	**14,715,590**	**123,471,114**	**62,317,634**	**325,862,375**	**1,411,977**	**78,110,906**	**605,889,596**
Total comprehensive income for the Period:							
Profit for the period	-	-	-	-	-	79,902,217	79,902,217
Other comprehensive income, net of tax							
Fair value adjustment	-	-	-	-	11,604,987	-	11,604,987
Total other comprehensive income	-	-	-	-	11,604,987	-	**11,604,987**
Total comprehensive income	-	-	-	-	**11,604,987**	**79,902,217**	**91,507,204**
Transactions with equity holders, recorded directly in equity:							
Transfers for the period	-	-	-	20,741,597	-	(20,741,597)	-
Dividend to equity holders	-	-	-	-	-	(73,577,950)	(73,577,950)
	-	-	-	**20,741,597**	-	**(94,319,547)**	**(73,577,950)**
Balance at 30 June 2020	**14,715,590**	**123,471,114**	**62,317,634**	**346,603,972**	**13,016,964**	**63,693,576**	**623,818,850**

Consolidated and separate statements of cash flows

For the Period ended 30 June 2021

In thousands of Nigerian Naira	***Notes***	**Group Jun-2021**	**Group Jun-2020**	**Parent Jun-2021**	**Parent Jun-2020**
Cash flows from operating activities					
Profit for the period		79,414,723	94,271,010	67,389,089	79,902,217
Adjustments for:					
Depreciation of property and equipment	19	13,038,640	12,166,123	11,239,025	10,469,601
Amortisation of Intangibles	19	2,292,272	1,858,547	1,966,234	1,552,593
Right-of-use asset depreciation	18	2,430,876	958,621	1,585,223	403,084
Gain on disposal of property and equipment	15	64,725	(8,247)	92,088	(1,606)
Gain on repossessed collateral	15	-	(804,728)	-	(804,728)
Impairment on financial assets		5,056,382	3,589,015	2,124,464	1,412,503
Net interest income		(107,055,275)	(127,615,464)	(81,434,145)	(106,052,043)
Foreign exchange gains	15	(13,489,614)	(21,902,992)	(11,366,580)	(20,541,262)
Fair value changes for assets at FVTPL		(1,638,035)	(2,856,034)	(1,635,788)	(2,856,034)
Dividend income		(179,750)	(81,781)	(6,284,229)	(396,631)
Income tax expense	21	13,641,336	15,442,834	8,031,543	11,402,156
Other non-cash items		60,175	207,239	60,175	207,239
		(6,363,545)	(24,775,857)	(8,232,901)	(25,302,911)
Net changes in:					
Financial assets at fair value through profit or loss		(6,988,465)	(63,440,402)	34,375,252	(64,883,639)
Assets pledged as collateral		(7,252,872)	(3,387,243)	(7,115,656)	(3,410,769)
Loans and advances to banks and placements with banks		1,349,324	(27,928,085)	(108,756)	(31,953,395)
Loans and advances to customers		33,769,261	(61,103,457)	75,397,247	(57,391,652)
Restricted deposits and other assets		159,119,864	(489,022,150)	141,150,775	(479,107,383)
Deposits from banks		25,221,281	(22,571,879)	(6,041)	(256)
Deposits from customers		109,223,817	419,834,865	57,727,570	369,909,890
Financial liabilities at fair value through profit or loss		3,086,939	(1,615,735)	3,086,939	(1,615,735)
Other liabilities		(26,867,306)	294,823,841	(29,475,542)	289,630,190
		290,661,843	45,589,755	275,031,788	21,177,251
Interest received		122,353,670	140,178,419	88,591,590	112,871,326
Interest paid		(18,121,172)	(26,833,726)	(9,980,220)	(21,090,055)
		104,232,498	113,344,693	78,611,370	91,781,271
		388,530,796	134,158,591	345,410,257	87,655,611
Income tax paid	21(b)	(24,235,132)	(22,871,441)	(19,791,611)	(19,788,789)
Net cash flow provided by operating activities		**364,295,664**	**111,287,150**	**325,618,646**	**67,866,822**

Consolidated and separate statements of cash flows

For the Period ended 30 June 2021

In thousands of Nigerian Naira	***Notes***	**Group Jun-2021**	**Group Jun-2020**	**Parent Jun-2021**	**Parent Jun-2020**
Cash flows from investing activities					
Redemption of investment securities		1,186,139,664	390,673,150	1,128,627,138	347,755,946
Purchase of investment securities		(1,382,683,572)	(266,369,070)	(1,318,870,133)	(240,703,898)
Dividends received		179,750	81,781	6,284,229	396,631
Purchase of property and equipment	31	(18,318,910)	(19,363,258)	(16,173,822)	(17,920,643)
Proceeds from the sale of property and equipment		491,387	71,619	209,953	3,034
Purchase of intangible assets	32	(1,927,565)	(2,085,024)	(1,823,989)	(1,905,699)
Net cash flow (used in)/ from investing activities		(216,119,246)	103,009,198	(201,746,624)	87,625,371
Cash flows from financing activities					
Repayment of long term borrowings		(20,245,350)	(22,394,521)	(22,790,208)	(22,121,652)
Proceeds from long term borrowings		16,613,140	1,500,000	16,243,156	1,500,000
Additional investment in subsidiary	30	-	-	-	(1,089,000)
Purchase of treasury shares		(609,245)	-	-	-
Lease liabilities		(1,511,110)	-	-	-
Dividends paid to owners	42	(79,464,184)	(73,577,950)	(79,464,184)	(73,577,950)
Dividends paid to non-controlling interest	42	(354,556)	(61,132)	-	-
Net cash flow used in financing activities		(85,571,305)	(94,533,603)	(86,011,236)	(95,288,602)
Net increase in cash and cash equivalents		62,605,113	119,762,745	37,860,786	60,203,591
Cash and cash equivalents at beginning of the period		711,429,420	585,156,019	465,299,211	395,077,779
Effect of exchange rate fluctuations on cash held		(12,581,811)	16,839,582	(13,378,204)	17,382,011
Cash and cash equivalents at end of the period	23(b)	761,452,722	721,758,346	489,781,793	472,663,381

The accompanying notes are an integral part of these financial statements

1. Reporting entity

Guaranty Trust Bank Plc ("the Bank" or "the Parent") is a company incorporated in Nigeria. The address of the Bank's registered office is Plot 635, Akin Adesola Street, Victoria Island, Lagos. These separate and consolidated financial statements, for the period ended 31 June 2021, are prepared for the Parent and the Group (Bank and its subsidiaries, separately referred to as "Group entities") respectively. The Parent and the Group are primarily involved in investment, corporate, commercial and retail banking.

2. Basis of preparation

The interim consolidated and separate financial statements of the parent and the group have been prepared in accordance with IAS 34 - 'Interim Financial Reporting' and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

The Financial Statements were authorized for issue by the directors on **28th July 2021**.

3. (a) Significant Accounting Policies

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

(a) Functional and presentation currency

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

(b) Basis of measurement

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

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

(c) Use of Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily 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 recognized in the period in which the estimate is revised and in any future periods affected.

Changes to accounting policies

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

Standards and interpretations effective during the reporting period

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

Amendments to IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021

In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

This amendment has no impact on the Group.

Standards and interpretations issued/amended but not yet effective

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

Standard	Content	Effective Date
IAS 16	Amendment to IAS 16 Property, Plant and Equipment	01-Jan-22
IAS 37	Amendment to IAS 37 Provisions, Contingent liabilities and Contingent assets	01-Jan-22
IFRS 3	Amendment to IFRS 3-Reference to the Conceptual Framework	01-Jan-22
IAS 1	Amendment to IAS 1- Classification of Liabilities as Current or Noncurrent	01-Jan-23
IFRS 17	Insurance Contracts	01-Jan-23
IFRS 8	Amendment to IFRS 8-Definition of Accounting Estimates	01-Jan-23
IAS 12	Amendment to IAS 12-Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01-Jan-23

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

Amendment to IAS 16 – Property, Plant and Equipment

The IASB issued amendment to IAS 16 – Property, Plant and Equipment which is effective for annual reporting periods beginning on or after 1 January 2022. The amendment prohibits the deduction from the cost to an item of property, plant and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognize the sale proceeds and related production cost of those items in Profit or loss. The amendment is not expected to have any impact on the Group.

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

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

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

IFRS 17 – Insurance Contracts

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

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

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

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

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

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

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

IFRS 8 – Definition of Accounting Estimates

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

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

IFRS 3 – Reference to the Conceptual Framework

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

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

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

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

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

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

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

3. (b) Other Accounting Policies

Other accounting policies that have been applied are:

(a) Consolidation

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

(i) Subsidiaries

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

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

Acquisition of subsidiaries

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

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

(ii) Structured entity

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

(iii) Accounting method of consolidation

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

(iv) Transactions eliminated on consolidation

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

(v) Non-controlling interest

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

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

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

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

(iii) Group Entities

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

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

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

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

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

(c) Interest

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

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

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

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

Interest income and expense presented in the Income statement include:

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

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

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

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

(d) Fees and commission

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

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

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

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

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

Net income from other financial instruments at fair value through profit or loss relates to derivatives held for risk management purposes that do not form part of qualifying hedge relationships.
Fair value changes on other derivatives held for risk management purposes, and other financial assets and liabilities carried at fair value through profit or loss, are presented in Other Income – Mark to market gain/(loss) on trading investments in the Income statement.

(g) Dividend income

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

(h) Leases

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

(i) The Group is the lesse

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

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

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

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

(ii) The Group is the lessor

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

(I) Income Tax

(i) Current income tax

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

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

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

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

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

However, the deferred income tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

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

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

(j) Financial assets and liabilities

I. Recognition

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

II. Classification and Measurement

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

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

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

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

Business Model Assessment

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

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

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

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

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

- When the Group sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Group considers sale of financial assets that may occur in BM1 to be infrequent if the sales is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the financial year.

- Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.
- Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.
- When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.
- Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:
    - Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
    - Selling the financial asset to manage credit concentration risk (infrequent).
    - Selling the financial assets as a result of changes in tax laws (infrequent).
    - Other situations also depends upon the facts and circumstances which need to be judged by the management.

Cash flow characteristics assessment

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

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

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

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money.

a) Financial assets measured at amortised cost

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

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

b) Financial assets measured at FVOCI

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

c) Financial assets measured at FVTPL

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

d) Equity Instruments

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

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

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

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

e) Financial Liabilities at fair value through profit or loss

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

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

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

f) Financial Liabilities at amortised cost

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

Cash and cash equivalents

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

III. Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

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

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

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

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

IV. Modification of financial assets and liabilities

a. Financial assets

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

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

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

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

• Conversion of a loan from one currency to another currency

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

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

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

Impairment assessment is performed on modified financial assets before modification.

b. Financial Liabilities

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

De-recognition of financial instruments

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

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

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

V. Impairment of Financial Assets

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

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

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

Expected Credit Loss Impairment Model

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

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

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

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

Measurement of Expected Credit Losses

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

Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
    - 12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The Bank obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.
    - Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9. The Bank obtains 3 years forecast for the relevant macroeconomic variables and adopts exponentiation method to compute cumulative PD for future time periods for each obligor.

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

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

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

Forward-looking information

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

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

- The Group uses internal subject matter experts from Risk, Treasury and Business Divisions to consider a range of relevant forward looking data, including macro-economic forecasts and assumptions, for the determination of unbiased general economic adjustments in order to support the calculation of ECLs.
- Macro-economic variables taken into consideration include, but are not limited to, unemployment, interest rates, gross domestic product, inflation, crude-oil prices and exchange rate, and requires an evaluation of both the current and forecast direction of the macro-economic cycle.
- Macro-economic variables considered have strong statistical relationships with the risk parameters (LGD, EAD, CCF and PD) used in the estimation of the ECLs, and are capable of predicting future conditions that are not captured within the base ECL calculations.
- Forward looking adjustments for both general macro-economic adjustments and more targeted at portfolio / industry levels. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Macroeconomic factors

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

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

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

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

Multiple forward-looking scenarios

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

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

Assessment of significant increase in credit risk (SICR)

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

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

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

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

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;

- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
- Others include death, insolvency, breach of covenants, etc.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired. In addition, loans that are more than 90 days past due are considered impaired.

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

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

Presentation of allowance for ECL in the statement of financial position

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

- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.
- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

VI. Write-off

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

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- The bank's recovery method is foreclosing collateral and the value of the collateral is such that there is reasonable expectation of recovering the balance in full.

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

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

VII. Embedded derivatives

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

VIII. Offsetting financial instruments

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

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

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

(k) Investment securities

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

(l) Derivatives held for risk management purposes

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

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

(m) Repossessed Collateral

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

(n) Investment in subsidiaries

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

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

(o) Property and equipment

(i) Recognition and measurement

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

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The assets' carrying values and useful lives are reviewed, and written down if appropriate, at each reporting date. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount; see note (q) on impairment of non-financial assets.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives.

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

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

Item of Property and Equipment	Estimated Useful Life
Leasehold improvements and buildings:	
Leasehold improvements	Over the shorter of the useful life of the item or lease term
Buildings	50 years
Leasehold Land	Over the remaining life of the lease
Furniture and equipment:	
Furniture and fittings	5years
Machine and equipment	5years
Computer hardware	3years
Motor vehicles	4years
Aircraft	10years

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

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

(iv) De-recognition

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

(p) Intangible assets

(i) Goodwill

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

Subsequent measurement

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 8. Goodwill is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Software

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

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

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

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

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

q) Impairment of Non financial assets

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

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

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

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

(r) Deposits, debt securities issued

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

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

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

(s) Provisions

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

A provision for restructuring is recognised when the Group has approved a detailed and formal

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

(t) Financial guarantees and loan commitments

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

a) The amount of the loss allowance, and

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

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

(u) Employee benefits

(i) Defined contribution plans

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

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

(ii) Defined benefit plans

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

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

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

(iii) Termination Benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) Short-term employee benefits

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

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

(v) Share-based payment transactions

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

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

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

(v) Discontinued operations

The Group presents discontinued operations in a separate line in the Income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and:

(a) Represents a separate major line of business or geographical area of operations;
(b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
(c) Is a subsidiary acquired exclusively with a view to resale

Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group´s operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the Income statement.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets.

(w) Share capital and reseves

(i) Share issue costs

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

(ii) Dividend on the Bank's ordinary shares

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

(iii) Treasury shares

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

(x) Earnings per share

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

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

(y) Segment reporting

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

(z) Levies

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

- Those outflows of resources that are within the scope of other Standards (such as income taxes that are within the scope of IAS 12 Income Taxes); and
- Fines or other penalties that are imposed for breaches of the legislation

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

(aa) Stocks

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

4. Financial Risk Management

(a) Introduction and overview

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

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

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

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

(b) Risk Management Philosophy

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

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

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

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

Risk Appetite

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

Risk Appetite Statement

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

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

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

Risk Tolerance

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

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

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

(c) Risk Management Framework

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

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

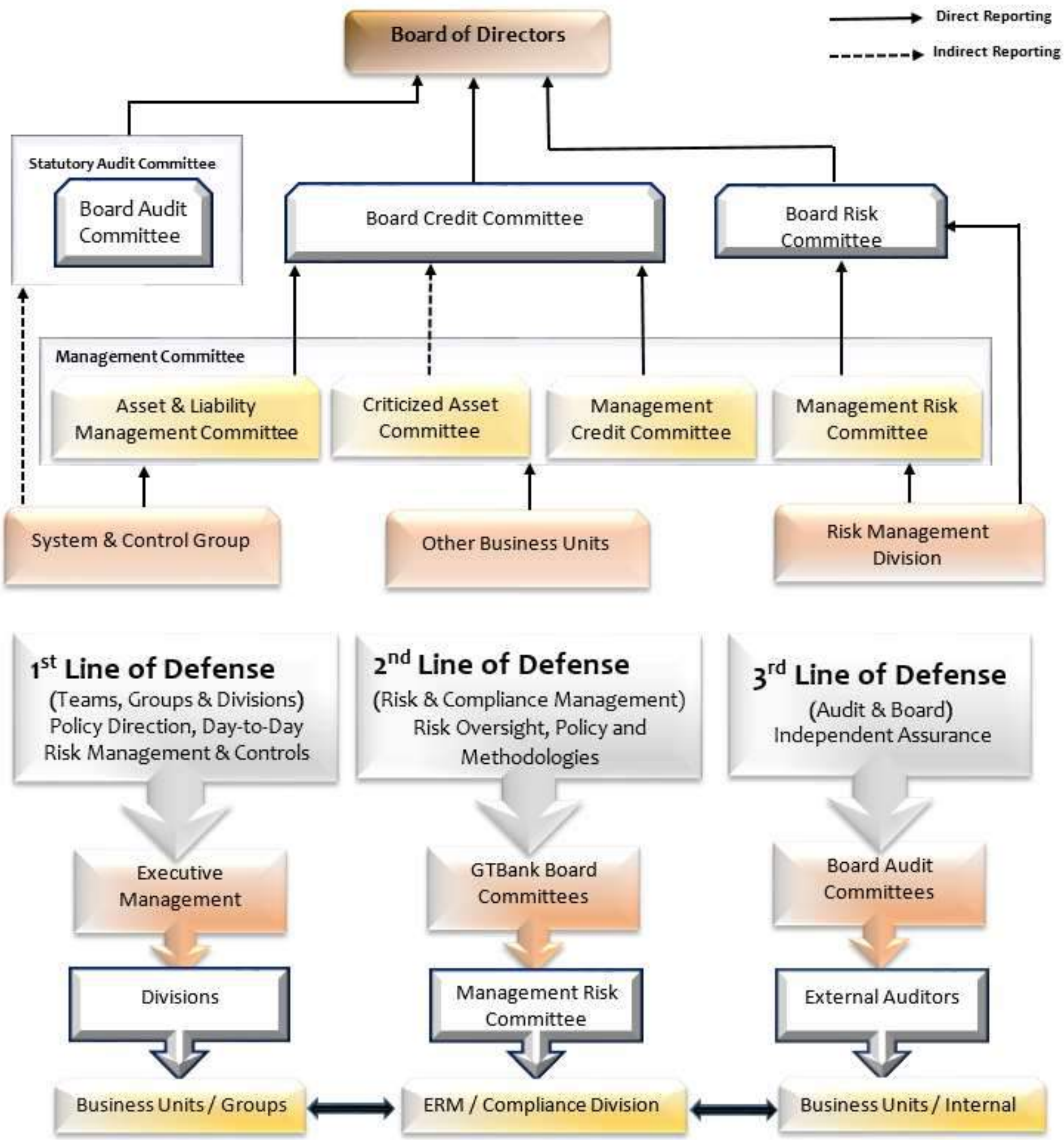
The Board of Directors has overall responsibility for the establishment of the Bank's Risk Management framework and exercises its oversight function over all the Bank's prevalent risks via its various committees; Board Risk Committee, Board Credit Committee, and Board Audit Committee. These committees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

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

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

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

The Risk Governance Structure of the Group



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

- Functions that own and manage risks.
- Functions that oversee risks.

- Functions that provide independent assurance.

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

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

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

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

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

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

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

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

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

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

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

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

(d) Risk Management Methodology

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

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

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

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

(e) Risk Management Overview

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

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

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

(f) Credit risk

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

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

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

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

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

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

To meet the Basel II (Pillar 2) requirements, the Bank developed a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) document, which detailed approaches and procedures on how the bank measures and compute its various risks and capital requirements. The document also contain details of the capital planning process and it is updated annually.

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

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

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

(i) Management of Credit Risk

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

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

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

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

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

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

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

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

(ii) Credit Risk Measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Investments in securities issued by Sovereign

2. Investments in securities issued by State Government

3. Interbank Placements

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

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

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

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

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

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

The forecasted cash flows are discounted using the EIR. These discounted cash flows are summed up to provide the expected recovery amount. The total exposure of the firm at the time of default minus the expected recovery amount gives the loss given default in absolute terms. The ratio of loss given default in absolute value to exposure at default gives the LGD in percentage terms.
The Bank incorporates FLI into the LGD model through adjustments to the collateral values to reflect their fair value and the EAD to reflect prepayment rates and foreign currency adjustments (on foreign currency denominated facilities).

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

(iii) Risk Limit Control and Mitigation Policies

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

The obligor limit as set by the regulators and it is currently at 20% of the Bank's shareholders' funds is adopted and it covers exposures to counterparties and related parties.
In addition to the regulatory limit, other parameters are applied internally to determine the suitable limits that an individual borrower should have. These include: obligor rating, position in the industry and perceived requirements of key players (e.g. import finance limit may be determined by the customer's import cycle and volume during each cycle), financial analysis, etc.

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

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

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

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

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

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

The above limits are subject to the following overriding approvals:

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

Master Netting Arrangements

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

Off-balance sheet engagements

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

Contingencies

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

Placements

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

IFRS 7 requires the Group to disclose the amounts that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not qualify for offset in accordance with IAS 32). This disclosure is presented below for the Bank and Group as at 30 June 2021 and 31 December 2020.

Credit risk exposure relating to On-Balance Sheet

In thousands of Nigerian naira	**Maximum exposure Group**		**Maximum exposure Parent**	
Classification	**Jun-2021**	**Dec-2020**	**Jun-2021**	**Dec-2020**
Cash and bank balances:				
- Unrestricted balances with central banks	203,857,598	215,435,972	146,821,317	183,482,104
- Balances held with other banks	324,720,574	267,211,047	171,888,255	111,100,025
- Money market placements	155,188,728	170,512,774	126,076,212	152,854,998
Loans and advances to banks	89,241	99,043	89,241	39,749
Loans and advances to customers[1]:				
- Loans to individuals	213,764,960	202,575,279	158,057,976	150,507,037
- Loans to non-individuals	1,418,324,001	1,460,156,420	1,181,015,913	1,260,070,697
Financial assets at fair value through profit or loss:				
- Debt securities	76,244,179	67,535,363	3,487,412	36,226,876
- Derivative financial instruments	35,389,350	26,448,550	35,389,350	26,448,550
Investment securities:				
- Debt securities	1,153,538,500	975,288,535	842,510,754	673,098,223
Assets pledged as collateral:				
- Debt securities	69,457,589	62,200,326	69,071,631	61,955,975
Restricted deposits and other assets[2]	967,966,738	1,155,845,157	933,942,467	1,103,006,050
Total	**4,618,541,458**	**4,603,308,466**	**3,668,350,528**	**3,758,790,284**
Loans exposure to total exposure	35%	36%	37%	38%
Debt securities exposure to total exposure	28%	24%	25%	21%
Other exposures to total exposure	37%	40%	38%	41%

As shown above, 35% (Parent: 36%) of the total maximum exposures is derived from loans and advances to banks and customers (2020: 36% ; Parent: 38%); while 28% (Parent: 25%) represents exposure to investments in debt securities (2020: 24% ; Parent: 21%). The Directors are confident in their ability to continue to control exposure to credit risk within a specified risk appetite which can result from both its Loans and Advances portfolio and Debt securities.

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

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

Credit risk exposure relating to Off-Balance Sheet

In thousands of Nigerian naira	**Maximum exposure Group**		**Maximum exposure Parent**	
	Jun-2021	**Dec-2020**	**Jun-2021**	**Dec-2020**
Financial guarantees	398,425,224	365,827,380	291,540,869	305,107,662
Other contingents	94,177,898	52,995,421	36,396,916	11,130,745
Total	**492,603,122**	**418,822,801**	**327,937,785**	**316,238,407**

Contingencies are disclosed on Note 43

Classification of Maximum Exposure on Loans to Customers by Product

Loans and advances have been classified into Overdraft, Loans and Others throughout the Financials Statement.

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

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

	Group		**Parent**	
	Jun-2021	**Dec-2020**	**Jun-2021**	**Dec-2020**
Loans to individuals:				
Overdraft	11,441,251	12,454,649	9,817,884	10,887,376
Loans	202,242,256	190,035,965	148,240,092	139,619,661
Others	81,453	84,665	-	-
	213,764,960	**202,575,279**	**158,057,976**	**150,507,037**
Loans to non-individuals:				
Overdraft	112,555,558	122,675,496	51,652,897	64,740,198
Loans	1,291,258,925	1,328,807,820	1,116,028,242	1,187,862,661
Others	14,509,518	8,673,104	13,334,774	7,467,838
	1,418,324,001	**1,460,156,420**	**1,181,015,913**	**1,260,070,697**

Credit quality of Financial Assets

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

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

Unrestricted balances with central banks

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

	Credit quality Group		Credit quality Parent	
In thousands of Nigerian naira	**Jun-2021**	**Dec-2020**	**Jun-2021**	**Dec-2020**
Sovereign Ratings				
Nigeria (B-) S&P	146,821,317	183,482,104	146,821,317	183,482,104
Fitch:				
B+	6,762,313	15,154,337	-	-
B	24,335,731	13,174,571	-	-
unrated	25,938,237	3,624,960	-	-
	203,857,598	**215,435,972**	**146,821,317**	**183,482,104**

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

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

Balances held with other banks

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

	Credit quality Group		Credit quality Parent	
In thousands of Nigerian naira	**Jun-2021**	**Dec-2020**	**Jun-2021**	**Dec-2020**
Counterparties with external credit rating (S&P)				
AAA	-	-	-	-
AA+	-	51,149,418	-	-
AA	-	41,780	907,008	41,780
AA-	32,454,889	-	41,907	-
A+	161,629,903	144,506,536	142,137,718	90,059,420
A	67,966,060	27,894,635	4,354	1,672,871
A-	16,293,498	11,646,994	4,075,101	-
BBB+	-	10,051,441	4,006,409	3,372,755
BBB	-	-	-	-
BBB-	11,554,729	-	-	-
BB+	-	-	-	-
BB	-	-	-	-
BB-	-	904,366	2,890	904,366
B+	-	-	-	-
B	398,662	1,622,212	-	-
Unrated	34,422,833	19,393,667	20,712,868	15,048,833
	324,720,574	**267,211,047**	**171,888,255**	**111,100,025**

Money Market placements

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

	Credit quality Group		Credit quality Parent	
In thousands of Nigerian naira	**Jun-2021**	**Dec-2020**	**Jun-2021**	**Dec-2020**
Counterparties with external credit rating (S&P)				
A-1+	-	2,204,355	-	-
A-1	82,733,664	144,817,085	82,733,664	141,442,318
A-	-	-	-	-
A-2	-	2,694,373	-	410,258
A-3	302,007	-	-	-
BBB+	-	-	-	-
BB+	-	-	-	-
B+	-	343,147	-	-
B-	4,540,942	-	-	-
B	41,706,399	14,378,807	40,013,699	-
Unrated	917,102	-	-	-
	130,200,114	**164,437,767**	**122,747,363**	**141,852,576**
Sovereign Ratings				
Nigeria (B-) S&P	2,000,246	2,000,246	2,000,246	2,000,246
	2,000,246	**2,000,246**	**2,000,246**	**2,000,246**
Counterparties without external credit rating				
Unrated	22,988,368	4,074,761	-	-
Foreign Subsidiaries	-	-	1,328,603	9,002,176
	22,988,368	**4,074,761**	**1,328,603**	**9,002,176**
	155,188,728	**170,512,774**	**126,076,212**	**152,854,998**

Financial Assets at Fair value through profit or loss

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

	Group		Parent	
In thousands of Nigerian naira	**Jun-2021**	**Dec-2020**	**Jun-2021**	**Dec-2020**
Soverign Ratings				
Other Sovereign (B) S&P	72,756,767	31,308,487	-	-
Nigeria (B-) S&P	3,487,412	36,226,876	3,487,412	36,226,876
	76,244,179	**67,535,363**	**3,487,412**	**36,226,876**

Investment Securities

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

	Credit quality Group		Credit quality Parent	
In thousands of Nigerian naira	**Jun-2021**	**Dec-2020**	**Jun-2021**	**Dec-2020**
Sovereign Ratings:				
AA	44,864,277	34,374,681	-	-
B+	97,016,620	55,365,777	-	-
Nigeria (B-) S&P	840,763,707	671,483,063	840,763,707	671,483,063
Other Sovereign Rating (B) S&P	59,175,815	117,369,066	-	-
Counterparties with external credit rating (S&P):				
A-1	-	-	-	-
unrated	72,874,352	66,567,422	-	-
Counterparties with external credit rating (Fitch):				
B+	-	28,513,367	-	-
Counterparties with external credit rating (Agusto):				
Aa-	1,747,047	1,615,160	1,747,047	1,615,160
	1,116,441,817	**975,288,535**	**842,510,754**	**673,098,223**

Of the Parent's Investment Securities of N842,510,755,000 (Dec 2020: N673,098,223,000) the sum of N840,763,708,000 (2020: N671,483,063,000) relates to investment in treasury bills and bond issued by the Federal Government of Nigeria and bears the sovereign risk of the Federal Government of Nigeria. The Federal Republic of Nigeria currently has a foreign long term issuer credit rating of B- (S&P).

Assets pledged as collateral

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

	Group		Parent	
In thousands of Nigerian naira	Jun-2021	Dec-2020	Jun-2021	Dec-2020
Soverign Ratings				
Nigeria (B-) S&P	69,071,631	61,955,975	69,071,631	61,955,975
B+	385,958	244,351	-	-
	69,457,589	**62,200,326**	**69,071,631**	**61,955,975**

Restricted deposits and other assets

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

	Group		Parent	
In thousands of Nigerian naira	Jun-2021	Dec-2020	Jun-2021	Dec-2020
Soverign Ratings				
Other Sovereign Rating (B+) S&P	-	52,839,107	-	-
Nigeria (B-) S&P	894,876,434	1,040,256,377	894,876,434	1,040,256,377
Counterparties with external credit rating (S&P)				
A-1	19,349,154	15,442,840	19,349,154	15,442,840
A-1+	11,259,844	34,422	11,259,844	34,422
A-2	1,521,302	1,788,937	1,521,302	1,788,937
B	-	13,267,221	-	13,267,221
B+	34,024,271	-	-	-
Unrated	6,935,733	32,216,253	6,935,733	32,216,253
	967,966,738	**1,155,845,157**	**933,942,467**	**1,103,006,050**

Rating Legend:

External credit rating (S&P)

AA+:Very Strong Capacity to Repay

AA:Very Strong Capacity to Repay

AA-:Very Strong Capacity to Repay

A+: Strong Capacity to Repay

A: Strong Capacity to Repay

A-: Strong Capacity to Repay

External credit rating (S&P)

BB+:Moderate Capacity to Repay

BB: Speculative credit rating

B+: Highly Speculative Credit Rating

B: Highly Speculative Credit Rating

B-: Highly Speculative Credit Rating

C: Speculative Credit Rating

External credit rating (Agusto):

A- : Strong capacity to meet obligations

B: Weak Financial condition but obligations are still being met as and when they fall du

External credit rating (Fitch)

AA-: High grade

A: High grade

A-1+ : Prime Rating
A-1 : Upper Medium Credit Rating
A-2 : Upper Medium Credit Rating
A-3 : Lower Medium Credit Rating
BBB+:Adequate Capacity to Repay
BBB:Adequate Capacity to Repay
BBB-:Adequate Capacity to Repay

External credit rating (Moody's)
P-3: Moderate Capacity to Repay
F1+:Strong capacity to repay
F1:Strong capacity to repay

External credit rating (Agusto):
Aa- : Very strong capacity to repay
A : Strong capacity to repay
A-: Upper medium grade
BBB+: Lower medium grade
BBB-: Lower medium grade
BB: Non investment grade speculative
BB-: Non investment grade speculative
B: Speculative credit rating
B+: Speculative credit rating

Credit Concentration

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

(i) Geographical Sector

Concentration of risks of financial assets with credit risk exposure

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

Credit risk exposure relating to On-Balance Sheet

Group

Jun-2021

In thousands of Nigerian naira

Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Cash and bank balances:				
- Unrestricted balances with central banks	146,821,317	57,036,281	-	203,857,598
- Balances held with other banks	4,895,260	19,333,373	300,491,941	324,720,574
- Money market placements	42,931,048	29,524,017	82,733,663	155,188,728
Loans and advances to banks	89,241	-	-	89,241
Loans and advances to customers [1] *:*				
- Loans to individuals	158,057,978	26,734,428	28,972,554	213,764,960
- Loans to non-individuals	1,181,015,913	237,308,088	-	1,418,324,001
Financial assets at fair value through profit or loss:				
- Debt securities	3,487,412	72,756,767	-	76,244,179
- Derivative financial instruments	35,389,350	-	-	35,389,350
Investment securities:				
- Debt securities	843,184,901	265,489,670	44,863,929	1,153,538,500
Assets pledged as collateral:				
- Debt securities	69,071,632	385,957	-	69,457,589
Restricted deposits and other assets [2]	898,431,974	49,260,697	20,274,067	967,966,738
	3,383,376,026	**757,829,278**	**477,336,154**	**4,618,541,458**

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

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

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

Credit risk exposure relating to Off-Balance Sheet

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

Group
Jun-2021

In thousands of Nigerian naira

	Nigeria	Rest of Africa	Outside Africa	Total
Financial guarantees	291,540,869	56,163,931	50,720,424	398,425,224
Other contingents	36,396,916	48,869,568	8,911,414	94,177,898
	327,937,785	**105,033,499**	**59,631,838**	**492,603,122**

Contingencies are disclosed on Note 43

Classification of Credit Concentration on Loans to Customers by Product

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

Group
Jun-2021

In thousands of Nigerian naira

Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Loans to individuals:				
Overdraft	9,817,884	1,601,434	21,933	11,441,251
Loans	148,240,094	25,123,317	28,878,845	202,242,256
Others	-	9,677	71,776	81,453
	158,057,978	**26,734,428**	**28,972,554**	**213,764,960**
Loans to non-individuals:				
Overdraft	51,652,897	60,902,661	-	112,555,558
Loans	1,116,028,242	175,230,683	-	1,291,258,925
Others[#]	13,334,774	1,174,744	-	14,509,518
	1,181,015,913	**237,308,088**	**-**	**1,418,324,001**

[#] Others include Usances and Usance Settlement.

Credit risk exposure relating to On-Balance Sheet

Group
Dec-2020

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Cash and bank balances:				
- Unrestricted balances with central banks	183,482,104	31,953,868	-	215,435,972
- Balances held with other banks	3,462,337	22,417,632	241,331,078	267,211,047
- Money market placements	1,917,102	26,743,096	141,852,576	170,512,774
Loans and advances to banks	39,749	-	59,294	99,043
Loans and advances to customers [1] :				
- Loans to individuals	150,507,037	23,611,077	28,457,165	202,575,279
- Loans to non-individuals	1,260,070,697	200,085,723	-	1,460,156,420
Financial assets at fair value through profit or loss:				
- Debt securities	36,226,876	31,308,487	-	67,535,363
- Derivative financial instruments	26,448,550	-	-	26,448,550
Investment securities:				
- Debt securities	673,098,223	267,815,904	34,374,408	975,288,535
Assets pledged as collateral:				
- Debt securities	61,955,975	244,351	-	62,200,326
Restricted deposits and other assets[2]	1,083,801,847	49,063,691	22,979,619	1,155,845,157
	3,481,010,497	**653,243,829**	**469,054,140**	**4,603,308,466**

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

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

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

Credit risk exposure relating to Off-Balance Sheet

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

Group
Dec-2020

In thousands of Nigerian naira

	Nigeria	Rest of Africa	Outside Africa	Total
Financial guarantees	305,107,662	26,342,145	34,377,573	365,827,380
Other contingents	11,130,745	36,598,610	5,266,066	52,995,421
	316,238,407	**62,940,755**	**39,643,639**	**418,822,801**

Contingencies are disclosed on Note 43

Classification of Credit Concentration on Loans to Customers by Product

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

Group
Dec-2020

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Loans to individuals:				
Overdraft	10,887,376	1,545,744	21,529	12,454,649
Loans	139,619,661	22,051,120	28,365,184	190,035,965
Others	-	14,213	70,452	84,665
	150,507,037	**23,611,077**	**28,457,165**	**202,575,279**
Loans to non-individuals:				
Overdraft	64,740,198	57,935,298	-	122,675,496
Loans	1,187,862,661	140,945,159	-	1,328,807,820
Others[1]	7,467,838	1,205,266	-	8,673,104
	1,260,070,697	**200,085,723**	**-**	**1,460,156,420**

[1] Others include Usances and Usance Settlement.

Credit risk exposure relating to On-Balance Sheet

Parent

Jun-2021

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Cash and bank balances:				
- Unrestricted balances with central banks	146,821,317	-	-	146,821,317
- Balances held with other banks	969,662	909,898	170,008,695	171,888,255
- Money market placements	42,931,047	-	83,145,165	126,076,212
Loans and advances to banks	89,241	-	-	89,241
Loans and advances to customers [1] :				
- Loans to individuals	158,057,976	-	-	158,057,976
- Loans to non-individuals	1,181,015,913	-	-	1,181,015,913
Financial assets at fair value through profit or loss:				
- Debt securities	3,487,412	-	-	3,487,412
- Derivative financial instruments	35,389,350	-	-	35,389,350
Investment securities:				
- Debt securities	842,510,754	-	-	842,510,754
Assets pledged as collateral:				
- Debt securities	69,071,631	-	-	69,071,631
Restricted deposits and other assets[2]	902,427,385	11,241,015	20,274,067	933,942,467
	3,382,771,688	**12,150,913**	**273,427,927**	**3,668,350,528**

Of the Parent's Credit risk exposure outside Africa relating to On-balance sheet, 43% relates to exposures in United States of America, 56% relates to exposures in United Kingdom and 1% relates to exposures in other countries.

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

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

Credit risk exposure relating to Off-Balance Sheet

Parent
Jun-2021

In thousands of Nigerian naira

	Nigeria	Rest of Africa	Outside Africa	Total
Financial guarantees	291,540,869	-	-	291,540,869
Other contingents	36,396,916	-	-	36,396,916
	327,937,785	**-**	**-**	**327,937,785**

Contingencies are disclosed on Note 43

Classification of Credit Concentration on Loans to Customers by Product

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

Parent

Jun-2021

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Loans to individuals:				
Overdraft	9,817,884	-	-	9,817,884
Loans	148,240,092	-	-	148,240,092
	158,057,976	**-**	**-**	**158,057,976**
Loans to non-individuals:				
Overdraft	51,652,897	-	-	51,652,897
Loans	1,116,028,242	-	-	1,116,028,242
Others[1]	13,334,774	-	-	13,334,774
	1,181,015,913	**-**	**-**	**1,181,015,913**

[1] Others include Usances and Usance Settlement.

Credit risk exposure relating to On-Balance Sheet

Parent

Dec-2020

In thousands of Nigerian naira

Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Cash and bank balances:				
- Unrestricted balances with central banks	183,482,104	-	-	183,482,104
- Balances held with other banks	440,606	904,366	109,755,053	111,100,025
- Money market placements	1,917,102	-	150,937,896	152,854,998
Loans and advances to banks	39,749	-	-	39,749
Loans and advances to customers [1] :				
- Loans to individuals	150,507,037	-	-	150,507,037
- Loans to non-individuals	1,260,070,697	-	-	1,260,070,697
Financial assets at fair value through profit or loss:				
- Debt securities	36,226,876	-	-	36,226,876
- Derivative financial instruments	26,448,550	-	-	26,448,550
Investment securities:				
- Debt securities	673,098,223	-	-	673,098,223
Assets pledged as collateral:				
- Debt securities	61,955,975	-	-	61,955,975
Restricted deposits and other assets[2]	1,068,221,142	13,267,221	21,517,687	1,103,006,050
	3,462,408,061	**14,171,587**	**282,210,636**	**3,758,790,284**

Of the Parent's Credit risk exposure outside Africa relating to On-balance sheet, 24% relates to exposures in United States of America, 74% relates to exposures in United Kingdom and 2% relates to exposures in other countries.

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

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

Credit risk exposure relating to Off-Balance Sheet

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

Parent
Dec-2020

In thousands of Nigerian naira

	Nigeria	Rest of Africa	Outside Africa	Total
Financial guarantees	305,107,662	-	-	305,107,662
Other contingents	11,130,745	-	-	11,130,745
	316,238,407	**-**	**-**	**316,238,407**

Contingencies are disclosed on Note 43

Classification of Credit Concentration on Loans to Customers by Product

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

Parent
Dec-2020

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Loans to individuals:				
Overdraft	10,887,376	-	-	10,887,376
Loans	139,619,661	-	-	139,619,661
	150,507,037	**-**	**-**	**150,507,037**
Loans to non-individuals:				
Overdraft	64,740,198	-	-	64,740,198
Loans	1,187,862,661	-	-	1,187,862,661
Others[1]	7,467,838	-	-	7,467,838
	1,260,070,697	**-**	**-**	**1,260,070,697**

[1] Others include Usances and Usance Settlement.

(ii) Industry sectors

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

Credit Risk Exposure to on-balance sheet items

Group
Jun-2021
In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Cash and bank balances:												
- Unrestricted balances with central banks	-	-	-	-	-	203,857,598	-	-	-	-	-	203,857,598
- Balances held with other banks	-	324,720,574	-	-	-	-	-	-	-	-	-	324,720,574
- Money market placements	-	153,188,481	-	-	-	2,000,247	-	-	-	-	-	155,188,728
Loans and advances to banks	-	89,241	-	-	-	-	-	-	-	-	-	89,241
Loans and advances to customers [3] :												
- Loans to individuals	-	-	-	-	-	-	-	-	-	213,764,960	-	213,764,960
- Loans to non-individuals	44,064,656	50,510,890	38,806,867	8,651,734	84,050,475	77,970,475	256,895,556	604,102,876	131,823,324	-	121,447,148	1,418,324,001
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	76,244,179	-	-	-	-	-	76,244,179
- Derivative financial instruments	506	34,811,001	198	-	72,712	-	220,820	7,370	276,686	-	57	35,389,350
Investment securities:												
- Debt securities	-	-	-	-	-	1,151,692,251	-	-	-	-	1,846,249	1,153,538,500
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	69,457,589	-	-	-	-	-	69,457,589
Restricted deposits and other assets[4]	-	-	-	-	-	894,897,976	-	-	-	-	73,068,762	967,966,738
	44,065,162	**563,320,187**	**38,807,065**	**8,651,734**	**84,123,187**	**2,476,120,315**	**257,116,376**	**604,110,246**	**132,100,010**	**213,764,960**	**196,362,216**	**4,618,541,458**

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

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

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

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

Credit Risk Exposure to off-balance sheet items

Group

Jun-2021

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Financial guarantees	423	63,849,754	212,495,193	383,745	13,092,123	275,785	22,937,808	64,184,053	4,277,214	92,940	16,836,186	398,425,224
Other contingents	103,917	14,821,082	1,177,508	2,167,903	4,202,127	5,276,935	29,175,460	5,050,615	11,830,394	2,487,733	17,884,224	94,177,898
Total	**104,340**	**78,670,836**	**213,672,701**	**2,551,648**	**17,294,250**	**5,552,720**	**52,113,268**	**69,234,668**	**16,107,608**	**2,580,673**	**34,720,410**	**492,603,122**

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

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

Classification of Sectorial Credit Concentration on Loans to Customers by Product

Group

Jun-2021

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Loans to individuals:												
Overdraft	-	-	-	-	-	-	-	-	-	11,441,251	-	11,441,251
Loans	-	-	-	-	-	-	-	-	-	202,242,256	-	202,242,256
Others	-	-	-	-	-	-	-	-	-	81,453	-	81,453
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**213,764,960**	**-**	**213,764,960**
Loans to non-individuals:												
Overdraft	5,005,927	1,502,112	4,863,172	558,757	26,256,881	2,842,211	22,431,763	24,647,868	11,600,075	-	12,846,792	112,555,558
Loans	37,667,347	49,008,778	33,802,966	8,092,977	56,773,938	75,128,264	227,909,726	577,776,181	118,544,903	-	106,553,845	1,291,258,925
Others	1,391,382	-	140,729	-	1,019,656	-	6,554,067	1,678,827	1,678,346	-	2,046,511	14,509,518
	44,064,656	**50,510,890**	**38,806,867**	**8,651,734**	**84,050,475**	**77,970,475**	**256,895,556**	**604,102,876**	**131,823,324**	**-**	**121,447,148**	**1,418,324,001**

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

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

Credit Risk Exposure to on-balance sheet items

Group

Dec-2020

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Cash and bank balances:												
- Unrestricted balances with central banks	-	-	-	-	-	215,435,972	-	-	-	-	-	215,435,972
- Balances held with other banks	-	267,211,047	-	-	-	-	-	-	-	-	-	267,211,047
- Money market placements	-	168,512,528	-	-	-	2,000,246	-	-	-	-	-	170,512,774
Loans and advances to banks	-	99,043	-	-	-	-	-	-	-	-	-	99,043
Loans and advances to customers [3] :												
- Loans to individuals	-	-	-	-	-	-	-	-	-	202,575,279	-	202,575,279
- Loans to non-individuals	28,504,096	56,990,882	42,418,617	8,733,638	89,714,224	85,931,693	314,628,684	645,036,044	116,604,212	-	71,594,330	1,460,156,420
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	67,535,363	-	-	-	-	-	67,535,363
- Derivative financial instruments	-	26,367,025	-	-	-	-	7,831	-	73,694	-	-	26,448,550
Investment securities:												
- Debt securities	-	-	-	-	-	974,848,189	-	-	-	-	440,346	975,288,535
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	62,200,326	-	-	-	-	-	62,200,326
Restricted deposits and other assets[4]	-	-	-	-	-	1,058,143,015	-	-	-	-	97,702,142	1,155,845,157
	28,504,096	**519,180,525**	**42,418,617**	**8,733,638**	**89,714,224**	**2,466,094,804**	**314,636,515**	**645,036,044**	**116,677,906**	**202,575,279**	**169,736,818**	**4,603,308,466**

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

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

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

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

Credit Risk Exposure to off-balance sheet items

Group
Dec-2020

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Financial guarantees	7,127	38,948,250	220,067,631	-	12,480,468	793	13,606,580	62,559,635	5,933,607	63,131	12,160,158	365,827,380
Other contingents	107,172	19,475,117	131,391	-	4,214,572	23,783	9,484,690	7,060,533	1,895,612	2,120,893	8,481,658	52,995,421
Total	**114,299**	**58,423,367**	**220,199,022**	**-**	**16,695,040**	**24,576**	**23,091,270**	**69,620,168**	**7,829,219**	**2,184,024**	**20,641,816**	**418,822,801**

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

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

Classification of Sectorial Credit Concentration on Loans to Customers by Product

Group
Dec-2020
In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Loans to individuals:												
Overdraft	-	-	-	-	-	-	-	-	-	12,454,649	-	12,454,649
Loans	-	-	-	-	-	-	-	-	-	190,035,965	-	190,035,965
Others	-	-	-	-	-	-	-	-	-	84,665	-	84,665
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**202,575,279**	**-**	**202,575,279**
Loans to non-individuals:												
Overdraft	5,624,497	722,473	9,003,701	622,868	25,885,964	2,004,163	20,662,876	35,839,103	8,979,408	-	13,330,443	122,675,496
Loans	22,826,190	56,268,409	33,108,304	8,110,770	63,263,913	83,927,530	289,513,103	607,832,399	107,624,803	-	56,332,399	1,328,807,820
Others	53,409	-	306,612	-	564,347	-	4,452,705	1,364,542	1	-	1,931,488	8,673,104
	28,504,096	**56,990,882**	**42,418,617**	**8,733,638**	**89,714,224**	**85,931,693**	**314,628,684**	**645,036,044**	**116,604,212**	**-**	**71,594,330**	**1,460,156,420**

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

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

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

Credit Risk Exposure to on-balance sheet items

Parent
Jun-2021

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Cash and bank balances:												
- Unrestricted balances with central banks	-	-	-	-	-	146,821,317	-	-	-	-	-	146,821,317
- Balances held with other banks	-	171,888,255	-	-	-	-	-	-	-	-	-	171,888,255
- Money market placements	-	124,075,965	-	-	-	2,000,247	-	-	-	-	-	126,076,212
Loans and advances to banks	-	89,241	-	-	-	-	-	-	-	-	-	89,241
Loans and advances to customers [3] :												
- Loans to individuals	-	-	-	-	-	-	-	-	-	158,057,976	-	158,057,976
- Loans to non-individuals	30,700,098	45,624,048	23,052,399	6,813,165	27,217,199	76,323,844	214,590,554	591,599,624	109,332,522	-	55,762,460	1,181,015,913
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	3,487,412	-	-	-	-	-	3,487,412
- Derivative financial instruments	506	34,811,001	198	-	72,712	-	220,820	7,370	276,686	-	57	35,389,350
Investment securities:												
- Debt securities	-	-	-	-	-	842,510,754	-	-	-	-	-	842,510,754
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	69,071,631	-	-	-	-	-	69,071,631
Restricted deposits and other assets[4]	-	-	-	-	-	894,876,434	-	-	-	-	39,066,033	933,942,467
	30,700,604	**376,488,510**	**23,052,597**	**6,813,165**	**27,289,911**	**2,035,091,639**	**214,811,374**	**591,606,994**	**109,609,208**	**158,057,976**	**94,828,550**	**3,668,350,528**

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

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

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

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

Credit Risk Exposure to off-balance sheet items

Parent
Jun-2021

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Financial guarantees	-	3,337,508	179,767,014	-	7,441,836	-	19,422,690	63,993,491	3,334,155	-	14,244,175	291,540,869
Other contingents	-	-	927,596	-	27,741	-	16,205,762	402,995	10,318,088	-	8,514,734	36,396,916
Total	**-**	**3,337,508**	**180,694,610**	**-**	**7,469,577**	**-**	**35,628,452**	**64,396,486**	**13,652,243**	**-**	**22,758,909**	**327,937,785**

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

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

Classification of Sectorial Credit Concentration on Loans to Customers by Product

Parent

Jun-2021

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Loans to individuals:												
Overdraft	-	-	-	-	-	-	-	-	-	9,817,884	-	9,817,884
Loans	-	-	-	-	-	-	-	-	-	148,240,092	-	148,240,092
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**158,057,976**	**-**	**158,057,976**
Loans to non-individuals:												
Overdraft	320,831	63,032	1,091,365	249,107	5,853,982	2,528,880	7,473,649	17,316,409	9,838,076	-	6,917,566	51,652,897
Loans	28,987,885	45,561,016	21,820,305	6,564,058	20,343,561	73,794,964	200,562,838	572,604,388	97,816,100	-	47,973,127	1,116,028,242
Others	1,391,382	-	140,729	-	1,019,656	-	6,554,067	1,678,827	1,678,346	-	871,767	13,334,774
	30,700,098	**45,624,048**	**23,052,399**	**6,813,165**	**27,217,199**	**76,323,844**	**214,590,554**	**591,599,624**	**109,332,522**	**-**	**55,762,460**	**1,181,015,913**

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

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

Credit Risk Exposure to on-balance sheet items

Parent
Dec-2020

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Cash and bank balances:												
- Unrestricted balances with central banks	-	-	-	-	-	183,482,104	-	-	-	-	-	183,482,104
- Balances held with other banks	-	111,100,025	-	-	-	-	-	-	-	-	-	111,100,025
- Money market placements	-	150,854,752	-	-	-	2,000,246	-	-	-	-	-	152,854,998
Loans and advances to banks	-	39,749	-	-	-	-	-	-	-	-	-	39,749
Loans and advances to customers [3] :												
- Loans to individuals	-	-	-	-	-	-	-	-	-	150,507,037	-	150,507,037
- Loans to non-individuals	14,354,045	52,060,650	28,343,542	7,292,897	33,609,389	80,648,285	267,048,563	637,544,041	102,911,375	-	36,257,910	1,260,070,697
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	36,226,876	-	-	-	-	-	36,226,876
- Derivative financial instruments	-	26,367,025	-	-	-	-	7,831	-	73,694	-	-	26,448,550
Investment securities:												
- Debt securities	-	-	-	-	-	673,098,223	-	-	-	-	-	673,098,223
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	61,955,975	-	-	-	-	-	61,955,975
Restricted deposits and other assets[4]	-	-	-	-	-	1,040,256,377	-	-	-	-	62,749,673	1,103,006,050
	14,354,045	**340,422,201**	**28,343,542**	**7,292,897**	**33,609,389**	**2,077,668,086**	**267,056,394**	**637,544,041**	**102,985,069**	**150,507,037**	**99,007,583**	**3,758,790,284**

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

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

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

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

Credit Risk Exposure to off-balance sheet items

Parent

Dec-2020

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Financial guarantees	-	3,328,536	206,951,780	-	8,748,604	-	10,383,412	61,476,801	4,590,036	-	9,628,493	305,107,662
Other contingents	-	-	-	-	436,655	-	3,132,115	2,749,576	121,202	-	4,691,197	11,130,745
Total	**-**	**3,328,536**	**206,951,780**	**-**	**9,185,259**	**-**	**13,515,527**	**64,226,377**	**4,711,238**	**-**	**14,319,690**	**316,238,407**

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

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

Classification of Sectorial Credit Concentration on Loans to Customers by Product

Parent

Dec-2020

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Loans and advances to customers:												
Loans to individuals:												
Overdraft	-	-	-	-	-	-	-	-	-	10,887,376	-	10,887,376
Loans	-	-	-	-	-	-	-	-	-	139,619,661	-	139,619,661
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**150,507,037**	**-**	**150,507,037**
Loans to non-individuals:												
Overdraft	1,068,975	81,639	4,636,723	352,843	4,258,160	1,716,414	7,882,193	33,189,745	7,159,000	-	4,394,506	64,740,198
Loans	13,231,661	51,979,011	23,400,207	6,940,054	28,786,882	78,931,871	254,713,665	602,989,754	95,752,374	-	31,137,182	1,187,862,661
Others	53,409	-	306,612	-	564,347	-	4,452,705	1,364,542	1	-	726,222	7,467,838
	14,354,045	**52,060,650**	**28,343,542**	**7,292,897**	**33,609,389**	**80,648,285**	**267,048,563**	**637,544,041**	**102,911,375**	**-**	**36,257,910**	**1,260,070,697**

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

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

The following tables show the analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

Maximum exposure to credit risk - Loans and advances

Group
June-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	86,072,780	-	-	86,072,780
Very Strong Capacity	581,462,612	-	-	581,462,612
Strong Repayment Capacity	547,645,633	-	-	547,645,633
Acceptable risk	126,778,230	-	-	126,778,230
Significant increase in credit risk	-	269,325,701	-	269,325,701
Default	-	-	102,734,060	102,734,060
Total	**1,341,959,255**	**269,325,701**	**102,734,060**	**1,714,019,016**

Group
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	107,047,624	-	-	107,047,624
Very Strong Capacity	628,426,782	-	-	628,426,782
Strong Repayment Capacity	493,007,760	-	-	493,007,760
Acceptable risk	122,290,877	-	-	122,290,877
Significant increase in credit risk	-	281,658,614	-	281,658,614
Default	-	-	111,463,638	111,463,638
Total	**1,350,773,043**	**281,658,614**	**111,463,638**	**1,743,895,295**

Parent
June-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	52,615,056	-	-	73,573,072
Very Strong Capacity	554,470,887	-	-	605,615,045
Strong Repayment Capacity	369,954,682	-	-	340,503,278
Acceptable risk	100,035,978	-	-	96,979,889
Significant increase in credit risk	-	249,866,185	-	270,319,004
Default	-	-	76,755,719	86,575,351
Total	**1,116,671,284**	**270,319,004**	**86,575,351**	**1,473,565,639**

Parent
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	73,573,072	-	-	41,347,011
Very Strong Capacity	605,615,045	-	-	507,014,683
Strong Repayment Capacity	340,503,278	-	-	400,649,155
Acceptable risk	96,979,889	-	-	88,934,067
Significant increase in credit risk		270,319,004		235,704,282
Default	-	-	86,575,351	83,498,253
Total	**1,037,944,916**	**235,704,282**	**83,498,253**	**1,357,147,451**

Maximum exposure to credit risk - Money Market Placements

Group
June-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	155,188,728	-	-	155,188,728

Group
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	170,512,774	-	-	170,512,774

Parent
June-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	126,076,212	-	-	126,076,212

Parent
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	152,854,998	-	-	152,854,998

Maximum exposure to credit risk - Investment securities

Group
June-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,153,538,500	-	-	1,153,538,500

Group
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	975,288,535	-	-	975,288,535

Parent
June-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	842,510,754	-	-	842,510,754

Parent
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	673,098,223	-	-	673,098,223

Maximum exposure to credit risk - Other assets

Group
June-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	967,966,738	-	-	967,966,738

ith central banks (See note 34(i) below)

Group
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,155,845,157	-	-	1,155,845,157

ith central banks (See note 34(i) below)
/IEIS (See note 34(ii) below)

Parent
June-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	933,942,467	-	-	933,942,467

ith central banks (See note 34(i) below)

Parent
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,103,006,050	-	-	1,103,006,050

ith central banks (See note 34(i) below)
/IEIS (See note 34(ii) below)

Maximum exposure to credit risk - off balance sheet

Group
June-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	0	-	-	-

Group
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	0	-	-	-

Parent
June-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	0	-	-	-

Parent
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	0	-	-	-

Disclosures of various factors that impact the ECL Model as at 30 June 2021.
These Factors revolves around:
1) Discounting of the expected future casflows from individual obligors with their respective Effective interest rate (EIR) on the set future dates to present value.
2) Application of varying haircut to underlying collateral and further discounting with their respective EIR
3) Application of varying forward looking information in relation to underlying macroeconomic assumptions and the degree of responsivenes of the obligors to the assumptions at different degree of normal, downturn and upturn scenarios. The weightings applied to the multiple economic scenarios are upturn - 30%; normal - 34%; and downturn - 36%.

The following macro-economic forecasts under the different scenarios were adopted for individual customers:

Macro-Economic variable assumptions:

	Scenario	**2022**	**2023**	**2024**
Exchange rate (₦/USD)	Upturn	373.91	418.18	457.54
	Normal	433.24	479.79	522.11
	Downturn	492.57	541.40	586.68
Inflation rate (%)	Upturn	9.23	9.42	9.52
	Normal	10.94	11.02	11.02
	Downturn	12.65	12.62	12.52
Unemployment (%)	Upturn	24.83	21.01	21.20
	Normal	30.00	26.00	26.00
	Downturn	35.17	30.99	30.80
GDP growth rate (%)	Upturn	4.19	4.06	3.97
	Normal	2.30	2.30	2.32
	Downturn	0.41	0.54	0.67

The following macro-economic forecasts under the different scenarios were adopted for corporate customers:

Macro-Economic variable assumptions:

	Scenario	**2022**	**2023**	**2024**
Exchange rate (₦/USD)	Upturn	373.91	418.18	457.54
	Normal	433.24	479.79	522.11
	Downturn	492.57	541.40	586.68
Inflation rate (%)	Upturn	9.23	9.42	9.52
	Normal	10.94	11.02	11.02
	Downturn	12.65	12.62	12.52
Crude oil prices (USD/barrel)	Upturn	73.28	76.97	80.21
	Normal	60.49	65.00	69.00
	Downturn	47.70	53.03	57.79
Crude oil Production (barrel)	Upturn	2,244,984	2,532,107	2,533,259
	Normal	2,090,000	2,380,000	2,380,000
	Downturn	1,935,016	2,227,893	2,226,741
GDP growth rate (%)	Upturn	4.19	4.06	3.97
	Normal	2.30	2.30	2.32
	Downturn	0.41	0.54	0.67

Disclosures of various factors that impact the Subsidiaries ECL Model as at 30 June 2021.

The following macro-economic forecasts under the different scenarios were adopted in the stated jurisdictions:

Macro-Economic variable assumptions for individual customers:

Scenario	Macroeconomic Variable	United Kingdom	Ghana	Kenya	Serria-Leone	Gambia
Normal	Exchange rate (Per US$)	1.404	6.42	108.50	10,272.94	52
	inflation rate	1.80%	8.00%	6.50%	10.60%	8.50%
	unemployment rate	4.60%	6.90%	10.40%	4.60%	9.60%
	Residential Property Prices	4.00%	n/a	n/a	n/a	n/a
	GDP	2.30%	5.50%	5.70%	4.42%	2.50%
Upturn	Exchange rate (Per US$)	1.530	6.47	102.34	9,800.00	51.5
	inflation rate	1.50%	7.40%	6.13%	8.60%	8.00%
	unemployment rate	4.40%	6.95%	9.81%	3.90%	9.00%
	Residential Property Prices	5.00%	n/a	n/a	n/a	n/a
	GDP	6.80%	6.35%	5.86%	5.00%	3.00%
Downturn	Exchange rate (Per US$)	1.40	6.37	111.56	11,400.00	52.50
	inflation rate	2.00%	10.00%	6.68%	11.40%	9.00%
	unemployment rate	6.00%	6.85%	10.69%	5.00%	10.00%
	Residential Property Prices	-9.00%	n/a	n/a	n/a	n/a
	GDP	5.10%	4.50%	5.38%	4.00%	2.00%

Macro-Economic variable assumptions for corporate customers:

Scenario	Macroeconomic Variable	United Kingdom	Ghana	Kenya	Serria-Leone	Gambia
Normal	Exchange rate (Per US$)	1.40	6.42	108.50	10,272.94	52.00
	inflation rate	1.80%	8.00%	6.50%	10.60%	8.50%
	GDP	2.30%	5.50%	5.70%	4.42%	2.50%
	Crude($/pbl)	n/a	60.00	n/a	n/a	n/a
Upturn	Exchange rate (Per US$)	1.53	6.47	102.34	9,800.00	51.50
	inflation rate	1.50%	7.40%	6.13%	8.60%	8.00%
	GDP	6.80%	6.35%	5.86%	5.00%	3.00%
	Crude($/pbl)	n/a	65.00	n/a	n/a	n/a
Downturn	Exchange rate (Per US$)	1.40	6.37	111.56	11,400.00	52.50
	inflation	2.00%	10.00%	6.68%	11.40%	9.00%
	GDP	5.10%	4.50%	5.38%	4.00%	2.00%
	Crude($/pbl)	n/a	55.00	n/a	n/a	n/a

(vii) Impairment and provisioning policies

The following policies guide the Bank's provisioning and impairment:

(1) Loan Categorization

All loans and advances are categorized as follows during the current year:

- **Stage 1 Loans and Advances:**

  These are loans and advances that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (where the optional simplification is applied) at the reporting date. The credit quality of the Stage 1 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned ratings 1-6.

  In addition to the above, Stage 1 loans and advances are loans that have experienced movement of credit rating of less than 3 notches migration from origination and are not in default

- **Stage 2 Loans and Advances:**

  These are loans and advances that have deteriorated significantly in credit quality since initial recognition but do not have objective evidence of a credit loss event. The credit quality of the Stage 2 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned rating 7.

  In addition to the above, Stage 2 loans and advances are loans that have experienced movement of credit rating of more than 3 notches migration from origination and are not in default.

- **Stage 3 Loans and Advances:**

  These are loans and advances that have objective evidence of a credit loss event. Stage 3 allocation is driven by either the identification of credit impairment or an exposure being classified as defaulted. The credit quality of the Stage 3 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned ratings 8-10.

(2) Allowances for impairment

The Group establishes an allowance for impairment losses that represents its estimate of expected credit losses in its loan portfolio. In accordance with IFRS 9 which requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (stage 1), and lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (stage 2) or which are credit impaired (stage 3).

Stage 1 – This is where credit risk has not increased significantly since initial recognition. For loans in stage 1, the Group recognises 12 month ECL and interest income is recognised on a gross basis – this means that interest will be calculated on the gross carrying amount of the loan before adjusting for ECL.

Stage 2 - This is where credit risk has increased significantly since initial recognition (stage 1). When a loan is transferred to stage 2, the Group recognises lifetime ECL but interest income will continue to be recognised on a gross basis.

Stage 3 – At stage 3, the loan is credit impaired. This is effectively the point at which there has been an incurred loss event. For loans in stage 3, the Group continues to recognise lifetime ECL but interest income is recognised on a net basis. This means that interest income will be calculated based on the gross carrying amount of the loan less ECL.

Realizable collaterals are important component of cash flows.

(3) Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower’s financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured, it remains in this category independent of satisfactory performance after restructuring.

(4) Governance structure around the ECL model:

The governance around the ECL model centres on the monitoring of performance of obligors in accordance with the term and conditions of the underlying facilities and ensure that the ratings assigned to each counterparty reflects the outcome of the internal rating model of the Group, tailored to the various categories and sectors of the counterparties. For this purpose the Bank has set up 3 level of structure with oversights on the review of credit performance and assign credit ratings. The three levels of governance structure are:

i) **Chief Risk Officer:** The Chief Risk Officer (CRO) works with the divisional heads and relationship managers to monitor and provide feedback on the performance of the facilities less than or equal to ₦100 million. This gives him insight into what the appropriate rating migration for each facility in this band should be.

ii) **An Executive Director (ED) who is a member of the Board Risk Management Committee (BRMC):** An ED who is a member of the BRMC has been assigned responsibility for the facilities above ₦100 million but less than ₦500 million. The ED works with the CRO, divisional heads and the relationship managers to monitor the facilities in this category. He ensures that adequate information as to the level of performance of these facilities is promptly retrieved and the counterparties are correctly rated.

iii) **The Managing Director (MD):** The Managing Director presides over the review of facilities over ₦500 million.

Every decision made with respect to the performance of these facilities must be approved by the MD.

All the above approving authorities in respect of credit ratings consider number of days past due as one of the quantitative variables in the determination of the credit ratings to be assigned to credit facilities. Facilities that are 30 days past due are assigned a credit rating of 7 except appropriate rebuttals are in place to justify a better credit rating while Facilities that are 90 days past due are assigned a rating of 8 except appropriate rebuttals are in place to justify a better credit rating.

(5) Policy around rebuttal:

When backstop is used and an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 respectively, the presumption can be rebutted only on the basis of the following:

i) The relationship manager and divisional head must provide reasonable and supportable evidence for the rebuttal. In doing this, the evidence must be provided to the CRO and credit risk management team within 10 working days failure of which the transfer will be made.

ii) For accounts that are moved to stage 2, the CRO and credit risk management team will review the evidence provided by the relationship manager and provide feedback to the relationship manager as regards the acceptability of the evidence.

iii) For accounts that are moved to stage 3, the CRO and credit risk management team will review the evidence provided by the relationship manager. The account is then scheduled to be presented to the Criticised Asset Committee (CAC).

iv) CAC takes decision with respect to the acceptability of the evidence presented to it.

v) Where the evidence is deemed acceptable as stated in (ii) and (iv) above, the account is immediately transferred back to the previous stage. Where the evidence is not acceptable, the account is left in the new stage except the relationship manager is able to provide fresh evidence which will follow the same step above.

Categorization of Loans and advances

The table below analyses the Group's Loans and advances based on the categorization by Performance of the Loans and the allowances taken on them.

Jun-2021

	Group				Parent			
	Jun-2021				Jun-2021			
In thousands of Nigerian Naira	**Loans to Individual**	**Loans to non-Individual**	**Loans to Banks**	**Total**	**Loans to Individual**	**Loans to non-Individual**	**Loans to Banks**	**Total**
Stage 1 - 12 months ECL	208,618,085	1,133,249,577	91,593	1,341,959,255	154,524,632	922,460,378	91,593	1,077,076,603
Stage 2 - Life Time ECL Not Credit Impaired	2,373,257	266,952,444	-	269,325,701	873,920	248,992,265	-	249,866,185
Stage 3 - Non Performing Loans	18,696,149	84,034,563	3,348	102,734,060	17,121,981	59,630,390	3,348	76,755,719
Gross Loans and Advances	**229,687,491**	**1,484,236,584**	**94,941**	**1,714,019,016**	**172,520,533**	**1,231,083,033**	**94,941**	**1,403,698,507**
Less allowances for impairment:								
Stage 1 - 12 months ECL	1,226,334	7,178,629	3,655	8,408,618	688,173	2,638,066	3,655	3,329,894
Stage 2 - Life Time ECL Not Credit Impaired	111,971	18,017,776	-	18,129,747	40,061	16,444,485	-	16,484,546
Stage 3 - Non Performing Loans	14,584,226	40,716,178	2,045	55,302,449	13,734,323	30,984,569	2,045	44,720,937
Total allowance	**15,922,531**	**65,912,583**	**5,700**	**81,840,814**	**14,462,557**	**50,067,120**	**5,700**	**64,535,377**
Net Loans and Advances	**213,764,960**	**1,418,324,001**	**89,241**	**1,632,178,202**	**158,057,976**	**1,181,015,913**	**89,241**	**1,339,163,130**

Dec-2020

	Group				Parent			
	Dec-2020				Dec-2020			
	Loans to Individual	**Loans to non-Individual**	**Loans to Banks**	**Total**	**Loans to Individual**	**Loans to non-Individual**	**Loans to Banks**	**Total**
Stage 1 - 12 months ECL	193,267,082	1,157,386,812	119,149	1,350,773,043	142,599,239	974,072,045	-	1,116,671,284
Stage 2 - Life Time ECL Not Credit Impaired	1,434,432	280,224,182	-	281,658,614	966,250	269,352,754	-	270,319,004
Stage 3 - Non Performing Loans	19,826,996	91,569,359	67,283	111,463,638	17,279,715	69,228,353	67,283	86,575,351
Gross Loans and Advances	**214,528,510**	**1,529,180,353**	**186,432**	**1,743,895,295**	**160,845,204**	**1,312,653,152**	**67,283**	**1,473,565,639**
Less allowances for impairment:								
Stage 1 - 12 months ECL	777,438	5,741,522	59,855	6,578,815	196,659	2,661,895	-	2,858,554
Stage 2 - Life Time ECL Not Credit Impaired	44,383	17,874,085	-	17,918,468	6,931	15,109,122	-	15,116,053
Stage 3 - Non Performing Loans	11,131,410	45,408,326	27,534	56,567,270	10,134,577	34,811,438	27,534	44,973,549
Total allowance	**11,953,231**	**69,023,933**	**87,389**	**81,064,553**	**10,338,167**	**52,582,455**	**27,534**	**62,948,156**
Net Loans and Advances	**202,575,279**	**1,460,156,420**	**99,043**	**1,662,830,742**	**150,507,037**	**1,260,070,697**	**39,749**	**1,410,617,483**

Each category of the gross loans is further analysed into Product lines as follows:

Jun-2021

In thousands of Nigerian Naira	Group Jun-2021 Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Parent Jun-2021 Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Loans	197,483,754	1,031,884,279	22,833	1,229,390,866	144,968,926	875,795,684	22,833	1,020,787,443
Overdrafts	11,025,841	86,494,971	68,760	97,589,572	9,555,706	33,301,568	68,760	42,926,034
Others	108,490	14,870,327	-	14,978,817	-	13,363,126	-	13,363,126
Stage 1 - 12 Months ECL	**208,618,085**	**1,133,249,577**	**91,593**	**1,341,959,255**	**154,524,632**	**922,460,378**	**91,593**	**1,077,076,603**
Loans	1,870,064	247,123,932	-	248,993,996	547,743	234,781,743	-	235,329,486
Overdrafts	499,965	19,689,455	-	20,189,420	326,177	14,210,522	-	14,536,699
Others	3,228	139,057	-	142,285	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	**2,373,257**	**266,952,444**	**-**	**269,325,701**	**873,920**	**248,992,265**	**-**	**249,866,185**
Loans	8,387,729	66,144,352	2,760	74,534,841	6,990,460	47,601,227	2,760	54,594,447
Overdrafts	10,307,669	17,728,943	588	28,037,200	10,131,521	12,028,080	588	22,160,189
Others	751	161,268	-	162,019	-	1,083	-	1,083
Stage 3 - Non Performing Loans	**18,696,149**	**84,034,563**	**3,348**	**102,734,060**	**17,121,981**	**59,630,390**	**3,348**	**76,755,719**
Total Loans and Advances	**229,687,491**	**1,484,236,584**	**94,941**	**1,714,019,016**	**172,520,533**	**1,231,083,033**	**94,941**	**1,403,698,507**

The impairment allowance on loans is further analysed as follows:

	Group Jun-2021 Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Parent Jun-2021 Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Stage 1: 12 Months ECL								
Loans	673,607	4,174,619	10	4,848,236	226,638	1,972,972	10	2,199,620
Overdrafts	523,730	2,580,680	3,645	3,108,055	461,535	636,638	3,645	1,101,818
Others	28,997	423,330	-	452,327	-	28,456	-	28,456
	1,226,334	**7,178,629**	**3,655**	**8,408,618**	**688,173**	**2,638,066**	**3,655**	**3,329,894**
Stage 2: Life Time ECL Not Credit Impaired								
Loans	12,582	17,147,296	-	17,159,878	2,242	16,211,913	-	16,214,155
Overdrafts	97,370	752,472	-	849,842	37,819	232,572	-	270,391
Others	2,019	118,008	-	120,027	-	-	-	-
	111,971	**18,017,776**	**-**	**18,129,747**	**40,061**	**16,444,485**	**-**	**16,484,546**
Stage 3: Non Performing Loans								
Loans	4,813,102	32,571,723	1,458	37,386,283	4,038,157	23,965,527	1,458	28,005,142
Overdrafts	9,771,124	8,024,659	587	17,796,370	9,696,166	7,018,063	587	16,714,816
Others	-	119,796	-	119,796	-	979	-	979
	14,584,226	**40,716,178**	**2,045**	**55,302,449**	**13,734,323**	**30,984,569**	**2,045**	**44,720,937**
Total allowance	**15,922,531**	**65,912,583**	**5,700**	**81,840,814**	**14,462,557**	**50,067,120**	**5,700**	**64,535,377**

Each category of the gross loans is further analysed into Product lines as follows:

Dec-2020

In thousands of Nigerian Naira	Group Dec-2020 Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Parent Dec-2020 Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Loans	184,950,412	1,049,088,514	115,237	1,234,154,163	135,793,414	919,111,186	-	1,054,904,600
Overdrafts	8,232,005	99,698,293	3,912	107,934,210	6,805,825	47,488,314	-	54,294,139
Others	84,665	8,600,005	-	8,684,670	-	7,472,545	-	7,472,545
Stage 1 - 12 Months ECL	**193,267,082**	**1,157,386,812**	**119,149**	**1,350,773,043**	**142,599,239**	**974,072,045**	**-**	**1,116,671,284**
Loans	1,077,188	262,463,801	-	263,540,989	720,125	256,954,257	-	257,674,382
Overdrafts	357,244	17,711,098	-	18,068,342	246,125	12,398,497	-	12,644,622
Others	-	49,283	-	49,283	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	**1,434,432**	**280,224,182**	**-**	**281,658,614**	**966,250**	**269,352,754**	**-**	**270,319,004**
Loans	9,657,343	74,831,922	34,409	84,523,674	7,250,296	57,987,432	34,409	65,272,137
Overdrafts	10,169,653	16,690,834	32,874	26,893,361	10,029,419	11,239,902	32,874	21,302,195
Others	-	46,603	-	46,603	-	1,019	-	1,019
Stage 3 - Non Performing Loans	**19,826,996**	**91,569,359**	**67,283**	**111,463,638**	**17,279,715**	**69,228,353**	**67,283**	**86,575,351**
Total Loans and Advances	**214,528,510**	**1,529,180,353**	**186,432**	**1,743,895,295**	**160,845,204**	**1,312,653,152**	**67,283**	**1,473,565,639**

The impairment allowance on loans is further analysed as follows:

	Group Dec-2020 Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Parent Dec-2020 Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Stage 1: 12 Months ECL								
Loans	603,008	4,199,404	59,855	4,862,267	106,857	2,138,219	-	2,245,076
Overdrafts	174,430	1,537,332	-	1,711,762	89,802	518,890	-	608,692
Others	-	4,786	-	4,786	-	4,786	-	4,786
	777,438	**5,741,522**	**59,855**	**6,578,815**	**196,659**	**2,661,895**	**-**	**2,858,554**
Stage 2: Life Time ECL Not Credit Impaired								
Loans	37,564	16,073,623	-	16,111,187	1,811	14,999,590	-	15,001,401
Overdrafts	6,819	1,800,462	-	1,807,281	5,120	109,532	-	114,652
Others	-	-	-	-	-	-	-	-
	44,383	**17,874,085**	**-**	**17,918,468**	**6,931**	**15,109,122**	**-**	**15,116,053**
Stage 3: Non Performing Loans								
Loans	5,008,406	37,303,390	7,753	42,319,549	4,035,506	29,052,405	7,753	33,095,664
Overdrafts	6,123,004	8,086,935	19,781	14,229,720	6,099,071	5,758,093	19,781	11,876,945
Others	-	18,001	-	18,001	-	940	-	940
	11,131,410	**45,408,326**	**27,534**	**56,567,270**	**10,134,577**	**34,811,438**	**27,534**	**44,973,549**
Total allowance	**11,953,231**	**69,023,933**	**87,389**	**81,064,553**	**10,338,167**	**52,582,455**	**27,534**	**62,948,156**

(i) Credit quality of Stage 1 Loans and advances

The credit quality of the portfolio of Stage 1 loans and advances can be assessed by reference to the internal rating system adopted by the Group.

Group
Jun-2021
In thousands of Nigerian Naira

	Loans and advances to customers						Loans and advances to banks		
	Individuals			Non-individuals					
Rating	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Total**
Exceptional capacity	22,506	29,765,220	71,993	14,144,636	39,297,294	2,771,016	-	115	86,072,780
Very strong capacity	684,325	7,133,383	-	9,519,400	558,931,442	5,194,062	-	-	581,462,612
Strong repayment capacity	9,533,087	155,907,444	-	45,601,737	329,973,152	6,609,381	20,832	-	547,645,633
Acceptable risk	786,402	4,676,968	36,757	17,229,134	103,682,456	295,867	47,813	22,833	126,778,230
Total	**11,026,320**	**197,483,015**	**108,750**	**86,494,907**	**1,031,884,344**	**14,870,326**	**68,645**	**22,948**	**1,341,959,255**

Group
Dec-2020
In thousands of Nigerian Naira

	Loans and advances to customers						Loans and advances to banks		
	Individuals			Non-individuals					
Rating	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Total**
Exceptional capacity	21,593	28,779,938	70,669	20,558,818	56,772,367	725,090	3,912	115,237	107,047,624
Very strong capacity	819,368	6,070,243	-	19,934,371	598,509,716	3,093,084	-	-	628,426,782
Strong repayment capacity	6,746,706	146,831,401	-	43,704,666	292,077,528	3,647,459	-	-	493,007,760
Acceptable risk	644,219	3,268,695	14,250	15,500,009	101,729,332	1,134,372	-	-	122,290,877
Total	**8,231,886**	**184,950,277**	**84,919**	**99,697,864**	**1,049,088,943**	**8,600,005**	**3,912**	**115,237**	**1,350,773,043**

The credit quality of Stage 1 Loans and advances for the Parent is discussed below:

Parent
Jun-2021
In thousands of Nigerian Naira

	Loans and advances to customers						Loans and advances to banks		
	Individuals			Non-individuals					
Rating	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Total**
Exceptional capacity	-	-	-	11,573,457	38,270,583	2,771,016	-	-	52,615,056
Very strong capacity	19,618	1,242	-	3,804,630	546,442,573	4,202,824	-	-	554,470,887
Strong repayment capacity	9,207,549	144,548,932	-	11,965,547	197,950,188	6,261,519	20,947	-	369,954,682
Acceptable risk	328,541	418,750	-	5,957,934	93,132,346	127,761	47,813	22,833	100,035,978
Total	**9,555,708**	**144,968,924**	**-**	**33,301,568**	**875,795,690**	**13,363,120**	**68,760**	**22,833**	**1,077,076,603**

Parent
Dec-2020
In thousands of Nigerian Naira

	Loans and advances to customers						Loans and advances to banks		
	Individuals			Non-individuals					
Rating	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Total**
Exceptional capacity	-	-	-	18,183,606	54,664,376	725,090	-	-	73,573,072
Very strong capacity	29,190	10,176	-	15,082,764	588,007,166	2,485,749	-	-	605,615,045
Strong repayment capacity	6,573,826	135,331,711	-	8,461,229	186,839,718	3,296,794	-	-	340,503,278
Acceptable risk	202,811	451,525	-	5,760,714	89,599,928	964,911	-	-	96,979,889
Total	**6,805,827**	**135,793,412**	**-**	**47,488,313**	**919,111,188**	**7,472,544**	**-**	**-**	**1,116,671,284**

(ii) **Stage 2 Loans and Advances to Customers**

Group
Jun-2021
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	1,870,064	247,123,932	-	248,993,996
Overdraft	499,965	19,689,455	-	20,189,420
Others	3,228	139,057	-	142,285
	2,373,257	**266,952,444**	**-**	**269,325,701**
Impairment:				
Loans	12,582	17,147,296	-	17,159,878
Overdraft	97,370	752,472	-	849,842
Others	2,019	118,008	-	120,027
	111,971	**18,017,776**	**-**	**18,129,747**
Net Amount:				
Loans	1,857,482	229,976,636	-	231,834,118
Overdraft	402,595	18,936,983	-	19,339,578
Others	1,209	21,049	-	22,258
	2,261,286	**248,934,668**	**-**	**251,195,954**
FV of collateral[1]:				
Loans	31,100,777	4,339,032,854	-	4,370,133,631
Overdraft	8,314,849	99,741,005	-	108,055,854
Others	53,684	875,486	-	929,170
	39,469,310	**4,439,649,345**	**-**	**4,479,118,655**
Amount of undercollateralisation:				
Others	-	-	-	-
	-	**-**	**-**	**-**
Net Loans	**2,261,286**	**248,934,668**	**-**	**251,195,954**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

Group
Dec-2020
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	1,077,188	262,463,801	-	263,540,989
Overdraft	357,244	17,711,098	-	18,068,342
Others	-	49,283	-	49,283
	1,434,432	**280,224,182**	**-**	**281,658,614**
Impairment:				
Loans	37,564	16,073,623	-	16,111,187
Overdraft	6,819	1,800,462	-	1,807,281
Others	-	-	-	-
	44,383	**17,874,085**	**-**	**17,918,468**
Net Amount:				
Loans	1,039,624	246,390,178	-	247,429,802
Overdraft	350,425	15,910,636	0	16,261,061
Others	-	49,283	-	49,283
	1,390,049	**262,350,097**	**-**	**263,740,146**
FV of collateral[1]:				
Loans	17,296,259	4,406,563,146	-	4,423,859,405
Overdraft	5,736,217	92,525,543	-	98,261,760
Others	-	432,267	-	432,267
	23,032,476	**4,499,520,956**	**-**	**4,522,553,432**
Amount of undercollateralisation:				
Overdraft	-	-	-	-
	-	**-**	**-**	**-**
Net Loans	**1,390,049**	**262,350,097**	**-**	**263,740,146**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

Stage 2 Loans and Advances to Customers (Cont'd)

Parent
Jun-2021
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	547,743	234,781,743	-	235,329,486
Overdraft	326,177	14,210,522	-	14,536,699
Others	-	-	-	-
	873,920	**248,992,265**	**-**	**249,866,185**
Impairment:				
Loans	2,242	16,211,913	-	16,214,155
Overdraft	37,819	232,572	-	270,391
Others	-	-	-	-
	40,061	**16,444,485**	**-**	**16,484,546**
Net Amount:				
Loans	545,501	218,569,830	-	219,115,331
Overdraft	288,358	13,977,950	-	14,266,308
Others	-	-	-	-
	833,859	**232,547,780**	**-**	**233,381,639**
FV of collateral[1]:				
Loans	602,308	4,351,661,140	-	4,352,263,448
Overdraft	159,104	86,416,981	-	86,576,085
Others	-	-	-	-
	761,412	**4,438,078,121**	**-**	**4,438,839,533**
Amount of undercollateralisation:				
Loans	-	-	-	-
Overdraft	167,073	-	-	-
Others	-	-	-	-
	112,508	**-**	**-**	**-**
Net Loans	**833,859**	**232,547,780**	**-**	**233,381,639**
Amount of undercollateralisation on net loans	**72,447**	**-**	**-**	**-**

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

Parent
Dec-2020
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	720,125	256,954,257	-	257,674,382
Overdraft	246,125	12,398,497	-	12,644,622
Others	-	-	-	-
	966,250	**269,352,754**	**-**	**270,319,004**
Impairment:				
Loans	1,811	14,999,590	-	15,001,401
Overdraft	5,120	109,532	-	114,652
Others	-	-	-	-
	6,931	**15,109,122**	**-**	**15,116,053**
Net Amount:				
Loans	718,314	241,954,667	-	242,672,981
Overdraft	241,005	12,288,965	-	12,529,970
Others	-	-	-	-
	959,319	**254,243,632**	**-**	**255,202,951**
FV of collateral[1]:				
Loans	714,411	4,406,340,933	-	4,407,055,344
Overdraft	1,759,531	86,637,572	-	88,397,103
Others	-	-	-	-
	2,473,942	**4,492,978,505**	**-**	**4,495,452,447**
Amount of undercollateralisation:				
Loans	5,714	-	-	-
Overdraft	-	-	-	-
	-	**-**	**-**	**-**
Net Loans	**959,319**	**254,243,632**	**-**	**255,202,951**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

(iii) **Stage 3 Loans and Advances to Customers**

The breakdown of gross amount of Stage 3 Loans, along with the fair value of related collateral held by the Group as security, are as follows:

Group
Jun-2021
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross loans:				
Loans	8,387,729	66,144,352	2,760	74,534,841
Overdraft	10,307,669	17,728,943	588	28,037,200
Others	751	161,268	-	162,019
	18,696,149	**84,034,563**	**3,348**	**102,734,060**
Impairment:				
Loans	4,813,102	32,571,723	1,458	37,386,283
Overdraft	9,771,124	8,024,659	587	17,796,370
Others	-	119,796	-	119,796
	14,584,226	**40,716,178**	**2,045**	**55,302,449**
Net Amount:				
Loans	3,574,627	33,572,629	1,302	37,148,558
Overdraft	536,545	9,704,284	1	10,240,830
Others	751	41,472	-	42,223
	4,111,923	**43,318,385**	**1,303**	**47,431,611**
FV of collateral[1]:				
Loans	8,524,599	91,348,532	2,752	99,875,883
Overdraft	10,475,869	23,487,739	3	33,963,611
Others	763	1,963,811	-	1,964,574
FV of collateral	**19,001,231**	**116,800,082**	**2,755**	**135,804,068**
Amount of undercollateralisation:				
Loans	-	-	8	-
Overdraft	-	-	585	-
Others	-	-	-	-
	-	-	593	-
Net Loans	**4,111,923**	**43,318,385**	**1,303**	**47,431,611**
Amount of undercollateralisation on net loans	-	-	-	-

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

Group
Dec-2020
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross loans:				
Loans	6,429,264	62,277,528	2,241	68,709,033
Overdraft	3,516,358	29,593,638	17,099	33,127,095
Others	10,138	606,961	-	617,099
	9,955,760	**92,478,127**	**19,340**	**102,453,227**
Impairment:				
Loans	3,234,052	25,477,432	1,527	28,713,011
Overdraft	2,887,650	20,168,214	6,492	23,062,356
Others	1,124	112,303	-	113,427
	6,122,826	**45,757,949**	**8,019**	**51,888,794**
Net Amount:				
Loans	3,195,212	36,800,096	714	39,996,022
Overdraft	628,708	9,425,424	10,607	10,064,739
Others	9,014	494,658	-	503,672
	3,832,934	**46,720,178**	**11,321**	**50,564,433**
FV of collateral[1]:				
Loans	5,617,180	131,273,637	2,236	136,893,053
Overdraft	1,380,072	46,510,316	43,646	47,934,034
Others	3,979	342,777	-	346,756
FV of collateral	**7,001,231**	**178,126,730**	**45,882**	**185,173,843**
Amount of undercollateralisation:				
Loans	812,084	-	5	-
Overdraft	2,136,286	-	-	-
Others	6,159	264,184	-	270,343
	2,954,529	**-**	**-**	**-**
Net Loans	**3,832,934**	**46,720,178**	**11,321**	**50,564,433**
Amount of undercollateralisation on net loans	-	-	-	-

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is assessed by reference to market price or indexes of similar assets.

Stage 3 Loans and Advances to Customers (Cont'd)

Parent
Jun-2021
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross loans:				
Loans	6,990,460	47,601,227	2,760	54,594,447
Overdraft	10,131,521	12,028,080	588	22,160,189
Others	-	1,083	-	1,083
	17,121,981	**59,630,390**	**3,348**	**76,755,719**
Impairment:				
Loans	4,038,157	23,965,527	1,458	28,005,142
Overdraft	9,696,166	7,018,063	587	16,714,816
Others	-	979	-	979
	13,734,323	**30,984,569**	**2,045**	**44,720,937**
Net Amount:				
Loans	2,952,303	23,635,700	1,302	26,589,305
Overdraft	435,355	5,010,017	1	5,445,373
Others	-	104	-	104
	3,387,658	**28,645,821**	**1,303**	**32,034,782**
FV of collateral[1]:				
Loans	6,930,965	58,777,378	2,753	65,711,096
Overdraft	1,544,923	16,222,232	3	17,767,158
Others	-	1,935,212	-	1,935,212
FV of collateral	**8,475,888**	**76,934,822**	**2,756**	**85,413,466**
Amount of undercollateralisation:				
Loans	59,495	-	7	-
Overdraft	8,586,598	-	585	4,393,031
	8,646,093	-	592	-
Net Loans	**3,387,658**	**28,645,821**	**1,303**	**32,034,782**
Amount of undercollateralisation on net loans	-	-	-	-

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

Parent
Dec-2020
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross loans:				
Loans	4,182,279	50,369,618	2,241	54,554,138
Overdraft	3,407,928	25,518,286	17,099	28,943,313
Others	-	802	-	802
	7,590,207	**75,888,706**	**19,340**	**83,498,253**
Impairment:				
Loans	2,821,813	21,460,405	1,527	24,283,745
Overdraft	2,868,550	18,352,534	6,492	21,227,576
Others	-	659	-	659
	5,690,363	**39,813,598**	**8,019**	**45,511,980**
Net Amount:				
Loans	1,360,466	28,909,213	714	30,270,393
Overdraft	539,378	7,165,752	10,607	7,715,737
Others	-	143	-	143
	1,899,844	**36,075,108**	**11,321**	**37,986,273**
FV of collateral[1]:				
Loans	5,617,180	97,013,713	2,236	102,633,129
Overdraft	3,069,576	34,923,317	43,646	38,036,539
Others	-	334,218	-	334,218
FV of collateral	**8,686,756**	**132,271,248**	**45,882**	**141,003,886**
Amount of undercollateralisation:				
Loans	-	-	5	-
Overdraft	338,352	-	-	-
	-	-	-	-
Net Loans	**1,899,844**	**36,075,108**	**11,321**	**37,986,273**
Amount of undercollateralisation on net loans	-	-	-	-

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

(v) Credit collateral

The Group ensures that each credit is reviewed and granted based on the strength of the borrowers' cash flow. However, the Group also ensures its credit facilities are well secured as a second way out. The policies that guide collateral for facilities are embedded within the Group's credit policy guide. These include the following policy statements amongst others:

Loans to individuals and non-individuals are to be secured by tangible, marketable collateral that has a market value that is supported by a valuation report from a registered estate valuer who is acceptable to the Group. The collateral must also be easy to check and easy to dispose of. This collateral must be in the possession of, or pledged to, the Group. Client's account balances must be within the scope of cover provided by its collateral.

All collateral offered must have the following attributes:

- There must be good legal title
- The title must be easy to transfer
- It should be easy and relatively cheap to value
- The value should be appreciating or at least stable
- The security must be easy to sell.

All collateral must be protected by insurance. Exceptions include cash collateral, securities in safe keeping, indemnity or guarantees, or where our interest is general (for instance in a negative pledge). The insurance policy has to be issued by an insurer acceptable to the Bank. All cash collateralized facilities shall have a 20% margin to provide cushion for interest and other charges i.e. only 80% of the deposit or cash collateral may be availed to an obligor.

The main collateral types acceptable to the Bank for loans and advances include:

- Mortgages over residential properties

- Charges over business premises, fixed and floating assets as well as inventory.

- Charges over financial instruments such as equities, treasury bills etc.

The fair values of collaterals are based upon last annual valuation undertaken by independent valuers on behalf of the Bank. The valuation techniques adopted for properties are based upon fair values of similar properties in the neighbourhood taking into cognizance the advantages and disadvantages of the comparatives over the subject property and any other factor which can have effect on the valuation e.g. subsequent movements in house prices, after making allowance for dilapidations. The fair values of non-property collaterals (such as equities, bond, treasury bills, etc.) are determined with reference to market quoted prices or market values of similar instrument.

The same Fair value approach is used in determining the collaterals value in the course of sale or realisation. The Bank uses external agents to realize the value as soon as practicable, generally at auction, to settle indebtedness. Any surplus funds are returned to the borrower.

Notes to the financial statements

Summary of collaterals pledged by customers against loans and advances

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers and banks is shown below:

Group
Jun-2021

	Loans and advances to customers		Loans and advances to Banks	
In thousands of Nigerian Naira	**Gross Loans**	**Collateral**	**Gross Loans**	**Collateral**
Against Stage 1 Loans and Advances	1,341,867,662	14,589,281,080	91,593	109,581
Against Stage 2 Loans and Advances	269,325,701	4,479,118,655	-	-
Against Stage 3 Loans and Advances	102,730,712	135,801,313	3,348	2,755
Total	**1,713,924,075**	**19,204,201,048**	**94,941**	**112,336**

Group
Dec-2020

	Loans and advances to customers		Loans and advances to Banks	
In thousands of Nigerian Naira	**Gross Loans**	**Collateral**	**Gross Loans**	**Collateral**
Against Stage 1 Loans and Advances	1,350,653,894	15,289,473,997	119,149	-
Against Stage 2 Loans and Advances	281,658,614	4,522,553,432	-	-
Against Stage 3 Loans and Advances	111,396,355	229,356,071	67,283	67,417
Total	**1,743,708,863**	**20,041,383,500**	**186,432**	**67,417**

Parent
Jun-2021

	Loans and advances to customers		Loans and advances to Banks	
In thousands of Nigerian Naira	**Gross Loans**	**Collateral**	**Gross Loans**	**Collateral**
Against Stage 1 Loans and Advances	1,076,985,010	14,160,444,783	91,593	109,581
Against Stage 2 Loans and Advances	249,866,185	4,438,839,533	-	-
Against Stage 3 Loans and Advances	76,752,371	85,410,710	3,348	2,756
Total	**1,403,603,566**	**18,684,695,026**	**94,941**	**112,337**

Parent
Dec-2020

	Loans and advances to customers		Loans and advances to Banks	
In thousands of Nigerian Naira	**Gross Loans**	**Collateral**	**Gross Loans**	**Collateral**
Against Stage 1 Loans and Advances	1,116,671,284	14,945,633,929	-	-
Against Stage 2 Loans and Advances	270,319,004	4,495,452,447	-	-
Against Stage 3 Loans and Advances	86,508,068	181,198,911	67,283	67,417
Total	**1,473,498,356**	**19,622,285,287**	**67,283**	**67,417**

Notes to the financial statements

The type of Collaterals and Other Security enhancement held against the various loan classifications are disclosed in the table below:

Group

In thousands of Nigerian Naira	**Loans and advances to customers Jun-2021**	**Loans and advances to banks Jun-2021**
Against Stage 1 Loans and Advances:		
Property	1,577,084,593	109,581
Equities	28,953,314	-
Treasury bills	-	-
Cash	103,980,986	-
Guarantees	96,888,361	-
Negative pledge	988,997	-
ATC*, stock hypothecation and ISPO*	823,320,344	-
Others #	11,958,064,485	-
Total	**14,589,281,080**	**109,581**
Against Stage 2 Loans and Advances:		
Property	134,190,374	-
Equities	28,922,470	-
Cash	3,199,309	-
Guarantees	504,038	-
Others #	4,312,302,464	-
Total	**4,479,118,655**	**-**
Against Stage 3 Loans and Advances:		
Property	85,507,140	-
Equities	14,362	-
Treasury bills	5,500	-
Cash	203,372	-
Guarantees	2,736,872	-
ATC*, stock hypothecation and ISPO*	530,305	-
Others #	46,803,762	2,755
Total	**135,801,313**	**2,755**
Grand total	**19,204,201,048**	**112,336**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Notes to the financial statements

Parent

In thousands of Nigerian Naira	**Loans and advances to customers Jun-2021**	**Loans and advances to banks Jun-2021**
Against Stage 1 Loans and Advances:		
Property	1,255,137,313	109,581
Equities	28,913,409	-
Treasury bills	-	-
Cash	12,922,936	-
Guarantees	90,447,490	-
ATC*, stock hypothecation and ISPO*	823,320,344	-
Others #	11,949,703,291	-
Total	**14,160,444,783**	**109,581**
Against Stage 2 Loans and Advances:		
Property	97,857,688	-
Equities	28,922,470	-
Cash	32,789	-
Guarantees	-	-
Others #	4,312,026,586	-
Total	**4,438,839,533**	**-**
Against Stage 3 Loans and Advances:		
Property	37,352,161	-
Equities	14,362	-
Treasury bills	5,500	-
Cash	161,220	-
Guarantees	2,736,872	-
ATC*, stock hypothecation and ISPO*	530,305	-
Others #	44,610,290	2,756
Total	**85,410,710**	**2,756**
Grand total	**18,684,695,026**	**112,337**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

The type of Collaterals and Other Security enhancement held against the various loan classifications are disclosed in the table below:

Group

In thousands of Nigerian Naira	Loans and advances to customers Dec-2020	Loans and advances to banks Dec-2020
Against Stage 1 Loans and Advances:		
Property	1,746,079,857	-
Equities	33,268,426	-
Treasury bills	7,620,178	-
Cash	74,350,217	-
Guarantees	121,603,640	-
Negative pledge	892,278	-
ATC*, stock hypothecation and ISPO*	823,172,609	-
Others #	12,482,486,792	-
Total	**15,289,473,997**	**-**
Against Stage 2 Loans and Advances:		
Property	140,895,331	-
Equities	28,922,470	-
Cash	648,882	-
Guarantees	20,783,044	-
Negative pledge	-	-
Others #	4,331,303,705	-
Total	**4,522,553,432**	**-**
Against Stage 3 Loans and Advances:		
Property	112,444,337	63,081
Equities	613,139	-
Treasury bills	5,500	-
Cash	8,677,888	-
Guarantees	7,359,528	-
ATC*, stock hypothecation and ISPO*	1,166,606	-
Others #	99,089,073	4,336
Total	**229,356,071**	**67,417**
Grand total	**20,041,383,500**	**67,417**

*ISPO: Irrevocable standing payment order
*ATC: Authority to collect
#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Parent

In thousands of Nigerian Naira	Loans and advances to customers Dec-2020	Loans and advances to banks Dec-2020
Against Stage 1 Loans and Advances:		
Property	1,511,010,235	-
Equities	33,228,643	-
Treasury bills	7,620,178	-
Cash	21,592,175	-
Guarantees	114,594,433	-
Negative pledge	-	-
ATC*, stock hypothecation and ISPO*	823,172,609	-
Others #	12,434,415,656	-
Total	**14,945,633,929**	**-**
Against Stage 2 Loans and Advances:		
Property	115,233,396	-
Equities	28,922,470	-
Cash	4,538	-
Guarantees	20,250,832	-
Negative pledge	-	-
Others #	4,331,041,211	-
Total	**4,495,452,447**	**-**
Against Stage 3 Loans and Advances:		
Property	66,568,366	63,081
Equities	613,139	-
Treasury bills	5,500	-
Cash	8,634,612	-
Guarantees	7,359,528	-
ATC*, stock hypothecation and ISPO*	1,166,606	-
Others #	96,851,160	4,336
Total	**181,198,911**	**67,417**
Grand total	**19,622,285,287**	**67,417**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Summary of collaterals pledged by customers against loans and advances

Analysis of credit collateral is further shown below:

Group
Jun-2021

	Loans and advances to customers				Loans and advances to banks			
	Term Loans	**Overdrafts**	**Others**	**Total**	**Term Loans**	**Overdrafts**	**Others**	**Total**
Against Stage 1 Loans and Advances:								
Property	858,245,576	164,547,466	554,291,551	1,577,084,593	20,388	89,193	-	109,581
Equities	28,189,765	-	763,549	28,953,314	-	-	-	-
Cash	81,581,406	10,631,277	11,768,303	103,980,986	-	-	-	-
Guarantees	36,008,505	1,536,817	59,343,039	96,888,361	-	-	-	-
Negative Pledge	-	988,997	-	988,997	-	-	-	-
Treasury Bills	-	-	-	-	-	-	-	-
ATC*, stock hypothecation and ISPO*	823,074,550	245,794	-	823,320,344	-	-	-	-
Others #	11,859,898,973	82,011,927	16,153,585	11,958,064,485	-	-	-	-
Total	**13,686,998,775**	**259,962,278**	**642,320,027**	**14,589,281,080**	**20,388**	**89,193**	**-**	**109,581**
Against Stage 2 Loans and Advances:								
Property	100,513,830	32,813,539	863,005	134,190,374	-	-	-	-
Equities	28,922,470	-	-	28,922,470	-	-	-	-
Cash	54,590	3,136,508	8,211	3,199,309	-	-	-	-
Guarantees	153,949	292,135	57,954	504,038	-	-	-	-
Others #	4,240,488,792	71,813,672	-	4,312,302,464	-	-	-	-
Total	**4,370,133,631**	**108,055,854**	**929,170**	**4,479,118,655**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	62,846,376	22,297,247	363,517	85,507,140	-	-	-	-
Equities	10,662	3,700	-	14,362	-	-	-	-
Treasury bills	5,500	-	-	5,500	-	-	-	-
Cash	161,220	42,152	-	203,372	-	-	-	-
Guarantees	1,038,605	98,267	1,600,000	2,736,872	-	-	-	-
ATC*, stock hypothecation and ISPO*	530,305	-	-	530,305	-	-	-	-
Others #	35,280,463	11,522,242	1,057	46,803,762	2,754	2	-	2,756
Total	**99,873,131**	**33,963,608**	**1,964,574**	**135,801,313**	**2,754**	**2**	**-**	**2,756**
Grand total	**18,157,005,537**	**401,981,740**	**645,213,771**	**19,204,201,048**	**23,142**	**89,195**	**-**	**112,337**

*ISPO: Irrevocable standing payment order
*ATC: Authority to collect
#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Parent
Jun-2021

	Loans and advances to customers				Loans and advances to banks			
	Term Loans	Overdrafts	Others	Total	Term Loans	Overdrafts	Others	Total
Against Stage 1 Loans and Advances:								
Property	623,887,984	88,201,022	543,048,307	1,255,137,313	20,388	89,193	-	109,581
Equities	28,149,860	-	763,549	28,913,409	-	-	-	-
Cash	1,964,213	115,306	10,843,417	12,922,936	-	-	-	-
Guarantees	33,113,937	229,613	57,103,940	90,447,490	-	-	-	-
Treasury bills	-	-	-	-	-	-	-	-
ATC*, stock hypothecation and ISPO*	823,074,550	245,794	-	823,320,344	-	-	-	-
Others #	11,851,927,568	81,622,138	16,153,585	11,949,703,291	-	-	-	-
Total	**13,362,118,112**	**170,413,873**	**627,912,798**	**14,160,444,783**	**20,388**	**89,193**	**-**	**109,581**
Against Stage 2 Loans and Advances:								
Property	83,048,145	14,809,543	-	97,857,688	-	-	-	-
Equities	28,922,470	-	-	28,922,470	-	-	-	-
Cash	32,789	-	-	32,789	-	-	-	-
Guarantees	-	-	-	-	-	-	-	-
Others #	4,240,260,043	71,766,543	-	4,312,026,586	-	-	-	-
Total	**4,352,263,447**	**86,576,086**	**-**	**4,438,839,533**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	30,373,345	6,643,604	335,212	37,352,161	-	-	-	-
Equities	10,662	3,700	-	14,362	-	-	-	-
Treasury bills	5,500	-	-	5,500	-	-	-	-
Cash	161,220	-	-	161,220	-	-	-	-
Guarantees	1,038,605	98,267	1,600,000	2,736,872	-	-	-	-
ATC*, stock hypothecation and ISPO*	530,305	-	-	530,305	-	-	-	-
Others #	33,588,706	11,021,584	-	44,610,290	2,754	2	-	2,756
Total	**65,708,343**	**17,767,155**	**1,935,212**	**85,410,710**	**2,754**	**2**	**-**	**2,756**
Grand total	**17,780,089,902**	**274,757,114**	**629,848,010**	**18,684,695,026**	**23,142**	**89,195**	**-**	**112,337**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Summary of collaterals pledged by customers against loans and advances

Analysis of credit collateral is further shown below:

Group
Dec-2020

In thousands of Nigerian Naira	Term Loans	Loans and advances to customers Overdrafts	Others	Total	Term Loans	Loans and advances to banks Overdrafts	Others	Total
Against Stage 1 Loans and Advances:								
Property	1,126,347,180	235,874,921	523,959,438	1,886,181,539	36,129	4,071	-	40,200
Equities	32,897,686	124,674	-	33,022,360	-	-	-	-
Cash	238,236,025	5,861,378	19,248,880	263,346,283	-	-	-	-
Guarantees	10,548,664	19,624,165	30,105,011	60,277,840	-	-	-	-
Negative Pledge	2,452,489	6,589,552	4,657,927	13,699,968	-	-	-	-
Treasury Bills	1,791,955	10,184	-	1,802,139	-	-	-	-
ATC*, stock hypothecation and ISPO*	20,209,780	277,652	-	20,487,432	-	-	-	-
Others #	19,983,265,630	49,246,957	47,414,009	20,079,926,596	-	-	-	-
Total	**21,415,749,409**	**317,609,483**	**625,385,265**	**22,358,744,157**	**36,129**	**4,071**	**-**	**40,200**
Against Stage 2 Loans and Advances:								
Property	31,144,669	17,386,457	873,342	49,404,468	-	-	-	-
Equities	31,728,760	-	-	31,728,760	-	-	-	-
Cash	16,686	3,036,510	-	3,053,196	-	-	-	-
Guarantees	259,796	99,718	-	359,514	-	-	-	-
Negative pledge	11,515,767	102,090	-	11,617,857	-	-	-	-
Others #	5,908,524,062	603,830,174	-	6,512,354,236	-	-	-	-
Total	**5,983,189,740**	**624,454,949**	**873,342**	**6,608,518,031**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	92,764,321	21,070,529	346,647	114,181,497	-	42,000	-	42,000
Equities	769,206	6,186	-	775,392	-	-	-	-
Treasury bills	50,000	5,500	-	55,500	-	-	-	-
Cash	7,863,492	27,542	-	7,891,034	-	-	-	-
Guarantees	2,333,822	432,449	109	2,766,380	-	-	-	-
ATC*, stock hypothecation and ISPO*	431,571	79,769	-	511,340	-	-	-	-
Others #	32,678,405	26,268,413	-	58,946,818	2,236	1,646	-	3,882
Total	**136,890,817**	**47,890,388**	**346,756**	**185,127,961**	**2,236**	**43,646**	**-**	**45,882**
Grand total	**27,535,829,966**	**989,954,820**	**626,605,363**	**29,152,390,149**	**38,365**	**47,717**	**-**	**86,082**

*ISPO: Irrevocable standing payment order
*ATC: Authority to collect
#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Parent
Dec-2020

In thousands of Nigerian Naira	Loans and advances to customers Term Loans	Overdrafts	Others	Total	Loans and advances to banks Term Loans	Overdrafts	Others	Total
Against Stage 1 Loans and Advances:								
Property	968,737,918	84,933,602	523,794,933	1,577,466,453	36,129	4,071	-	40,200
Equities	32,862,000	124,674	-	32,986,674	-	-	-	-
Cash	230,531,389	3,257,639	19,248,880	253,037,908	-	-	-	-
Guarantees	10,023,259	18,610,377	30,105,011	58,738,647	-	-	-	-
Negative pledge	2,452,489	5,391,239	4,657,927	12,501,655	-	-	-	-
Treasury bills	1,791,955	10,184	-	1,802,139	-	-	-	-
ATC*, stock hypothecation and ISPO*	20,209,780	277,652	-	20,487,432	-	-	-	-
Others #	19,936,593,748	42,710,575	47,414,009	20,026,718,332	-	-	-	-
Total	**21,203,202,538**	**155,315,942**	**625,220,760**	**21,983,739,240**	**36,129**	**4,071**	**-**	**40,200**
Against Stage 2 Loans and Advances:								
Property	1,410,222	288,691	873,342	2,572,255	-	-	-	-
Equities	31,728,760	-	-	31,728,760	-	-	-	-
Cash	-	3,012,000	-	3,012,000	-	-	-	-
Guarantees	253,977	96,023	-	350,000	-	-	-	-
Negative pledge	11,515,767	102,090	-	11,617,857	-	-	-	-
Others #	5,907,843,162	603,097,829	-	6,510,940,991	-	-	-	-
Total	**5,952,751,888**	**606,596,633**	**873,342**	**6,560,221,863**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	59,059,732	11,430,130	334,109	70,823,971	-	42,000	-	42,000
Equities	769,206	6,186	-	775,392	-	-	-	-
Treasury bills	50,000	5,500	-	55,500	-	-	-	-
Cash	7,579,300	23,672	-	7,602,972	-	-	-	-
Guarantees	2,333,822	432,449	109	2,766,380	-	-	-	-
ATC*, stock hypothecation and ISPO*	431,571	79,769	-	511,340	-	-	-	-
Others #	32,407,262	26,015,187	-	58,422,449	2,236	1,646	-	3,882
Total	**102,630,893**	**37,992,893**	**334,218**	**140,958,004**	**2,236**	**43,646**	**-**	**45,882**
Grand total	**27,258,585,319**	**799,905,468**	**626,428,320**	**28,684,919,107**	**38,365**	**47,717**	**-**	**86,082**

*ISPO: Irrevocable standing payment order
*ATC: Authority to collect
#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

(b) Credit risk (continued)

Debt securities

The table below shows analysis of debt securities into the different classifications:

Group
Jun-2021

In thousands of Nigerian Naira	Financial assets at fair value through profit or loss	Investment securities	Assets pledged as collateral	Total
Federal government bonds	46,724,044	114,560,228	-	161,284,272
State government bonds	-	1,747,048	-	1,747,048
Treasury bills	27,713,865	474,325,410	69,457,589	571,496,864
Special Bills	-	561,059,566	-	561,059,566
Corporate bonds	-	1,846,248	-	1,846,248
Promissory Notes	1,806,270	-	-	1,806,270
	76,244,179	**1,153,538,500**	**69,457,589**	**1,299,240,268**

The Group's investment in risk-free Government securities constitutes 99.7% of debt instruments portfolio (December 2020: 99.8%). Investment in Corporate and State Government bonds accounts for the outstanding 0.3% (December 2020: 0.2%).

Group
Dec-2020

In thousands of Nigerian Naira	Financial assets at fair value through profit or loss	Investment securities	Assets pledged as collateral	Total
Federal government bonds	29,627,653	115,462,386	-	145,090,039
State government bonds	-	1,615,161	-	1,615,161
Corporate bonds	-	440,346	-	440,346
Promissory Notes	2,809,929	-	-	2,809,929
FVPL Notes	-	-	-	-
Treasury bills	35,097,781	446,690,837	62,200,326	543,988,944
Special Bills	-	411,079,805	-	411,079,805
	67,535,363	**975,288,535**	**62,200,326**	**1,105,024,224**

Parent
Jun-2021

In thousands of Nigerian Naira	**Financial assets at fair value through profit or loss**	**Investment securities**	**Assets pledged as collateral**	**Total**
Federal government bonds	5,548	11,331,797	-	11,337,345
State government bonds	-	1,747,048	-	1,747,048
Promissory Notes	1,806,270	-	-	1,806,270
Treasury bills	1,675,594	268,372,343	69,071,631	339,119,568
Special Bills	-	561,059,566	-	561,059,566
	3,487,412	**842,510,754**	**69,071,631**	**915,069,797**

The Bank's investment in risk-free Government securities constitutes 99.8% of debt instruments portfolio (December 2020: 99.8%). Investment in Corporate and State Government bonds accounts for the outstanding 0.2% (December 2020: 0.2%).

Parent
Dec-2020

In thousands of Nigerian Naira	**Financial assets at fair value through profit or loss**	**Investment securities**	**Assets pledged as collateral**	**Total**
Federal government bonds	2,354,643	15,387,024	-	17,741,667
State government bonds	-	1,615,161	-	1,615,161
FVPL Notes	-	-	-	-
Promissory Notes	2,809,929	-	-	2,809,929
Treasury bills	31,062,304	245,016,233	61,955,975	338,034,512
Special Bills	-	411,079,805	-	411,079,805
	36,226,876	**673,098,223**	**61,955,975**	**771,281,074**

(g) Liquidity Risk

Liquidity risk is the risk that the group, though having a solvent balance sheet, might not be able to generate sufficient cash resources to meet its obligations as they fall due, or is only able to do so at an excessive cost. The risk typically arises from mismatches in the timing of cash inflows and cash outflows.

The objective of the Group's liquidity risk management system is to ensure that all foreseeable funding commitments can be met when due, and that access to wholesale markets is controlled and cost effective. To this end the Group maintains a diversified funding base comprising of retail, small business, commercial and institutional customer deposits. The Group continues to develop and improve its liquidity risk management system with the aim of effectively identifying, measuring, monitoring and controlling liquidity risk across its network. Seeking at all times to balance safety, liquidity, profitability and regulatory requirements.

A brief overview of the Group's liquidity management processes during the year includes the following:

1. Control of liquidity risk by the setting of dynamic limits on metrics such as liquidity ratio, reserve ratio, asset and liability gap measures, amongst others. Internal limits are typically more stringent than regulatory limits across all jurisdictions of the Group's operation.

2. The limits are monitored regularly with exceptions reported to the Management Risk Committee (MRC) and the Board.

3. Based on its judgement of financial market trends, the Group actively adjusts its business strategies to manage liquidity risk.

4. Periodic cash flow projections considering its impact on internal and regulatory limits.

5. Control of non-earning assets proportion to manage its impact on the Group's overall financial position.

6. Conduct regular liquidity stress tests including testing of contingency plans.

7. Monitor diversification of funding sources in order to control concentration risk and ensure a satisfactorily funding mix.

8. Monitoring the level of undrawn commitments.

9. Maintain an updated liquidity and contingency funding plan. These plans will identify stress indicators and prescribe actions to be taken in event of firm specific or market based crises.

10. Regular conduct of the Asset and Liability Management Committee (ALMAC) meetings.

The Group's Asset and Liability Management Committee (ALMAC) is charged with the following responsibilities.

1. Establishing policies and tolerance levels, from both risk and return perspectives, for liquidity, interest rate and balance sheet valuation management.

2. Manage the intra-day liquidity position to ensure that payment and settlement obligations are met

on a timely basis.

3. Strategic financial position planning from both risk and return perspective.

4. Strategically coordinate the management of the Bank's financial position in consideration of changing economic conditions.

(i) Funding approach

The Group's overall approach to funding is as follows:

1. Consistently grow customer deposits from diverse sources particularly along geographical and sectorial categories. The objective is to eliminate depositor concentration or undue reliance on individual depositors.

2. Generate funding at the most appropriate pricing in light of market realities.

3. Maintain an appropriate funding structure that enables the Group to operate under a variety of adverse circumstance, including potential firm-specific and/or market liquidity events.

4. Maintain appropriate capital to support the Group's risk level and strategic intent.

The Group was able to meet all its financial commitments and obligations without any liquidity risk exposure during the year under review.

(ii) Exposure to Liquidity Risk

One of the key measure used by the Group for managing liquidity risk is the ratio of liquid assets to short term liabilities. For this purpose, liquid assets include but is not limited to cash and its equivalents and investment grade debt securities for which there is an active and liquid market. Short term liabilities include local currency deposits from banks and customers. A similar calculation is used to measure the Group's compliance with the liquidity limit established by the Bank's lead regulator (The Central Bank of Nigeria).

	Jun-2021	Dec-2020
At end of period	44.71%	38.91%
Average for the period	40.71%	40.70%
Maximum for the period	44.99%	49.03%
Minimum for the period	35.65%	28.54%
Regulatory requirement	30.00%	30.00%

Liquidity ratio which is a measure of liquidity risk is calculated as a ratio of local currency liquid assets expressed as a percentage of its local currency customer deposits.

Financial risk management (continued)

The following tables show the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial assets and liabilities.

(iii) Gross nominal (undiscounted) maturities of financial assets and liabilities

Group
Jun-2021

In thousands of Nigerian Naira	**Note**	**Carrying amount**	**Gross nominal inflow/outflow**	**Less than 3 months[1]**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets								
Cash and bank balances	23	794,323,951	794,360,987	761,481,049	3,764,845	29,115,093	-	-
Financial assets at fair value through profit or loss	24	76,244,179	76,431,024	60,768,431	4,106,596	1,344,038	1,731,144	8,480,815
Derivative financial assets	25	35,389,350	36,730,419	9,101,190	8,994,923	18,634,306	-	-
Investment securities:								
– Fair Value through other comprehensive Income[2]	26	288,401,355	315,543,713	73,297,490	40,706,268	170,231,721	1,979,861	29,328,373
– Held at amortised cost	26	865,137,145	870,896,728	649,730,947	117,420,494	28,521,181	60,067,973	15,156,133
Assets pledged as collateral	27	69,457,589	70,749,959	70,364,000	-	385,959	-	-
Loans and advances to banks	28	89,241	92,869	71,318	4,685	8,803	8,063	-
Loans and advances to customers	29	1,632,088,961	1,951,098,033	450,421,720	248,385,071	279,713,182	803,266,602	169,311,458
Restricted deposits and other assets[3]	34	978,347,896	978,347,896	957,151,552	6,690,703	1,958,836	10,418,527	2,128,278
		4,739,479,667	**5,094,251,628**	**3,032,387,697**	**430,073,585**	**529,913,119**	**877,472,170**	**224,405,057**
Financial liabilities								
Deposits from banks	35	129,535,081	129,535,401	117,693,164	862,265	10,979,972	-	-
Deposits from customers	36	3,625,217,843	3,626,597,639	3,559,929,663	28,060,865	16,551,962	14,448,513	7,606,636
Financial liabilities at fair value through profit or loss	37	3,086,939	7,986,901	63,268	-	-	-	7,923,633
Derivative financial liabilities	25	2,292,109	2,292,109	2,292,109	-	-	-	-
Other liabilities[4]	38	324,387,910	325,791,673	159,076,111	141,545,656	4,717,870	9,828,344	10,623,692
Other borrowed funds	40	110,469,179	111,417,956	14,398,979	26,408,922	17,407,244	34,766,407	18,436,404
		4,194,989,061	**4,203,621,679**	**3,853,453,294**	**196,877,708**	**49,657,048**	**59,043,264**	**44,590,365**
Gap (asset - liabilities)				(821,065,597)	233,195,877	480,256,071	818,428,906	179,814,692
Cumulative liquidity gap				(821,065,597)	(587,869,720)	(107,613,649)	710,815,257	890,629,949

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under Gross Nominal consideration.

[3] Excludes Prepayments,Right of Use assets and Stock

[4] Excludes deferred Income, impairment on contingents and provision for litigations

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The Gross nominal maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Gross nominal inflow/outflow**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	6,785,019	8,631,290	131,233	128,583	430,505	1,117,063	6,823,906
Non-Lease Liabilities	317,602,891	317,160,383	158,944,878	141,417,073	4,287,365	8,711,281	3,799,786
	324,387,910	**325,791,673**	**159,076,111**	**141,545,656**	**4,717,870**	**9,828,344**	**10,623,692**

Gross nominal (undiscounted) maturities of financial assets and liabilities
Group
Dec-2020

In thousands of Nigerian Naira	*Note*	Carrying amount	Gross nominal inflow/outflow	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets								
Cash and bank balances	23	745,557,370	745,639,341	711,499,346	31,385,679	2,754,316	-	-
Financial assets at fair value through profit or loss	24	67,535,363	69,298,284	16,353,215	7,023,012	29,890,954	4,279,431	11,751,672
Derivative financial assets	25	26,448,550	26,639,486	2,275,471	657,094	10,765,221	12,941,700	-
Investment securities:								
– Fair value through profit or loss[2]	26	-	-	-	-	-	-	-
– Fair Value through other comprehensive Income[2]	26	691,705,703	707,273,458	590,228,072	28,308,000	57,588,496	1,199,721	29,949,169
– Held at amortised cost	26	283,582,832	293,276,611	87,371,152	31,304,159	114,104,086	53,420,080	7,077,134
Assets pledged as collateral	27	62,200,326	63,308,351	-	-	63,308,351	-	-
Loans and advances to banks	28	99,043	105,292	73,773	5,059	9,594	16,866	-
Loans and advances to customers	29	1,662,731,699	2,059,454,048	626,191,746	124,078,962	239,838,484	891,899,652	177,445,204
Restricted deposits and other assets[3]	34	1,166,226,315	1,166,226,315	1,143,379,250	9,891,922	454,057	10,429,030	2,072,056
		4,706,087,201	**5,131,221,186**	**3,177,372,025**	**232,653,887**	**518,713,559**	**974,186,480**	**228,295,235**
Financial liabilities								
Deposits from banks	35	101,509,550	101,509,550	90,105,249	695,759	10,708,542	-	-
Deposits from customers	36	3,509,319,237	3,509,486,139	3,378,448,982	15,138,404	113,768,093	2,083,655	47,005
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-	-
Derivative financial liabilities	25	2,758,698	2,759,363	2,120,560	638,803	-	-	-
Other liabilities[4]	38	352,176,806	352,177,090	114,619,844	212,785,109	3,265,695	12,970,431	8,536,011
Other borrowed funds	40	113,894,768	115,677,819	15,211,136	17,521,197	19,747,222	41,722,806	21,475,458
		4,079,659,059	**4,081,609,961**	**3,600,505,771**	**246,779,272**	**147,489,552**	**56,776,892**	**30,058,474**
Gap (asset - liabilities)				(423,133,746)	(14,125,385)	371,224,007	917,409,588	198,236,761
Cumulative liquidity gap				(423,133,746)	(437,259,131)	(66,035,124)	851,374,464	1,049,611,225

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under Gross Nominal consideration.

[3] Excludes Prepayments, Right of Use assets and Stock

[4] Excludes deferred income, impairment on contingents and provision for litigations

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The Gross nominal maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Lease Liabilities	8,087,113	10,058,118	146,944	525,152	933,939	1,155,031	7,297,052
Non-Lease Liabilities	344,089,693	342,118,972	114,472,900	212,259,957	2,331,756	11,815,400	1,238,959
	352,176,806	**352,177,090**	**114,619,844**	**212,785,109**	**3,265,695**	**12,970,431**	**8,536,011**

Gross nominal (undiscounted) maturities of financial assets and liabilities
Parent
Jun-2021

In thousands of Nigerian Naira	*Note*	Carrying amount	Gross nominal inflow/outflow	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets								
Cash and bank balances	23	517,772,696	517,809,771	489,810,159	1,647,339	26,352,273	-	-
Financial assets at fair value through profit or loss	24	3,487,412	3,674,230	3,240,623	154,709	271,767	-	7,131
Derivative financial assets	25	35,389,350	36,730,419	9,101,190	8,994,923	18,634,306	-	-
Investment securities:								
– Fair Value through other comprehensive Income[2]	26	178,755,637	205,898,273	28,433,490	31,237,392	116,756,375	142,643	29,328,373
– Held at amortised cost	26	663,755,117	669,514,798	581,998,543	85,104,450	-	2,411,805	-
Assets pledged as collateral	27	69,071,631	70,364,001	70,364,000	-	1	-	-
Loans and advances to banks	28	89,241	92,869	71,318	4,685	8,803	8,063	-
Loans and advances to customers	29	1,339,073,889	1,658,082,921	325,490,114	228,095,938	222,371,135	731,602,871	150,522,863
Restricted deposits and other assets[3]	34	944,323,625	944,323,626	925,456,588	6,570,771	1,915,109	10,381,158	-
		3,751,718,598	**4,106,490,908**	**2,433,966,025**	**361,810,207**	**386,309,769**	**744,546,540**	**179,858,367**
Financial liabilities								
Deposits from banks	35	6,692	6,692	6,692	-	-	-	-
Deposits from customers	36	2,941,790,590	2,943,170,730	2,935,483,297	6,761,748	924,872	813	-
Financial liabilities at fair value through profit or loss	37	3,086,939	7,986,901	63,268	-	-	-	7,923,633
Derivative financial liabilities	25	2,292,109	2,309,955	2,088,547	221,408	-	-	-
Other liabilities[4]	38	289,048,053	289,236,883	148,202,648	139,603,350	1,074,513	42,579	313,793
Other borrowed funds	40	107,122,703	108,071,480	14,398,979	26,408,922	17,407,244	34,396,423	15,459,912
		3,343,347,086	**3,350,782,641**	**3,100,243,431**	**172,995,428**	**19,406,629**	**34,439,815**	**23,697,338**
Gap (asset - liabilities)				(666,277,406)	188,814,779	366,903,140	710,106,725	156,161,029
Cumulative liquidity gap				(666,277,406)	(477,462,627)	(110,559,487)	599,547,238	755,708,267

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under Gross Nominal consideration.

[3] Excludes Prepayments,Right of Use assets and Stock

[4] Excludes deferred income, impairment on contingents and provision for litigations

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The Gross nominal maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Lease Liabilities	187,901	376,732	3,713	3,714	12,933	42,579	313,793
Non-Lease Liabilities	288,860,152	288,860,151	148,198,935	139,599,636	1,061,580	-	-
	289,048,053	**289,236,883**	**148,202,648**	**139,603,350**	**1,074,513**	**42,579**	**313,793**

Gross nominal (undiscounted) maturities of financial assets and liabilities
Parent
Dec-2020

In thousands of Nigerian Naira	*Note*	Carrying amount	Gross nominal inflow/outflow	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets								
Cash and bank balances	23	493,209,016	493,290,551	465,368,703	27,921,848	-	-	-
Financial assets at fair value through profit or loss	24	36,226,876	37,989,818	233,799	3,081,488	28,821,495	2,552,827	3,300,209
Derivative financial assets	25	26,448,550	26,639,486	2,275,471	657,094	10,765,221	12,941,700	-
Investment securities:								
– Fair value through profit or loss[2]	26	-	-	-	-	-	-	-
– Fair Value through other comprehensive Income[2]	26	595,277,891	610,845,918	548,803,803	20,697,815	11,395,131	-	29,949,169
– Held at amortised cost	26	77,820,332	87,514,087	-	-	85,104,450	2,409,637	-
Assets pledged as collateral	27	61,955,975	63,064,000	-	-	63,064,000	-	-
Loans and advances to banks	28	39,749	46,055	14,536	5,059	9,594	16,866	-
Loans and advances to customers	29	1,410,577,734	1,692,085,466	532,657,680	107,234,506	180,873,415	716,157,565	155,162,300
Restricted deposits and other assets[3]	34	1,113,387,208	1,113,387,208	1,092,805,989	9,789,415	410,646	10,381,158	-
		3,814,943,331	**4,124,862,589**	**2,642,159,981**	**169,387,225**	**380,443,952**	**744,459,753**	**188,411,678**
Financial liabilities								
Deposits from banks	35	12,733	12,733	12,733	-	-	-	-
Deposits from customers	36	2,881,686,058	2,881,852,901	2,877,236,637	1,836,191	2,776,387	3,686	-
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-	-
Derivative financial liabilities	25	2,758,698	2,760,127	2,120,560	639,567	-	-	-
Other liabilities[4]	38	318,520,502	318,520,502	98,667,072	217,878,104	1,505,046	187,901	282,379
Other borrowed funds	40	113,470,753	115,253,805	15,211,136	17,521,197	19,747,222	41,298,792	21,475,458
		3,316,448,744	**3,318,400,068**	**2,993,248,138**	**237,875,059**	**24,028,655**	**41,490,379**	**21,757,837**
Gap (asset - liabilities)				(351,088,157)	(68,487,834)	356,415,297	702,969,374	166,653,841
Cumulative liquidity gap				(351,088,157)	(419,575,991)	(63,160,694)	639,808,680	806,462,521

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under Gross Nominal consideration.

[3] Excludes Prepayments,Right of Use assets and Stock

[4] Excludes deferred income, impairment on contingents and provision for litigations

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The Gross nominal maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Lease Liabilities	187,901	359,148	3,489	12,730	23,548	37,002	282,379
Non-Lease Liabilities	318,332,601	318,161,354	98,663,583	217,865,374	1,481,498	150,899	-
	318,520,502	**318,520,502**	**98,667,072**	**217,878,104**	**1,505,046**	**187,901**	**282,379**

Financial risk management (continued)

(i) Residual contractual maturities of financial assets and liabilities

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk which is managed through a series of measures, tests and reports that are largely based on contractual maturity. The following table shows the contractual maturities at period end of the Group's financial assets and liabilities and represents actual and in some cases assumed obligation expected for the assets or liability to be recovered or settled. These figures do not include elements of future incomes or costs.

Group
Jun-2021

In thousands of Nigerian Naira	**Note**	**Carrying amount**	**Less than 3 months**[1]	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	23	794,323,951	761,452,722	3,764,113	29,107,116	-	-
Financial assets at fair value through profit or loss	24	76,244,179	60,603,317	4,103,675	1,326,811	1,731,144	8,479,232
Derivative financial assets	25	35,389,350	9,029,870	8,735,263	17,624,217	-	-
Investment securities:							
– Fair Value through other comprehensive Income[2]	26	288,401,355	72,928,226	39,811,698	162,492,415	1,948,154	11,220,862
– Held at amortised cost	26	865,137,145	648,893,413	113,163,202	28,521,181	59,403,216	15,156,133
Assets pledged as collateral	27	69,457,589	69,071,630	-	385,959	-	-
Loans and advances to banks	28	89,241	70,491	3,750	7,500	7,500	-
Loans and advances to customers	29	1,632,088,961	441,209,618	238,825,652	224,934,533	629,927,679	97,191,479
Restricted deposits and other assets[3]	34	978,347,896	957,151,993	6,690,703	1,958,395	10,418,527	2,128,278
		4,739,479,667	**3,020,411,280**	**415,098,056**	**466,358,127**	**703,436,220**	**134,175,984**
Financial liabilities							
Deposits from banks	35	129,535,081	117,692,844	862,265	10,979,972	-	-
Deposits from customers	36	3,625,217,843	3,558,650,518	27,977,424	16,534,797	14,448,468	7,606,636
Financial liabilities at fair value through profit or loss	37	3,086,939	58,449	-	-	-	3,028,490
Derivative financial liabilities	25	2,292,109	2,075,140	216,969	-	-	-
Other liabilities[4]	38	324,387,910	159,534,564	140,458,001	5,803,930	9,812,377	8,779,038
Other borrowed funds	40	110,469,179	13,995,612	25,921,652	17,376,592	34,738,919	18,436,404
		4,194,989,061	**3,852,007,127**	**195,436,311**	**50,695,291**	**58,999,764**	**37,850,568**
Gap (asset - liabilities)			(831,595,847)	219,661,745	415,662,836	644,436,456	96,325,416
Cumulative liquidity gap			(831,595,847)	(611,934,102)	(196,271,266)	448,165,190	544,490,606

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under liquidity consideration.

[3] Excludes prepayments,Right of Use assets and Stock

[4] Excludes deferred income, provision for litigations & impairment on contingents

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The residual maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	6,785,019	130,176	126,528	416,957	960,946	5,150,412
Non-Lease Liabilities	317,602,891	159,404,388	140,331,473	5,386,973	8,851,431	3,628,626
	324,387,910	**159,534,564**	**140,458,001**	**5,803,930**	**9,812,377**	**8,779,038**

Residual contractual maturities of contingencies

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. The maximum amount of the contingencies is allocated to the earliest period in which the contingencies could be called.

Group
Jun-2021

In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Transaction related bonds and guarantees	43	398,425,224	95,921,586	18,130,891	37,943,336	31,409,619	215,019,792
Clean line facilities and letters of credit	43	86,046,507	59,583,697	18,929,705	5,059,418	2,473,687	-
Other commitments	43	8,131,391	8,131,391	-	-	-	-
		492,603,122	**163,636,674**	**37,060,596**	**43,002,754**	**33,883,306**	**215,019,792**

[1] Includes balances with no specific contractual maturities

Residual contractual maturities of financial assets and liabilities
Group
Dec-2020

In thousands of Nigerian Naira	***Note***	**Carrying amount**	**Less than 3 months**[1]	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	23	745,557,370	711,429,419	31,373,635	2,754,316	-	-
Financial assets at fair value through profit or loss	24	67,535,363	16,353,002	7,018,185	29,377,304	3,981,127	10,805,745
Derivative financial assets	25	26,448,550	2,274,768	656,308	10,708,606	12,808,868	-
Investment securities:							
– Fair value through profit or loss[2]	26	-	-	-	-	-	-
– Fair Value through other comprehensive Income[2]	26	691,705,703	589,879,300	28,101,987	57,137,671	1,199,721	15,387,024
– Held at amortised cost	26	283,582,832	87,371,128	31,304,159	105,204,807	52,625,604	7,077,134
Assets pledged as collateral	27	62,200,326	-	-	62,200,326	-	-
Loans and advances to banks	28	99,043	72,793	3,750	7,500	15,000	-
Loans and advances to customers	29	1,662,731,699	617,251,823	110,900,921	188,577,292	640,811,465	105,190,198
Restricted deposits and other assets[3]	34	1,166,226,315	1,143,379,250	9,891,922	454,057	10,429,030	2,072,056
		4,706,087,201	**3,168,011,483**	**219,250,867**	**456,421,879**	**721,870,815**	**140,532,157**
Financial liabilities							
Deposits from banks	35	101,509,550	90,105,249	695,759	10,708,542	-	-
Deposits from customers	36	3,509,319,237	3,378,313,182	15,134,391	113,741,108	2,083,551	47,005
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-
Derivative financial liabilities	25	2,758,698	2,119,895	638,803	-	-	-
Other liabilities[4]	38	352,176,806	109,095,304	218,577,115	4,770,741	12,970,431	6,763,215
Other borrowed funds	40	113,894,768	14,723,647	16,859,990	19,171,008	41,664,665	21,475,458
		4,079,659,059	**3,594,357,277**	**251,906,058**	**148,391,399**	**56,718,647**	**28,285,678**
Gap (asset - liabilities)			(426,345,794)	(32,655,191)	308,030,480	665,152,168	112,246,479
Cumulative liquidity gap			(426,345,794)	(459,000,985)	(150,970,505)	514,181,663	626,428,142

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under liquidity consideration.
[3] Excludes prepayments,Right of Use assets and Stock
[4] Excludes deferred income and provision for litigations
Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The residual maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	8,087,113	145,774	516,858	904,900	995,325	5,524,256
Non-Lease Liabilities	344,089,693	108,949,530	218,060,257	3,865,841	11,975,106	1,238,959
	352,176,806	**109,095,304**	**218,577,115**	**4,770,741**	**12,970,431**	**6,763,215**

Residual contractual maturities of contingencies

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. The maximum amount of the contingencies is allocated to the earliest period in which the contingencies could be called.

Group
Dec-2020

In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Transaction related bonds and guarantees	43	365,827,380	60,252,209	34,797,663	22,955,997	36,885,164	210,936,347
Clean line facilities and letters of credit	43	44,121,453	36,692,594	3,791,532	2,011,264	1,626,063	-
Other commitments	43	8,873,968	7,454,550	748,891	670,527	-	-
		418,822,801	**104,399,353**	**39,338,086**	**25,637,788**	**38,511,227**	**210,936,347**

[1] Includes balances with no specific contractual maturities

Residual contractual maturities of financial assets and liabilities

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk which is managed through a series of measures, tests and reports that are largely based on contractual maturity. The following table shows the contractual maturities at period end of the Group's financial assets and liabilities and represents actual and in some cases assumed obligation expected for the assets or liability to be recovered or settled. These figures do not include elements of future incomes or costs.

Parent
Jun-2021

In thousands of Nigerian Naira	*Note*	Carrying amount	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets							
Cash and bank balances	23	517,772,696	489,781,793	1,646,607	26,344,296	-	-
Financial assets at fair value through profit or loss	24	3,487,412	3,075,536	151,788	254,540	-	5,548
Derivative financial assets	25	35,389,350	9,029,870	8,735,263	17,624,217	-	-
Investment securities:							
– Fair Value through other comprehensive Income[2]	26	178,755,637	28,063,948	30,342,822	109,017,069	110,936	11,220,862
– Held at amortised cost	26	663,755,117	581,160,911	80,847,158	-	1,747,048	-
Assets pledged as collateral	27	69,071,631	69,071,630	-	1	-	-
Loans and advances to banks	28	89,241	70,491	3,750	7,500	7,500	-
Loans and advances to customers	29	1,339,073,889	316,278,052	218,536,519	167,592,486	558,263,948	78,402,884
Restricted deposits and other assets[3]	34	944,323,625	925,456,587	6,570,771	1,915,109	10,381,158	-
		3,751,718,598	**2,421,988,818**	**346,834,678**	**322,755,218**	**570,510,590**	**89,629,294**
Financial liabilities							
Deposits from banks	35	6,692	6,692	-	-	-	-
Deposits from customers	36	2,941,790,590	2,934,203,809	6,678,307	907,706	768	-
Financial liabilities at fair value through profit or loss	37	3,086,939	58,449	-	-	-	3,028,490
Derivative financial liabilities	25	2,292,109	2,075,140	216,969	-	-	-
Other liabilities[4]	38	289,048,053	148,202,541	139,590,207	1,086,060	26,612	142,633
Other borrowed funds	40	107,122,703	13,995,612	25,921,652	17,376,592	34,368,935	15,459,912
		3,343,347,086	**3,098,542,243**	**172,407,135**	**19,370,358**	**34,396,315**	**18,631,035**
Gap (asset - liabilities)			(676,553,425)	174,427,543	303,384,860	536,114,275	70,998,259
Cumulative liquidity gap			(676,553,425)	(502,125,882)	(198,741,022)	337,373,253	408,371,512

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under liquidity consideration.
[3] Excludes prepayments
[4] Excludes deferred income, provision for litigations & impairment on contingents

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The residual maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	Carrying amount	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Lease Liabilities	187,901	3,605	3,504	11,547	26,612	142,633
Non-Lease Liabilities	288,860,152	148,198,936	139,586,703	1,074,513	-	-
	289,048,053	**148,202,541**	**139,590,207**	**1,086,060**	**26,612**	**142,633**

Residual contractual maturities of contingencies

The table below shows the contractual expiry by maturity of the Parent's contingent liabilities and commitments. The maximum amount of the contingencies is allocated to the earliest period in which the contingencies could be called.

Parent
Jun-2021

In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Transaction related bonds and guarantees	43	291,540,869	8,543,691	11,926,757	29,936,216	26,114,413	215,019,792
Clean line facilities and letters of credit	43	36,396,916	24,110,040	10,408,901	1,877,975	-	-
		327,937,785	**32,653,731**	**22,335,658**	**31,814,191**	**26,114,413**	**215,019,792**

[1] Includes balances with no specific contractual maturities

Residual contractual maturities of financial assets and liabilities

Parent
Dec-2020

In thousands of Nigerian Naira	**Note**	**Carrying amount**	**Less than 3 months[1]**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	23	493,209,016	465,299,211	27,909,805	-	-	-
Financial assets at fair value through profit or loss	24	36,226,876	233,565	3,076,661	28,307,845	2,254,523	2,354,282
Derivative financial assets	25	26,448,550	2,274,768	656,308	10,708,606	12,808,868	-
Investment securities:							
– Fair value through profit or loss[2]	26	-	-	-	-	-	-
– Fair Value through other comprehensive Income[2]	26	595,277,891	548,454,759	20,491,802	10,944,306	-	15,387,024
– Held at amortised cost	26	77,820,332	-	-	76,205,171	1,615,161	-
Assets pledged as collateral	27	61,955,975	-	-	61,955,975	-	-
Loans and advances to banks	28	39,749	13,499	3,750	7,500	15,000	-
Loans and advances to customers	29	1,410,577,734	528,932,374	94,056,465	129,612,223	575,069,378	82,907,294
Restricted deposits and other assets[3]	34	1,113,387,208	1,092,805,989	9,789,415	410,646	10,381,158	-
		3,814,943,331	**2,638,014,165**	**155,984,206**	**318,152,272**	**602,144,088**	**100,648,600**
Financial liabilities							
Deposits from banks	35	12,733	12,733	-	-	-	-
Deposits from customers	36	2,881,686,058	2,877,100,898	1,832,177	2,749,401	3,582	-
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-
Derivative financial liabilities	25	2,758,698	2,119,895	638,803	-	-	-
Other liabilities[4]	38	318,520,502	98,667,072	218,160,483	1,505,046	59,547	128,354
Other borrowed funds	40	113,470,753	14,723,646	16,859,990	19,171,008	41,240,651	21,475,458
		3,316,448,744	**2,992,624,244**	**237,491,453**	**23,425,455**	**41,303,780**	**21,603,812**
Gap (asset - liabilities)			(354,610,079)	(81,507,247)	294,726,817	560,840,308	79,044,788
Cumulative liquidity gap			(354,610,079)	(436,117,326)	(141,390,509)	419,449,799	498,494,587

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under liquidity consideration.

[3] Excludes prepayments,Right of Use assets and Stock

[4] Excludes deferred income and provision for litigations

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The residual maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months[1]**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	187,901	3,387	12,009	21,025	23,126	128,354
Non-Lease Liabilities	318,332,601	98,663,685	218,148,474	1,484,021	36,421	-
	318,520,502	**98,667,072**	**218,160,483**	**1,505,046**	**59,547**	**128,354**

Residual contractual maturities of contingencies

The table below shows the contractual expiry by maturity of the Parent's contingent liabilities and commitments. The maximum amount of the contingencies is allocated to the earliest period in which the contingencies could be called.

Parent
Dec-2020

In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Transaction related bonds and guarantees	43	305,107,662	17,609,194	28,826,142	16,231,578	31,504,401	210,936,347
Clean line facilities and letters of credit	43	11,130,745	8,874,992	819,878	1,435,875	-	-
		316,238,407	**26,484,186**	**29,646,020**	**17,667,453**	**31,504,401**	**210,936,347**

[1] Includes balances with no specific contractual maturities

(ii) Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Group can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Group can vary the terms of the underlying financial asset or liabilities and analyses the Group's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Group
Jun-2021

In thousands of Nigerian Naira	*Note*	**Carrying amount**	**Less than 3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	23	794,323,951	761,452,722	3,764,113	29,107,116	-	-
Financial assets at fair value through profit or loss	24	76,244,179	60,603,317	4,103,675	1,326,811	1,731,144	8,479,232
Derivative financial assets	25	35,389,350	9,029,870	8,735,263	17,624,217	-	-
Investment securities:							
– Fair Value through other comprehensive Income[1]	26	288,401,355	72,928,226	39,811,698	162,492,415	1,948,154	11,220,862
– Held at amortised cost	26	865,137,145	648,893,413	113,163,202	28,521,181	59,403,216	15,156,133
Assets pledged as collateral	27	69,457,589	69,071,631	-	385,958	-	-
Loans and advances to banks	28	89,241	89,241	-	-	-	-
Loans and advances to customers	29	1,632,088,961	1,203,025,928	190,179,818	67,672,629	125,368,838	45,841,748
Restricted deposits and other assets[2]	34	978,347,896	957,151,993	6,690,703	1,958,395	10,418,527	2,128,278
		4,739,479,667	**3,782,246,341**	**366,448,472**	**309,088,722**	**198,869,879**	**82,826,253**
Financial liabilities							
Deposits from banks	35	129,535,081	117,692,844	862,265	10,979,972	-	-
Deposits from customers	36	3,625,217,843	3,558,650,518	27,977,424	16,534,797	14,448,468	7,606,636
Financial liabilities at fair value through profit or loss	36	3,086,939	58,449	-	-	-	3,028,490
Derivative financial liabilities	25	2,292,109	2,075,140	216,969	-	-	-
Other liabilities[3]	39	324,387,910	159,534,564	140,458,001	5,803,930	9,812,377	8,779,038
Other borrowed funds	41	110,469,179	13,995,612	25,921,652	17,376,592	34,738,919	18,436,404
		4,194,989,061	**3,852,007,127**	**195,436,311**	**50,695,291**	**58,999,764**	**37,850,568**
		544,490,606	**(69,760,786)**	**171,012,161**	**258,393,431**	**139,870,115**	**44,975,685**

[1] Excludes equity securities.
[2] Excludes prepayments
[3] Excludes deferred income, provision for litigations & impairment on contingents

The repricing maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	6,785,019	130,176	126,528	416,957	960,946	5,150,412
Non-Lease Liabilities	317,602,891	159,404,388	140,331,473	5,386,973	8,851,431	3,628,626
	324,387,910	**159,534,564**	**140,458,001**	**5,803,930**	**9,812,377**	**8,779,038**

Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Group can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Group can vary the terms of the underlying financial asset or liabilities and analyses the Group's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Group
Dec-2020

In thousands of Nigerian Naira	*Note*	**Carrying amount**	**Less than 3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	23	745,557,370	711,429,419	31,373,635	2,754,316	-	-
Financial assets at fair value through profit or loss	24	67,535,363	16,353,002	7,018,185	29,377,304	3,981,127	10,805,745
Derivative financial assets	25	26,448,550	2,274,768	656,308	10,708,606	12,808,868	-
Investment securities:							
– Fair value through profit or loss[1]	26	-	-	-	-	-	-
– Fair Value through other comprehensive Income[1]	26	691,705,703	589,879,300	28,101,987	57,137,671	1,199,721	15,387,024
– Held at amortised cost	26	283,582,832	87,371,128	31,304,159	105,204,807	52,625,604	7,077,134
Assets pledged as collateral	27	62,200,326	-	-	62,200,326	-	-
Loans and advances to banks	28	99,043	99,043	-	-	-	-
Loans and advances to customers	29	1,662,731,699	1,206,147,330	164,189,311	72,850,458	142,820,457	76,724,143
Restricted deposits and other assets[2]	34	1,166,226,315	1,143,379,250	9,891,922	454,057	10,429,030	2,072,056
		4,706,087,201	**3,756,933,240**	**272,535,507**	**340,687,545**	**223,864,807**	**112,066,102**
Financial liabilities							
Deposits from banks	35	101,509,550	90,105,249	695,759	10,708,542	-	-
Deposits from customers	36	3,509,319,237	3,378,313,182	15,134,391	113,741,108	2,083,551	47,005
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-
Derivative financial liabilities	25	2,758,698	2,119,895	638,803	-	-	-
Other liabilities[3]	38	352,176,806	114,619,560	213,052,859	4,770,741	12,970,431	6,763,215
Other borrowed funds	40	113,894,768	14,723,647	16,859,990	19,171,008	41,664,665	21,475,458
		4,079,659,059	**3,599,881,533**	**246,381,802**	**148,391,399**	**56,718,647**	**28,285,678**
		626,428,142	**157,051,707**	**26,153,705**	**192,296,146**	**167,146,160**	**83,780,424**

[1] Excludes equity securities.
[2] Excludes prepayments
[3] Excludes deferred income and provision for litigations

The repricing maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	8,087,113	145,774	516,858	904,900	995,325	5,524,256
Non-Lease Liabilities	344,089,693	114,473,786	212,536,001	3,865,841	11,975,106	1,238,959
	352,176,806	**114,619,560**	**213,052,859**	**4,770,741**	**12,970,431**	**6,763,215**

Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Parent can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Parent can vary the terms of the underlying financial asset or liabilities and analyses the Parent's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Parent
Jun-2021

In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
Financial assets							
Cash and bank balances	23	517,772,696	489,781,793	1,646,607	26,344,296	-	-
Financial assets at fair value through profit or loss	24	3,487,412	3,075,536	151,788	254,540	-	5,548
Derivative financial assets	25	35,389,350	9,029,870	8,735,263	17,624,217	-	-
Investment securities:							
– Fair Value through other comprehensive Income[1]	26	178,755,637	28,063,948	30,342,822	109,017,069	110,936	11,220,862
– Held at amortised cost	26	663,755,117	581,160,911	80,847,158	-	1,747,048	-
Assets pledged as collateral	27	69,071,631	69,071,631	-	-	-	-
Loans and advances to banks	28	89,241	89,241	-	-	-	-
Loans and advances to customers	29	1,339,073,889	1,078,094,362	169,890,685	10,330,582	53,705,107	27,053,153
Restricted deposits and other assets[2]	34	944,323,625	925,456,587	6,570,771	1,915,109	10,381,158	-
		3,751,718,598	**3,183,823,879**	**298,185,094**	**165,485,813**	**65,944,249**	**38,279,563**
Financial liabilities							
Deposits from banks	35	6,692	6,692	-	-	-	-
Deposits from customers	36	2,941,790,590	2,934,203,809	6,678,307	907,706	768	-
Financial liabilities at fair value through profit or loss	37	3,086,939	58,449	-	-	-	3,028,490
Derivative financial liabilities	25	2,292,109	2,075,140	216,969	-	-	-
Other liabilities[3]	38	289,048,053	148,202,541	139,590,207	1,086,060	26,612	142,633
Other borrowed funds	40	107,122,703	13,995,612	25,921,652	17,376,592	34,368,935	15,459,912
		3,343,347,086	**3,098,542,243**	**172,407,135**	**19,370,358**	**34,396,315**	**18,631,035**
		408,371,512	**85,281,636**	**125,777,959**	**146,115,455**	**31,547,934**	**19,648,528**

[1] Excludes equity securities. [2] Excludes prepayments

[3] Excludes deferred income, provision for litigations & impairment on contingents

The repricing maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	Carrying amount	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Lease Liabilities	187,901	3,605	3,504	11,547	26,612	142,633
Non-Lease Liabilities	288,860,152	148,198,936	139,586,703	1,074,513	-	-
	289,048,053	**148,202,541**	**139,590,207**	**1,086,060**	**26,612**	**142,633**

Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Parent can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Parent can vary the terms of the underlying financial asset or liabilities and analyses the Parent's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Parent
Dec-2020

In thousands of Nigerian Naira	*Note*	**Carrying amount**	**Less than 3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	23	493,209,016	465,299,211	27,909,805	-	-	-
Financial assets at fair value through profit or loss	24	36,226,876	233,565	3,076,661	28,307,845	2,254,523	2,354,282
Derivative financial assets	25	26,448,550	2,274,768	656,308	10,708,606	12,808,868	-
Investment securities:							
– Fair value through profit or loss[1]	26	-	-	-	-	-	-
– Fair Value through other comprehensive Income[1]	26	595,277,891	548,454,759	20,491,802	10,944,306	-	15,387,024
– Held at amortised cost	26	77,820,332	-	-	76,205,171	1,615,161	-
Assets pledged as collateral	27	61,955,975	-	-	61,955,975	-	-
Loans and advances to banks	28	39,749	39,749	-	-	-	-
Loans and advances to customers	29	1,410,577,734	1,117,827,881	147,344,855	13,885,389	77,078,370	54,441,239
Restricted deposits and other assets[2]	34	1,113,387,208	1,092,805,989	9,789,415	410,646	10,381,158	-
		3,814,943,331	**3,226,935,922**	**209,268,846**	**202,417,938**	**104,138,080**	**72,182,545**
Financial liabilities							
Deposits from banks	35	12,733	12,733	-	-	-	-
Deposits from customers	36	2,881,686,058	2,877,100,898	1,832,177	2,749,401	3,582	-
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-
Derivative financial liabilities	25	2,758,698	2,119,895	638,803	-	-	-
Other liabilities[3]	38	318,520,502	98,667,072	218,160,483	1,505,046	59,547	128,354
Other borrowed funds	40	113,470,753	14,723,646	16,859,990	19,171,008	41,240,651	21,475,458
		3,316,448,744	**2,992,624,244**	**237,491,453**	**23,425,455**	**41,303,780**	**21,603,812**
		498,494,587	**234,311,678**	**(28,222,607)**	**178,992,483**	**62,834,300**	**50,578,733**

[1] Excludes equity securities. [2] Excludes prepayments

[3] Excludes deferred income and provision for litigations

The repricing maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	187,901	3,387	12,009	21,025	23,126	128,354
Non-Lease Liabilities	318,332,601	98,663,685	218,148,474	1,484,021	36,421	-
	318,520,502	**98,667,072**	**218,160,483**	**1,505,046**	**59,547**	**128,354**

(h) Settlement Risk

The Treasury Group activities with counterparties may give rise to settlement risk at the time of settlement of trade transactions. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligations i.e. deliver cash, securities or other assets, as contractually agreed.

In order to ensure that these risks are mitigated and controlled, the Market & Liquidity Risk Management (MLRM) Group has put in place Settlement Limits. These limits are sought periodically using various criteria based on the counterparty's financial statement and some other non-financial parameters. The FX Settlement limits are approved at the Management Credit Committee meeting and / or Board level, depending on the limit of each counterparty.

(i) Market Risk

Market risk is the risk of loss in On- or Off-balance sheet positions, as a result of adverse movement in foreign exchange rate, interest rate, and equity or commodity prices. Whilst the group may be faced with myriads of market risks, the Market & Liquidity Risk Management Group ensures these risks are managed and controlled within the bank's acceptable parameters, while optimising returns on risk.

(i) Management of Market Risk

The Market & Liquidity Risk Management Group separates its market risk exposures into the trading and banking books. Due to the various macro-economic indices and unanticipated market happenings, it has become more imperative for the group to engage in continuous but proactive monitoring of market risks inherent in both trading and non-trading activities.

The trading portfolio resides with the Treasury & Sales Group of the Bank, and they maintain positions arising from market making and proprietary trading activities. With the exception of translation risk arising from the bank's net investment in foreign currency, the Market & Liquidity Risk Group monitors the foreign exchange position in the trading and banking books.

The overall authority of the Market & Liquidity Risk Management Group is vested in the Management Risk Committee.

(ii) Exposure to Market Risks – Trading Book

The principal tools used by Market & Liquidity Risk Management Group to measure and control market risk exposure within the Bank's trading portfolios are the Open Position limits, Mark-to-Market Analysis, Value-at-Risk Analysis, Sensitivity Analysis and the Earning-at-Risk Analysis. Specific limits (regulatory and in-house) across the trading portfolios have been clearly defined, in line with the Bank's overall risk appetite. These set limits shall prevent undue exposure in the event of abrupt market volatility. The MLRM group ensures that these limits and triggers are adhered to by the Treasury & Sales Group.

The Bank traded in the following financial instruments in the course of the period;

1. Treasury Bills
2. Bonds
3. Foreign Currencies (Spot and Forwards)
4. Money Market Instruments

(iii) Exposure to Interest Rate Risk – Banking Book

The principal risk to which non-trading portfolios are exposed to, is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally using interest rate gaps. The Asset & Liability Management (ALM) Group is responsible for managing and monitoring mismatches between the bank's assets and liabilities. The Asset & Liability Management Committee (ALMAC) is responsible for ensuring compliance with these limits while the limits are independently verified by Market & Liquidity Risk Management group.

The Bank makes use of limit monitoring, earnings-at-risk and gap analyses to measure and control the market risk exposures within its banking book.

The bank also performs regular stress tests on its banking and trading books. In performing this, the bank ensures there are quantitative criteria in building the scenarios. The bank determines the effect of changes in interest rates on interest income; volatility in prices on trading income; and changes in funding sources and uses on the bank's liquidity.

During the period, the foreign exchange risk, interest rate risk and price risk, were the key risks the bank was exposed to. However, all potential risk exposures in the course of the year were successfully mitigated as mentioned above.

Value-at-Risk (VaR)

GTBank applies VaR, a statistical risk measure, to estimate the maximum potential loss the Bank can incur on trading positions at a given confidence level under normal market condition. VaR is the Bank's primary market risk management measure for assets and liabilities classified as trading positions. However, the Bank does not only base its risk estimates on VaR models, it uses sensitivity, scenario analysis and stress testing to further complement it.

GTBank uses the analytical variance-covariance method to estimate VaR, which takes cognizance of factor sensitivities of the trading portfolio, the volatilities and correlations of market risk factor. The model is employed across the Group and applies observable historical rates, yields and prices for the previous 12 months to its current positions. It assumes that historical changes in market values are representative of the distribution of potential outcome in the immediate future. The Group's VaR is calculated assuming a one-day holding period and an expected tail loss methodology which approximates a 99% confidence level.

VaR statistics can be materially different across firms due to differences in portfolio composition, differences in VaR methodologies, and differences in model parameters. As a result, GTBank believes VaR statistics can be used more effectively as indicators of trends in risk-taking within a firm, rather than as a basis for inferring differences in risk-taking across firms.

The Bank trades on foreign currencies, Bonds and Treasury bills instruments, while its subsidiaries trade mainly in bills and bonds and an insignificant amount of foreign currencies. The resultant risk exposures are interest and foreign exchange risks.

The table below presents, risk by category, average VaR and end of period-end VaR as well as the high and low VaR for the period.

Group VaR by risk type		**June-21**		
In thousands of Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	29,747	107,089	1,326	11,529
Interest rate risk	1,758,539	4,996,541	12,603	70,124
Total	**1,788,287**	**5,103,630**	**13,929**	**81,653**

Group VaR by risk type		**June-20**		
In thousands of Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	40,364	293,212	47	42,460
Interest rate risk	383,360	2,262,236	11,878	2,004,452
Total	**423,724**	**2,555,449**	**11,926**	**2,046,913**

Bank VaR by risk type		**June-21**		
In thousands of Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	16,962	61,062	756	6,574
Interest rate risk	1,002,712	2,849,006	7,186	39,984
Total	**1,019,673**	**2,910,068**	**7,942**	**46,558**

Bank VaR by risk type		**June-20**		
In thousands of Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	27,882	202,540	33	29,330
Interest rate risk	264,811	1,562,669	8,205	1,384,601
Total	**292,693**	**1,765,209**	**8,238**	**1,413,931**

(iv) Other market risks: Sensitivity analysis of non-trading portfolios to various scenarios

The management of interest rate risk against interest rate gap limits is supplemented with monitoring the sensitivity of the Group's financial assets and liabilities to various scenarios. Credit spread risk (not relating to changes in the obligor / issuer's credit standing) on debt securities held by the Group and equity price risk is subject to regular monitoring by Group Management Risk committee but is not currently significant in relation to the overall results and financial position of the Group.

Interest rate movement have both cash flow and fair value effect depending on whether interest rate is fixed or floating. The impact resulting from adverse or favourable movement flows from either retained earnings or OCI and ultimately ends in equity in the following manner:

- Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.
- Fair value reserves arising from increases or decreases in fair value of financial instruments FVOCI reported directly in other comprehensive income.

At 30 June 2021, the group's interest rate risk arises principally from risk assets and borrowings i.e. (deposit liabilities and long-term borrowings). Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk.

The Group therefore analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for assets and liabilities that represent the major interest-earning and bearing positions. Major assumptions underlying the sensitivity are as follows:

- 100 basis point changes in floating interest rate on assets held at amortized cost; assets accounted at fair value through profit or loss as well as other comprehensive income (Jun 2021 – 100 basis points) with all other variables held constant, resulted in the impact on profit or loss as set out in the table on page 195.

- 100 basis point changes in floating interest rate for Borrowed funds, Financial liabilities held for trading, Term deposits; 30 basis point changes for Savings deposits; and 15 basis point changes for Current deposits.

  In arriving at the 100-basis point used for the sensitivity analysis of interest rate, the fluctuation in the interest rate of the Group's major assets and liabilities were considered as shown below:

- The prime lending rate on loans and advances which ranged between 11.13% and 12.1% over the period, a change of about 100 basis points is therefore probable.

- The discount rate on various maturities of treasury bills ranged between 0.04% and 4.30% over the financial period as published by Central Bank of Nigeria (CBN).

- A 100 basis point proportional change in the cost of fund was also assumed because costs of funds seldom vary beyond 100 basis point.

The table below shows the changes that would impact the income statement after carrying out interest rate sensitivity:

Group

In thousands of Nigerian Naira	**Jun-21 Pre-tax**	**Jun-21 Post-tax**	**Jun-20 Pre-tax**	**Jun-20 Post-tax**
Decrease	**(9,880,842)**	**(8,428,358)**	**(7,296,384)**	**(6,269,053)**
Asset	(14,857,405)	(12,673,366)	(11,963,899)	(10,279,382)
Liabilities	4,976,563	4,245,008	4,667,515	4,010,329
Increase	**9,880,842**	**8,428,358**	**7,296,384**	**6,269,053**
Asset	14,857,405	12,673,366	11,963,899	10,279,382
Liabilities	(4,976,563)	(4,245,008)	(4,667,515)	(4,010,329)

Parent

In thousands of Nigerian Naira	**Jun-21 Pre-tax**	**Jun-21 Post-tax**	**Jun-20 Pre-tax**	**Jun-20 Post-tax**
Decrease	**(7,522,657)**	**(6,725,256)**	**(6,608,820)**	**(5,783,379)**
Asset	(11,659,536)	(10,423,625)	(10,661,291)	(9,329,696)
Liabilities	4,136,879	3,698,370	4,052,471	3,546,317
Increase	**7,522,657**	**6,725,256**	**6,608,820**	**5,783,379**
Asset	11,659,536	10,423,625	10,661,291	9,329,696
Liabilities	(4,136,879)	(3,698,370)	(4,052,471)	(3,546,317)

The aggregated figures presented above are further segregated into their various components as shown in the following tables:

Components of Statement of financial position Interest Rate sensitivity (Fair Value and Cash Flow Interest Rate Risk)

Group In thousands of Nigerian Naira	**Jun-21** **Pre-tax**	**Jun-21** **Post-tax**	**Jun-20** **Pre-tax**	**Jun-20** **Post-tax**
Decrease				
Assets				
Cash and bank balances	(797,443)	(680,219)	(1,023,452)	(879,350)
Loans and advances to banks	472	403	(5,648)	(4,853)
Loans and advances to customers	(8,212,929)	(7,005,629)	(6,893,469)	(5,922,869)
Financial assets held for trading	(1,013,310)	(864,353)	(293,851)	(252,476)
Investment securities	(4,500,335)	(3,838,786)	(3,460,171)	(2,972,979)
Assets pledged as collateral	(333,860)	(284,782)	(287,308)	(246,855)
	(14,857,405)	**(12,673,366)**	**(11,963,899)**	**(10,279,382)**
Liabilities				
Deposits from banks	33,230	28,345	21,306	18,306
Deposits from customers	4,857,717	4,143,633	3,832,421	3,292,816
Financial liabilities held for trading	13,730	11,711	22,653	19,464
Other borrowed funds	71,887	61,319	791,135	679,743
	4,976,563	**4,245,008**	**4,667,515**	**4,010,329**
Total	**(9,880,842)**	**(8,428,358)**	**(7,296,384)**	**(6,269,053)**
Increase				
Assets				
Cash and bank balances	797,443	680,219	1,023,452	879,350
Loans and advances to banks	-472	-403	5,648	4,853
Loans and advances to customers	8,212,929	7,005,629	6,893,469	5,922,869
Financial assets held for trading	1,013,310	864,353	293,851	252,476
Investment securities	4,500,335	3,838,786	3,460,171	2,972,979
Assets pledged as collateral	333,860	284,782	287,308	246,855
	14,857,405	**12,673,366**	**11,963,899**	**10,279,382**
Liabilities				
Deposits from banks	(33,230)	(28,345)	(21,306)	(18,306)
Deposits from customers	(4,857,717)	(4,143,633)	(3,832,421)	(3,292,816)
Financial liabilities held for trading	(13,730)	(11,711)	(22,653)	(19,464)
Other borrowed funds	(71,887)	(61,319)	(791,135)	(679,743)
	(4,976,563)	**(4,245,008)**	**(4,667,515)**	**(4,010,329)**
Total	**9,880,842**	**8,428,358**	**7,296,384**	**6,269,053**

Parent

In thousands of Nigerian Naira	Jun-21 Pre-tax	Jun-21 Post-tax	Jun-20 Pre-tax	Jun-20 Post-tax
Decrease				
Assets				
Cash and bank balances	(657,015)	(587,371)	(672,220)	(588,260)
Loans and advances to Banks	(466)	(417)	(348)	(305)
Loans and advances to Customers	(6,990,233)	(6,249,269)	(6,888,169)	(6,027,837)
Financial assets held for trading	(675,264)	(603,686)	(152,919)	(133,820)
Investment securities	(2,995,475)	(2,677,955)	(2,661,444)	(2,329,030)
Assets pledged as collateral	(341,082)	(304,928)	(286,190)	(250,445)
	(11,659,536)	**(10,423,625)**	**(10,661,291)**	**(9,329,696)**
Liabilities				
Deposits from banks	1,114	996	194	169
Deposits from customers	4,066,743	3,635,668	3,238,489	2,834,001
Financial liabilities held for trading	13,730	12,274	22,653	19,824
Other borrowed funds	55,292	49,431	791,135	692,322
	4,136,879	**3,698,370**	**4,052,470**	**3,546,317**
Total	**(7,522,657)**	**(6,725,256)**	**(6,608,821)**	**(5,783,379)**
Increase				
Assets				
Cash and bank balances	657,015	587,371	672,220	588,260
Loans and advances to Banks	466	417	348	305
Loans and advances to Customers	6,990,233	6,249,269	6,888,169	6,027,837
Financial assets held for trading	675,264	603,686	152,919	133,820
Investment securities	2,995,475	2,677,955	2,661,444	2,329,030
Assets pledged as collateral	341,082	304,928	286,190	250,445
	11,659,536	**10,423,625**	**10,661,291**	**9,329,696**
Liabilities				
Deposits from banks	(1,114)	(996)	(194)	(169)
Deposits from customers	(4,066,743)	(3,635,668)	(3,238,489)	(2,834,001)
Financial liabilities held for trading	(13,730)	(12,274)	(22,653)	(19,824)
Other borrowed funds	(55,292)	(49,431)	(791,135)	(692,322)
	(4,136,879)	**(3,698,370)**	**(4,052,470)**	**(3,546,317)**
Total	**7,522,657**	**6,725,256**	**6,608,821**	**5,783,379**

As for Cash flow interest rate risk, this risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates.

At 30 June 2021, if interest rates on borrowed funds at amortised cost increased or reduced by 100 basis points with all other variables held constant, the effect on cash flow would have been as set out below:

Group

In thousands of Nigerian Naira	**Jun-21 Pre-tax**	**Jun-21 Post-tax**	**Jun-20 Pre-tax**	**Jun-20 Post-tax**
Decrease	1,055,730	900,538	791,135	679,743
Increase	(1,055,730)	(900,538)	(791,135)	(679,743)

Parent

In thousands of Nigerian Naira	**Jun-21 Pre-tax**	**Jun-21 Post-tax**	**Jun-20 Pre-tax**	**Jun-20 Post-tax**
Decrease	1,022,265	913,905	791,135	692,322
Increase	(1,022,265)	(913,905)	(791,135)	(692,322)

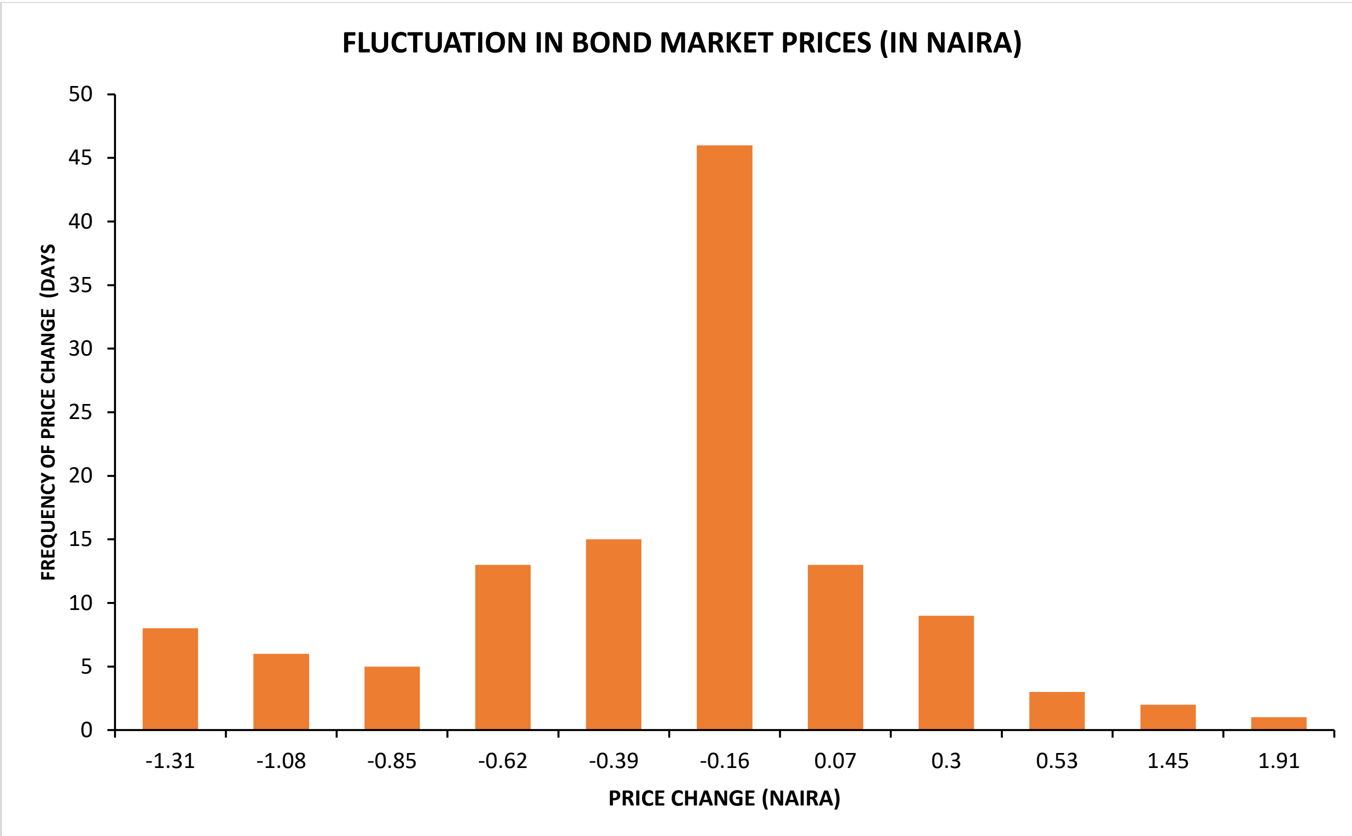
(v) Sensitivity Analysis of Fair Value Through Other Comprehensive Income Portfolio to Price

1. Financial Instrument held as Fair Value through Other Comprehensive Income

The Group recognized fair value changes for FVOCI Bonds, Bills and Equities as at 30 June 2021 and the comparative period in 2020. The Group carried out the following in determining sensitivity of its other comprehensive income to fluctuations in market prices of the financial assets:

Bonds to be Fair Valued through Other Comprehensive Income

- Daily bond prices were obtained and trended for the different series of Bonds in issue as at the reporting date.
- A reasonably possible change of (+1.91/-1.31) Naira was determined based on the distribution of one-year daily change in market prices. The results were that fluctuations were in the range of (+1.91/-1.31) Naira.
- The chosen reasonable change in market prices was then applied to the Bank's holding of bonds designated as FVOCI as at end of the year.



The result of the price sensitivity i.e. impact on other comprehensive income as at 30 June 2021, when price of bonds designated as FVOCI increased or decreased by one Naira with all other variables held constant, would have been as set out in the tables below:

Group	**Jun-21**	**Jun-21**	**Jun-20**	**Jun-20**
In thousands of Nigerian Naira	**Pre-tax**	**Post-tax**	**Pre-tax**	**Post-tax**
Decrease	(190,954)	(162,961)	(130,881)	(112,453)
Increase	258,240	220,884	173,116	148,741

Parent	**Jun-21**	**Jun-21**	**Jun-20**	**Jun-20**
In thousands of Nigerian Naira	**Pre-tax**	**Post-tax**	**Pre-tax**	**Post-tax**
Decrease	(146,908)	(131,264)	(102,252)	(89,481)
Increase	214,194	191,384	144,486	126,440

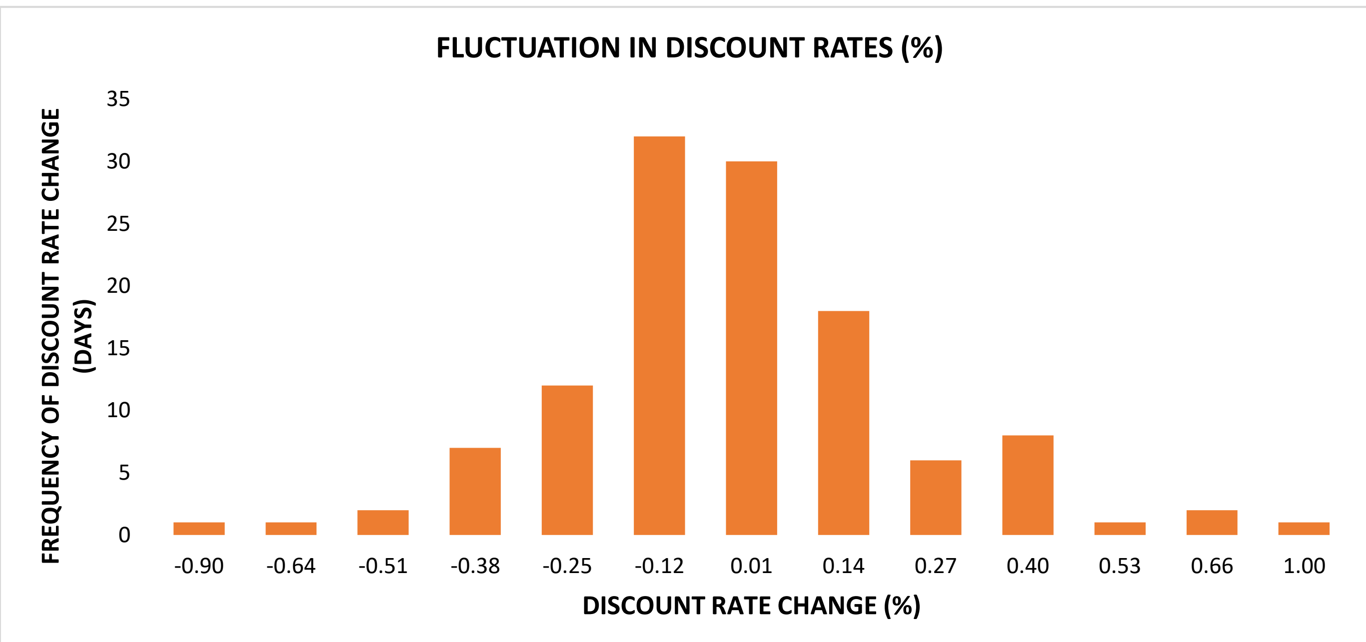
Treasury Bills to be Fair Valued through Other Comprehensive Income OCI

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in market prices of treasury bills:

- Daily market discount rates were obtained and trended for the different maturities of treasury bills in issue as at the reporting date.

- A reasonably possible change of (+1.00/-0.90) was determined based on the distribution of one year daily change in discount rates on treasury bills. A large proportion of changes in discount rates falls in the range of (+1.00/-0.90).

- The chosen reasonable change in market discount rates was then applied to the Bank's holding of Fair value through other comprehensive income treasury bills at end of the year.



The result of the price sensitivity i.e. impacts on other comprehensive income as at 30 June 2021, if discount rates of treasury bills designated as FVOCI, converted to prices, increased or reduced by (+1.00/-0.90) with all other variables held constant, would have been as set out in the tables below:

Group In thousands of Nigerian Naira	**Jun-21** **Pre-tax**	**Jun-21** **Post-tax**	**Jun-20** **Pre-tax**	**Jun-20** **Post-tax**
Decrease	(1,923,436)	(1,641,474)	(2,376,943)	(2,042,269)
Increase	2,017,823	1,722,025	2,879,836	2,474,355

Parent In thousands of Nigerian Naira	Jun-21 Pre-tax	Jun-21 Post-tax	Jun-20 Pre-tax	Jun-20 Post-tax
Decrease	(849,486)	(759,024)	(1,544,600)	(1,791,761)
Increase	943,873	843,360	2,047,493	1,791,761

(vi) Sensitivity analysis of level 3 equity Instruments and its impact on OCI

The estimated fair value per share of each of the unquoted equity instruments has been determined using the relevant valuation models (where applicable/suitable). IFRS 13 outlines three approaches to fair value measurements. We have adopted the income approach in determining the fair values of these investments. Among the significant inputs into the models are the following:

1. Risk free rate (Rf) 2. Beta (B) coefficient 3. Market return (Rm)
4. Free cash flow (FCF) 5. Cost of debt/equity etc.

The inputs were used to determine appropriate weighted cost of capital which subsequently was used to discount the free cash flow of the company before arriving at the appropriate fair value of the share of the unquoted equity.

In determining the sensitivity of the fair value of the share of the unquoted equity to changes to the various inputs, we have assumed a 100 basis points increase or decrease to the risk free rate, the resultant impact to pre-tax and post-tax results arising from the sensitivity analysis are as shown in the table below:

Impact on Other Comprehensive Income

Group In thousands of Nigerian Naira	Jun-21 Pre-tax	Jun-21 Post-tax	Dec-20 Pre-tax	Dec-20 Post-tax
Decrease	196,570	138,879	140,850	120,286
Increase	(162,868)	(115,069)	(90,702)	(77,460)

Parent In thousands of Nigerian Naira	Jun-21 Pre-tax	Jun-21 Post-tax	Dec-20 Pre-tax	Dec-20 Post-tax
Decrease	185,111	137,248	185,111	160,158
Increase	(151,409)	(112,260)	(151,409)	(130,999)

Impact on Income statement

Group In thousands of Nigerian Naira	**Jun-21** **Pre-tax**	**Jun-21** **Post-tax**	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**
Decrease	355,609	251,242	355,609	298,356
Increase	(293,640)	(207,460)	(293,640)	(246,364)

Parent In thousands of Nigerian Naira	**Jun-21** **Pre-tax**	**Jun-21** **Post-tax**	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**
Decrease	355,609	263,662	355,609	307,673
Increase	(293,640)	(217,715)	(293,640)	(254,057)

(iv) Exposure to foreign currency risk

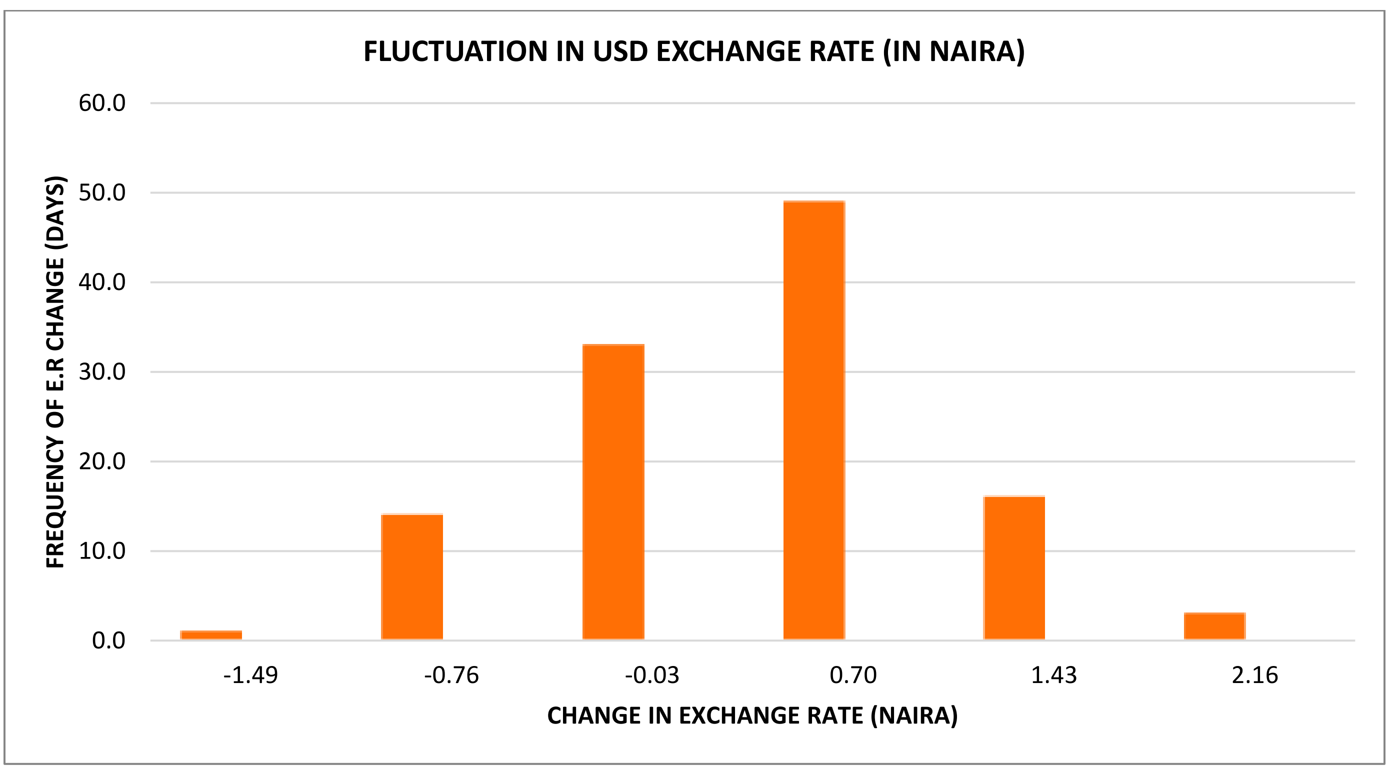
The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollar, UK pound and Euro. Foreign exchange risk represents exposures to changes in the values of current holdings and future cash flows denominated in other currencies. The types of instruments exposed to this risk include investments in foreign subsidiaries, foreign currency-denominated loans and securities, future cash flows in foreign currencies arising from foreign exchange transactions, foreign currency denominated debt amongst others. The value of these instruments fluctuates with changes in the level or volatility of currency exchange rates or foreign interest rates. The Group deploys foreign derivative instruments whose values hedges currency debts to foreign currency loans and advances to eliminate exchange exposures on such borrowings.

Foreign exchange profit or loss (Dollars)

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in exchange rate of dollars:

- Daily dollar exchange rates were obtained for one year and trended

- A reasonably possible change of -1.49/2.16 (June 2020: -1.20/1.88) was determined based on the distribution of one-year daily change in exchange rates. The graph below indicates that large proportion of changes in price falls in the range of -1.49/2.16 (June 2020: -1.20/1.88)
- The chosen reasonable change in exchange rates was then applied to the bank's dollar position at the end of the year.



At 30 June 2021, if the Naira had strengthened/weakened by -1.49/2.16 Naira against the Dollar with all other variables held constant, the pre-tax and post-tax profit for the year would have increased/(decreased) as set out in the table below mainly as a result of foreign exchange gains or losses on the translation

In thousands of Nigerian Naira	June-2021 Pre-tax	June-2021 Post-tax	June-2020 Pre-tax	June-2020 Post-tax
Decrease	(2,191,159)	(1,869,951)	(1,212,336)	(1,041,639)
Increase	5,734,520	4,893,882	1,899,326	1,631,901

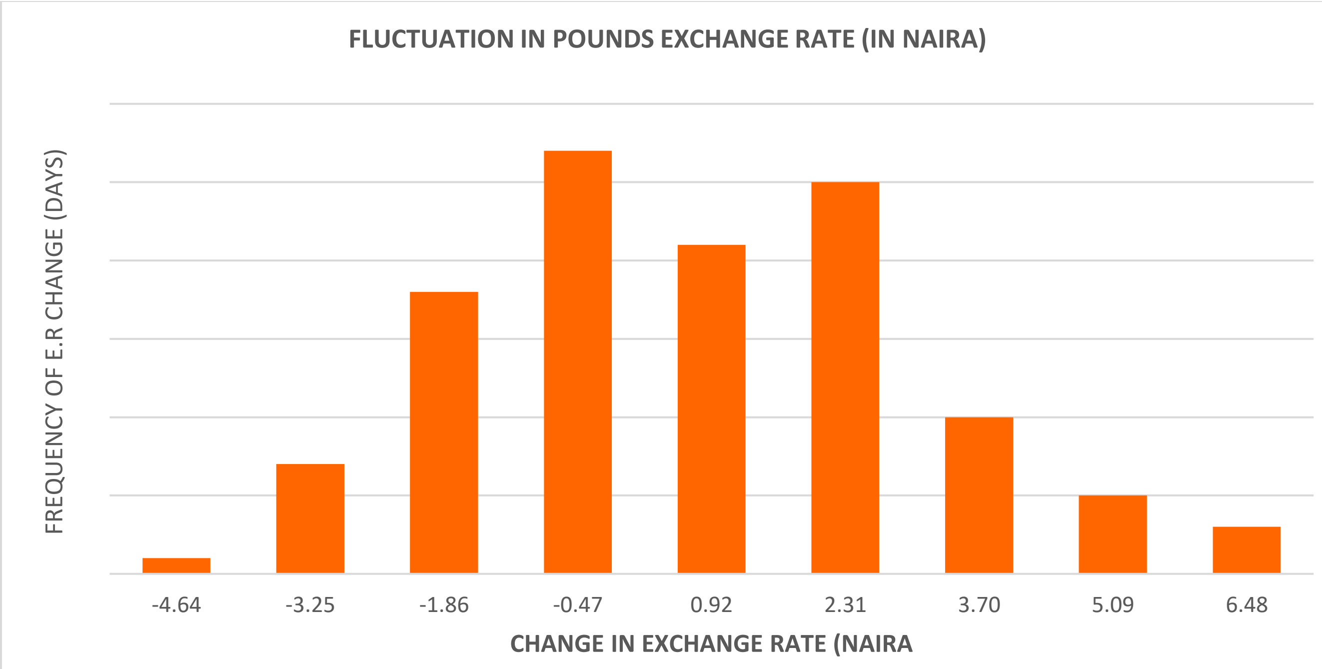
Parent

In thousands of Nigerian Naira	June-2021 Pre-tax	June-2021 Post-tax	June-2020 Pre-tax	June-2020 Post-tax
Decrease	(2,191,403)	(1,958,040)	(1,201,993)	(1,051,864)
Increase	5,735,157	5,124,420	1,883,122	1,647,920

Foreign exchange profit or loss (Pounds)

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in exchange rate of pounds:

- Daily pound exchange rates were obtained and trended
- A reasonably possible change of -4.64/6.48 (June 2020: -4.20/4.62) was determined based on the distribution of one-year daily change in exchange rates. The graph below indicates that large proportion of changes in price falls in the range of -4.64/6.48 (June 2020: -4.20/4.62)
- The chosen reasonable change in exchange rates was then applied to the bank’s position as at end of the year.



At 30 June 2021, if the Naira had weakened/strengthened by -4.64/6.48 Naira against the Pounds with all other variables held constant the pre-tax and post-tax profit for the year would have increased/(decreased) as set out in the table below mainly as a result of foreign exchange gains or losses on the translation.

Group

In thousands of Nigerian Naira	June-2021 Pre-tax	June-2021 Post-tax	June-2020 Pre-tax	June-2020 Post-tax
Decrease	12,802	10,925	8,945	7,686
Increase	128,857	109,968	(9,839)	(8,454)

Parent

In thousands of Nigerian Naira	June-2021 Pre-tax	June-2021 Post-tax	June-2020 Pre-tax	June-2020 Post-tax
Decrease	11,917	10,648	8,253	7,222
Increase	119,951	107,177	(9,079)	(7,945)

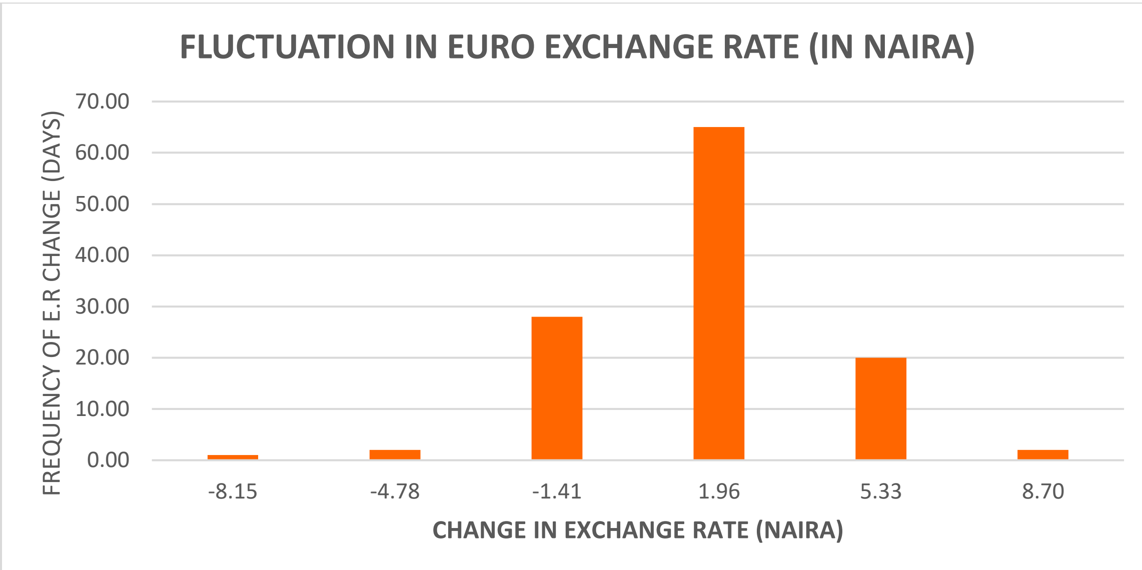
Foreign exchange profit or loss (Euros)

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in exchange rate of Euro:

- Daily Euro exchange rates were obtained and trended

- A reasonably possible change of -8.15/8.70 (June 2020: -3.53/3.40) was determined based on the distribution of one-year daily change in exchange rates. The graph below indicates that large proportion of changes in price falls in the range of -8.15/8.70 (June 2020: -3.53/3.40).

- The chosen reasonable change in exchange rates was then applied to the bank's euro position as at end of the year.



At 30 June 2021, if the Naira had weakened/strengthened by -8.15/8.70 Naira against the Euro with all other variables held constant, the pre-tax and post-tax profit for the year would have increased/(decreased) as set out in the table below mainly as a result of foreign exchange gains or losses on the translation.

Group

In thousands of Nigerian Naira	**June-2021 Pre-tax**	**June-2021 Post-tax**	**June-2020 Pre-tax**	**June-2020 Post-tax**
Decrease	(31,094)	(26,536)	73,744	63,361
Increase	166,205	141,840	(71,029)	(61,028)

Parent

In thousands of Nigerian Naira	**June-2021 Pre-tax**	**June-2021 Post-tax**	**June-2020 Pre-tax**	**June-2020 Post-tax**
Decrease	(21,920)	(19,586)	77,976	68,237
Increase	117,166	104,689	(75,104)	(65,724)

Foreign Exchange Profit or Loss (Other Currencies)

At 30 June 2021, if Naira had weakened/strengthened by -1.49/2.16 (June 2020: -1.20/1.88) against the other currencies with all other variables held constant the pre-tax and post-tax profit for the year, the impact of possible fluctuations in exchange rates on the overall foreign exchange revaluation profit of the bank is as shown below:

Group

In thousands of Nigerian Naira	**June-2021**	**June-2021**	**June-2020**	**June-2020**
	Pre-tax	**Post-tax**	**Pre-tax**	**Post-tax**
Decrease	(4,290)	(3,661)	(4,786)	(4,112)
Increase	28,660	24,459	5,306	4,559

Parent

In thousands of Nigerian Naira	**June-2021**	**June-2021**	**June-2020**	**June-2020**
	Pre-tax	**Post-tax**	**Pre-tax**	**Post-tax**
Decrease	(3,754)	(3,354)	(5,197)	(4,548)
Increase	25,078	22,407	5,762	5,042

(ix) Sensitivity analysis of derivative valuation

The fair value of foreign exchange contracts varies largely due to changes in foreign currency exchange rates. For the purpose of assessing specific risks, the Group carried out a sensitivity analysis to determine the effects that market risk exposures may have on the fair value of the Group's derivative financial instruments and results of operations. To perform the sensitivity analysis, daily U.S. Dollar exchange rates were obtained from the Investors & Exporters FX Window (I & E FX Window) and trended with all other variables kept constant. A proportional foreign exchange rate movement of ±₦0.5 (Jun 2020: ±₦0.5) depreciation of the Nigerian Naira and ±₦0.5 (Jun 2020: ±₦0.5) appreciation of the Nigerian Naira against the U.S. Dollar have been considered to be reasonably possible based on the distribution of one year daily change in exchange rates of the U.S. Dollar.

The following table summarizes our derivatives financial instruments as at 30 June, 2021 and analyzes the sensitivity of their fair values to an immediate change in foreign currency rates. Fair values represent the present value of forecasted future cash flows at market foreign currency exchange rates. A favourable change indicates a weakening of the Nigerian Naira against the U.S. Dollar and an unfavourable change indicates a strengthening of the Nigerian Naira against the U.S. Dollar. The selection of ± ₦0.5 (Jun 2020: ±₦0.5) favourable or unfavourable change in foreign currency exchange rates should not be construed as a prediction by the Group of future market events, but rather, to illustrate the potential impact of such an event. The modeling technique used to calculate the exposure does not take into account correlation among foreign currency exchange rates, or correlation among various markets such as the foreign exchange, equity and fixed-income markets. Actual experience may differ from the results in the table below due to the correlation assumptions utilized, or if events occur that were not included in the methodology, such as significant liquidity or market events.

The net impact of sensitivity for both favorable and unfavorable exchange rate of ± ₦0.5 will be ₦534,721,755 and ₦534,721,755) respectively.

Group
Jun-21
Total derivatives

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value	Asset/ (Liability)	Favourable changes (Pre-tax) Income Statement	Unfavourable changes (Pre-tax) Income Statement	Favourable changes (Post-tax) Income Statement	Unfavourable changes (Post-tax) Income Statement
Derivative Assets	359,074,490	35,389,350	Asset	426,296	(426,296)	363,804	(363,804)
Derivative Liabilities	89,835,210	(2,292,109)	Liability	108,426	(108,426)	92,531	(92,531)

Jun-20
Total derivatives

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value	Asset/ (Liability)	Favourable changes (Pre-tax) Income Statement	Unfavourable changes (Pre-tax) Income Statement	Favourable changes (Post-tax) Income Statement	Unfavourable changes (Post-tax) Income Statement
Derivative Assets	280,977,556	34,843,563	Asset	355,101	(355,101)	305,103	(305,103)
Derivative Liabilities	42,789,500	(2,459,980)	Liability	55,084	(55,084)	47,328	(47,328)

Please refer to Note 25 for components of the Derivative assets/liabilities.

Parent
Jun-21
Total derivatives

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value	Asset / (Liability)	Favourable changes (Pre-tax) Income Statement	Unfavourable changes (Pre-tax) Income Statement	Favourable changes (Post-tax) Income Statement	Unfavourable changes (Post-tax) Income Statement
Derivative Assets	359,074,490	35,389,350	Asset	426,296	(426,296)	380,900	(380,900)
Derivative Liabilities	89,835,210	(2,292,109)	Liability	108,426	(108,426)	96,880	(96,880)

Jun-20
Total derivatives

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value	Asset/ (Liability)	Favourable changes (Pre-tax) Income Statement	Unfavourable changes (Pre-tax) Income Statement	Favourable changes (Pre-tax) Income Statement	Unfavourable changes (Pre-tax) Income Statement
Derivative Assets	280,977,556	34,843,563	Asset	355,101	(355,101)	310,749	(310,749)
Derivative (liabilities)	42,789,500	(2,459,980)	Liability	55,084	(55,084)	48,204	(48,204)

Please refer to Note 25 for components of the Derivative assets/liabilities.

Sensitivity analysis on ECL Model

The following are the most significant assumption affecting the ECL allowance:

Corporate Portfolios

I. Crude Oil Prices, given the significant impact on the performance of companies in the oil and gas sector.
II. Exchange rate, given the significant impact on companies' ability to meet contractual payments denominated in foreign currency.
III. Inflation, given its significant impact on collateral valuations.
IV. GDP, given its impact on companies' performance and collateral valuations.
V. Interest rate, given its impact on the ability of companies to meet contractual cashflows on both local and foreign currency denominated obligations.

Retail Portfolios

I. Unemployment, given the impact it has on individual borrowers' ability to meet contractual payment.
II. Inflation, given its significant impact on purchasing power of individual borrowers and ultimately, the capacity to repay obligations.
III. Interest rate, given its impact on the ability of individual borrowers to meet contractual cashflows on both local and foreign currency denominated obligations.

In sensitising the variables above to determine their impact on Expected Credit Losses (ECL), the Group adjusted its Forward-Looking Information forecast as follows

- 500 basis points Increase / Decrease in GDP growth rate over forecasted GDP growth rate
- 500 basis points Decrease / Increase in inflation rate over Inflation rate forecast
- 300 basis points Decrease / Increase in interest rate over Interest rate forecast
- Decrease / Increase in USD/NGN exchange rate by ₦20 over forecasted exchange rate
- Increase / Decrease in Crude Oil Price by $10pbl over forecasted Crude Oil Price

Set out below are the changes to the ECL as at 30 June 2021 and 31 December 2020 that would result from the possible changes in these parameters from the actual assumptions used in the Group's economic variables assumption.

Group

Jun-2021

	Improvement		**Worsening**	
In thousands of naira	**Pre-Tax**	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(10,868,554)	(7,607,988)	7,671,060	5,369,742
CORPORATE	(3,245,975)	(2,272,183)	8,131,569	5,692,098
PUBLIC SECTOR	(56,803)	(39,762)	99,527	69,669
RETAIL	(1,584,138)	(1,108,896)	2,016,110	1,411,277
SME	(318,019)	(222,613)	405,435	283,805
	(16,073,488)	**(11,251,442)**	**18,323,701**	**12,826,591**

Parent

Jun-2021

	Improvement		Worsening	
In thousands of naira	**Pre-Tax**	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(10,351,004)	(7,245,702)	7,305,772	5,114,040
CORPORATE	(3,062,241)	(2,143,569)	7,671,291	5,369,904
PUBLIC SECTOR	(54,618)	(38,233)	95,699	66,989
RETAIL	(1,480,502)	(1,036,352)	1,884,215	1,318,950
SME	(302,875)	(212,013)	386,129	270,290
	(15,251,240)	**(10,675,868)**	**17,343,105**	**12,140,174**

Group

Dec-2020

	Improvement		Worsening	
In thousands of naira	**Pre-Tax**	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(9,384,161)	(6,568,913)	6,730,714	4,711,500
CORPORATE	(6,284,351)	(4,399,046)	7,844,773	5,491,341
PUBLIC SECTOR	(198,276)	(138,793)	65,867	46,107
RETAIL	(682,033)	(477,423)	658,102	460,672
SME	(129,848)	(90,894)	123,459	86,422
	(16,678,669)	**(11,675,069)**	**15,422,915**	**10,796,041**

Parent

Dec-2020

	Improvement		Worsening	
In thousands of naira	**Pre-Tax**	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(8,937,296)	(6,256,107)	6,410,204	4,487,143
CORPORATE	(6,042,645)	(4,229,852)	7,543,051	5,280,135
PUBLIC SECTOR	(187,053)	(130,937)	62,139	43,497
RETAIL	(662,168)	(463,518)	638,934	447,254
SME	(125,457)	(87,820)	119,284	83,499
	(15,954,620)	**(11,168,234)**	**14,773,612**	**10,341,528**

The table below summaries the Group's financial instruments at carrying amount, categorised by currency:

Group
Jun-2021
Financial instruments by currency

In thousands of Nigerian Naira	***Note***	**Total**	**Naira**	**USD**	**GBP**	**Euro**	**Others**
Cash and bank balances	23	794,323,951	142,247,238	472,231,798	66,976,818	38,963,915	73,904,182
Financial assets at fair value through profit or loss	24	76,244,179	3,487,412	-	-	-	72,756,767
Derivative financial assets	25	35,389,350	35,389,350	-	-	-	-
Investment securities:							
– Fair Value through other comprehensive Income	26	288,401,355	178,755,638	34,619,190	10,244,739	-	64,781,788
– Held at amortised cost	26	865,137,145	700,851,800	8,765,139	-	-	155,520,206
Assets pledged as collateral	27	69,457,589	69,071,631	-	-	-	385,958
Loans and advances to banks	28	89,241	89,241	-	-	-	-
Loans and advances to customers	29	1,632,088,961	634,232,676	785,577,461	30,202,286	3,060,727	179,015,811
Restricted deposits and other assets[1]	34	978,347,896	909,294,073	35,228,267	(697,753)	4,113,815	30,409,494
		4,739,479,667	**2,673,419,059**	**1,336,421,855**	**106,726,090**	**46,138,457**	**576,774,206**
Deposits from banks	35	129,535,081	193,939	96,527,552	2,926,979	9,389,019	20,497,592
Deposits from customers	36	3,625,217,843	2,414,021,415	737,078,906	74,301,963	30,006,603	369,808,956
Financial liabilities at fair value through profit or loss	37	3,086,939	3,086,939	-	-	-	-
Derivative financial liabilities	25	2,292,109	2,292,109	-	-	-	-
Other liabilities[2]	38	324,387,910	237,173,862	60,898,068	2,701,827	377,926	23,236,227
Other borrowed funds	40	110,469,179	85,644,794	24,454,400	-	-	369,985
		4,194,989,061	**2,742,413,058**	**918,958,926**	**79,930,769**	**39,773,548**	**413,912,760**
Financial Instrument Gap		**544,490,606**	**(68,993,999)**	**417,462,929**	**26,795,321**	**6,364,909**	**162,861,446**

[1] Excludes prepayments

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Group
Dec-2020
Financial instruments by currency

In thousands of Nigerian Naira	***Note***	**Total**	**Naira**	**USD**	**GBP**	**Euro**	**Others**
Cash and bank balances	23	745,557,370	120,138,026	435,968,606	83,072,079	37,468,439	68,910,220
Financial assets at fair value through profit or loss	24	67,535,363	36,226,876	-	-	-	31,308,487
Derivative financial assets	25	26,448,550	26,448,550	-	-	-	-
Investment securities:							
– Fair value through profit or loss	26	-	-	-	-	-	-
– Fair Value through other comprehensive Income	26	691,705,703	595,277,891	34,374,408	-	-	62,053,404
– Held at amortised cost	26	283,582,832	77,820,332	7,541,401	-	-	198,221,099
Assets pledged as collateral	27	62,200,326	61,955,975	-	-	-	244,351
Loans and advances to banks	28	99,043	39,749	59,294	-	-	-
Loans and advances to customers	29	1,662,731,699	618,083,944	848,442,209	30,038,937	4,552,689	161,613,920
Restricted deposits and other assets[1]	34	1,166,226,315	1,083,693,881	52,073,051	46,302	3,147,267	27,265,814
		4,706,087,201	**2,619,685,224**	**1,378,458,969**	**113,157,318**	**45,168,395**	**549,617,295**
Deposits from banks	35	101,509,550	12,733	82,638,777	9,858,411	8,871,144	128,485
Deposits from customers	36	3,509,319,237	2,302,177,286	740,378,651	72,498,103	27,998,194	366,267,003
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-
Derivative financial liabilities	25	2,758,698	2,758,698	-	-	-	-
Other liabilities[2]	38	352,176,806	203,870,776	125,052,730	3,682,371	3,225,698	16,345,231
Other borrowed funds	40	113,894,768	77,599,816	35,870,937	-	-	424,015
		4,079,659,059	**2,586,419,309**	**983,941,095**	**86,038,885**	**40,095,036**	**383,164,734**
Financial Instrument Gap		**626,428,142**	**33,265,915**	**394,517,874**	**27,118,433**	**5,073,359**	**166,452,561**

[1] Excludes prepayments

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Parent
Jun-2021
Financial instruments by currency
In thousands of Nigerian Naira

	Note	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	23	517,772,696	133,872,086	326,454,191	35,254,256	21,426,820	765,343
Financial assets at fair value through profit or loss	24	3,487,412	3,487,412	-	-	-	-
Derivative financial assets	25	35,389,350	35,389,350	-	-	-	-
Investment securities:							
– Fair Value through other comprehensive Income	26	178,755,637	178,755,637	-	-	-	-
– Held at amortised cost	26	663,755,117	663,755,117	-	-	-	-
Assets pledged as collateral	27	69,071,631	69,071,631	-	-	-	-
Loans and advances to banks	28	89,241	89,241	-	-	-	-
Loans and advances to customers	29	1,339,073,889	617,135,334	721,207,847	-	730,708	-
Restricted deposits and other assets[1]	34	944,323,625	908,761,834	27,956,620	(708,320)	4,107,298	4,206,193
		3,751,718,598	**2,610,317,642**	**1,075,618,658**	**34,545,936**	**26,264,826**	**4,971,536**
Deposits from banks	35	6,692	6,692	-	-	-	-
Deposits from customers	36	2,941,790,590	2,367,467,376	527,494,141	27,767,371	19,060,608	1,094
Financial liabilities at fair value through profit or loss	24	3,086,939	3,086,939	-	-	-	-
Derivative financial liabilities	25	2,292,109	2,292,109	-	-	-	-
Other liabilities[2]	38	289,048,053	225,613,230	58,852,306	96,696	354,197	4,131,624
Other borrowed funds	40	107,122,703	82,668,302	24,454,401	-	-	-
		3,343,347,086	**2,681,134,648**	**610,800,848**	**27,864,067**	**19,414,805**	**4,132,718**
Financial Instrument Gap		**408,371,512**	**(70,817,006)**	**464,817,810**	**6,681,869**	**6,850,021**	**838,818**

[1] Excludes prepayments

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Parent
Dec-2020
Financial instruments by currency

In thousands of Nigerian Naira	*Note*	**Total**	**Naira**	**USD**	**GBP**	**Euro**	**Others**
Cash and bank balances	23	493,209,016	117,112,424	322,945,060	33,350,831	18,933,562	867,139
Financial assets at fair value through profit or loss	24	36,226,876	36,226,876	-	-	-	-
Derivative financial assets	25	26,448,550	26,448,550	-	-	-	-
Investment securities:							
– Fair value through profit or loss	26	-	-	-	-	-	-
– Fair Value through other comprehensive Income	26	595,277,891	595,277,891	-	-	-	-
– Held at amortised cost	26	77,820,332	77,820,332	-	-	-	-
Assets pledged as collateral	27	61,955,975	61,955,975	-	-	-	-
Loans and advances to banks	28	39,749	39,749	-	-	-	-
Loans and advances to customers	29	1,410,577,734	618,083,944	791,253,485	-	1,240,305	-
Restricted deposits and other assets[1]	34	1,113,387,208	1,063,026,116	47,226,998	16,256	3,117,838	-
		3,814,943,331	**2,595,991,857**	**1,161,425,543**	**33,367,087**	**23,291,705**	**867,139**
Deposits from banks	35	12,733	12,733	-	-	-	-
Deposits from customers	36	2,881,686,058	2,302,177,286	537,105,572	25,803,815	16,598,314	1,071
Financial liabilities at fair value through profit or loss	36	-	-	-	-	-	-
Derivative financial liabilities	25	2,758,698	2,758,698	-	-	-	-
Other liabilities[2]	38	318,520,502	193,275,709	121,979,192	89,955	3,167,738	7,908
Other borrowed funds	40	113,470,753	77,599,816	35,870,937	-	-	-
		3,316,448,744	**2,575,824,242**	**694,955,701**	**25,893,770**	**19,766,052**	**8,979**
Financial Instrument Gap		**498,494,587**	**20,167,615**	**466,469,842**	**7,473,317**	**3,525,653**	**858,160**

[1] Excludes prepayments

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

5. Capital management and other risks

(a) Regulatory capital

The Bank's lead regulator, the Central Bank of Nigeria (CBN), sets and monitors capital requirements for the Bank. The parent company and individual banking operations are directly supervised by the Central Bank of Nigeria (CBN) and the respective regulatory authorities in the countries in which the subsidiary banking operations are domiciled.

The Bank's Capital Adequacy Ratio have been computed in line with the CBN's guidance on Regulatory capital, Credit risk, Market risk and Operational risk under the Basel II Framework. With effect from July 1, 2017, the CBN requires that banks designated as Domestic Systemically Important Banks (D-SIBs) maintain additional Higher Loss Absorbency (HLA) of 1% in respect of their capital, which will require that D-SIBs maintain a minimum capital adequacy ratio of 16%.

(b) Capital Adequacy Position in line with Basel II Accord

The International Convergence of Capital Measurement and Capital Standards: a Revised Framework, popularly known as the Basel II Framework was introduced in 2004 as a new set of international standards and best practices that define the minimum capital requirements for internationally active banks. The Basel II framework stipulates a minimum level of capital that banks must maintain to ensure that they can meet their obligations, cover unexpected losses; and can, very importantly, promote public confidence.

Basel II is a three-pronged approach relying on three Pillars -Minimum Capital Requirements (Pillar 1), Supervisory Review Process (Pillar 2) and Market Discipline (Pillar 3).

Pillar 1 Minimum Capital Requirements: It prescribes the capital allocation methodology against the core traditional credit, market and operational risks to ensure these are adequately measured and that banks have adequate capital to mitigate these risks.

Pillar 2 Supervisory Review: It requires banks to establish a risk management framework to identify, assess and manage major risks inherent in the institution and allocate adequate capital against those risks. It emphasizes that supervisors should be able to evaluate the soundness of these assessments.

Pillar 3 Market Discipline: It sets out to encourage market discipline by requiring a number of disclosure requirements in respect of a bank's risk exposures, risk assessment process and capital adequacy.

The CBN specifies approaches for quantifying the risk weighted assets for credit, market and operational risk for the purpose of determining regulatory capital. Although the computations are consistent with the requirements of Pillar 1 Basel II Accord, certain sections have been adjusted to reflect the peculiarities of the Nigerian environment. In compliance with CBN, the Bank adopted the Standardized Approach (SA) in determining capital charge for Credit Risk and Market Risk while capital charge for Operational Risk was determined using the Basic Indicator Approach (BIA).

Pillar 1 focuses mainly on CAR, also known as Capital to Risk (Weighted) Assets Ratio (CRAR). This is the ratio of a bank's capital to its risk. CBN requires the minimum requirement of 10% or 15% of Capital to risk weighted assets be maintained by Nigerian banks or banking groups with regional/national license and international banking license respectively.

CAR is measured as:

$$\frac{\text{Total Capital}}{\text{(Credit Risk Weighted Assets + Market Risk Weighted Assets + Operational Risk Weighted Assets)}}$$

The Bank's regulatory capital is analysed into two tiers:

Tier 1 capital includes ordinary share capital, share premium, retained earnings, statutory reserves, and other reserves excluding regulatory reserves. Intangible assets and investments in subsidiaries were also deducted from Tier I capital for capital adequacy purposes.

Tier 2 capital comprises Fair Value Reserves.

The Bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank's management of capital during the year.

Period under review

A fundamental part of the Bank's overall business strategy is its sound capital management practices. It adopts a capital planning process that ensures that regulatory capital remains within approved ranges or above target levels across economic and business cycles. The Bank is appropriately capitalized under normal and severe scenarios as well as a range of stress events.

Stress-testing models are used to gauge vulnerability of the bank to exceptional yet possible events. The result of stress-testing reveals the minimum capital requirements of the bank in the event that unforeseen negative events crystallize. The critical objective underpinning the stress-testing exercise is to identify as early as possible, any shortfall in capital requirements of the Bank and take corrective actions which may be direct or indirect.

The Bank throughout the review period, operated above its targeted capitalization range and well over the CBN-mandated regulatory minimum of 16% for Domestic Systemically Important. As at June 30, 2021, the Bank's capital adequacy ratio was 23.13% (December 31, 2020- 23.73%). Group capital stood at 24.00% (December 2020 – 25.90%).

The following table shows the composition of regulatory capital and risk weighted assets for the Bank:

Capital adequacy ratio

	Group				Bank			
	Transitional Arrangement Impact	Transitional Arrangement Impact	Full Impact	Full Impact	Transitional Arrangement Impact	Transitional Arrangement Impact	Full Impact	Full Impact
In thousands of Nigerian Naira	**Jun-2021**	**Dec-2020**	**Jun-2021**	**Dec-2020**	**Jun-2021**	**Dec-2020**	**Jun-2021**	**Dec-2020**
Tier 1 capital								
Share capital	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590
Share premium	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114
Retained profits*	229,361,344	259,412,529	229,361,344	259,412,529	165,160,538	202,540,194	165,160,538	202,540,194
Statutory Reserve	363,715,136	350,297,225	363,715,136	350,297,225	335,714,459	325,606,095	335,714,459	325,606,095
SMEEIS and AGSMEIS Reserves	44,668,679	35,759,279	44,668,679	35,759,279	44,650,204	35,740,804	44,650,204	35,740,804
IFRS 9 Transitional Adjustment	17,277,633	17,277,633	-	-	16,679,981	16,679,981	-	-
RRR applied for IFRS 9 Impact	-	-	(65,490,719)	(65,490,719)	-	-	(65,490,719)	(65,490,719)
Non-Controlling Interest	17,370,401	15,780,809	17,370,401	15,780,809	-	-	-	-
Tier 1 Sub-Total	**810,579,897**	**816,714,179**	**727,811,545**	**733,945,827**	**700,391,886**	**718,753,778**	**618,221,186**	**636,583,078**
Less Regulatory deductions :								
Other intangible assets	(10,826,146)	(11,184,555)	(10,826,146)	(11,184,555)	(9,152,074)	(9,294,319)	(9,152,074)	(9,294,319)
Goodwill	(8,689,441)	(8,687,968)	(8,689,441)	(8,687,968)	-	-	-	-
Deferred Tax	(10,616,550)	(4,716,154)	(10,616,550)	(4,716,154)	-	-	-	-
Treasury Shares	(7,537,348)	(6,928,103)	(7,537,348)	(6,928,103)	-	-	-	-
100% of investments in unconsolidated Banking and financial subsidiary/associate companies	-	-	-	-	(56,903,032)	(56,903,032)	(56,903,032)	(56,903,032)
Unsecured Lending to subsidiaries within the same Group	-	-	-	-	(411,502)	(9,085,320)	(411,502)	(9,085,320)
Net Total Tier 1 Capital (A)	**772,910,412**	**785,197,399**	**690,142,060**	**702,429,047**	**633,925,279**	**643,471,107**	**551,754,578**	**561,300,407**
Tier 2 capital								
Foreign Exchange Adjustments	19,012,106	20,933,240	19,012,106	20,933,240	-	-	-	-
Fair Value Reserves	(10,532,299)	4,016,558	(10,532,299)	4,016,558	(11,082,512)	3,498,813	(11,082,512)	3,498,813
Net Total Tier 2 Capital (B)	**8,479,807**	**24,949,798**	**8,479,807**	**24,949,798**	**(11,082,512)**	**3,498,813**	**(11,082,512)**	**3,498,813**
Total Qualifying Capital (C= A+B)	**781,390,219**	**810,147,197**	**698,621,867**	**727,378,845**	**622,842,767**	**646,969,920**	**540,672,066**	**564,799,220**
Composition of Risk-Weighted Assets								
Credit Risk	2,354,255,113	2,272,856,649	2,288,764,394	2,207,365,930	1,889,506,515	1,953,852,543	1,842,160,766	1,888,361,824
Operational Risk	612,311,772	589,711,798	612,311,772	589,711,798	490,827,370	485,248,749	490,827,370	485,248,749
Market Risk	9,863,253	10,998,110	9,863,253	10,998,110	4,547,819	6,886,653	4,547,819	6,886,653
Aggregate	**2,976,430,137**	**2,873,566,556**	**2,910,939,418**	**2,808,075,837**	**2,384,881,704**	**2,445,987,944**	**2,337,535,955**	**2,380,497,225**
Total Risk-Weighted Capital Ratio	**26.25%**	**28.19%**	**24.00%**	**25.90%**	**26.12%**	**26.45%**	**23.13%**	**23.73%**
Tier 1 Risk-Based Capital Ratio	**25.97%**	**27.32%**	**23.71%**	**25.01%**	**26.58%**	**26.31%**	**23.60%**	**23.58%**

**Includes Regulatory Risk Reserve (RRR) of ₦65.4bn applied upon the adoption of IFRS 9 impact.*

TRANSITIONAL ARRANGEMENTS TREATMENT OF IFRS 9 EXPECTED CREDIT LOSS FOR REGULATORY PURPOSES BY BANKS IN NIGERIA

The Central Bank of Nigeria (CBN) issued a circular to provide guidance on the treatment of ECL provisions for regulatory purpose and introduced a four-year transitional arrangement to cushion the effect on tier 1 regulatory capital. The summary of the guidance is as follows:

1) Utilisation of Regulatory Risk Reserve (RRR) to cushion the impact of IFRS 9 ECL Provisions on Transition Date

In order to cushion the impact of IFRS 9 on regulatory capital banks are required, in the first instance, to apply the balance in their RRR to reduce the additional ECL provisions to be recognized in the opening retained earnings on January 1, 2018. The amount to be deducted from RRR shall be limited to the excess of ECL provisions over the IAS 39 provisions on the transition date. Accordingly, banks are required to effect appropriate accounting entries to reflect the transfer from RRR to the retained earnings.

2) Transitional Arrangement of the ECL Accounting Provisions for Regulatory Capital Purpose

Where the additional IFRS 9 ECL provision as stated in (1) above is higher than the balance in RRR, Banks are required to amortise the excess in line with the transitional arrangements provided by CBN. For the purpose of the transitional arrangement, the excess of the ECL provisions over IAS 39 provisions adjusted for the RRR is termed “Adjusted Day One Impact”, using the Static Approach. This approach requires banks to hold static the Adjusted Day One Impact and amortise on a straight-line basis over the four-year transition period by writing back to the Tier 1 capital as indicated in the table below:

Period	Provisions to be written back
Year 0 (January 1, 2018)	4/5 of Adjusted Day One Impact
Year 1 (December 31, 2018)	3/5 of Adjusted Day One Impact
Year 2 (December 31, 2019)	2/5 of Adjusted Day One Impact
Year 3 (December 31, 2020)	1/5 of Adjusted Day One Impact
Year 4 (December 31, 2021)	Nil

Where the RRR fully absorbs the additional ECL provision, this transitional arrangement shall not apply.

The outcome of the application of the CBN guidance on the treatment of IFRS 9 ECL provisions is as presented in the capital adequacy computation on page 219.

(c) Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases, the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by the Group Enterprise Risk Management Division, and is subject to review by the Group Credit Committee or ALMAC as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Consideration is also given to synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

6. Use of estimates and judgments

These disclosures supplement the commentary on financial risk management (see note 4).

(a) Key sources of estimation uncertainty

Measurement of the expected credit losses

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, in the application of forward-looking information, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is as described in accounting policy 3b (j)(v).

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3b (j)(vii). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(b) Critical accounting judgements in applying the Group's accounting policies

Critical accounting judgements made in applying the Group's accounting policies include:

Financial asset and liability classification

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

1. In classifying financial assets as measured at amortised cost, the Group has determined that it meets the

description of financial assets set out in accounting policy **3b(j)(ii)(a).**

2. In designating financial assets as measured at FVOCI, the Group has determined that it has met the criteria for this designation set out in accounting policy **3b (j)(ii)(b).**

3. In classifying financial assets as measured at FVTPL, the Group has determined that it meets the description of financial assets set out in accounting policy **3b(j)(ii)(c).**

4. In accounting for financial liabilities as FVTPL, the Group has determined that it meets the description of financial liabilities set out in accounting policy **3b(j)(ii)(e).**

5. In carrying financial liabilities at amortised cost, the Group has determined that it meets the description of financial liabilities set out in accounting policy **3b(j)(ii)(f).**

Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

Determination of impairment of property and equipment, and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Translation of FX position during the year*:* This is referenced to the Investors & Exporters FX Window (I & E FX Window) rate quoted on FMDQ.

Defined benefits plan

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations.

The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

Impairment of Goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy in note 3(q). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of estimates. Goodwill and Goodwill Impairment testing are shown in note 32(c) below.

IFRIC 23 - Uncertain Tax Position

The tax legislation in relation to the treatment of expected credit loss on stage 2 loans is unclear with respect to whether the stage 2 impairment should be treated as specific or collective in the assessment of deferred tax.

The Group has opted to treat these stage 2 expected credit loss balances as specific in the determination and computation of deferred taxes because they are assessed as having a significant increase in credit risk and their computation was based on lifetime expected credit losses in accordance with IFRS 9.

This treatment does not give rise to any deductible temporary difference. If the Group had treated the stage 2 impairment as being a collective provision within the context of deferred tax assessment, a deferred tax asset of N4.1bn would have been recognised.

Valuation of equity financial instruments

The Group's accounting policy on fair value measurements is discussed under note 3b (j)(iid).

The Group measures fair values using the following hierarchy of methods.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

All fair values are on a recurring basis. The sensitivity of investments and derivatives to fluctuation in market prices and yields are disclosed in note 4(i) under market risk above.

Group
Jun-2021
In thousands of Nigerian Naira

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
-Debt securities	24	76,244,179	-	-	76,244,179
Derivative financial assets	25	-	35,389,350	-	35,389,350
Investment securities:					
-Debt securities at FVOCI	26	288,401,355	-	-	288,401,355
-Equity securities at FVOCI	26	-	-	1,665,711	1,665,711
-Equity securities FVTPL	26	-	-	3,273,771	3,273,771
Assets pledged as collateral	27	69,071,632	385,957	-	69,457,589
Total assets		**433,717,166**	**35,775,307**	**4,939,482**	**474,431,955**
Liabilities					
Financial liabilities at fair value through profit or loss	37	3,086,939	-	-	3,086,939
Derivative financial liabilities	25	-	2,292,109	-	2,292,109
Total liabilities		**3,086,939**	**2,292,109**	**-**	**5,379,048**

Group
Dec-2020
In thousands of Nigerian Naira

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
-Debt securities	24	67,535,363	-	-	67,535,363
Derivative financial assets	25	-	26,448,550	-	26,448,550
Investment securities:					
-Debt securities at FVOCI	26	280,625,898	411,079,805	-	691,705,703
-Equity securities at FVOCI	26	-	-	1,666,008	1,666,008
-Investment securities - FVPL Notes	26	-	-	-	-
-Equity securities FVTPL	26	-	-	3,273,771	3,273,771
Assets pledged as collateral	27	62,200,326	-	-	62,200,326
Total assets		**410,361,587**	**437,528,355**	**4,939,779**	**852,829,721**
Liabilities					
Financial liabilities at fair value through profit or loss	37	-	-	-	-
Derivative financial liabilities	25	-	2,758,698	-	2,758,698
Total liabilities		**-**	**2,758,698**	**-**	**2,758,698**

Parent
Jun-2021
In thousands of Nigerian Naira

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
-Debt securities	24	3,487,412	-	-	3,487,412
Derivative financial assets	25	-	35,389,350	-	35,389,350
Investment securities:					
-Debt securities at FVOCI	26	178,755,637	-	-	178,755,637
-Equity securities at FVOCI	26	-	-	1,654,549	1,654,549
-Equity securities FVTPL	26	-	-	3,273,771	3,273,771
Assets pledged as collateral	27	69,071,631	-	-	69,071,631
Total assets		**251,314,680**	**35,389,350**	**4,928,320**	**291,632,350**
Liabilities					
Financial liabilities at fair value through profit or loss	37	3,086,939	-	-	3,086,939
Derivative financial liabilities	25	-	2,292,109	-	2,292,109
Total liabilities		**3,086,939**	**2,292,109**	**-**	**5,379,048**

Parent
Dec-2020
In thousands of Nigerian Naira

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
-Debt securities	24	33,416,947	-	-	33,416,947
Derivative financial assets	25	-	26,448,550	-	26,448,550
Investment securities:					
-Debt securities at FVOCI	26	184,198,086	411,079,805	-	595,277,891
-Equity securities at FVOCI	26	-	-	1,654,549	1,654,549
-Investment securities - FVPL Notes	26	-	-	-	-
-Equity securities FVTPL	26	-	-	3,273,771	3,273,771
Assets pledged as collateral	27	61,955,975	-	-	61,955,975
Total assets		**279,571,008**	**437,528,355**	**4,928,320**	**722,027,683**
Liabilities					
Financial liabilities at fair value through profit or loss	37	-	-	-	-
Derivative financial liabilities	25	-	2,758,698	-	2,758,698
Total liabilities		**-**	**2,758,698**	**-**	**2,758,698**

There were no transfers between levels or changes in valuation techniques during the year.

Reconciliation of Level 3 Items
-Investment Securities (unquoted equity securities)

In thousands of Nigerian Naira	**Group Jun-2021**	**Group Dec-2020**	**Parent Jun-2021**	**Parent Dec-2020**
Opening balance	4,939,779	4,444,857	4,928,320	4,435,527
Effect of exchange rate fluctuations	(297)	2,129	-	-
Total unrealised gains or (losses) in Profit and Loss	-	23,771	-	23,771
Total unrealised gains or (losses) in OCI	-	469,022	-	469,022
Additional investment during the year	-	-	-	-
	4,939,482	**4,939,779**	**4,928,320**	**4,928,320**

(e) Disclosure Requirement for Level 2 and 3 Financial Instruments

Valuation control framework

The key elements of the control framework for the valuation of financial instruments include model validation, product implementation review and independent price verification. These functions are carried out by an appropriately skilled finance team, independent of the business area responsible for the products.

Model validation covers both qualitative and quantitative elements relating to new models. In respect of new products, model validation examines the explanatory power of the implemented model, actively monitoring model parameters and comparing in-house pricing to external sources.

Independent price verification procedures cover financial instruments carried at fair value. The frequency of the review is matched to the availability of independent data, monthly being the minimum. Valuation differences in breach of established thresholds are escalated to senior management. The results from independent pricing and valuation reserves are reviewed monthly by senior management.

Valuation technique and Input used in Level 2 Fair Value Measurement

Where there is limited trading activity in financial instruments, the Group uses valuation models, consensus pricing information from third party pricing services and quotes to determine an appropriate valuation.

Disclosure Requirements for Level 3 Financial Instruments

Valuation Technique:

The investment valuation policy (IVP) of the Group provides the framework for accounting for the Group's investment in unquoted equity securities while also providing a broad valuation guideline to be adopted in valuing them. Furthermore, the IVP details how the group decides its valuation policies and procedures and analyses changes in fair value measurements from period to period.

IFRS 13 - Fair Value Measurement outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in each of the unquoted equity securities at the end of the financial year using the income approach.

The Discounted Cash flow (DCF) technique of the income approach was adopted in valuing each of these equity investments taken into cognizance the suitability of the model to each equity investment and the available financial information.

Description of Valuation Methodology and inputs:

Discounted Cash flow Technique (DCF)

The fair value of the other unquoted equity securities were derived using the Discounted Cash Flow technique. The steps involved in estimating the fair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

Step 1: A five-year forecast of the Free Cash Flow to the Firm (FCFF) for each of the equity investments was made (see (a) below for the definition, explanation and derivation of FCFF).

Step 2: The yearly FCFF forecasts were discounted to present value using the company's WACC. (See (b) below for the definition, explanation and derivation of WACC).

Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFF by the capitalization rate (please see (c) below).

Step 4: The terminal value was discounted to present value using the company's WACC.

Step 5: The firm value was obtained by adding the present value of the five-year FCFF obtained in step (2) above to the present value of terminal value obtained in step (4) above.

Step 6: The equity value of the firm was obtained by deducting the value of the debt of the company from the firm value obtained in step (5) above (i.e. Firm value minus market value of debt = Equity value).

Step 7: The equity value per share was obtained by dividing the Equity value obtained in step (6) above by the number of shares outstanding in the company.

Step 8: The fair value of the group's investment in each of the relevant unquoted equity securities was derived by multiplying the number of the Groups' shares in the investee by the value per share obtained in step (7) above.

a. Free Cash flow to the Firm (FCFF):

A measure of financial performance that expresses the net amount of cash that is generated for the firm, consisting of expenses, taxes and changes in net working capital and investments. Free cash flow to the firm is the cash available to all investors, both equity and debt holders.

FCFF = NI + NCC + [Int x (1-tax rate)] – Changes in FCInv – Changes in WCInv

Where:

NI = Net Income

NCC = Non- Cash Charges

Int = Interest

T= tax rate

FCI = Fixed Capital Investment

WCI = Working Capital Investment

b. Weighted average Cost of Capital (WACC):

This is the average cost of both equity and debt capital used in financing a business.

WACC= {(D/D+E) x Kd(1-T)} + {(E/D+E) x Ke }
Where:
D = Value of Debt
E = Equity value
Ke = Cost of equity

Kd = Cost of debt
T = Tax rate

c. *Capitalization Rate= WACC – g*

Terminal value = ($FCFF_5$ *(1+g))/ (WACC – g)

Where:

FCFF = $Year_5$ FCFF
g = Growth rate
WACC = *Weighted average Cost of Capital*

Valuation Assumptions – Discounted Cash flow

1. The Bank applies Capital Asset Pricing Model in determining the cost of equities for its various unquoted equities which were fair valued at the reporting period.
2. The risk-free rate was determined using the yield on the 10-year Nigerian Government bond (for unquoted securities denominated in Naira) of 12.7% and the yield on the 10-year US Government bond (for unquoted securities denominated in US $) of 1.45%.
3. Market premium of 4.72% was adopted based on trend analysis and research of market premiums across the globe by Aswath Damodaran.
4. Beta = 1
5. Growth rate used is growth rate in earnings between the latest period and prior period.

Summary of carrying amounts of equity Securities at fair value through OCI

In thousands of Nigerian Naira	Jun-21	Dec-20
Historical cost	201,831	201,831
Cumulative Unrealized Fair Value Gain recognized in Equity (OCI)	1,452,718	1,452,718
Fair value	**1,654,549**	**1,654,549**

The movement in equity securities at fair value through OCI during the year is as follows:

In thousands of Nigerian Naira	Group Jun-21	Group Dec-20	Parent Jun-21	Parent Dec-20
Balance, beginning of the year	1,666,008	1,194,857	1,654,549	1,185,526
Effect of exchange rate fluctuation	-	2,128	-	-
Additional investment during the year	-	-	-	-
Fair value movement recognised in OCI	(297)	469,023	-	469,023
Balance, end of the year	**1,665,711**	**1,666,008**	**1,654,549**	**1,654,549**

The movement in equity securities fair value through profit and loss during the year is as follows:

In thousands of Nigerian Naira	Group Jun-21	Group Dec-20	Parent Jun-21	Parent Dec-20
Balance, beginning of the year	**3,273,771**	**3,250,000**	**3,273,771**	**3,250,000**
Fair value movement recognised in profit	-	23,771	-	23,771
Balance, end of the year	**3,273,771**	**3,273,771**	**3,273,771**	**3,273,771**

Derivatives

Where the Group's derivative assets and liabilities are not traded on an exchange, they are valued using the discounted cash flow model. The future cash flow to be received is discounted using the appropriate Libor rates.

The Group estimated the fair value of its Foreign exchange derivatives as at 30 June 2021 using the Discounted Cash Flow Model and disclosed it under Level 2 Fair Value Hierarchy.

The Group is eligible to present net on the balance sheet, certain financial assets and liabilities according to criteria described in Note 3 on Offsetting Financial Instruments. For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities.

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

Group **Jun-2021** *In thousands of Nigerian Naira*	**Gross amounts of Financial Assets/liabilities**	**Gross amounts set off on the SOFP**	**Net amounts presented on the SOFP**	**Related amount not set off in the SOFP**	**Cash collateral**	**Net amount**
Financial assets						
Cash and bank balances (a)	85,870,543	(15,578,859)	70,291,684	-	-	70,291,684
Other Assets (b)	31,515,083	-	31,515,083	-	31,515,083	-
	117,385,626	**(15,578,859)**	**101,806,767**	**-**	**31,515,083**	**70,291,684**
Financial liabilities						
Other Liabilities (b)	31,515,083	-	31,515,083	31,515,083	-	-
	31,515,083	**-**	**31,515,083**	**31,515,083**	**-**	**-**

Group **Dec-2020** *In thousands of Nigerian Naira*	**Gross amounts of Financial Assets/liabilities**	**Gross amounts set off on the SOFP**	**Net amounts presented on the SOFP**	**Related amount not set off in the SOFP**	**Cash collateral**	**Net amount**
Financial assets						
Cash and bank balances (a)	90,316,715	(11,387,297)	78,929,418	-	-	78,929,418
Other Assets (b)	34,784,908	-	34,784,908	-	34,783,391	1,517
	125,101,623	**(11,387,297)**	**113,714,326**	**-**	**34,783,391**	**78,930,935**
Financial liabilities						
Other Liabilities (b)	34,783,391	-	34,783,391	34,784,908	-	(1,517)
	34,783,391	**-**	**34,783,391**	**34,784,908**	**-**	**(1,517)**

Parent
Jun-2021

In thousands of Nigerian Naira	Gross amounts of Financial Assets/liabilities	Gross amounts set off on the SOFP	Net amounts presented on the SOFP	Related amount not set off in the SOFP	Cash collateral	Net amount
Financial assets						
Cash and bank balances (a)	85,870,543	(15,578,859)	70,291,684	-	-	70,291,684
Other Assets (b)	31,515,083	-	31,515,083	-	31,515,083	-
	117,385,626	**(15,578,859)**	**101,806,767**	**-**	**31,515,083**	**70,291,684**
Financial liabilities						
Other Liabilities (b)	31,515,083	-	31,515,083	31,515,083	-	-
	31,515,083	**-**	**31,515,083**	**31,515,083**	**-**	**-**

Parent
Dec-2020

In thousands of Nigerian Naira	Gross amounts of Financial Assets/liabilities	Gross amounts set off on the SOFP	Net amounts presented on the SOFP	Related amount not set off in the SOFP	Cash collateral	Net amount
Financial assets						
Cash and bank balances (a)	90,316,715	(11,387,297)	78,929,418	-	-	78,929,418
Other Assets (b)	34,784,908	-	34,784,908	-	34,783,391	1,517
	125,101,623	**(11,387,297)**	**113,714,326**	**-**	**34,783,391**	**78,930,935**
Financial liabilities						
Other Liabilities (b)	34,783,391	-	34,783,391	34,784,908	-	(1,517)
	34,783,391	**-**	**34,783,391**	**34,784,908**	**-**	**(1,517)**

(a) Standard terms of clearing in Nigeria include provisions allowing net settlements of payments in the normal course of business.

(b) Certain customers provide monies to the Bank to serve as cash collateral for their LC transactions. The Bank simultaneously increases its balances with the correspondent banks to reflect this. As such, the Bank intends to realise the asset and settle the liability simultaneously.

7. Operating segments

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer varied products and services and are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Executive Management Committee reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- **Corporate banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products offered to very large corporate customers and blue chips.
- **Commercial banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for mid-size and fledgling corporate customers.
- **Retail banking** – Incorporates private banking services, private customer current accounts, savings deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- **SME banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for small and medium-size enterprises and ventures.
- **Public Sector** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for Government Ministries, Departments and Agencies.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

No single external customer accounts for 10% or more of the Group's revenue.

The measurement policies the Group uses for segment reporting are the same as those used in its financial statements, except that activities of Staff Investment Trust have not been consolidated in arriving at the operating profit, assets and liabilities of the operating segment (see note 30(b)). There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

Operating segments (Continued)

Information about operating segments

Group
Jun-2021

In thousands of Nigerian Naira	Corporate Banking	Retail Banking	Commercial Banking	SME Banking	Public Sector Banking	Total Continuing Operations	Discontinued Operations	Total
Revenue:								
Derived from external customers	87,816,623	73,536,577	22,092,631	16,813,343	5,292,578	205,551,752	-	205,551,752
Derived from other business segments	13,956,015	(9,601,809)	(1,925,228)	(2,278,573)	(150,405)	-	-	-
Total revenue	**101,772,638**	**63,934,768**	**20,167,403**	**14,534,770**	**5,142,173**	**205,551,752**	**-**	**205,551,752**
Interest expenses	(15,491,350)	(1,554,953)	(981,065)	(439,004)	(569,454)	(19,035,826)	-	(19,035,826)
Fee and commission expenses	(263,755)	(944,285)	(130,577)	(82,212)	(8,099)	(1,428,928)	-	(1,428,928)
Net operating income	**86,017,533**	**61,435,530**	**19,055,761**	**14,013,554**	**4,564,620**	**185,086,998**	**-**	**185,086,998**
Expense:								
Operating expenses	(19,818,630)	(30,962,270)	(11,319,514)	(9,626,031)	(2,279,853)	(74,006,298)	-	(74,006,298)
Net impairment loss on financial assets	(3,613,548)	(110,838)	(666,403)	(624,093)	(41,500)	(5,056,382)	-	(5,056,382)
Depreciation and amortisation	(4,106,962)	(5,455,048)	(2,608,110)	(2,727,227)	(433,565)	(15,330,912)	-	(15,330,912)
Total cost	**(27,539,140)**	**(36,528,156)**	**(14,594,027)**	**(12,977,351)**	**(2,754,918)**	**(94,393,592)**	**-**	**(94,393,592)**
Profit before income tax from reportable segments	**58,478,393**	**24,907,374**	**4,461,734**	**1,036,203**	**1,809,702**	**90,693,406**	**-**	**90,693,406**
Tax	(8,795,826)	(3,746,357)	(671,096)	(155,857)	(272,200)	(13,641,336)	-	(13,641,336)
Profit after income tax from reportable segments	**49,682,567**	**21,161,017**	**3,790,638**	**880,346**	**1,537,502**	**77,052,070**	**-**	**77,052,070**
Assets and liabilities:								
Total assets	3,248,413,502	1,096,609,262	298,176,364	238,565,202	135,517,307	5,017,281,637	-	5,017,281,637
Total liabilities	(1,295,417,911)	(1,988,853,505)	(419,777,880)	(425,095,179)	(80,768,934)	(4,209,913,409)	-	(4,209,913,409)
Net assets/ (liabilities)	**1,952,995,591**	**(892,244,243)**	**(121,601,516)**	**(186,529,977)**	**54,748,373**	**807,368,228**	**-**	**807,368,228**
Additions to Non-Current Assets	**4,173,233**	**7,888,486**	**3,931,882**	**3,509,013**	**743,861**	**20,246,475**	**-**	**20,246,475**
Assets:								
Loans and advances to banks	89,241	-	-	-	-	89,241	-	89,241
Loans and advances to customers	1,227,609,981	185,394,419	96,747,414	28,604,696	93,732,451	1,632,088,961	-	1,632,088,961
Others	2,020,714,282	911,214,843	201,428,950	209,960,504	41,784,856	3,385,103,435	-	3,385,103,435
	3,248,413,504	**1,096,609,262**	**298,176,364**	**238,565,200**	**135,517,307**	**5,017,281,637**	**-**	**5,017,281,637**
Liabilities:								
Deposits from banks	129,535,081	-	-	-	-	129,535,081	-	129,535,081
Deposits from customers	821,990,293	1,941,818,944	374,409,241	409,096,831	77,902,534	3,625,217,843	-	3,625,217,843
Others	343,892,537	47,034,561	45,368,640	15,998,348	2,866,399	455,160,485	-	455,160,485
	1,295,417,911	**1,988,853,505**	**419,777,881**	**425,095,179**	**80,768,933**	**4,209,913,409**	**-**	**4,209,913,409**

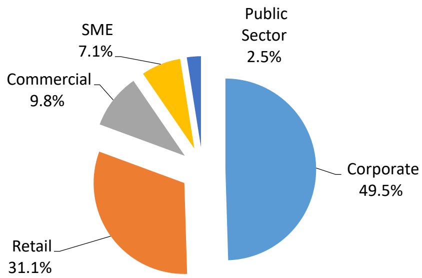
Group
Jun-2020

In thousands of Nigerian Naira	Corporate Banking	Retail Banking	Commercial Banking	SME Banking	Public Sector Banking	Total Continuing Operations	Discontinued Operations	Total
Revenue:								
Derived from external customers	116,629,075	65,545,398	20,703,449	14,849,604	5,311,998	223,039,524	-	223,039,524
Derived from other business segments	99,445	(66,692)	(12,821)	(17,459)	(2,473)	-	-	-
Total revenue	**116,728,520**	**65,478,706**	**20,690,628**	**14,832,145**	**5,309,525**	**223,039,524**	**-**	**223,039,524**
Interest expenses	(20,364,610)	(3,079,871)	(1,239,757)	(680,857)	(727,922)	(26,093,017)	-	(26,093,017)
Fee and commission expenses	(452,655)	(1,702,879)	(146,255)	(120,035)	(13,207)	(2,435,031)	-	(2,435,031)
Net operating income	**95,911,255**	**60,695,956**	**19,304,616**	**14,031,253**	**4,568,396**	**194,511,476**	**-**	**194,511,476**
Expense:								
Operating expenses	(15,642,850)	(31,522,724)	(10,704,326)	(8,820,334)	(2,593,006)	(69,283,240)	-	(69,283,240)
Net impairment loss on financial assets	(1,486,423)	(1,354,867)	(572,473)	(157,943)	(17,309)	(3,589,015)	-	(3,589,015)
Depreciation and amortisation	(3,106,402)	(5,344,366)	(2,664,764)	(2,463,546)	(445,592)	(14,024,670)	-	(14,024,670)
Total cost	**(20,235,675)**	**(38,221,957)**	**(13,941,563)**	**(11,441,823)**	**(3,055,907)**	**(86,896,925)**	**-**	**(86,896,925)**
Profit before income tax from reportable segments	**75,675,580**	**22,473,999**	**5,363,053**	**2,589,430**	**1,512,489**	**107,614,551**	**-**	**107,614,551**
Tax	(10,859,549)	(3,225,049)	(769,605)	(371,587)	(217,044)	(15,442,834)	-	(15,442,834)
Profit after income tax from reportable segments	**64,816,031**	**19,248,950**	**4,593,448**	**2,217,843**	**1,295,445**	**92,171,717**	**-**	**92,171,717**
Dec-2020								
Assets and liabilities:								
Total assets	2,966,282,675	1,148,058,076	376,317,330	310,226,970	143,768,242	4,944,653,293	-	4,944,653,293
Total liabilities	(1,281,759,682)	(1,903,495,750)	(435,034,890)	(436,570,759)	(62,761,228)	(4,119,622,309)	-	(4,119,622,309)
Net assets/ (liabilities)	**1,684,522,993**	**(755,437,674)**	**(58,717,560)**	**(126,343,789)**	**81,007,014**	**825,030,984**	**-**	**825,030,984**
Additions to Non-Current Assets	**7,603,284**	**13,281,344**	**6,617,605**	**6,129,688**	**1,115,799**	**34,747,720**	**-**	**34,747,720**
Dec-2020								
Assets:								
Loans and advances to banks	99,043	-	-	-	-	99,043	-	99,043
Loans and advances to customers	1,262,243,149	166,375,562	106,096,975	28,556,999	99,459,014	1,662,731,699	-	1,662,731,699
Others	1,703,940,483	981,682,514	270,220,355	281,669,971	44,309,228	3,281,822,551	-	3,281,822,551
	2,966,282,675	**1,148,058,076**	**376,317,330**	**310,226,970**	**143,768,242**	**4,944,653,293**	**-**	**4,944,653,293**
Liabilities:								
Deposits from banks	101,509,550	-	-	-	-	101,509,550	-	101,509,550
Deposits from customers	773,328,487	1,861,323,142	392,540,672	432,510,916	49,616,020	3,509,319,237	-	3,509,319,237
Others	406,921,645	8,857,206	42,494,218	4,059,843	46,460,610	508,793,522	-	508,793,522
	1,281,759,682	**1,870,180,348**	**435,034,890**	**436,570,759**	**96,076,630**	**4,119,622,309**	**-**	**4,119,622,309**

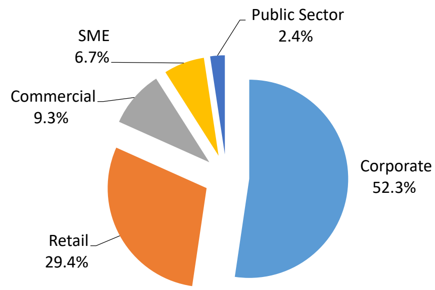
Operating segments (Continued)
Information about operating segments

Revenue

Group
Jun-2021

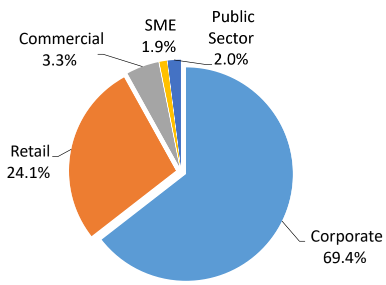


Group
Jun-2020

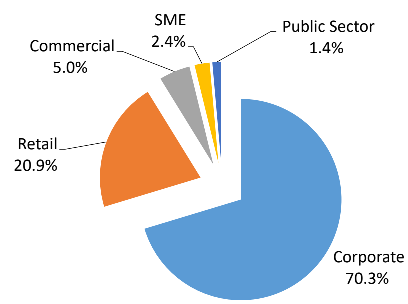


Profit before tax

Group
Jun-2021

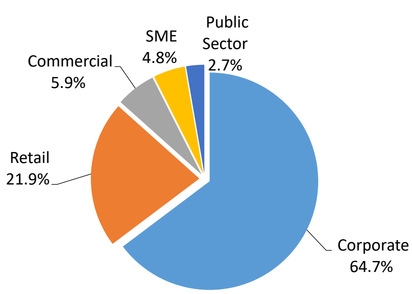


Group
Jun-2020

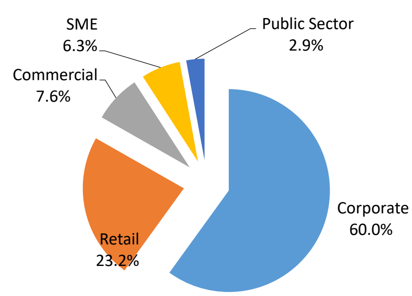


Assets

Group
Jun-2021

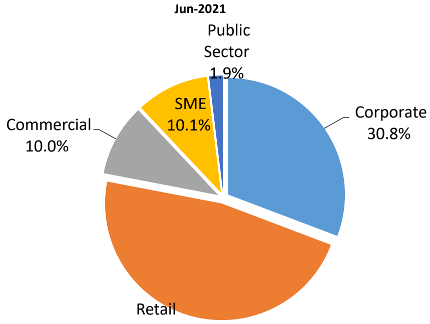


Group
Dec-2020

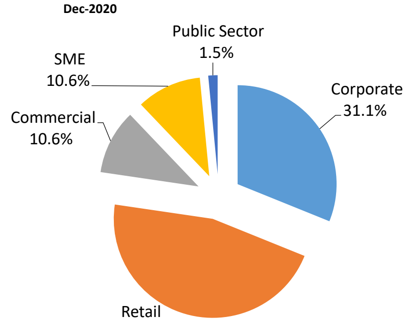


Liabilities

Group
Jun-2021



Group
Dec-2020



Operating segments (Continued)

Information about operating segments

Parent
Jun-2021

In thousands of Nigerian Naira	Corporate Banking	Retail Banking	Commercial Banking	SME Banking	Public Sector Banking	Total Continuing Operations	Discontinued Operations	Total
Revenue:								
Derived from external customers	71,740,752	54,360,123	16,259,381	13,026,505	3,215,598	158,602,359	-	158,602,359
Derived from other business segments	6,978,007	(4,800,905)	(962,614)	(1,139,286)	(75,202)	-	-	-
Total revenue	**78,718,759**	**49,559,218**	**15,296,767**	**11,887,219**	**3,140,396**	**158,602,359**	**-**	**158,602,359**
Interest expenses	(8,866,246)	(889,954)	(561,498)	(251,258)	(325,919)	(10,894,875)	-	(10,894,875)
Fee and commission expenses	(113,726)	(413,117)	(56,302)	(35,448)	(3,492)	(622,085)	-	(622,085)
Net operating income	**69,738,787**	**48,256,147**	**14,678,967**	**11,600,513**	**2,810,985**	**147,085,399**	**-**	**147,085,399**
Expense:								
Operating expenses	(15,239,310)	(23,640,401)	(8,514,324)	(7,220,259)	(1,720,750)	(56,335,044)	-	(56,335,044)
Net impairment loss on financial assets	(1,518,251)	(46,569)	(279,992)	(262,216)	(17,436)	(2,124,464)	-	(2,124,464)
Depreciation and amortisation	(3,537,525)	(4,698,698)	(2,246,492)	(2,349,093)	(373,451)	(13,205,259)	-	(13,205,259)
Total cost	**(20,295,086)**	**(28,385,668)**	**(11,040,808)**	**(9,831,568)**	**(2,111,637)**	**(71,664,767)**	**-**	**(71,664,767)**
Profit before income tax from reportable segments	**49,443,701**	**19,870,479**	**3,638,159**	**1,768,945**	**699,348**	**75,420,632**	**-**	**75,420,632**
Tax	(5,265,260)	(2,116,007)	(387,427)	(188,375)	(74,474)	(8,031,543)	-	(8,031,543)
Profit after income tax from reportable segments	**44,178,441**	**17,754,472**	**3,250,732**	**1,580,570**	**624,874**	**67,389,089**	**-**	**67,389,089**
Assets and liabilities:								
Total assets	2,612,096,232	881,799,351	239,767,922	191,833,725	108,971,424	4,034,468,654	-	4,034,468,654
Total liabilities	(1,033,501,834)	(1,586,734,081)	(334,904,440)	(339,146,652)	(64,438,542)	(3,358,725,549)	-	(3,358,725,549)
Net assets/ (liabilities)	**1,578,594,398**	**(704,934,730)**	**(95,136,518)**	**(147,312,927)**	**44,532,882**	**675,743,105**	**-**	**675,743,105**
Additions to Non-Current Assets	**3,709,736**	**7,012,355**	**3,495,189**	**3,119,286**	**661,245**	**17,997,811**	**-**	**17,997,811**
Assets:								
Loans and advances to banks	89,241	-	-	-	-	89,241	-	89,241
Loans and advances to customers	1,007,212,542	152,109,861	79,377,987	23,469,188	76,904,311	1,339,073,889	-	1,339,073,889
Others	1,604,794,448	729,689,490	160,389,935	168,364,537	32,067,114	2,695,305,524	-	2,695,305,524
	2,612,096,231	**881,799,351**	**239,767,922**	**191,833,725**	**108,971,425**	**4,034,468,654**	**-**	**4,034,468,654**
Liabilities:								
Deposits from banks	6,692	-	-	-	-	6,692	-	6,692
Deposits from customers	681,737,368	1,546,328,696	318,534,441	331,973,762	63,216,323	2,941,790,590	-	2,941,790,590
Others	351,757,774	40,405,385	16,369,999	7,172,890	1,222,219	416,928,267	-	416,928,267
	1,033,501,834	**1,586,734,081**	**334,904,440**	**339,146,652**	**64,438,542**	**3,358,725,549**	**-**	**3,358,725,549**

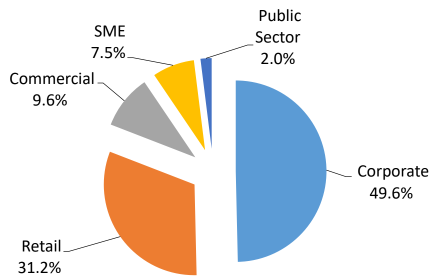
Parent
Jun-2020

In thousands of Nigerian Naira	Corporate Banking	Retail Banking	Commercial Banking	SME Banking	Public Sector Banking	Total Continuing Operations	Discontinued Operations	Total
Revenue:								
Derived from external customers	96,073,938	51,884,284	16,509,541	11,690,220	4,263,977	180,421,960	-	180,421,960
Derived from other business segments	49,723	(33,346)	(6,411)	(8,730)	(1,236)	-	-	-
Total revenue	**96,123,661**	**51,850,938**	**16,503,130**	**11,681,490**	**4,262,741**	**180,421,960**	**-**	**180,421,960**
Interest expenses	(15,881,892)	(2,401,921)	(966,858)	(530,985)	(567,690)	(20,349,346)	-	(20,349,346)
Fee and commission expenses	(446,253)	(1,035,452)	(144,187)	(118,337)	(13,020)	(1,757,249)	-	(1,757,249)
Net operating income	**79,795,516**	**48,413,565**	**15,392,085**	**11,032,168**	**3,682,031**	**158,315,365**	**-**	**158,315,365**
Expense:								
Operating expenses	(12,254,182)	(24,819,342)	(8,144,016)	(6,722,653)	(2,034,339)	(53,974,532)	-	(53,974,532)
Net impairment loss on financial assets	(585,002)	(533,225)	(225,304)	(62,160)	(6,812)	(1,412,503)	-	(1,412,503)
Depreciation and amortisation	(2,662,863)	(4,581,285)	(2,284,282)	(2,111,795)	(381,969)	(12,022,194)	-	(12,022,194)
Total cost	**(15,502,047)**	**(29,933,852)**	**(10,653,602)**	**(8,896,608)**	**(2,423,120)**	**(67,409,229)**	**-**	**(67,409,229)**
Profit before income tax from reportable segments	**64,293,469**	**18,479,713**	**4,738,483**	**2,135,560**	**1,258,911**	**90,906,136**	**-**	**90,906,136**
Tax	(8,064,188)	(2,317,870)	(594,338)	(267,858)	(157,902)	(11,402,156)	-	(11,402,156)
Profit after income tax from reportable segments	**56,229,281**	**16,161,843**	**4,144,145**	**1,867,702**	**1,101,009**	**79,503,980**	**-**	**79,503,980**
Dec-2020								
Assets and liabilities:								
Total assets	2,436,507,823	943,016,155	309,107,465	254,820,771	118,091,391	4,061,543,605	-	4,061,543,605
Total liabilities	(1,045,148,105)	(1,552,112,305)	(354,727,877)	(355,980,226)	(51,175,567)	(3,359,144,080)	-	(3,359,144,080)
Net assets/ (liabilities)	**1,391,359,718**	**(609,096,150)**	**(45,620,412)**	**(101,159,455)**	**66,915,824**	**702,399,525**	**-**	**702,399,525**
Additions to Non-Current Assets	**6,919,677**	**12,087,224**	**6,022,619**	**5,578,571**	**1,015,478**	**31,623,569**	**-**	**31,623,569**
Dec-2020								
Assets:								
Loans and advances to banks	39,749	-	-	-	-	39,749	-	39,749
Loans and advances to customers	1,070,823,442	141,144,638	90,007,324	24,226,318	84,376,012	1,410,577,734	-	1,410,577,734
Others	1,365,644,632	801,871,517	219,100,141	230,594,453	33,715,379	2,650,926,122	-	2,650,926,122
	2,436,507,823	**943,016,155**	**309,107,465**	**254,820,771**	**118,091,391**	**4,061,543,605**	**-**	**4,061,543,605**
Liabilities:								
Deposits from banks	12,733	-	-	-	-	12,733	-	12,733
Deposits from customers	649,429,005	1,493,654,802	336,744,162	355,157,394	46,700,695	2,881,686,058	-	2,881,686,058
Others	395,706,367	25,142,101	17,983,715	822,832	37,790,274	477,445,289	-	477,445,289
	1,045,148,105	**1,518,796,903**	**354,727,877**	**355,980,226**	**84,490,969**	**3,359,144,080**	**-**	**3,359,144,080**

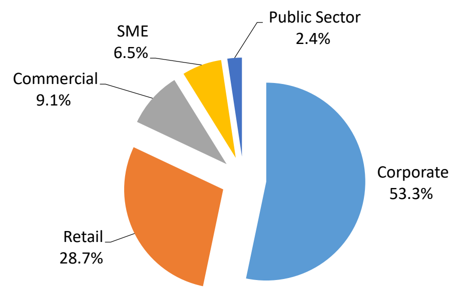
Operating segments (Continued)
Information about operating segments

Revenue

Parent
Jun-2021

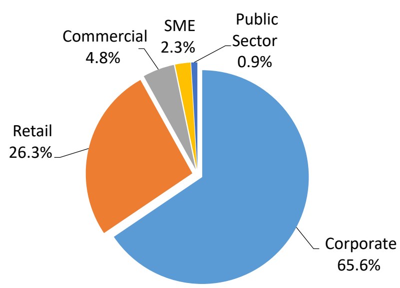


Parent
Jun-2020

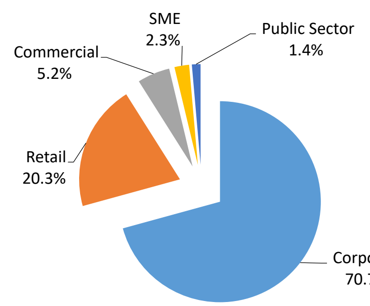


Profit before tax

Parent
Jun-2021

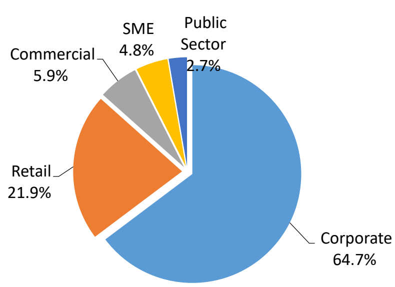


Parent
Jun-2020

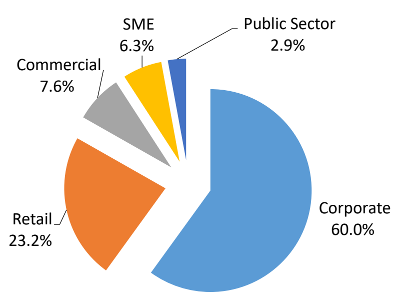


Assets

Parent
Jun-2021

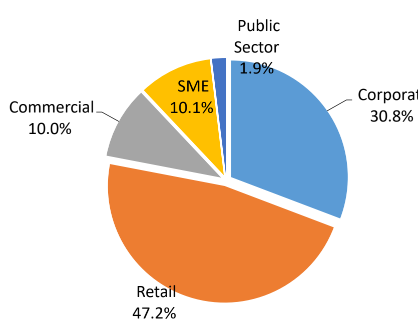


Parent
Dec-2020

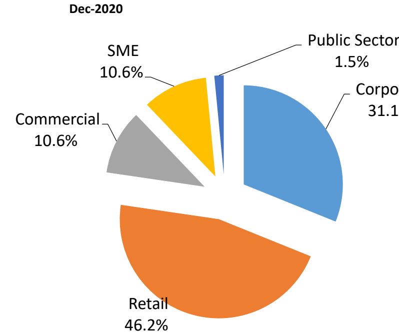


Liabilities

Parent
Jun-2021



Parent
Dec-2020



Operating segments (Continued)

The following is an analysis of the Group's revenue and gains from continuing operations by products and services;

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Bonds	1,321,345	1,585,941	1,007,955	1,273,748
Placements	12,074,147	5,144,235	9,210,464	4,131,591
Treasury Bills	23,421,342	58,613,453	17,866,391	47,075,382
Loans	150,641,590	130,991,310	114,913,210	105,205,641
Contingents	20,455,981	28,803,878	15,604,339	23,133,835
	207,914,405	**225,138,817**	**158,602,359**	**180,820,197**

Contingents relates to Bonds and Guarantees, Letters of Credit

Reconciliation of reportable segment revenues, operating expenses, profit or loss and assets and liabilities

Reconciliation of revenues

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Continuing Operations:				
Total revenue from reportable segments	205,551,752	223,039,524	158,602,359	180,421,960
Consolidation and adjustments:				
- Other operating income	2,362,653	2,009,265	-	-
Revenue from continuing operations	**207,914,405**	**225,048,789**	**158,602,359**	**180,421,960**

Revenue from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Interest income	126,091,101	153,708,481	92,329,020	126,401,389
Fee and commission income	38,284,192	26,457,209	26,005,296	17,599,450
Net gains on financial instruments classified as held for trading	10,430,087	10,791,307	3,946,210	4,101,032
Other operating income	33,109,025	34,181,820	36,321,833	32,718,326
Revenue and gains from continuing operations	207,914,405	225,138,817	158,602,359	180,820,197
Less gains:				
- Gain on disposal of fixed assets	-	(8,247)	-	(1,606)
- Dividends income	-	(81,781)	-	(396,631)
Revenue from continuing operations	**207,914,405**	**225,048,789**	**158,602,359**	**180,421,960**

Reconciliation of operating expenses

In thousands of Nigerian Naira	**Group Jun-2021**	**Group Jun-2020**	**Parent Jun-2021**	**Parent Jun-2020**
Continuing Operations:				
Total operating expense from reportable segments	74,006,298	69,283,240	56,335,044	53,974,532
Operating expense from continuing operations	**74,006,298**	**69,283,240**	**56,335,044**	**53,974,532**

Operating expense from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	**Group Jun-2021**	**Group Jun-2020**	**Parent Jun-2021**	**Parent Jun-2020**
Personnel expenses (See Note17)	17,234,789	17,449,311	11,216,676	11,801,541
Operating lease expenses	2,430,876	958,621	1,585,223	403,084
Other operating expenses (See Note20)	54,340,633	50,875,308	43,533,145	41,769,907
	74,006,298	**69,283,240**	**56,335,044**	**53,974,532**

Reconciliation of profit or loss

In thousands of Nigerian Naira	**Group Jun-2021**	**Group Jun-2020**	**Parent Jun-2021**	**Parent Jun-2020**
Continuing Operations:				
Total profit or loss for reportable segments	90,693,406	107,614,551	75,420,632	90,906,136
Consolidation and adjustments:				
- Other operating income	2,362,653	2,009,265	-	-
Gains:				
- Gain on disposal of fixed assets	-	8,247	-	1,606
- Dividends income	-	81,781	-	396,631
Profit before income tax from continuing operations	**93,056,059**	**109,713,844**	**75,420,632**	**91,304,373**

Reconciliation of assets

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Continuing Operations:				
Total assets for reportable segments	5,017,281,637	4,944,653,293	4,034,468,654	4,061,543,605
Consolidation and adjustments	-	-	-	-
Total assets	**5,017,281,637**	**4,944,653,293**	**4,034,468,654**	**4,061,543,605**

Reconciliation of liabilities

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Continuing Operations:				
Total liabilities for reportable segments	4,209,913,409	4,119,622,309	3,358,725,549	3,359,144,080
Consolidation and adjustments	9,785,765	10,635,307	-	-
Total liabilities	**4,219,699,174**	**4,130,257,616**	**3,358,725,549**	**3,359,144,080**

Geographical segments

The Group operates in four geographic regions, being:

- Nigeria
- Rest of West Africa (comprising Ghana, Gambia, Sierra Leone, Liberia, Cote D'Ivoire)
- East Africa (comprising Kenya, Uganda, Rwanda and Tanzania)
- Europe (UK and the Netherlands)

Jun-2021

In thousands of Nigerian Naira	**Nigeria**	**Rest of West Africa**	**East Africa**	**Europe**	**Total Continuing Operations**	**Discontinued Operations**	**Total**
Derived from external customers	152,464,828	42,428,899	10,841,922	2,178,756	207,914,405	-	207,914,405
Derived from other segments	-	-	-	-	-	-	-
Total Revenue	**152,464,828**	**42,428,899**	**10,841,922**	**2,178,756**	**207,914,405**	**-**	**207,914,405**
Interest expense	(10,894,874)	(5,640,530)	(2,225,507)	(274,915)	(19,035,826)	-	(19,035,826)
Fee and commission expenses	(622,086)	(209,110)	(597,732)	-	(1,428,928)	-	(1,428,928)
Net interest margin	140,947,868	36,579,259	8,018,683	1,903,841	187,449,651	-	187,449,651
Profit before income tax	**69,283,099**	**21,880,728**	**2,916,408**	**(1,024,176)**	**93,056,059**	**-**	**93,056,059**
Assets and liabilities:							
Total assets	3,950,047,538	630,965,158	205,210,246	231,058,695	5,017,281,637	-	5,017,281,637
Total liabilities	(3,364,531,927)	(489,898,702)	(156,337,306)	(208,931,239)	(4,219,699,174)	-	(4,219,699,174)
Net assets/(liabilities)	**585,515,611**	**141,066,456**	**48,872,940**	**22,127,456**	**797,582,463**	**-**	**797,582,463**

Jun-2020

In thousands of Nigerian Naira	Nigeria	Rest of West Africa	East Africa	Europe	Total Continuing Operations	Discontinued Operations	Total
Derived from external customers	180,358,368	32,602,896	9,356,322	2,821,231	225,138,817	-	225,138,817
Derived from other segments	-	-	-	-	-	-	-
Total Revenue	**180,358,368**	**32,602,896**	**9,356,322**	**2,821,231**	**225,138,817**	**-**	**225,138,817**
Interest expense	(20,349,346)	(3,207,899)	(1,963,977)	(571,795)	(26,093,017)	-	(26,093,017)
Fee and commission expenses	(1,757,249)	(191,030)	(486,752)	-	(2,435,031)	-	(2,435,031)
Net interest margin	158,251,773	29,203,967	6,905,593	2,249,436	196,610,769	-	196,610,769
Profit before income tax	**90,842,545**	**17,225,440**	**1,878,549**	**(232,690)**	**109,713,844**	**-**	**109,713,844**

Dec-2020

In thousands of Nigerian Naira	Nigeria	Rest of West Africa	East Africa	Europe	Total Continuing Operations	Discontinued Operations	Total
Assets and liabilities:							
Total assets	3,973,840,306	536,277,757	198,244,262	236,290,968	4,944,653,293	-	4,944,653,293
Total liabilities	(3,366,704,026)	(398,622,271)	(151,519,955)	(213,411,364)	(4,130,257,616)	-	(4,130,257,616)
Net assets/(liabilities)	**607,136,280**	**137,655,486**	**46,724,307**	**22,879,604**	**814,395,677**	**-**	**814,395,677**

8 Financial assets and liabilities

Accounting classification measurement basis and fair values

The table below sets out the Group's classification of each class of financial assets and liabilities and their fair values.

Group
Jun-2021

In thousands of Nigerian Naira	***Note***	Carrying amount: Fair value through profit or loss	Carrying amount: Held at ammortised cost	Carrying amount: Fair value through other comprehensive income	Carrying amount: Other financial assets / liabilities at amortised cost	Total carrying amount	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Total Fair value
Cash and cash equivalents[3]	23	-	794,323,951	-	-	794,323,951	794,323,951	-	-	794,323,951
Loans and advances to banks[3]	28	-	89,241	-	-	89,241	-	89,241	-	89,241
Loans and advances to customers	29	-	1,632,088,961	-	-	1,632,088,961	-	1,433,230,397	198,959,889	1,632,190,286
Financial assets at fair value through profit or loss	24	76,244,179	-	-	-	76,244,179	76,244,179	-	-	76,244,179
Derivative financial assets	25	35,389,350	-	-	-	35,389,350	-	35,389,350	-	35,389,350
Assets pledged as collateral	27	69,071,631	-	385,958	-	69,457,589	69,071,632	385,957	-	69,457,589
Investment securities:										
– Fair value through profit or loss	26	3,273,771	-	-	-	3,273,771	-	-	3,273,771	3,273,771
– Fair Value through other comprehensive Income	26	-	-	290,067,066	-	290,067,066	288,401,355	-	1,665,711	290,067,066
– Held at amortised cost	26	-	865,137,145	-	-	865,137,145	201,382,028	663,755,117	-	865,137,145
Restricted deposits and other assets[1]	34	-	978,347,896	-	-	978,347,896	-	978,347,896	-	978,347,896
		183,978,931	**4,269,987,194**	**290,453,024**	**-**	**4,744,419,149**	**1,429,423,145**	**3,111,197,958**	**203,899,371**	**4,744,520,474**
Deposits from banks	35	-	-	-	129,535,081	129,535,081	-	121,699,170	-	121,699,170
Deposits from customers	36	-	-	-	3,625,217,843	3,625,217,843	-	3,553,120,337	-	3,553,120,337
Financial liabilities at fair value through profit or loss	37	3,086,939	-	-	-	3,086,939	3,086,939	-	-	3,086,939
Derivative financial liabilities	25	2,292,109	-	-	-	2,292,109	-	2,292,109	-	2,292,109
Other borrowed funds	40	-	-	-	110,469,179	110,469,179	-	107,122,703	-	107,122,703
Other liabilities[2]	38	-	-	-	324,387,910	324,387,910	-	324,387,910	-	324,387,910
		5,379,048	**-**	**-**	**4,189,610,013**	**4,194,989,061**	**3,086,939**	**4,108,622,229**	**-**	**4,111,709,168**

[1]Excludes prepayments
[2] Excludes Deferred Income and Provision for Litigations
[3] it is assumed that fair value approximates the carrying amount

Group
Dec-2020

		Carrying amount					Fair Value			
In thousands of Nigerian Naira	***Note***	**Fair value through profit or loss**	**Held at ammortised cost**	**Fair value through other comprehensive income**	**Other financial assets / liabilities at amortised cost**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total Fair value**
Cash and cash equivalents[3]	23	-	745,557,370	-	-	745,557,370	745,557,370	-	-	745,557,370
Loans and advances to banks[3]	28	-	99,043	-	-	99,043	-	99,043	-	99,043
Loans and advances to customers	29	-	1,662,731,699	-	-	1,662,731,699	-	1,485,848,378	195,476,237	1,681,324,615
Financial assets at fair value through profit or loss	24	67,535,363	-	-	-	67,535,363	67,535,363	-	-	67,535,363
Derivative financial assets	25	26,448,550	-	-	-	26,448,550	-	26,448,550	-	26,448,550
Assets pledged as collateral	27	62,200,326	-	-	-	62,200,326	62,200,326	-	-	62,200,326
Investment securities:										
– Fair value through profit or loss	26	3,273,771	-	-	-	3,273,771	-	-	3,273,771	3,273,771
– Fair Value through other comprehensive Income	26	-	-	693,371,711	-	693,371,711	280,625,898	411,079,805	1,666,008	693,371,711
– Held at amortised cost	26	-	283,582,832	-	-	283,582,832	205,762,500	77,820,332	-	283,582,832
Restricted deposits and other assets[1]	34	-	1,166,226,315	-	-	1,166,226,315	-	1,166,226,315	-	1,166,226,315
		159,458,010	**3,858,197,259**	**693,371,711**	**-**	**4,711,026,980**	**1,361,681,457**	**3,167,522,423**	**200,416,016**	**4,729,619,896**
Deposits from banks	35	-	-	-	101,509,550	101,509,550	-	95,770,004	-	95,770,004
Deposits from customers	36	-	-	-	3,509,319,237	3,509,319,237	-	3,490,072,183	-	3,490,072,183
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	25	2,758,698	-	-	-	2,758,698	-	2,758,698	-	2,758,698
Other borrowed funds	40	-	-	-	113,894,768	113,894,768	-	113,470,753	-	113,470,753
Other liabilities[2]	38	-	-	-	352,176,806	352,176,806	-	352,176,806	-	352,176,806
		2,758,698	**-**	**-**	**4,076,900,361**	**4,079,659,059**	**-**	**4,054,248,444**	**-**	**4,054,248,444**

[1]Excludes prepayments [2] Excludes Deferred Income and Provision for Litigations [3] it is assumed that fair value approximates the carrying amount

Parent
Jun-2021

In thousands of Nigerian Naira	*Note*	Carrying amount: Fair value through profit or loss	Held at ammortised cost	Fair value through other comprehensive income	Other financial assets / liabilities at amortised cost	Total carrying amount	Fair Value: Level 1	Level 2	Level 3	Total Fair value
Cash and cash equivalents[3]	23	-	517,772,696	-	-	517,772,696	517,772,696	-	-	517,772,696
Loans and advances to banks[3]	28	-	89,241	-	-	89,241	-	89,241	-	89,241
Loans and advances to customers	29	-	1,339,073,889	-	-	1,339,073,889	-	1,197,382,186	141,792,931	1,339,175,117
Financial assets at fair value through profit or loss	24	3,487,412	-	-	-	3,487,412	3,487,412	-	-	3,487,412
Derivative financial assets	25	35,389,350	-	-	-	35,389,350	-	35,389,350	-	35,389,350
Assets pledged as collateral	27	69,071,631	-	-	-	69,071,631	69,071,631	-	-	69,071,631
Investment securities:										
– Fair value through profit or loss	26	3,273,771	-	-	-	3,273,771	-	-	3,273,771	3,273,771
– Fair Value through other comprehensive Income	26	-	-	180,410,186	-	180,410,186	178,755,637	-	1,654,549	180,410,186
– Held at amortised cost	26	-	663,755,117	-	-	663,755,117	-	663,755,117	-	663,755,117
Restricted deposits and other assets[1]	34	-	944,323,625	-	-	944,323,625	-	944,323,625	-	944,323,625
		111,222,164	**3,465,014,568**	**180,410,186**	**-**	**3,756,646,918**	**769,087,376**	**2,840,939,519**	**146,721,251**	**3,756,748,146**
Deposits from banks	35	-	-	-	6,692	6,692	-	6,692	-	6,692
Deposits from customers	36	-	-	-	2,941,790,590	2,941,790,590	-	2,941,853,331	-	2,941,853,331
Financial liabilities at fair value through profit or loss	37	3,086,939	-	-	-	3,086,939	3,086,939	-	-	3,086,939
Derivative financial liabilities	25	2,292,109	-	-	-	2,292,109	-	2,292,109	-	2,292,109
Other borrowed funds	40	-	-	-	107,122,703	107,122,703	-	107,122,703	-	107,122,703
Other liabilities[2]	38	-	-	-	289,048,053	289,048,053	-	289,048,053	-	289,048,053
		5,379,048	**-**	**-**	**3,337,968,038**	**3,343,347,086**	**3,086,939**	**3,340,322,888**	**-**	**3,343,409,827**

[1]Excludes prepayments [2] Excludes Deferred Income and Provision for Litigations [3] it is assumed that fair value approximates the carrying amount

Parent
Dec-2020

		Carrying amount								Fair Value
In thousands of Nigerian Naira	*Note*	Fair value through profit or loss	Held at ammortised cost	Fair value through other comprehensive income	Other financial assets / liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total Fair value
Cash and cash equivalents[3]	23	-	493,209,016	-	-	493,209,016	493,209,016	-	-	493,209,016
Loans and advances to banks[3]	28	-	39,749	-	-	39,749	-	39,749	-	39,749
Loans and advances to customers	29	-	1,410,577,734	-	-	1,410,577,734	-	1,280,714,071	141,792,931	1,422,507,002
Financial assets at fair value through profit or loss	24	36,226,876	-	-	-	36,226,876	36,226,876	-	-	36,226,876
Derivative financial assets	25	26,448,550	-	-	-	26,448,550	-	26,448,550	-	26,448,550
Assets pledged as collateral	27	61,955,975	-	-	-	61,955,975	61,955,975	-	-	61,955,975
Investment securities:										
– Fair value through profit or loss	26	3,273,771	-	-	-	3,273,771	-	-	3,273,771	3,273,771
– Fair Value through other comprehensive Income	26	-	-	596,932,440	-	596,932,440	184,198,086	411,079,805	1,654,549	596,932,440
– Held at amortised cost	26	-	77,820,332	-	-	77,820,332	-	77,820,332	-	77,820,332
Restricted deposits and other assets[1]	34	-	1,113,387,208	-	-	1,113,387,208	-	1,113,387,208	-	1,113,387,208
		127,905,172	**3,095,034,039**	**596,932,440**	**-**	**3,819,871,651**	**775,589,953**	**2,909,489,715**	**146,721,251**	**3,831,800,919**
Deposits from banks	35	-	-	-	12,733	12,733	-	12,733	-	12,733
Deposits from customers	36	-	-	-	2,881,686,058	2,881,686,058	-	2,880,447,412	-	2,880,447,412
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	25	2,758,698	-	-	-	2,758,698	-	2,758,698	-	2,758,698
Other borrowed funds	40	-	-	-	113,470,753	113,470,753	-	113,470,753	-	113,470,753
Other liabilities[2]	38	-	-	-	318,520,502	318,520,502	-	318,520,502	-	318,520,502
		2,758,698	**-**	**-**	**3,313,690,046**	**3,316,448,744**	**-**	**3,315,210,098**	**-**	**3,315,210,098**

[1]Excludes prepayments [2] Excludes Deferred Income and Provision for Litigations [3] it is assumed that fair value approximates the carrying amount

Fair value of loans and advances

The fair values of non retail loans have been determined based on observable market data (transactions) (level 2) whilst those of retail loans have been 'estimated using Discounted Cash Flow (DCF) valuation models (level 3).

Inputs into this valuation technique include: expected cash flows, expected losses, tenor and interest rates, risk premium between interest rate on the loan and risk free rate in the economy.

The expected cash flows (estimated recoverable amount from receivables, collateral and otherwise) are thus discounted to obtain the fair value of the retail loans. To improve the accuracy of fair value of retail loans, these loans are grouped into homogenous portfolio along product and customer type.

Fair value of customers' deposits

Fair values of customers' deposits have been determined using discounted cash flow techniques applying the rates on deposits of similar maturities and terms to discount the contractual cash flows.

Accounting classification measurement basis and fair values (continued)

Financial instruments at fair value (including those FVTPL and FVOCI) are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves and prices.

9 Interest income

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Interest income calculated using the effective interest method				
Loans and advances to banks	338,423	915,291	9,452	7,842
Loans and advances to customers	91,372,335	92,820,314	73,513,064	79,768,981
	91,710,758	93,735,605	73,522,516	79,776,823
Cash and cash equivalents	2,316,807	2,682,593	2,153,623	2,472,571
Investment securities:				
– Investment Securities FVOCI	7,641,087	40,611,187	5,126,466	38,062,540
– Investment securities at amortised cost	11,563,749	9,557,610	476,338	164,175
Assets pledged as collateral	3,632,406	3,899,448	3,632,406	3,899,448
	116,864,807	150,486,443	84,911,349	124,375,557
Interest income on financial assets FVTPL				
Investment securities FVTPL	9,226,294	3,222,038	7,417,671	2,025,832
	9,226,294	3,222,038	7,417,671	2,025,832
Total interest income	**126,091,101**	**153,708,481**	**92,329,020**	**126,401,389**
Geographical location				
Interest income earned in Nigeria	92,236,767	125,658,922	92,236,767	125,658,922
Interest income earned outside Nigeria	33,854,334	28,049,559	92,253	742,467
	126,091,101	**153,708,481**	**92,329,020**	**126,401,389**

10 ## Interest expense

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Interest expense calculated using the effective interest method				
Deposit from banks	759,872	73,327	259,175	30,883
Deposit from customers	16,815,063	22,244,188	9,264,218	16,930,838
	17,574,935	22,317,515	9,523,393	16,961,721
Other borrowed funds	1,324,106	3,498,393	1,234,697	3,110,516
	18,899,041	**25,815,908**	**10,758,090**	**20,072,237**
Interest expense on financial assets FVTPL				
Financial liabilities at fair value through profit or loss	136,785	277,109	136,785	277,109
Total interest expense	**19,035,826**	**26,093,017**	**10,894,875**	**20,349,346**
Geographical location				
Interest expense paid in Nigeria	10,074,711	18,681,695	10,107,763	18,828,673
Interest expense paid outside Nigeria	8,961,115	7,411,322	787,112	1,520,673
	19,035,826	**26,093,017**	**10,894,875**	**20,349,346**

11 ## Loan impairment (credit) / charges

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Loans and advances to banks (Note 28)	**(81,689)**	**6,797**	**(21,834)**	**6,694**
Stage 1 - 12 Months ECL	(56,200)	(516)	3,655	(619)
Stage 2 - Lifetime ECL Not Credit Impaired	-	(5)	-	(5)
Stage 3 - Lifetime ECL Credit Impaired	(25,489)	7,318	(25,489)	7,318
Loans and advances to customers (Note 29)	**4,796,364**	**6,762,296**	**2,146,298**	**4,517,683**
Stage 1 - 12 Months ECL	2,038,379	(2,508,227)	467,683	(2,839,119)
Stage 2 - Lifetime ECL Not Credit Impaired	1,785,313	1,620,200	1,368,493	1,675,040
Stage 3 - Lifetime ECL Credit Impaired	972,672	7,650,323	310,122	5,681,762
	4,714,675	**6,769,093**	**2,124,464**	**4,524,377**

12 Fee and commission income

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Credit related fees and commissions[1]	4,636,710	3,352,333	2,346,246	1,713,524
Account maintenance charges	7,802,674	5,540,887	6,772,723	4,629,868
Corporate finance fees	1,632,102	1,188,184	1,632,102	1,188,184
E-business Income	10,497,423	6,564,817	8,811,050	5,399,811
Commission on foreign exchange deals	3,418,835	3,042,180	2,848,361	2,702,687
Commission on touch points	1,231,732	929,511	924,320	681,596
Income from financial guarantee contracts issued	1,822,134	1,122,600	1,014,237	781,693
Account services, maintenance and anciliary banking charges	4,906,787	3,063,620	1,656,257	502,087
Transfers related charges	2,335,795	1,653,077	-	-
	38,284,192	**26,457,209**	**26,005,296**	**17,599,450**

[1]Credit related fees and commissions are loans and advances related fees that are not integral part of effective interest.

13 Fee and commission expense

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Bank charges	909,250	1,600,295	418,832	1,186,158
Loan recovery expenses	519,678	834,736	203,253	571,091
	1,428,928	**2,435,031**	**622,085**	**1,757,249**

14 Net trading gains on financial instruments held at FVPL

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Bonds FVPL	2,134,559	2,200,476	394,377	392,301
Treasury bills FVPL	240,688	940,120	240,688	940,120
Foreign exchange trading gain	8,054,840	7,650,711	3,311,145	2,768,611
Net trading income	**10,430,087**	**10,791,307**	**3,946,210**	**4,101,032**

15 Other income

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Mark to market gains on trading investments	1,638,035	2,824,298	1,635,788	2,824,298
FVPL notes income	-	31,736	-	31,736
Foreign exchange revaluation gain[1]	13,489,614	21,902,992	11,366,580	20,541,262
Gain on disposal of fixed assets	(64,725)	8,247	(92,088)	1,606
Discounts and recoverables (FX)[2]	15,600,429	5,227,450	15,550,784	5,199,066
Valuation income on repossessed collateral	-	804,728	-	804,728
Recoveries[4]	2,265,922	3,300,588	1,576,540	2,918,999
Dividends income[3]	179,750	81,781	6,284,229	396,631
	33,109,025	**34,181,820**	**36,321,833**	**32,718,326**

[1] This comprises of gains on forward transactions in the sum of N9,407,389,000 (Parent: N9,407,389,000) and FX Revaluation gain of N4,082,225,000 (Parent: N1,959,191,000).

[2] This includes the sum of N3,583,000,000 (Parent: N3,583,000,000) representing non-vatable portion of Digital earnings.

[3] This includes Dividend in the sum of N5,171,724,282 and N932,754,889 received from two of its banking subsidiaries at Parent level.

[4] These are amount recovered on Loans facilities previously written off in the sum of N7,151,796,000.

16 Net impairment (reversal) / charge on other financial assets

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Impairment charges/(reversal) on investment securities	27,730	(68,289)	-	-
Impairment charges on other assets	-	415	-	330
Impairment (reversal) on placements	-	(293,345)	-	(293,345)
Impairment charges/(reversal) on contingents	313,977	(2,818,859)	-	(2,818,859)
	341,707	**(3,180,078)**	**-**	**(3,111,874)**

17 Personnel expenses

(a)

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Wages and salaries	16,435,899	16,665,983	10,842,091	11,395,036
Contributions to defined contribution plans	770,615	758,194	374,585	406,505
Defined benefit costs	28,275	25,134	-	-
	17,234,789	**17,449,311**	**11,216,676**	**11,801,541**

(b) Employee expenses for share-based payments

In thousands of Nigerian Naira	**Note**	**Group Jun-2021**	**Group Dec-2020**
Total carrying amount of liabilities for cash-settled arrangements	38	9,469,181	10,635,307

(i) The average number of persons employed during the year was as follows:

	Group Jun-2021	**Group Jun-2020**	**Parent Jun-2021**	**Parent Jun-2020**
	Number	Number	Number	Number
Executive directors	4	6	4	6
Management	222	181	57	55
Non-management	4,845	5,397	3,093	3,421
	5,071	**5,584**	**3,154**	**3,482**

(ii) The average number of persons in employment during the year is shown below:

	Group Jun-2021	**Group Jun-2020**	**Parent Jun-2021**	**Parent Jun-2020**
	Number	Number	Number	Number
Administration	158	156	37	44
Commercial Banking Abuja	24	29	24	29
Commercial Banking Lagos	112	160	112	160
Commercial Banking North East	47	51	47	51
Commercial Banking North West	42	49	42	49
Commercial Banking South East	45	47	45	47
Commercial Banking South South	27	39	27	39
Communication and External Affairs	40	70	18	21
Compliance Group	72	63	39	43
Digital Banking Division	131	146	77	100
Emerging Technologies Division	20	21	20	21
Enterprise Risk Management	88	170	41	75
Chief Executive Officer	4	1	4	1
Financial Control, Group Reporting & Strategy	82	77	31	28
Human Resources	55	42	29	28

Institutional Banking	102	292	43	60
International Banking	92	23	88	23
Operations	414	251	72	178
Procurement & Expense Control	13	17	13	16
Public Sector Abuja	26	30	26	30
Public Sector Lagos	15	18	15	18
Retail Lagos	158	183	158	183
Retail Abuja	60	65	60	65
South West Division	111	113	111	113
Retail South-South	56	64	56	64
SME Abuja	39	48	39	48
SME Division - Lagos	85	107	85	107
SME Division - South East	32	38	32	38
Systems and Control	140	150	75	90
Technology	277	247	176	156
Transaction Services	1,507	1,889	1,330	1,342
Wholesale Banking	72	56	20	26
Commercial Banking Subsidiaries	73	118	-	-
Retail Subsidiaries	401	201	-	-
Public Sector Subsidiaries	27	22	-	-
Other Support Services Subsidiaries	215	325	-	-
Customer Experience Management Division	78	67	64	67
Data Analytics Division	8	8	8	8
Fintech and Innovation Division	5	11	5	11
Legal Group	60	44	27	31
Financial Institutions & Telecoms	26	30	26	30
Oil & Gas Divison	32	46	32	42
	5,071	**5,584**	**3,154**	**3,482**

(iii) Average number of employees other than directors, earning more than N720,000 per annum, received emoluments (excluding pension contributions and certain benefits) in the following ranges:

	Group Jun-2021 Number	**Group Jun-2020** Number	**Parent Jun-2021** Number	**Parent Jun-2020** Number
N720,001 - ₦1,400,000	878	912	-	-
N1,400,001 - ₦2,050,000	361	500	5	5
N2,190,001 - ₦2,330,000	645	158	542	-
N2,330,001 - ₦2,840,000	16	731	-	711
N2,840,001 - ₦3,000,000	75	84	-	-
N3,001,001 - N3,830,000	1,018	79	925	-
N3,830,001 - ₦4,530,000	105	1,243	7	1,165
N4,530,001 - ₦5,930,000	601	57	554	-
N6,000,001 - N6,800,000	383	539	376	532
N6,800,001 - ₦7,300,000	11	13	-	-
N7,300,001 - ₦7,800,000	145	465	-	356
N7,800,001 - ₦8,600,000	301	8	289	-
N8,600,001 - ₦11,800,000	358	498	318	457
Above ₦11,800,000	170	291	134	250
	5,067	**5,578**	**3,150**	**3,476**

18 Right-of-use asset depreciation

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Right-of-use assets depreciation[1]	2,430,876	958,621	1,585,223	403,084
	2,430,876	**958,621**	**1,585,223**	**403,084**

[1]This relates to depreciation on Right-of-use assets in line with IFRS 16. Please refer to Note 34 (iii) for more information.

19 Depreciation and amortisation

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Amortisation of intangible assets (see note 32)	2,292,272	1,858,547	1,966,234	1,552,593
Depreciation of property, plant and equipment (see note 31)	13,038,640	12,166,123	11,239,025	10,469,601
	15,330,912	**14,024,670**	**13,205,259**	**12,022,194**

20 Other operating expenses

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Finance costs[5]	149,886	212,195	-	-
Deposit insurance premium	5,914,307	8,261,082	5,846,036	8,199,611
Other insurance premium	771,374	777,889	605,395	629,726
Auditors' remuneration[1]	504,886	408,843	300,000	250,000
Professional fees and other consulting costs	895,487	652,548	418,301	369,153
AMCON expenses	21,888,910	17,200,292	21,888,910	17,200,292
Stationery and postage	543,780	559,075	376,141	411,226
Business travel expenses	208,812	167,554	125,298	102,863
Advert, promotion and corporate gifts	1,656,368	3,263,939	1,193,389	2,795,374
Repairs and maintenance	1,916,645	1,951,013	761,217	1,030,655
Occupancy costs[2]	2,379,607	2,912,576	1,674,761	2,338,140
Directors' emoluments	488,729	424,712	70,500	115,650
Outsourcing services[3]	4,990,502	5,100,452	4,011,171	4,197,336
Administrative expense[4]	5,417,880	3,549,818	3,167,710	1,486,187
Communications and technological related expense	1,286,347	2,493,689	370,860	1,574,211
General welfare expenses [6]	3,945,842	1,938,092	2,460,792	744,335
Customer service related expenses	1,381,271	1,001,539	262,664	325,148
	54,340,633	**50,875,308**	**43,533,145**	**41,769,907**

[1] Auditor's remuneration represents fees for the interim audits of the Group and Bank for the period ended 30 June 2021. The Bank did not pay the auditors for any non-audit services during the period.

[2] This relates to diesel, fuel, and electricity cost as well as ground rates and water cost

[3] Outsourcing services relates to salaries paid to outsourced contract staff

[4] Inclusive of Administrative fee due to SIT for management of the shares held by the Scheme.

[5] This represents interest element on lease liabilities.

[6]These relate to training expenses, estimate of employee benefits determined as required by IAS 19 for Loans granted to Staff at interest rate lower than the market interest rate and provision for deferred incentives.
The loans are measured at fair value at initial recognition. The difference between the PV 'of cash flows discounted at the contractual rate and PV of cash flows discounted at market rate has been recognised as prepaid employee estimates which is amortised to personnel expense (staff welfare expenses) over the life of the loan.

21 Income tax expense

recognised in the Income statement

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
a) **Current tax expense:**				
Company income tax	14,448,378	10,173,922	10,110,532	6,975,691
Education Tax	1,049,047	789,621	1,049,047	789,621
Police Trust Fund Levy	3,516	4,027	3,516	4,027
NITDA Levy	754,206	913,044	754,206	913,044
	16,255,147	11,880,614	11,917,301	8,682,383
Prior year's under provision	80,807	40,709	80,807	40,709
Deferred tax expense:				
Origination of temporary differences	(2,694,618)	3,521,511	(3,966,565)	2,679,064
	13,641,336	**15,442,834**	**8,031,543**	**11,402,156**

Reconciliation of effective tax rate

Group

In thousands of Nigerian Naira	Jun-2021	Jun-2021	Jun-2020	Jun-2020
Profit before income tax	93,056,059		109,713,844	
Income tax using the domestic corporation tax rate	27,916,818	30.0%	32,914,153	30.0%
Effect of tax rates in foreign jurisdictions	319,164	0.3%	(1,482,163)	-1.4%
Tax reliefs/WHT Credits	(315,747)	-0.3%	(314,846)	-0.3%
Non-deductible expenses	4,566,426	4.9%	5,289,498	4.8%
Education tax levy	1,049,047	1.1%	789,621	0.7%
Police Trust Fund Levy	3,516	0.0%	4,027	0.0%
NITDEF tax levy	754,206	0.8%	913,044	0.8%
Tax exempt income	(20,506,639)	-22.0%	(22,437,296)	-20.5%
Deductible expenses[3]	(226,262)	-0.2%	(273,913)	-0.2%
Prior year's under provision	80,807	0.1%	40,709	0.0%
Total income tax expense	**13,641,336**	**14.7%**	**15,442,834**	**14.1%**

Reconciliation of effective tax rate

Parent

In thousands of Nigerian Naira	Jun-2021	Jun-2021	Jun-2020	Jun-2020
Profit before income tax	75,420,632		91,304,373	
Income tax using the domestic corporation tax rate	22,626,189	30.0%	27,391,312	30.0%
Tax reliefs/WHT Credits	(315,747)	-0.4%	(314,846)	-0.3%
Non-deductible expenses[1]	4,566,426	6.1%	5,289,498	5.8%
Education tax levy	1,049,047	1.4%	789,621	0.9%
Police Trust Fund Levy	3,516	0.0%	4,027	0.0%
NITDEF tax levy	754,206	1.0%	913,044	1.0%
Tax exempt income[2]	(20,506,639)	-27.2%	(22,437,296)	-24.6%
Deductible expenses[3]	(226,262)	-0.3%	(273,913)	-0.3%
Prior year's under provision	80,807	0.1%	40,709	0.0%
Total income tax expense	**8,031,543**	**10.6%**	**11,402,156**	**12.5%**

[1] Non-deductible expense include depreciation, stage 1 impairment, non-allowable donations ,etc

[2] Tax exempt income include FX translation gains, Dividends, Interest earned on treasury bills and bonds etc

[3] This relates to tax impact of aligning National Information Technology Development Levy (NITDEF) as a deductible expense for tax computation purpose.

Income tax recognised in other comprehensive income

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Income tax relating to Foreign currency translation differences for foreign operations	(819,480)	541,953	-	-
Income tax relating to Net change in FVOCI financial assets	(5,951,928)	5,014,248	(6,249,139)	4,973,566
	(6,771,408)	**5,556,201**	**(6,249,139)**	**4,973,566**

(b) Current income tax payable

The movement on the current income tax payable account during the period was as follows:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Balance, beginning of the period	21,592,016	20,597,089	19,719,757	19,748,075
Exchange difference on translation	67,030	367,621	-	-
Charge for the period	16,255,147	28,406,218	11,917,301	19,719,761
Prior year's under provision	80,807	107,357	80,807	107,357
Payments during the period	(24,235,132)	(27,886,269)	(19,791,611)	(19,855,436)
Balance, end of the year	**13,759,868**	**21,592,016**	**11,926,254**	**19,719,757**

22 Basic and Diluted earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the company and held as treasury shares.

The calculation of basic earnings per share for the reporting period was based on the profit atttributable to ordinary shareholders of N78,140,614,000 and a weighted average number of ordinary shares outstanding of 28,056,914,000 (after adjusting for Treasury shares) for the Group and 29,431,179,000 for the Parent.

Profit attributable to ordinary shareholders

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Net profit attributable to equity holders of the Company	78,140,614	93,366,687	67,389,089	79,902,217
Net profit used to determine diluted earnings per share	**78,140,614**	**93,366,687**	**67,389,089**	**79,902,217**

Number of ordinary shares

In thousands of shares	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Weighted average number of ordinary shares in issue	28,056,914	28,084,989	29,431,179	29,431,179
Basic earnings per share (expressed in naira per share)	2.79	3.32	2.29	2.71

The Group does not have any dilutive potential ordinary shares. Therefore, Basic EPS and Diluted EPS for continuing operations are the same for the Group.

23 Cash and bank balances

(a)

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Cash in hand	110,557,051	92,397,577	72,986,912	45,771,889
Balances held with other banks	324,720,574	267,211,047	171,888,255	111,100,025
Unrestricted balances with central banks	203,857,598	215,435,972	146,821,317	183,482,104
Money market placements	155,326,429	170,650,475	126,159,356	152,938,142
	794,461,652	**745,695,071**	**517,855,840**	**493,292,160**
Impairment on Placements	(137,701)	(137,701)	(83,144)	(83,144)
	794,323,951	**745,557,370**	**517,772,696**	**493,209,016**
Current	794,323,951	745,557,370	517,772,696	493,209,016
Non-current	-	-	-	-

(b) Cash and cash equivalents in statement of cash flows includes:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Cash and bank balances	794,323,951	745,557,370	517,772,696	493,209,016
Cash and bank balances above three months	(32,871,229)	(34,127,950)	(27,990,903)	(27,909,805)
	761,452,722	**711,429,420**	**489,781,793**	**465,299,211**

Movement in Impairment on Cash and bank balances

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Opening balance	137,701	428,717	83,144	376,489
Addition/(Reversal) during the year	-	(291,016)	-	(293,345)
Closing balance	**137,701**	**137,701**	**83,144**	**83,144**

Expected credit losses on Balances held with other banks and Unrestricted balances with Central banks are assessed as immaterial and classified in Stage 1.

24 Financial assets at fair value through profit or loss

(a)

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Financial assets Fair Value through Profit or Loss:				
Bonds - (see note 24(b) below)	46,724,044	29,627,653	5,548	2,354,643
Treasury Bills - (see note 24(c) below)	27,713,865	35,097,781	1,675,594	31,062,304
Promissory Notes - (see note 24(d) below)	1,806,270	2,809,929	1,806,270	2,809,929
	76,244,179	**67,535,363**	**3,487,412**	**36,226,876**
Current	66,033,803	52,748,491	3,481,864	31,618,071
Non-current	10,210,376	14,786,872	5,548	4,608,805

(b) Bonds FVPL are analysed below:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
FGN Bond 16.2884 17-MAR-27/10Y	-	1,078,889	-	1,078,889
FGN Bond 12.1493 18-JUL-2034/20Y	-	360	-	360
FGN Bond 14.55 26-APR-2029/10Y	-	897,769	-	897,769
FGN Bond 12.75 27-Apr-2023/5Y	1	1	1	1
FGN Bond 14.20 14-MAR-2024/10Y	5,547	-	5,547	-
FGN Sukuk 11.20 16-Jun-2027/7Y	-	377,624	-	377,624
11th FGN Bond Series 2 (12.15%)	-	-	-	-
14th FGN Bond Series 2 (16.25%)	-	-	-	-
14th FGN Bond Series 1 (16.29%)	-	-	-	-
16th FGN Bond Series 2 (14.80%)	-	-	-	-
Non-Nigerian trading bonds	46,718,496	27,273,010	-	-
	46,724,044	**29,627,653**	**5,548**	**2,354,643**

(c) Treasury bills FVPL is analysed below:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Nigerian treasury bills' maturities:				
25-February-2021	-	566	-	566
09-March-2021	-	192,805	-	192,805
18-March-2021	-	3,611	-	3,611
01-April-2021	-	2,876	-	2,876
27-April-2021	-	2,995,698	-	2,995,698
15-July-2021	34,373	47,332	34,373	47,332
29-July-2021	109,662	2,196	109,662	2,196
12-August-2021	1,394	46,366	1,394	46,366
26-August-2021	122,279	43,661	122,279	43,661
31-August-2021	-	27,289,407	-	27,289,407
16-September-2021	342,508	52,548	342,508	52,548
30-September-2021	40,897	120,733	40,897	120,733
28-October-2021	2,653	43,514	2,653	43,514
09-December-2021	44,448	106,321	44,448	106,321
06-July-2021	624,889	-	624,889	-
13-July-2021	3,911	-	3,911	-
09-September-2021	31,716	-	31,716	-
14-October-2021	4,433	-	4,433	-
11-November-2021	10,057	-	10,057	-
25-November-2021	28,156	-	28,156	-
16-December-2021	19,679	-	19,679	-
10-February-2022	4,231	-	4,231	-
24-February-2022	44,975	-	44,975	-
17-March-2022	14,731	-	14,731	-
31-March-2022	34,127	-	34,127	-
14-April-2022	21,245	-	21,245	-

28-April-2022	6,965	-	6,965	-
12-May-2022	127,590	-	127,590	-
09-June-2022	675	-	675	-
05-January-2021	-	35,343	-	35,343
14-January-2021	-	1,091	-	1,091
28-January-2021	-	-	-	-
11-February-2021	-	149	-	149
15-April-2021	-	947	-	947
29-April-2021	-	2,601	-	2,601
13-May-2021	-	10,945	-	10,945
27-May-2021	-	39	-	39
10-June-2021	-	39,168	-	39,168
17-June-2021	-	24,387	-	24,387
Non-Nigerian treasury bills	26,038,271	4,035,477	-	-
	27,713,865	**35,097,781**	**1,675,594**	**31,062,304**

(d) Promissory Notes is analysed below:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
17-December-2021	-	555,767	-	555,767
23-November-2023	1,804,805	1,771,708	1,804,805	1,771,708
17-December-2023	-	481,042	-	481,042
17-December-2024	1,465	1,412	1,465	1,412
	1,806,270	**2,809,929**	**1,806,270**	**2,809,929**

25 Derivative financial instruments

(a) **Group**

Jun-2021

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	359,074,490	35,389,350	(2,292,109)
Derivative assets/(liabilities)	**359,074,490**	**35,389,350**	**(2,292,109)**

Group

Dec-2020

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	351,818,425	26,448,550	(2,758,698)
Derivative assets/(liabilities)	**351,818,425**	**26,448,550**	**(2,758,698)**

Parent

Jun-2021

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	359,074,490	35,389,350	(2,292,109)
Derivative assets/(liabilities)	**359,074,490**	**35,389,350**	**(2,292,109)**

Parent

Dec-2020

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	351,818,425	26,448,550	(2,758,698)
Derivative assets/(liabilities)	**351,818,425**	**26,448,550**	**(2,758,698)**

All derivative assets are current.

(b) All derivatives are settled in less than one year.

(c) **Foreign exchange contracts**

The Group enters into forward foreign exchange contracts which include currency swaps and normal trading forwards designated as held for trading. A forward foreign exchange contract is an agreement by two counterparties to exchange currencies at a pre-determined rate on some future date. No funds change hands when a typical forward foreign exchange contract originates; a funds flow occurs only at the contract's stated future delivery time. Additionally the Group offers its customers derivatives in connection with their risk management objectives to transfer or reduce market risk (commodity price) for their own trading purpose. The hedge transaction with the customer is backed by visible trade transaction. The foreign currency forward and option contracts are subject to the same risk management policies. The Group's foreign exchange derivatives do not qualify for hedge accounting; therefore all gains and losses from changes in their fair values are recognised immediately in the income statement and are reported in ''Net gains/(losses) on financial instruments at fair value through profit or loss'.

26 Investment securities

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
(a) (i)				
Investment securities at fair value through OCI				
Debt securities - Treasury bills FVOCI	274,763,776	262,956,865	167,423,840	168,811,062
Debt securities - Bonds FVOCI	13,637,579	17,669,033	11,331,797	15,387,024
Special Bills - FVOCI	-	411,079,805	-	411,079,805
Investment securities - Equity (See note 26(a)(ii) below	1,665,711	1,666,008	1,654,549	1,654,549
Total	**290,067,066**	**693,371,711**	**180,410,186**	**596,932,440**
Investment securities at fair value through profit or loss				
Investment securities - Equity	3,273,771	3,273,771	3,273,771	3,273,771
	3,273,771	**3,273,771**	**3,273,771**	**3,273,771**
Investment securities at amortised cost:				
- Bonds	102,868,592	99,590,409	1,751,602	1,619,715
- Treasury bills	199,997,518	184,159,856	100,948,503	76,205,171
Special Treasury Bills - Amortized Cost	561,059,566	-	561,059,566	-
- Corporate bond	1,864,145	457,513	-	-
	865,789,821	**284,207,778**	**663,759,671**	**77,824,886**
12 month ECL on Bonds - Amortised Cost	(198,895)	(181,895)	(4,554)	(4,554)
12 month ECL on Treasury Bills - Amortised Cost	(435,884)	(425,884)	-	-
12 month ECL on Corporate bond - Amortised Cost	(17,897)	(17,167)	-	-
Total Investment securities at amortised cost	**865,137,145**	**283,582,832**	**663,755,117**	**77,820,332**
Total investment securities	**1,158,477,982**	**980,228,314**	**847,439,074**	**678,026,543**
Current	1,065,810,135	898,999,052	829,431,908	656,096,038
Non-current	92,667,847	81,229,262	18,007,166	21,930,505

(a) (ii) Equity investment securities is analysed below:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
FVOCI equity instrument				
- GIM UEMOA	11,162	11,459	-	-
- SANEF	50,000	50,000	50,000	50,000
- Unified Payment Services Limited[1]	712,725	712,725	712,725	712,725
- Nigeria Automated Clearing Systems	776,608	776,608	776,608	776,608
- Afrexim	115,216	115,216	115,216	115,216
	1,665,711	**1,666,008**	**1,654,549**	**1,654,549**
FVTPL equity instrument				
- Africa Finance Corporation[1]	3,273,771	3,273,771	3,273,771	3,273,771
	3,273,771	**3,273,771**	**3,273,771**	**3,273,771**
	4,939,482	**4,939,779**	**4,928,320**	**4,928,320**

[1] Unified Payment Services Limited was formerly known as Valucard Nigeria Plc

Except for African Finance Corporation (AFC) designated as FVPL, all other equity investments are designated at FVOCI.

The Bank receieved dividend income of N96,542,000 (June 2020: N149,858,000) from the equity investments designated at FVOCI during the year.

Kindly refer to Note 6e for the movement in the value of equity securities at fair value during the year.

(b) (i) Impairment on investment securities

	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
12 month ECL on Bonds	280	563	280	280
12 month ECL on Treasury Bills	55,077	56,468	51,294	51,294
12 month ECL on Bonds - Amortised Cost	198,895	181,895	4,554	4,554
12 month ECL on Treasury Bills - Amortised Cost	435,884	425,884	-	-
12 month ECL on Corporate bond - Amortised Cost	17,897	17,167	-	-
	708,033	**681,977**	**56,128**	**56,128**

(b) (ii) Movement in Impairment on investment securities

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Opening balance	681,977	469,885	56,128	56,128
Exchange difference	(1,674)			
Addition during the year	27,730	212,092	-	-
Closing balance	**708,033**	**681,977**	**56,128**	**56,128**

27 Assets pledged as collateral

(a)

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Financial assets at Amortised Cost				
- Treasury bills	69,457,589	-	69,071,631	-
Financial assets at FVPL				
- Treasury bills		62,200,326		61,955,975
Total Assets Pledged as Collateral	**69,457,589**	**62,200,326**	**69,071,631**	**61,955,975**
Current	69,457,589	62,200,326	69,071,631	61,955,975
Non-current	-	-	-	-

(b) Assets pledged as collateral for both periods relate to assets pledged to Federal Inland Revenue Service (FIRS), Nigerian Interbank Settlement System (NIBSS), Interswitch Nigeria Limited, Unified payment Services Ltd and Bank Of Industries Limited for collections and other transactions. The Bank is required to pledge the funds in order to have continuous access to the collection and settlement platforms, as well as the underlying transactions. There are no readily determinable associated liabilities to these pledged assets.

28 Loans and advances to banks

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Loans and advances to banks	94,941	186,432	94,941	67,283
Less Impairment:				
Stage 1 Loans	(3,655)	(59,855)	(3,655)	-
Stage 2 Loans	-	-	-	-
Stage 3 Loans	(2,045)	(27,534)	(2,045)	(27,534)
	89,241	**99,043**	**89,241**	**39,749**
Current	81,741	84,043	81,741	24,749
Non-current	7,500	15,000	7,500	15,000

Reconciliation of allowance accounts for losses on loans and advances to banks

Jun-2021
Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	59,855	-	27,534	87,389
Increase/(reversal) in impairment allowances	(56,200)	-	(25,489)	(81,689)
	3,655	**-**	**2,045**	**5,700**

Jun-2021
Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	-	-	27,534	27,534
Increase/(reversal) in impairment allowances	3,655	-	(25,489)	(21,834)
	3,655	**-**	**2,045**	**5,700**

Dec-2020
Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	60,155	5	8,019	68,179
Foreign currency translation and other adjustments	430	-	-	430
Increase/(reversal) in impairment allowances	(730)	(5)	19,515	18,780
	59,855	**-**	**27,534**	**87,389**

Dec-2020
Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	730	5	8,019	8,754
Increase/(reversal) in impairment allowances	(730)	(5)	19,515	18,780
	-	**-**	**27,534**	**27,534**

Reconciliation of allowance accounts for losses on loans and advances to banks

Group

Jun-2021

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	59,855	-	7,753	67,608	-	-	19,781	19,781	-	-	-	-	59,855	-	27,534	87,389
Foreign currency translation and other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(reversal) in impairment allowances	(59,845)	-	(6,295)	(66,140)	3,645	-	(19,194)	(15,549)	-	-	-	-	(56,200)	-	(25,489)	(81,689)
Balance, end of period	**10**	**-**	**1,458**	**1,468**	**3,645**	**-**	**587**	**4,232**	**-**	**-**	**-**	**-**	**3,655**	**-**	**2,045**	**5,700**

Group

Dec-2020

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	60,040	-	1,527	61,567	115	5	6,492	6,612	-	-	-	-	60,155	5	8,019	68,179
Increase/(reversal) in impairment allowances	430	-	-	430	-	-	-	-	-	-	-	-	430	-	-	430
Financial assets derecognised	(615)	-	6,226	5,611	(115)	(5)	13,289	13,169	-	-	-	-	(730)	(5)	19,515	18,780
Balance, end of year	**59,855**	**-**	**7,753**	**67,608**	**-**	**-**	**19,781**	**19,781**	**-**	**-**	**-**	**-**	**59,855**	**-**	**27,534**	**87,389**

Parent

Jun-2021

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	-	-	7,753	7,753	-	-	19,781	19,781	-	-	-	-	-	-	27,534	27,534
Increase/(reversal) in impairment allowances	10	-	(6,295)	(6,285)	3,645	-	(19,194)	(15,549)	-	-	-	-	3,655	-	(25,489)	(21,834)
Balance, end of period	**10**	**-**	**1,458**	**1,468**	**3,645**	**-**	**587**	**4,232**	**-**	**-**	**-**	**-**	**3,655**	**-**	**2,045**	**5,700**

Parent

Dec-2020

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	615	-	1,527	2,142	115	5	6,492	6,612	-	-	-	-	730	5	8,019	8,754
Increase/(reversal) in impairment allowances	(615)	-	6,226	5,611	(115)	(5)	13,289	13,169	-	-	-	-	(730)	(5)	19,515	18,780
Balance, end of year	**-**	**-**	**7,753**	**7,753**	**-**	**-**	**19,781**	**19,781**	**-**	**-**	**-**	**-**	**-**	**-**	**27,534**	**27,534**

29 Loans and advances to customers

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Loans to individuals:				
Loans	207,741,547	195,684,943	152,507,129	143,763,835
Overdrafts	21,833,475	18,758,902	20,013,404	17,081,369
Others[1]	112,469	84,665	-	-
Gross loans	**229,687,491**	**214,528,510**	**172,520,533**	**160,845,204**
Loans	(673,607)	(603,008)	(226,638)	(106,857)
Overdrafts	(523,730)	(174,430)	(461,535)	(89,802)
Others[1]	(28,997)	-	-	-
Impairment on Stage 1 - 12 Months ECL	**(1,226,334)**	**(777,438)**	**(688,173)**	**(196,659)**
Loans	(12,582)	(37,564)	(2,242)	(1,811)
Overdrafts	(97,370)	(6,819)	(37,819)	(5,120)
Others[1]	(2,019)	-	-	-
Impairment on Stage 2 - Life Time ECL Not Credit Impaired	**(111,971)**	**(44,383)**	**(40,061)**	**(6,931)**
Loans	(4,813,102)	(5,008,406)	(4,038,157)	(4,035,506)
Overdrafts	(9,771,124)	(6,123,004)	(9,696,166)	(6,099,071)
Others[1]	-	-	-	-
Impairment on Stage 3 - Non Performing Loans	**(14,584,226)**	**(11,131,410)**	**(13,734,323)**	**(10,134,577)**
Loans	(5,499,291)	(5,648,978)	(4,267,037)	(4,144,174)
Overdrafts	(10,392,224)	(6,304,253)	(10,195,520)	(6,193,993)
Others[1]	(31,016)	-	-	-
Total impairment	**(15,922,531)**	**(11,953,231)**	**(14,462,557)**	**(10,338,167)**
Loans	202,242,256	190,035,965	148,240,092	139,619,661
Overdrafts	11,441,251	12,454,649	9,817,884	10,887,376
Others[1]	81,453	84,665	-	-
Carrying amount	**213,764,960**	**202,575,279**	**158,057,976**	**150,507,037**
Loans to Non-individuals:				
Loans	1,345,152,563	1,386,384,237	1,158,178,654	1,234,052,875
Overdrafts	123,913,369	134,100,225	59,540,170	71,126,713
Others[1]	15,170,652	8,695,891	13,364,209	7,473,564
Gross loans	**1,484,236,584**	**1,529,180,353**	**1,231,083,033**	**1,312,653,152**
Loans	(4,174,619)	(4,199,404)	(1,972,972)	(2,138,219)
Overdrafts	(2,580,680)	(1,537,332)	(636,638)	(518,890)
Others[1]	(423,330)	(4,786)	(28,456)	(4,786)
Impairment on Stage 1 - 12 Months ECL	**(7,178,629)**	**(5,741,522)**	**(2,638,066)**	**(2,661,895)**
Loans	(17,147,296)	(16,073,623)	(16,211,913)	(14,999,590)
Overdrafts	(752,472)	(1,800,462)	(232,572)	(109,532)
Others[1]	(118,008)	-	-	-
Impairment on Stage 2 - Life Time ECL Not Credit Impaired	**(18,017,776)**	**(17,874,085)**	**(16,444,485)**	**(15,109,122)**
Loans	(32,571,723)	(37,303,390)	(23,965,527)	(29,052,405)
Overdrafts	(8,024,659)	(8,086,935)	(7,018,063)	(5,758,093)
Others[1]	(119,796)	(18,001)	(979)	(940)
Impairment on Stage 3 - Non Performing Loans	**(40,716,178)**	**(45,408,326)**	**(30,984,569)**	**(34,811,438)**
Loans	(53,893,638)	(57,576,417)	(42,150,412)	(46,190,214)
Overdrafts	(11,357,811)	(11,424,729)	(7,887,273)	(6,386,515)
Others[1]	(661,134)	(22,787)	(29,435)	(5,726)
Total impairment	**(65,912,583)**	**(69,023,933)**	**(50,067,120)**	**(52,582,455)**
Loans	1,291,258,925	1,328,807,820	1,116,028,242	1,187,862,661
Overdrafts	112,555,558	122,675,496	51,652,897	64,740,198
Others[1]	14,509,518	8,673,104	13,334,774	7,467,838
Carrying amount	**1,418,324,001**	**1,460,156,420**	**1,181,015,913**	**1,260,070,697**
Total carrying amount (individual and non individual)	**1,632,088,961**	**1,662,731,699**	**1,339,073,889**	**1,410,577,734**

[1] Others include Usances and Usances Settlement

Current	904,969,803	916,730,036	702,407,057	752,601,062
Non-current	727,119,158	746,001,663	636,666,832	657,976,672

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS
Jun-2021
Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	777,438	44,383	11,131,410	11,953,231
Foreign currency translation and other adjustments	2,750	391	(3,352)	(211)
Net impairment allowances due to origination/derecognition of financial instruments	446,146	67,197	3,668,149	4,181,492
Transfer between stages	-	-	-	-
Financial assets derecognised	-	-	(211,981)	(211,981)
Balance, end of period	**1,226,334**	**111,971**	**14,584,226**	**15,922,531**

Jun-2021
Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	196,659	6,931	10,134,577	10,338,167
Net impairment allowances due to origination/derecognition of financial instruments	491,514	33,130	3,808,737	4,333,381
Financial assets derecognised	-	-	(208,991)	(208,991)
Balance, end of period	**688,173**	**40,061**	**13,734,323**	**14,462,557**

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS (Cont'd)

Dec-2020

Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	1,528,023	154,980	6,122,826	7,805,829
Foreign currency translation and other adjustments	81,453	7,906	35,458	124,817
Net impairment allowances due to origination/derecognition of financial instruments	(832,038)	(115,827)	5,451,508	4,503,643
Transfer between stages	-	(2,676)	2,676	-
Financial assets derecognised	-	-	(481,058)	(481,058)
Balance, end of year	**777,438**	**44,383**	**11,131,410**	**11,953,231**

Dec-2020

Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	635,783	53,963	5,690,363	6,380,109
Net impairment allowances due to origination/derecognition of financial instruments	(439,124)	(47,032)	4,925,272	4,439,116
Financial assets derecognised	-	-	(481,058)	(481,058)
Balance, end of year	**196,659**	**6,931**	**10,134,577**	**10,338,167**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS

Jun-2021

Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	5,741,522	17,874,085	45,408,326	69,023,933
Foreign currency translation and other adjustments	(155,126)	(1,574,425)	14,319,692	12,590,141
Net impairment allowances due to origination/derecognition of financial instruments	1,592,233	1,718,116	(9,291,826)	(5,981,477)
Transfer between stages	-	-	-	-
Financial assets derecognised	**-**	**-**	**(9,720,014)**	**(9,720,014)**
Balance, end of period	**7,178,629**	**18,017,776**	**40,716,178**	**65,912,583**

Jun-2021

Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	2,661,895	15,109,122	34,811,438	52,582,455
Foreign currency translation and other adjustments	-	-	13,210,900	13,210,900
Net impairment allowances due to origination/derecognition of financial instruments	(23,829)	1,335,363	(10,094,964)	(8,783,430)
Financial assets derecognised	-	-	(6,942,805)	(6,942,805)
Balance, end of period	**2,638,066**	**16,444,485**	**30,984,569**	**50,067,120**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS (Cont'd)

Dec-2020

Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	6,947,952	6,673,755	45,757,949	59,379,656
Foreign currency translation and other adjustments	237,906	199,004	1,979,869	2,416,779
Net impairment allowances due to origination/derecognition of financial instruments	(1,444,336)	11,335,135	5,159,671	15,050,470
Transfer between stages	-	(333,809)	333,809	-
Financial assets derecognised	**-**	**-**	**(7,822,972)**	**(7,822,972)**
Balance, end of year	**5,741,522**	**17,874,085**	**45,408,326**	**69,023,933**

Dec-2020

Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	4,548,066	5,503,826	39,813,599	49,865,491
Foreign currency translation and other adjustments	-	-	357,421	357,421
Net impairment allowances due to origination/derecognition of financial instruments	(1,886,171)	9,605,296	1,490,320	9,209,445
Financial assets derecognised	-	-	(6,849,902)	(6,849,902)
Balance, end of year	**2,661,895**	**15,109,122**	**34,811,438**	**52,582,455**

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS

Group

Jun-2021

In thousands of Nigerian Naira	Loans				Overdrafts				Others				Total			
	Impairment on Stage 1 - 12 Months ECL	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**
Balance at 1 January	603,008	37,564	5,008,406	5,648,977	174,430	6,819	6,123,004	6,304,254	-	-	-	-	777,438	44,383	11,131,410	11,953,231
Foreign currency translation and other adjustments	1,511	44	(1,106)	449	1,174	340	(2,246)	(732)	65	7	-	72	2,750	391	(3,352)	(211)
Increase/ (reversal) in impairment allowances due to derecognition	390,805	48,873	15,779	455,456	348,125	90,210	3,652,368	4,090,704	28,932	2,012	-	30,944	767,862	141,095	3,668,147	4,577,104
Transfer between stages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets derecognised	-	-	(209,978)	(209,978)	-	-	(2,001)	(2,001)	-	-	-	-	-	-	(211,979)	(211,979)
Balance, end of period	**673,607**	**12,582**	**4,813,102**	**5,499,291**	**523,730**	**97,370**	**9,771,124**	**10,392,224**	**28,997**	**2,019**	**-**	**31,016**	**1,226,334**	**111,971**	**14,584,226**	**15,922,531**

Group

Dec-2020

In thousands of Nigerian Naira	Loans				Overdrafts				Others				Total			
	Impairment on Stage 1 - 12 Months ECL	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**
Balance at 1 January	1,044,129	46,233	3,234,052	4,324,414	483,894	108,747	2,887,650	3,480,291	-	-	1,124	1,124	1,528,023	154,980	6,122,826	7,805,829
Foreign currency translation and other adjustments	63,178	6,691	15,954	85,823	18,275	1,215	19,504	38,994	-	-	-	-	81,453	7,906	35,458	124,817
Increase/ (reversal) in impairment allowances due to derecognition	(504,299)	(13,095)	1,757,196	1,239,801	(327,739)	(102,732)	3,695,436	3,264,966	-	-	(1,124)	(1,124)	(832,038)	(115,827)	5,451,508	4,503,643
Transfer between stages	-	(2,265)	1,204	(1,061)	-	(411)	1,472	1,061	-	-	-	-	-	(2,676)	2,676	-
Financial assets derecognised	-	-	-	-	-	-	(481,058)	(481,058)	-	-	-	-	-	-	(481,058)	(481,058)
Balance, end of year	**603,008**	**37,564**	**5,008,406**	**5,648,977**	**174,430**	**6,819**	**6,123,004**	**6,304,254**	**-**	**-**	**-**	**-**	**777,438**	**44,383**	**11,131,410**	**11,953,231**

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS (Cont'd)

Parent
Jun-2021

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**
Balance at 1 January	106,857	1,811	4,035,506	4,144,174	89,802	5,120	6,099,071	6,193,993	-	-	-	-	196,659	6,931	10,134,577	10,338,167
Increase/ (reversal) in impairment allowances due to derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets derecognised	-	-	-	-	-	-	(208,991)	(208,991)	-	-	-	-	-	-	(208,991)	(208,991)
Balance, end of period	**226,638**	**2,242**	**4,038,157**	**4,267,037**	**461,535**	**37,819**	**9,696,166**	**10,195,520**	**-**	**-**	**-**	**-**	**688,173**	**40,061**	**13,734,323**	**14,462,557**

Parent
Dec-2020

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**	**Impairment on Stage 1 - 12 Months ECL**	**Impairment on Stage 2 - Life Time ECL Not Credit Impaired**	**Impairment on Stage 3 - Non Performing Loans**	**Total allowance for impairment**
Balance at 1 January	516,377	1,726	2,821,813	3,339,916	119,406	52,237	2,868,550	3,040,193	-	-	-	-	635,783	53,963	5,690,363	6,380,109
Increase/ (reversal) in impairment allowances due to derecognition	(409,520)	85	1,213,693	804,258	(29,604)	(47,117)	3,711,579	3,634,858	-	-	-	-	(439,124)	(47,032)	4,925,272	4,439,116
Financial assets derecognised	-	-	-	-	-	-	(481,058)	(481,058)	-	-	-	-	-	-	(481,058)	(481,058)
Balance, end of year	**106,857**	**1,811**	**4,035,506**	**4,144,174**	**89,802**	**5,120**	**6,099,071**	**6,193,993**	**-**	**-**	**-**	**-**	**196,659**	**6,931**	**10,134,577**	**10,338,167**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS

Group

Jun-2021

In thousands of Nigerian Naira	Loans				Overdrafts				Others				Total			
	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	4,199,404	16,073,623	37,303,390	57,617,841	1,537,332	1,800,462	8,086,935	11,424,729	4,786	-	18,001	22,787	5,741,522	17,915,509	45,408,326	69,065,357
Foreign currency translation and other adjustments	(90,211)	(1,498,361)	7,501,551	5,912,979	(55,767)	(65,752)	218,529	97,010	(9,148)	(10,312)	3,262	(16,198)	(155,126)	(1,574,425)	7,723,342	5,993,791
Increase/ (reversal) in impairment allowances due to derecognition	65,426	2,572,034	(10,011,537)	(7,374,077)	1,099,115	(982,238)	7,209,355	7,326,232	427,692	128,320	106,704	662,716	1,592,233	1,718,116	(2,695,478)	614,871
Transfer between stages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets derecognised	-	-	(2,221,681)	(2,221,681)	-	-	(7,490,160)	(7,490,160)	-	-	(8,171)	(8,171)	-	-	(9,720,012)	(9,720,012)
Balance, end of period	**4,174,619**	**17,147,296**	**32,571,723**	**53,893,638**	**2,580,680**	**752,472**	**8,024,659**	**11,357,811**	**423,330**	**118,008**	**119,796**	**661,134**	**7,178,629**	**18,017,776**	**40,716,178**	**65,912,583**

Group

Dec-2020

In thousands of Nigerian Naira	Loans				Overdrafts				Others				Total			
	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	4,736,305	6,035,679	25,477,431	36,249,415	2,122,903	638,076	20,168,214	22,929,193	88,744	-	112,303	201,047	6,947,952	6,673,755	45,757,948	59,379,655
Foreign currency translation and other adjustments	174,007	178,958	1,690,278	2,043,243	63,701	20,046	288,948	372,695	198	-	643	841	237,906	199,004	1,979,869	2,416,779
Increase/ (revesal) in impairment allowances due to derecognition	(710,908)	10,159,170	10,660,837	20,109,099	(649,272)	1,175,965	(5,406,475)	(4,879,782)	(84,156)	-	(94,691)	(178,847)	(1,444,336)	11,335,135	5,159,671	15,050,470
Transfer between stages	-	(300,184)	274,228	(25,956)	-	(33,625)	59,449	25,824	-	-	132	132	-	(333,809)	333,809	-
Financial assets derecognised	-	-	(799,384)	(799,384)	-	-	(7,023,201)	(7,023,201)	-	-	(386)	(386)	-	-	(7,822,971)	(7,822,971)
Balance, end of year	**4,199,404**	**16,032,199**	**37,303,390**	**57,576,417**	**1,537,332**	**1,800,462**	**8,086,935**	**11,424,729**	**4,786**	**-**	**18,001**	**22,787**	**5,741,522**	**17,874,085**	**45,408,326**	**69,023,933**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS (Cont'd)

Parent
Jun-2021

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	2,138,219	14,999,590	29,052,405	46,190,214	518,890	109,532	5,758,093	6,386,515	4,786	-	940	5,726	2,661,895	15,109,122	34,811,438	52,582,455
Foreign currency translation and other adjustments	-	-	6,614,551	6,614,551	-	-	-	-	-	-	-	-	-	-	6,614,551	6,614,551
Increase/ (reversal) in impairment allowances due to derecognition	(165,244)	1,212,323	(11,701,429)	(10,654,350)	117,748	123,040	8,202,771	8,443,559	23,667	-	43	23,710	(23,829)	1,335,363	(3,498,615)	(2,187,081)
Financial assets derecognised	-	-	-	-	-	-	(6,942,805)	(6,942,805)	-	-	-	-	-	-	(6,942,805)	(6,942,805)
Balance, end of period	**1,972,975**	**16,211,913**	**23,965,527**	**42,150,415**	**636,638**	**232,572**	**7,018,059**	**7,887,269**	**28,453**	**-**	**983**	**29,436**	**2,638,066**	**16,444,485**	**30,984,569**	**50,067,120**

Parent
Dec-2020

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	3,907,089	5,328,688	21,460,405	30,696,182	552,233	133,714	18,352,535	19,038,482	88,744	41,424	659	130,827	4,548,066	5,503,826	39,813,599	49,865,491
Foreign currency translation and other adjustments	-	-	357,421	357,421	-	-	-	-	-	-	-	-	-	-	357,421	357,421
Increase/ (reversal) in impairment allowances due to	(1,768,870)	9,670,902	7,234,579	15,136,611	(33,343)	(24,182)	(5,744,540)	(5,802,065)	(83,958)	(41,424)	281	(125,101)	(1,886,171)	9,605,296	1,490,320	9,209,445
Financial assets derecognised	-	-	-	-	-	-	(6,849,902)	(6,849,902)	-	-	-	-	-	-	(6,849,902)	(6,849,902)
Balance, end of year	**2,138,219**	**14,999,590**	**29,052,405**	**46,190,214**	**518,890**	**109,532**	**5,758,093**	**6,386,515**	**4,786**	**-**	**940**	**5,726**	**2,661,895**	**15,109,122**	**34,811,438**	**52,582,455**

30 Investment in subsidiaries

(a) (i) Investment in subsidiaries comprises:

	Parent Jun-2021 % ownership	Parent Dec-2020 % ownership	Parent Jun-2021 ₦'000	Parent Dec-2020 ₦'000
GTB Gambia	77.81	77.81	574,278	574,278
GTB Sierra Leone	83.74	83.74	594,109	594,109
GTB Ghana	98.32	98.32	18,142,127	18,142,127
GTB UK Limited	100.00	100.00	9,597,924	9,597,924
GTB Liberia Limited	99.43	99.43	1,947,264	1,947,264
GTB Cote D'Ivoire Limited	100.00	100.00	5,077,458	5,077,458
GTB Kenya Limited	70.00	70.00	17,131,482	17,131,482
GTB Tanzania	76.20	76.20	3,838,390	3,838,390
			56,903,032	**56,903,032**
Non-current			56,903,032	56,903,032

(a) (ii) The movement in investment in subsidiaries during the year is as follows:

In thousands of Nigerian Naira	Parent Jun-2021	Parent Dec-2020
Balance, beginning of the period	56,903,032	55,814,032
Additions during the period	-	1,089,000
Balance, end of the year	**56,903,032**	**56,903,032**

(a) (iii) Additions in December 2020 financial year relates to:
- Additional investments of N1,089,000,000 in GTB Tanzania

Please refer to Note 44 for more information on the Group structure

Condensed results of consolidated entities

(b) Condensed results of the consolidated entities as at 30 June 2021, are as follows:

Full period profit and loss
Jun-2021

In thousands of Nigerian Naira	Staff Investment Trust	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Operating income	2,362,653	23,120,534	4,071,294	3,591,072	1,843,059	2,968,010	2,544,319	7,608,338	380,396
Operating expenses	-	(6,553,365)	(1,685,233)	(1,682,901)	(2,900,287)	(1,238,084)	(1,430,798)	(3,785,145)	(521,094)
Loan impairment charges	-	(99,473)	(979,540)	(754,427)	-	10,005	(687)	(764,920)	(1,167)
Profit before tax	**2,362,653**	**16,467,696**	**1,406,521**	**1,153,744**	**(1,057,228)**	**1,739,931**	**1,112,834**	**3,058,273**	**(141,865)**
Taxation	-	(5,873,551)	(351,630)	(288,721)	(2,836)	(469,783)	(3,985)	(819,288)	-
Profit after tax from continuing operations	**2,362,653**	**10,594,145**	**1,054,891**	**865,023**	**(1,060,064)**	**1,270,148**	**1,108,849**	**2,238,985**	**(141,865)**

Condensed financial position

Jun-2021

In thousands of Nigerian Naira	Staff Investment Trust	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Assets									
Cash and bank balances	3,925,597	52,998,963	19,761,806	21,110,773	173,761,622	15,846,244	4,686,576	29,360,883	1,961,523
Loans and advances to banks	-	-	-	-	-	-	-	-	-
Loans and advances to customers	-	101,028,497	13,218,698	32,168,134	28,972,750	8,283,218	17,097,383	89,175,427	3,070,964
Financial assets at fair value through profit or loss	-	72,756,766	-	-	-	-	-	-	-
Investment securities:									
– Fair Value through other comprehensive Income	41,551,962	-	-	-	44,864,277	31,590,814	11,162	33,190,628	-
– Held at amortised cost	-	97,016,620	28,876,865	1,990,837	-	10,415,835	37,096,683	25,082,246	902,941
Assets pledged as collateral	-	-	-	-	-	-	-	385,958	-
Restricted deposits and other assets	-	20,234,305	2,123,984	13,530,160	1,393,341	7,261,209	1,217,426	3,626,454	575,994
Property and equipment	-	4,307,941	1,245,344	3,099,497	668,370	2,389,920	2,978,019	4,213,816	1,276,234
Intangible assets	-	224,239	55,871	122,803	-	115,768	65,947	950,016	222,883
Deferred tax assets	-	156,742	3,037	-	500,489	-	-	2,659,217	-
Total assets	**45,477,559**	**348,724,073**	**65,285,605**	**72,022,204**	**250,160,849**	**75,903,008**	**63,153,196**	**188,644,645**	**8,010,539**
Financed by:									
Deposits from banks	-	17,144,046	805,739	-	142,890,948	1,610,846	485,679	9,296,980	177,502
Deposits from customers	-	248,462,435	46,819,839	56,338,465	86,529,209	62,363,649	46,727,505	136,290,546	3,874,986
Current income tax liabilities	-	1,042,541	-	257,015	6,086	175,529	1	352,444	-
Other liabilities	9,785,765	6,457,715	3,587,657	2,664,874	2,794,908	3,069,274	1,832,005	5,303,852	398,695
Other borrowed funds	-	-	-	-	-	-	2,976,492	369,984	-
Deferred tax liabilities	-	234,006	-	85,181	71,098	49,372	-	259,273	-
Total liabilities	**9,785,765**	**273,340,743**	**51,213,235**	**59,345,535**	**232,292,249**	**67,268,670**	**52,021,682**	**151,873,079**	**4,451,183**
Equity and reserve	35,691,794	75,383,330	14,072,370	12,676,669	17,868,600	8,634,338	11,131,514	36,771,566	3,559,356
	45,477,559	**348,724,073**	**65,285,605**	**72,022,204**	**250,160,849**	**75,903,008**	**63,153,196**	**188,644,645**	**8,010,539**

Condensed cash flow
Jun-2021

In thousands of Nigerian Naira	Staff Investment Trust	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Net cash flow:									
- from operating activities	(4,199,767)	(2,530,918)	2,335,421	8,562,510	(12,001,140)	7,749,586	7,537,454	(3,314,000)	186,557
- from investing activities	5,103,633	20,139,587	(1,490,536)	(1,247,770)	(9,850,647)	(4,869,144)	(9,639,025)	(1,963,598)	(91,688)
- from financing activities	-	(7,090,845)	-	-	-	(1,109,345)	2,976,492	(61,650)	-
Increase in cash and cash equivalents	903,866	10,517,824	844,885	7,314,740	(21,851,787)	1,771,097	874,921	(5,339,248)	94,869
Cash balance, beginning of period	3,021,731	42,691,773	19,055,295	13,759,785	192,030,686	13,890,005	3,843,033	34,170,878	1,860,984
Effect of exchange difference	-	103,342	(138,374)	36,248	3,582,723	185,142	(31,378)	527,006	5,670
Cash balance, end of period	**3,925,597**	**53,312,939**	**19,761,806**	**21,110,773**	**173,761,622**	**15,846,244**	**4,686,576**	**29,358,636**	**1,961,523**

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 30 June 2021, are as follows:

Profit and loss
Jun-2021

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Operating income	3,857,358	1,220,550	2,530,430
Operating expenses	(1,960,514)	(832,608)	(1,181,723)
Loan impairment charges	(548,202)	(73,865)	(142,978)
Profit before tax	1,348,642	314,077	1,205,729
Taxation	(404,595)	(52,974)	(361,719)
Profit after tax	944,047	261,103	844,010

Condensed financial position
Jun-2021

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Assets			
Cash and bank balances	4,259,685	10,783,524	14,317,674
Loans and advances to customers	60,522,535	8,433,145	20,219,747
Investment securities:			
– Fair Value through other comprehensive Income	33,190,628	-	-
– Held at amortised cost	8,565,208	4,146,297	12,370,741
Assets pledged as collateral	-	385,958	-
Restricted deposits and other assets	2,058,468	487,878	638,894
Investment in subsidiaries	12,916,968	-	-
Property and equipment	1,772,288	893,710	1,989,033
Intangible assets	380,049	221,629	264,885
Deferred tax assets	1,866,621	792,596	-
Total assets	**125,532,450**	**26,144,737**	**49,800,974**
Financed by:			
Deposits from banks	9,296,969	11	-
Deposits from customers	78,068,768	19,933,844	38,287,934
Other liabilities	1,909,367	1,109,113	2,285,372
Current income tax liabilities	-	-	352,444
Other borrowed funds	-	-	369,984
Deferred tax liabilities	144,163	-	115,110
Total liabilities	**89,419,267**	**21,042,968**	**41,410,844**
Equity and reserve	36,113,183	5,101,769	8,390,130
	125,532,450	**26,144,737**	**49,800,974**

Condensed results of the consolidated entities as at 30 June 2020, are as follows:

Jun-2020

In thousands of Nigerian Naira	Staff Investment Trust	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Condensed profit and loss									
Operating income	2,009,265	18,579,550	3,666,268	2,698,042	2,102,458	2,415,796	1,859,849	6,630,579	259,475
Operating expenses	-	(5,387,132)	(1,746,358)	(1,350,173)	(2,482,127)	(1,224,744)	(989,225)	(3,599,568)	(463,654)
Loan impairment charges	-	(135,397)	(458,342)	(390,459)	-	(53,713)	(258,524)	(943,542)	(4,741)
Profit before tax	**2,009,265**	**13,057,021**	**1,461,568**	**957,410**	**(379,669)**	**1,137,339**	**612,100**	**2,087,469**	**(208,920)**
Taxation	-	(3,923,773)	(438,470)	(239,346)	(184,998)	(307,070)	1,656,747	(603,768)	-
Profit after tax	**2,009,265**	**9,133,248**	**1,023,098**	**718,064**	**(564,667)**	**830,269**	**2,268,847**	**1,483,701**	**(208,920)**

Condensed results of the consolidated entities as at 31 December 2020, are as follows:

Dec-2020

In thousands of Nigerian Naira	Staff Investment Trust	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Condensed financial position									
Assets									
Cash and bank balances	3,021,731	42,691,773	19,055,295	13,759,785	192,030,686	13,890,005	3,843,033	34,170,878	1,860,984
Loans and advances to banks	-	-	-	-	59,294	-	-	-	-
Loans and advances to customers	-	75,322,397	13,314,222	29,444,192	28,457,762	7,597,929	15,427,694	80,269,067	2,320,702
Financial assets at fair value through profit or loss	-	31,308,487	-	-	-	-	-	-	-
Investment securities:									
– Fair Value through other comprehensive Income	44,292,942	-	-	-	34,374,681	31,273,315	11,459	30,779,818	-
– Held at amortised cost	-	117,369,066	27,746,226	1,284,493	-	5,586,715	28,513,367	24,585,959	676,674
Assets pledged as collateral	-	-	-	-	-	-	-	244,351	-
Other assets	-	19,473,689	294,467	11,065,864	1,977,207	5,671,527	2,352,568	4,324,892	520,980
Property and equipment	-	4,178,747	1,271,603	2,829,655	788,291	2,145,687	2,913,182	4,611,885	1,354,361
Intangible assets	-	256,719	65,378	99,404	-	134,705	52,285	1,091,410	272,317
Deferred tax assets	-	156,260	234,509	-	430,931	-	1,289,533	2,602,672	2,248
Total assets	**47,314,673**	**290,757,138**	**61,981,700**	**58,483,393**	**258,118,852**	**66,299,883**	**54,403,121**	**182,680,932**	**7,008,266**
Financed by:									
Deposits from banks	-	-	-	-	149,703,992	-	7,269	18,246	-
Deposits from customers	-	213,336,436	48,043,528	43,514,807	86,234,286	55,451,082	40,211,110	140,900,976	3,016,315
Current income tax liabilities	-	463,462	-	460,300	13,797	179,572	-	755,127	-
Other liabilities	10,635,307	4,974,196	1,031,075	2,393,497	3,760,769	3,200,664	2,228,300	5,773,700	289,501
Other borrowed funds	-	-	-	-	-	-	-	424,015	-
Deferred tax liabilities	-	233,393	-	349,533	96,057	60,836	-	338,179	-
Total liabilities	**10,635,307**	**219,007,487**	**49,074,603**	**46,718,137**	**239,808,901**	**58,892,154**	**42,446,679**	**148,210,243**	**3,305,816**
Equity and reserve	36,679,366	71,749,651	12,907,097	11,765,256	18,309,951	7,407,729	11,956,442	34,470,689	3,702,450
	47,314,673	**290,757,138**	**61,981,700**	**58,483,393**	**258,118,852**	**66,299,883**	**54,403,121**	**182,680,932**	**7,008,266**

Jun-2020

In thousands of Nigerian Naira	Staff Investment Trust	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Condensed cash flow									
Net cash flow:									
- from operating activities	(31,554,980)	10,369,603	5,125,804	3,604,459	(3,128,067)	1,943,173	5,324,752	6,354,046	283,450
- from investing activities	35,765,978	40,172,234	(5,234,383)	(499,049)	(2,005,844)	(3,035,941)	(6,268,059)	(6,501,227)	(240,097)
- from financing activities	(1,427,528)	-	-	(272,869)	-	(450,253)	-	-	-
Increase in cash and cash equivalents	2,783,470	50,541,837	(108,579)	2,832,541	(5,133,911)	(1,543,021)	(943,307)	(147,181)	43,353
Cash balance, beginning of Period	236,461	27,912,490	16,975,572	7,214,382	134,998,215	12,963,225	3,516,631	26,743,190	220,248
Effect of exchange difference	-	822,217	870,946	285,382	(769,449)	319,588	111,584	204,862	11,773
Cash balance, end of Period	**3,019,931**	**79,276,544**	**17,737,939**	**10,332,305**	**129,094,855**	**11,739,792**	**2,684,908**	**26,800,871**	**275,374**

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 30 June 2020, are as follows:

Profit and loss
Jun-2020

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Operating income	3,600,506	969,859	2,060,225
Operating expenses	(1,798,855)	(783,905)	(1,016,806)
Loan impairment charges	(721,507)	1,421	(223,452)
Profit before tax	**1,080,144**	**187,375**	**819,967**
Taxation	(324,042)	(33,736)	(245,990)
Profit after tax	**756,102**	**153,639**	**573,977**

Condensed financial position
Dec-2020

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Assets			
Cash and cash equivalents	8,954,087	11,726,181	13,491,104
Loans and advances to customers	49,168,802	9,731,727	21,368,538
Investment securities:			
– Fair Value through other comprehensive Income	30,793,472	-	-
– Held at amortised cost	8,985,518	3,547,180	12,053,261
Assets pledged as collateral	-	244,351	-
Other assets	3,094,307	305,819	741,355
Investment in subsidiaries	12,688,959	-	-
Property and equipment	2,000,515	887,660	2,175,179
Intangible assets	429,013	253,860	326,559
Deferred tax assets	1,290,748	769,001	-
Total assets	**117,405,421**	**27,465,779**	**50,155,996**
Financed by:			
Deposits from banks	18,239	7	-
Deposits from customers	80,109,823	21,657,146	39,134,007
Current income tax liabilities	-	-	586,360
Other liabilities	2,686,870	1,100,422	1,966,725
Deferred tax liabilities	149,261	-	193,015
Other borrowed funds	-	-	424,015
Total liabilities	**82,964,193**	**22,757,575**	**42,304,122**
Equity and reserve	34,441,228	4,708,204	7,851,874
	117,405,421	**27,465,779**	**50,155,996**

31 Property and equipment

(a) Group

In thousands of Nigerian Naira	Leasehold improvement and buildings[1]	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress[2]	Total
Cost						
Balance at 1 January 2021	111,437,779	128,672,153	14,733,537	13,349,915	14,368,732	282,562,116
Exchange difference	89,410	154,750	16,174	-	2,267	262,601
Additions	9,650,394	5,184,284	499,490	-	2,984,742	18,318,910
Disposals	(264,090)	(915,153)	(1,102,788)	-	-	(2,282,031)
Transfers	97,942	206,482	345,152	-	(649,576)	-
Reclassifications to other assets / Write-down	(61,456)	-	-	(13,349,915)	-	(13,411,371)
Balance at 30 June 2021	**120,949,979**	**133,302,516**	**14,491,565**	**-**	**16,706,165**	**285,450,225**
Balance at 1 January 2020	98,719,230	111,272,579	13,680,069	13,036,574	14,280,632	250,989,084
Exchange difference	1,625,078	1,575,999	300,381	-	166,736	3,668,194
Additions	8,355,298	15,582,981	1,681,147	313,341	5,315,197	31,247,964
Disposals	(52,446)	(1,500,753)	(928,060)	-	-	(2,481,259)
Transfers	2,790,619	1,741,347	-	-	(4,531,966)	-
Reclassifications to other assets	-	-	-	-	(861,867)	(861,867)
Balance at 31 December 2020	**111,437,779**	**128,672,153**	**14,733,537**	**13,349,915**	**14,368,732**	**282,562,116**

All Property and equipment are non-current.

[1] Of this amount as at June 2021, Leasehold improvement accounts for N30,652,972,000 (25.34%) while Buildings accounts for N90,297,012,000 (74.66%)

[2] Capital work in progess refers to capital expenditure incurred on items of Property and Equipment which are however not ready for use and as such are not being depreciated.

Property and equipment (continued)

Group

Depreciation *In thousands of Nigerian Naira*	**Leasehold improvement and buildings**	**Furniture & equipment**	**Motor vehicle**	**Aircraft**	**Capital work-in - progress**	**Total**
Balance at 1 January 2021	22,724,468	88,568,619	9,933,454	12,552,740	-	133,779,281
Exchange difference	55,134	137,690	13,995	-	-	206,819
Charge for the period	2,197,476	9,023,167	1,020,822	797,175	-	13,038,640
Disposal	(18,044)	(890,051)	(817,824)	-	-	(1,725,919)
Reclassifications to other assets / Write-down	-	-	-	(13,349,915)	-	(13,349,915)
Balance at 30 June 2021	**24,959,034**	**96,839,425**	**10,150,447**	**-**	**-**	**131,948,906**
Balance at 1 January 2020	17,900,407	72,558,504	8,347,794	10,407,516	-	109,214,221
Exchange difference	482,136	1,297,308	205,288	-	-	1,984,732
Charge for the period	4,394,371	16,207,868	2,308,432	2,145,224	-	25,055,895
Disposal	(52,446)	(1,495,061)	(928,060)	-	-	(2,475,567)
Reclassifications to other assets	-	-	-	-	-	-
Balance at 31 December 2020	**22,724,468**	**88,568,619**	**9,933,454**	**12,552,740**	**-**	**133,779,281**
Carrying amounts:						
Balance at 30 June 2021	**95,990,945**	**36,463,091**	**4,341,118**	**-**	**16,706,208**	**153,501,362**
Balance at 31 December 2020	**88,713,311**	**40,103,534**	**4,800,083**	**797,175**	**14,368,732**	**148,782,835**

Property and equipment (continued)

(b) Parent

In thousands of Nigerian Naira	Leasehold improvement and buildings[1]	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress[2]	Total
Cost						
Balance at 1 January 2021	92,924,568	108,757,933	11,023,683	13,349,915	13,483,172	239,539,271
Additions	9,785,840	4,605,958	303,525	-	1,478,499	16,173,822
Disposals	(18,056)	(144,883)	(872,159)	-	-	(1,035,098)
Transfers	37,618	66,034	220,000	-	(323,652)	-
Reclassifications to other assets / Write-down	-	-	-	(13,349,915)	-	(13,349,915)
Balance at 30 June 2021	**102,729,970**	**113,285,042**	**10,675,049**	**-**	**14,638,019**	**241,328,080**
Balance at 1 January 2020	83,057,156	94,789,164	10,435,319	13,036,574	12,400,787	213,719,000
Additions	8,475,331	13,498,018	1,423,588	313,341	4,788,257	28,498,535
Disposals	-	(981,173)	(835,224)	-	-	(1,816,397)
Transfers	1,392,081	1,451,924	-	-	(2,844,005)	-
Reclassifications to other assets	-	-	-	-	(861,867)	(861,867)
Balance at 31 December 2020	**92,924,568**	**108,757,933**	**11,023,683**	**13,349,915**	**13,483,172**	**239,539,271**

All Property and equipment are non-current.

[1] Of this amount as at June 2021, Leasehold improvement accounts for N26,035,381,000 (25.34%) while Buildings accounts for N76,694,589,000 (74.66%)

[2] Capital work in progess refers to capital expenditure incurred on items of Property and Equipment which are however not ready for use and as such are not being depreciated.

Property and equipment (continued)

Parent

Depreciation In thousands of Nigerian Naira	**Leasehold improvement and buildings**	**Furniture & equipment**	**Motor vehicle**	**Aircraft**	**Capital work-in - progress**	**Total**
Balance at 1 January 2021	17,536,179	73,383,992	7,376,820	12,552,740	-	110,849,731
Charge for the period	2,024,125	7,555,798	861,927	797,175	-	11,239,025
Disposal	(18,044)	(121,053)	(593,960)	-	-	(733,057)
Reclassifications to other assets / Write-down	-	-	-	(13,349,915)	-	(13,349,915)
Balance at 30 June 2021	**19,542,260**	**80,818,737**	**7,644,787**	**-**	**-**	**108,005,784**
Balance at 1 January 2020	13,998,763	60,235,129	6,444,154	10,407,516	-	91,085,562
Charge for the period	3,537,416	14,128,724	1,766,464	2,145,224	-	21,577,828
Disposal	-	(979,861)	(833,798)	-	-	(1,813,659)
Reclassifications to other assets	-	-	-	-	-	-
Balance at 31 December 2020	**17,536,179**	**73,383,992**	**7,376,820**	**12,552,740**	**-**	**110,849,731**
Carrying amounts:						
Balance at 30 June 2021	**83,187,710**	**32,466,305**	**3,030,262**	**-**	**14,638,062**	**133,322,339**
Balance at 31 December 2020	**75,388,389**	**35,373,941**	**3,646,863**	**797,175**	**13,483,172**	**128,689,540**

(c) The Bank and Group had capital commitments of N354,192,000 (31 December 2020: N435,761,000) as at the reporting date in respect of authorized and co capital projects.

(d) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2020: Nil)

32 Intangible assets

(a) Group

In thousands of Nigerian Naira	Goodwill	Purchased Software	Total
Cost			
Balance at 1 January 2021	8,687,968	30,226,353	38,914,321
Exchange translation differences	1,473	61,835	63,308
Additions	-	1,927,565	1,927,565
Balance at 30 June 2021	**8,689,441**	**32,215,753**	**40,905,194**
Balance at 1 January 2020	8,684,356	26,275,095	34,959,451
Exchange translation differences	3,612	451,502	455,114
Additions	-	3,499,756	3,499,756
Balance at 31 December 2020	**8,687,968**	**30,226,353**	**38,914,321**
Amortisation and impairment losses			
Balance at 1 January 2021	-	19,041,798	19,041,798
Exchange translation differences	-	55,537	55,537
Amortisation for the period	-	2,292,272	2,292,272
Balance at 30 June 2021	**-**	**21,389,607**	**21,389,607**
Balance at 1 January 2020	-	14,714,219	14,714,219
Exchange translation differences	-	336,961	336,961
Amortisation for the period	-	3,990,618	3,990,618
Balance at 31 December 2020	**-**	**19,041,798**	**19,041,798**
Carrying amounts:			
Balance at 30 June 2021	**8,689,441**	**10,826,146**	**19,515,587**
Balance at 31 December 2020	**8,687,968**	**11,184,555**	**19,872,523**

All intangible assets are non-current.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the period ended June 2021 (December 2020: nil).

(b) Parent

In thousands of Nigerian Naira	Purchased Software
Cost	
Balance at 1 January 2021	23,864,389
Additions	1,823,989
Balance at 30 June 2021	**25,688,378**
Balance at 1 January 2020	20,739,355
Additions	3,125,034
Balance at 31 December 2020	**23,864,389**
Amortisation and impairment losses	
Balance at 1 January 2021	14,570,070
Amortisation for the period	1,966,234
Balance at 30 June 2021	**16,536,304**
Balance at 1 January 2020	11,193,102
Amortisation for the period	3,376,968
Balance at 31 December 2020	**14,570,070**
Carrying amounts:	
Balance at 30 June 2021	**9,152,074**
Balance at 31 December 2020	**9,294,319**

All intangible assets are non-current.

(c) Impairment testing for cash-generating units containing Goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to each of the cash-generating units or groups of cash-generating units that is expected to benefit from the synergies of the combination.

Goodwill is allocated to the Cash Generating Units (CGUs) as shown below:

In thousands of Nigerian Naira

Cash Generating Units	**Jun-21**	**Dec -20**
Rest of West Africa:		
- Corporate Banking	44,899	41,660
- Commercial Banking	4,196	5,266
- Retail Banking	15,341	16,036
East Africa:		
- Corporate Banking	6,009,863	5,706,889
- Commercial Banking	561,639	721,405
- Retail Banking	2,053,503	2,196,711
	8,689,441	**8,687,968**

No impairment loss on goodwill was recognised for the period ended 30 June 2021 (31 December 2020: nil).

The recoverable amounts for the CGUs have been determined based on value-in-use calculations, using cash flow projections covering a five-year period and appropriate discount rates.

Cash Flow Forecasts

The cash flow projections are based on future cash flows and the 5-year business plan appropriately approved by senior management. Cash flows to perpetuity were estimated using a 10-year average growth of GDP in the countries where the subsidiaries operate; 3.30 per cent and 5.52 per cent for CGUs in West Africa and East Africa regions respectively. The constant growth rates are based on the long-term forecast of GTBank's growth in the countries in which the CGU's operate centred on past performance, current industry trend and management's expectations of market development. The forecast period is based on the Group's medium to long term perspective with respect to the operations of these units.

Valuation Assumptions and Other Disclosures

For each of the CGUs to which the goodwill was allocated, the key assumptions used in Value-in-use calculations are as follows:

In the East Africa Region, the recoverable amount was derived as its the value in use which was determined by discounting the projected cash flows generated by the segments in the region with the weighted discount rate of 23.07% derived using CAPM approach. It would require over ₦240million reduction in the recoverable amount of the most vulnerable CGU (East Africa – Commercial) before goodwill allocated to the identified CGU can be assumed impaired. In other words, a 143 basis point increase in the discount factor will make the recoverable amount of the East Africa region Commercial segment equal to its carrying amount.

2021-Key Assumptions	West Africa			East Africa		
	Corporate	Commercial	Retail	Corporate	Commercial	Retail
Revenue Growth Rate (%)	16.10%	17.10%	17.60%	8.94%	8.44%	9.04%
Operating Income Growth Rate (%)	18.52%	19.02%	20.52%	11.59%	11.09%	13.09%
Other Operating Costs (₦'Million)	20,814	1,945	7,112	5,048	472	1,725
Capital Expenditure (₦'Million)	2,753	257	941	1,202	112	411
Recoverable Amount (₦'Million)	246,775	23,062	84,320	30,671	2,866	10,480
Long Term Growth Rate (%)	15%- 20%	15%- 20%	15%- 20%	5%-10%	5%-10%	5%-10%
Discount Rate (%)	21.09%	21.09%	21.09%	23.07%	23.07%	23.07%

2020-Key Assumptions	West Africa			East Africa		
	Corporate	Commercial	Retail	Corporate	Commercial	Retail
Revenue Growth Rate (%)	57.34%	58.34%	58.84%	17.82%	16.32%	16.82%
Operating Income Growth Rate (%)	62.33%	62.83%	64.33%	17.33%	15.83%	17.83%
Other Operating Costs (₦'Million)	25,414	3,213	9,782	4,719	596	1,816
Capital Expenditure (₦'Million)	38,507	4,868	14,822	1,107	140	426
Recoverable Amount (₦'Million)	475,045	60,051	182,859	25,669	3,245	9,881
Long Term Growth Rate (%)	15%- 20%	15%- 20%	15%- 20%	15%- 20%	15%- 20%	15%- 20%
Discount Rate (%)	20.96%	20.96%	20.96%	22.02%	22.02%	22.02%

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

33 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

Deferred tax assets

In thousands of Nigerian Naira	Jun-2021			Dec-2020		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	-	17,064,632	(17,064,632)	3,270,360	-	3,270,360
Fair value reserves	5,152,618	-	5,152,618	-	-	-
Allowances for loan losses/Fraud loss provision	6,028,167	-	6,028,167	83,543	-	83,543
Defined benefit obligation/Actuarial Loss	1,704,777	-	1,704,777	-	-	-
Revaluation gain and Other assets	14,795,620	-	14,795,620	1,362,251	-	1,362,251
Net deferred tax assets/(liabilities)	**27,681,182**	**17,064,632**	**10,616,550**	**4,716,154**	**-**	**4,716,154**

In thousands of Nigerian Naira	**Jun-2021**	**Dec-2020**
Deferred tax assets:		
-Deferred tax assets to be recovered within 12 months	27,681,182	1,445,794
-Deferred tax assets to be recovered after more than 12 months	-	3,270,360

Group
Deferred tax liabilities

In thousands of Nigerian Naira		Jun-2021			Dec-2020	
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment, and software	-	698,930	698,930	-	20,953,401	20,953,401
Fair value reserves	-	-	-	-	1,096,521	1,096,521
Allowances for loan losses	-	-	-	1,257,567	-	(1,257,567)
Defined benefit obligation/actuarial loss	-	-	-	1,704,777	-	(1,704,777)
Revaluation loss/gain and other assets	-	6,301,175	6,301,175	-	5,873,194	5,873,194
Net deferred tax (assets)/liabilities	**-**	**7,000,105**	**7,000,105**	**2,962,344**	**27,923,116**	**24,960,772**

In thousands of Nigerian Naira	Jun-2021	Dec-2020
Deferred tax assets:		
-Deferred tax assets to be recovered within 12 months	-	2,962,344
Deferred tax liabilities:		
-Deferred tax liabilities to be recovered within 12 months	693,129	10,041,258
-Deferred tax liabilities to be recovered after more than 12 months	6,306,976	17,881,858

Parent
Deferred Tax Assets

In thousands of Nigerian Naira		Jun-2021			Dec-2020	
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment, and software	-	20,224,337	(20,224,337)	-	-	-
Fair value reserves	5,152,618	-	5,152,618	-	-	-
Allowances for loan losses/Fraud loss provision	5,944,333	-	5,944,333	-	-	-
Defined benefit obligation/Actuarial Loss	1,704,777	-	1,704,777	-	-	-
Revaluation gain and Other assets	12,519,674	-	12,519,674	-	-	-
Net deferred tax (assets)/liabilities	**25,321,402**	**20,224,337**	**5,097,065**	**-**	**-**	**-**

In thousands of Nigerian Naira	Jun-2021	Dec-2020
Deferred tax assets		
-Deferred tax assets to be recovered within 12 months	25,321,402	-
-Deferred tax assets to be recovered after more than 12 months	-	-
Deferred tax liabilities		
-Deferred tax liabilities to be recovered within 12 months	2,426,920	-
-Deferred tax liabilities to be recovered after more than 12 months	17,797,417	-

Parent
Deferred Tax Liabilities

In thousands of Nigerian Naira	Jun-2021			Dec-2020		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	-	-	-	-	19,875,403	19,875,403
Fair value reserves	-	-	-	-	1,096,521	1,096,521
Allowances for loan losses	-	-	-	1,257,567	-	(1,257,567)
Defined benefit obligation/actuarial loss	-	-	-	1,704,777	-	(1,704,777)
Revaluation loss and other assets	-	-	-	-	1,510,697	1,510,697
Net deferred tax (assets)/liabilities	**-**	**-**	**-**	**2,962,344**	**22,482,621**	**19,520,277**

In thousands of Nigerian Naira	**Jun-2021**	**Dec-2020**
Deferred tax assets		
-Deferred tax assets to be recovered within 12 months	-	2,962,344
Deferred tax liabilities		
-Deferred tax liabilities to be recovered within 12 months	-	5,080,306
-Deferred tax liabilities to be recovered after more than 12 months	-	17,402,315

Movements in deferred tax assets during the period

Group
Jun-2021

In thousands of Nigerian Naira

	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation loss/gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2021	3,270,360	-	83,543	-	-	1,362,251	-	4,716,154
Recognised in FX Position - Exchange Difference	-	-		-	-	14,396,345	-	14,396,345
Recognised in profit or loss	(20,334,992)	-	5,944,624	-	1,704,777	(962,976)	-	(13,648,567)
Other comprehensive Income	-	5,152,618		-				5,152,618
Balance at 30 June 2021	**(17,064,632)**	**5,152,618**	**6,028,167**	**-**	**1,704,777**	**14,795,620**	**-**	**10,616,550**

Movements in deferred tax liabilities during the period

Group
Jun-2021

In thousands of Nigerian Naira

	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation loss/gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2021	20,953,401	1,096,521	(1,257,567)	-	(1,704,777)	5,873,194	-	24,960,772
Exchange difference	1,308	-	-	-	-	-	-	1,308
Recognised in profit or loss	(20,255,779)	(297,211)	1,257,567	-	1,704,777	1,247,461	-	(16,343,185)
Other comprehensive income	-	(799,310)	-	-	-	(819,480)	-	(1,618,790)
Balance at 30 June 2021	**698,930**	**-**	**-**	**-**	**-**	**6,301,175**	**-**	**7,000,105**

Movements in deferred tax assets during the year

Group
Dec-2020

In thousands of Nigerian Naira

	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation loss/gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2020	2,164,087	-	92,483	-	-	-	-	2,256,570
Exchange Difference	-	-	-	-	-	70,611	-	70,611
Recognised in profit or loss	1,106,273	-	(8,940)	-	-	1,291,640	-	2,388,973
Balance at 31 December 2020	**3,270,360**	**-**	**83,543**	**-**	**-**	**1,362,251**	**-**	**4,716,154**

Movements in deferred tax liabilities during the year

Group
Dec-2020

In thousands of Nigerian Naira

	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation loss/gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2020	19,711,487	403,171	(3,222,713)	-	(1,837,460)	(4,485,952)	-	10,568,533
IFRS 16 adjustment	-	-	-	-	-	-	-	-
Exchange difference	(196,123)	38,189	100,468	-	-	215,146	-	157,680
Recognised in profit or loss	1,438,037	2,869	1,864,678	-	714,684	6,510,259	-	10,530,527
Other comprehensive income	-	652,292	-	-	(582,001)	3,633,741	-	3,704,032
Balance at 31 December 2020	**20,953,401**	**1,096,521**	**(1,257,567)**	**-**	**(1,704,777)**	**5,873,194**	**-**	**24,960,772**

Movements in deferred tax Assets during the period
Parent
Jun-2021

In thousands of Nigerian Naira

	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation loss/gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2021	-	-	-	-	-	-	-	-
Reclassification from Deferred Tax Liabilities	(19,875,403)	(1,096,521)	1,257,567	-	1,704,777	(1,510,697)	-	(19,520,277)
Recognised in FX Position - Exchange Difference	-	-	-	-	-	14,401,638	-	14,401,638
Recognised in profit or loss	(348,934)	-	4,686,766	-	-	(371,267)	-	3,966,565
Other comprehensive income	-	6,249,139	-	-	-	-	-	6,249,139
Balance at 30 June 2021	**(20,224,337)**	**5,152,618**	**5,944,333**	**-**	**1,704,777**	**12,519,674**	**-**	**5,097,065**

Movements in deferred tax Liabilities during the period
Parent
Jun-2021

In thousands of Nigerian Naira

	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation loss/gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2021	19,875,403	1,096,521	(1,257,567)	-	(1,704,777)	1,510,697	-	19,520,277
Reclassification from Deferred Tax Liabilities	(19,875,403)	(1,096,521)	1,257,567	-	1,704,777	(1,510,697)	-	(19,520,277)
Balance at 30 June 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Movements in deferred tax liabilities during the year

Parent
Dec-2020

In thousands of Nigerian Naira

	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation loss/gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2020	18,899,680	403,171	(3,222,713)	-	(1,837,460)	(1,948,792)	-	12,293,886
IFRS 16 adjustment	-	-	-	-	-	-	-	-
Recognised in profit or loss	975,723	-	1,965,146	-	714,684	3,459,489	-	7,115,042
Other comprehensive income	-	693,350	-	-	(582,001)	-	-	111,349
Balance at 31 December 2020	**19,875,403**	**1,096,521**	**(1,257,567)**	**-**	**(1,704,777)**	**1,510,697**	**-**	**19,520,277**

34 Restricted deposits and other assets

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Repossessed collaterals	73,865	12,048,276	-	9,243,888
Prepayments	48,810,634	30,968,891	39,523,055	24,905,158
Accounts Receivable	41,745,888	48,918,206	7,813,951	18,983,878
Stocks	90,226	2,900,332	60,308	2,863,893
Foreign Banks - cash collateral	31,515,157	37,001,808	31,515,083	34,784,908
Restricted deposits with central banks (See note 34(i) below)	854,480,250	1,026,634,689	854,458,708	1,008,748,051
Contribution to AGSMEIS (See note 34(ii) below)	40,417,726	31,508,326	40,417,726	31,508,326
Recognised assets for defined benefit obligations (See note 39)	10,381,158	10,381,158	10,381,158	10,381,158
	1,027,514,904	**1,200,361,686**	**984,169,989**	**1,141,419,260**
Right-Of-Use Assets (See note 34(iii) below)	40,328,129	26,385,578	33,763,863	19,016,012
	1,067,843,033	**1,226,747,264**	**1,017,933,852**	**1,160,435,272**
Impairment on other financial assets (See note 34(iv) below)	(266,148)	(266,148)	(263,001)	(263,001)
	1,067,576,885	**1,226,481,116**	**1,017,670,851**	**1,160,172,271**
Current	1,014,611,725	1,184,694,120	973,465,522	1,127,911,208
Non-current	52,965,160	41,786,996	44,205,329	32,261,063

(i) Restricted deposits with central banks comprises of restricted deposits with central banks not available for use in the Group's day-to-day operations. The Bank had restricted balances of N854,458,708,000 with the Central Bank of Nigeria (CBN) as at 30 June 2021 (December 2020: N1,008,748,051,000). This balance is CBN cash reserve requirement. The cash reserve ratio represents a mandatory total Naira deposits which should be held with the Central Bank of Nigeria as a regulatory requirement.

(ii) This represents contribution to Agri-Business/Small and Medium Enterprises Investment Scheme aimed at supporting the Federal Government's effort at promoting agricultural businesses as well as Small and Medium Enterprises. It is an initiative of the Bankers' Committee in which Banks are required to set aside 5% of their Profit After Tax for investment in qualified players. The fund is domiciled with the Central Bank of Nigeria.

(iii) Right-of-use-assets

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Opening balance	26,385,578	23,580,802	19,016,012	18,143,188
Additions during the period	16,373,427	4,913,421	16,333,074	1,692,773
Depreciation during the period	(2,430,876)	(2,108,645)	(1,585,223)	(819,949)
Closing balance	**40,328,129**	**26,385,578**	**33,763,863**	**19,016,012**

For the Group and Parent, the right-of-use assets relates to Property and leased assets . The depreciation during the period is shown in Note 18.

(iv) Movement in impairment of other financial assets:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Opening Balance	266,148	265,867	263,001	263,001
Charge/(reversal) for the period	-	281	-	-
Closing Balance	**266,148**	**266,148**	**263,001**	**263,001**

35 **Deposits from banks**

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Money market deposits	27,898,247	279,429	-	-
Other deposits from banks	101,636,834	101,230,121	6,692	12,733
	129,535,081	**101,509,550**	**6,692**	**12,733**
Current	129,535,081	101,509,550	6,692	12,733
Non-current	-	-	-	-

36 Deposits from customers

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Retail customers:				
Term deposits	156,230,741	141,450,983	99,125,115	81,248,845
Current deposits	597,700,375	552,738,516	500,525,286	475,901,563
Savings	1,138,953,290	1,144,660,473	989,048,883	1,003,001,941
Corporate customers:				
Term deposits	326,795,127	247,704,593	255,467,290	191,133,831
Current deposits	1,405,538,310	1,422,764,672	1,097,624,016	1,130,399,878
	3,625,217,843	**3,509,319,237**	**2,941,790,590**	**2,881,686,058**
Current	3,603,162,739	3,507,188,681	2,941,789,822	2,881,682,476
Non-current	22,055,104	2,130,556	768	3,582

37 Financial liabilities at fair value through profit or loss

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Bond short positions	3,028,490	-	3,028,490	-
Treasury bills short positions	58,449	-	58,449	-
	3,086,939	**-**	**3,086,939**	**-**
Current	3,086,939	-	3,086,939	-
Non-current	-	-	-	-

38 Other liabilities

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Cash settled share based payment liability (Note 38(c))	9,469,181	10,635,307	-	-
Lease liabilities (Note 38(f))	6,785,019	8,087,113	187,901	187,901
Liability for defined contribution obligations (Note 38(a))	436,872	460,348	33	33
Deferred income on financial guarantee contracts	129,299	109,299	24,176	27,269
Litigation claims provision (Note 38(d))	238,454	250,995	190,200	190,200
Certified cheques	14,029,774	7,507,961	9,963,743	6,444,725
Customers' deposit for foreign trade (Note 38(b))	46,402,049	53,970,895	46,166,764	51,753,995
Customers' escrow balances	133,616,207	208,812,745	133,099,243	208,300,358
Account payables	54,262,408	38,236,362	48,236,620	32,220,969
Creditors and agency services	59,238,031	23,744,759	51,245,380	18,891,205
Customers deposit for shares of other Corporates	148,369	721,316	148,369	721,316
Impairment on contingents (Note 38(e))	3,582,387	3,685,475	3,237,833	3,237,833
	328,338,050	**356,222,575**	**292,500,262**	**321,975,804**
Current	305,796,495	332,443,160	288,878,808	318,332,601
Non-current	22,541,555	23,779,415	3,621,454	3,643,203

(a) The Bank and its employees each contribute a minimum of 10% and 8% respectively of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

(b) This represents the Naira value of foreign currencies held on behalf of customers in various foreign accounts to cover letters of credit transactions. Of the sum of N46,166,764,000 reported, the sum of N31,515,083,000 represents customers cash collateral balances with the corresponding balance included in Foreign Banks - Cash Collateral in other assets. The balance of N14,651,681,000 represents customer's FEM balances.

(c) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Jun-2021		Dec-2020	
	Average Exercise Price Per Share	Share Rights (thousands)	Average Exercise Price Per Share	Share Rights (thousands)
At 1 January	27.94	380,587	30.32	365,454
Granted	27.06	16,501	15.47	28,148
Exercised	28.46	(59,025)	22.79	(13,015)
As at end of the period	**28.01**	**338,063**	**27.94**	**380,587**

The total unit of shares of the scheme stood at 1,389,698,000 as at June 2021 (Dec 2020: 1,369,179,000), out of which 338,063,000 (December 2020: 380,587,000) have been granted. Out of the 338,063,000 Share Appreciation Right (SARs) granted as at June 2021 (December 2020: 380,587,000 SARs), 256,247,000 SARs (Dec 2020: 285,455,000) have met the vesting criteria. SARs exercised in 2021 resulted in 59,025,000 shares (Dec 2020:13,015,000) being granted at a weighted average price of N28.46 each (Dec 2020: N22.79 each)

The fair value of SAR was determined using a multi-factor model which entails using average share price for vested shares and multiple combination of 7.02% probability of exits, number of employees years in the scheme and in the organization for non-vested shares.

As at 30th June 2021, the impact of the SAR on the statement of financial position of the Group stood at N9,469,181,000 (December 2020: N10,635,307,000).

The Share Appreciation Right is a cash settled share based compensation scheme managed by a Special Purpose Vehicle (SPV) - Guaranty Trust Bank Staff Investment Trust. The scheme was introduced as a compensation plan for the bank’s qualifying personnel to enhance employee retention, by offering the shares acquired by the SPV to qualifying members of staff at the prevailing net book value of the bank. Under the terms of the plan, the shares vest only if a member has spent 10 years in the bank, 5 years in the scheme and the purchased shares are up to 3 years old from the date of purchase. Upon exit if a member meets vesting conditions, the shares would be repurchased from the staff by the scheme.

The liability for the SARs is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs, by applying an option pricing model, taking into account the terms and conditions on which the SARs were granted, and the extent to which the employees have rendered services to date. The expected life used in the model has been adjusted based on management's best estimate for the effects of exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 3 years.

As at 30th June 2021, the impact of the SAR on the statement of financial position of the Group stood at N9,469,181,000 (2020:N10,635,307,000). Of this amount, the liability on vested but unexercised SARs was N7,661,782,000 (2020: N9,234,455,000)

Share options outstanding at the end of the period have the following expiry date and exercise prices:

	Exercise price		Share options (thousands of Naira)	
Grant-Vest	Jun-2021	Dec-2020	Jun-2021	Dec-2020
2004-2009	29.90	32.30	3,054,757	3,740,365
2004-2017	29.11	30.76	136,876	138,513
2005-2010	29.90	29.66	256,754	555,807
2005-2013	0.00	31.03	-	729,763
2006-2011	29.23	31.19	161,942	166,601
2006-2014	29.55	31.25	300,245	317,460
2007-2012	28.65	30.29	867,353	851,780
2007-2013	28.94	29.44	97,258	98,912
2007-2014	28.73	30.21	148,572	152,162
2007-2015	29.43	31.39	58,871	62,776
2007-2016	29.49	30.50	133,355	246,981
2008-2013	28.64	29.44	443,263	433,644
2008-2014	28.00	28.41	82,725	78,221
2008-2015	28.78	28.45	96,617	95,376
2008-2017	28.89	29.34	75,969	59,767
2009-2014	28.75	27.64	112,650	108,144
2009-2015	25.14	23.46	24,902	19,746
2008-2026	-	22.26	-	11,380
2010-2015	25.09	26.58	45,323	33,194
2010-2016	29.90	29.19	13,469	93,006
2010-2017	29.90	32.35	30,323	32,808
2010-2018	27.69	26.76	70,151	62,453
2010-2019	29.90	32.35	67,010	72,501
2011-2016	27.71	25.84	550,755	495,421
2011-2017	28.13	28.85	48,197	47,988
2011-2018	27.91	30.90	65,600	61,807
2011-2019	27.71	24.64	106,815	89,932
2011-2020	26.48	27.29	79,438	62,766
2012-2017	27.19	25.25	64,730	60,104
2012-2018	29.90	31.09	24,216	25,178
2012-2021	0.00	0.00	-	-
2019-2024	30.57	16.84	132,168	32,849
2013-2018	26.60	25.08	425,948	337,482
2014-2019	27.04	24.67	261,511	215,219
2014-2022	23.72	18.33	11,871	9,175
2015-2020	26.69	23.67	277,658	268,507
2015-2022	27.10	26.28	78,592	70,952
2015-2023	23.52	18.76	20,153	13,947
2015-2024	0.00	16.33	-	1,453
2016-2021	26.07	18.31	555,048	492,318
2016-2025	24.56	14.14	36,765	21,107
2017-2022	24.34	17.50	131,926	88,697
2017-2023	22.91	25.31	10,310	5,061
2021-2029	20.57	-	764	-
2021-2026	20.57	-	70,966	-
2018-2026	-	-	-	-
2018-2023	21.30	9.12	140,924	55,233
2020-2025	20.57	5.08	96,442	18,749
			9,469,181	**10,635,306**

(d) Provision for litigation arose from the assessment carried out by the Solicitors of the Bank of all the pending litigations the Bank was involved in as at June 30, 2021. Please see Note 43 for further information on Litigations.

Movement in provision for litigation claims during the period ended is as follows:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Opening Balance	250,995	250,665	190,200	189,870
Increase/(reversal) during the period ended	-	330	-	330
Write off	(12,541)	-	-	-
Closing Balance	**238,454**	**250,995**	**190,200**	**190,200**

This relates to provision on pending cases that the bank is currently involved in. Please refer to Note 43 for more information.
Timing of resulting outflows of economic resources with respect to the provision can not readily be determined.

(e) **Movement in impairment on contingents during the period ended is as follows:**

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Opening balance	3,685,475	6,462,312	3,237,833	6,056,692
Effect of exchange rate fluctuation	1,320	335,367	-	-
Charge/(Reversal) for the period ended	313,977	(3,112,204)	-	(2,818,859)
Write off	(418,385)	-	-	-
Closing Balance	**3,582,387**	**3,685,475**	**3,237,833**	**3,237,833**

(f) The Group leases a number of properties to serve as its branch outlets.
The Group and Parent has applied 7.26% as the weighted average incremental borrowing rate to lease liability on transition date.
The present value of finance lease liabilities is as follows:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Less than 3 months	130,176	145,774	3,605	3,387
3-6 months	126,528	516,858	3,504	12,009
6-12 months	416,957	904,900	11,547	21,025
1-5years	960,946	995,325	26,612	23,126
More than 5 years	5,150,412	5,524,256	142,633	128,354
	6,785,019	**8,087,113**	**187,901**	**187,901**

The period of future economic outflows of the lease liabilities is analysed below:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Less than 3 months	131,233	146,944	3,713	3,489
3-6 months	128,583	525,152	3,714	12,730
6-12 months	430,505	933,939	12,933	23,548
1-5years	1,117,063	1,155,031	42,579	37,002
More than 5 years	6,823,906	7,297,052	313,793	282,379
	8,631,290	**10,058,118**	**376,732**	**359,148**

The movement in lease liabilities is shown below:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Opening Balance	8,087,113	5,275,289	187,901	151,396
Exchange difference	59,130	430,450	-	-
Finance cost	149,886	265,934	-	-
Additional liabilities on lease contracts	-	2,115,440	-	36,505
Payments	(1,511,110)	-	-	-
	6,785,019	**8,087,113**	**187,901**	**187,901**

39 Defined benefit obligations

The Bank operates a non-contributory, funded lump sum defined benefit gratuity scheme. Employees are automatically admitted into the scheme after completing 10 consecutive years of service with the Bank. Employees' terminal benefits are calculated based on number of years of continuous service, limited to a maximum of 10 years. The defined benefit obligation valuation was carried out by Alexander Forbes Consulting Actuaries.

(a) The amounts recognised in the statement of financial position are as follows:

In thousands of Nigerian Naira	**Group Jun-2021**	**Group Dec-2020**	**Parent Jun-2021**	**Parent Dec-2020**
Present value of funded obligations	(5,682,589)	(5,682,589)	(5,682,589)	(5,682,589)
Total present value of defined benefit obligations	(5,682,589)	(5,682,589)	(5,682,589)	(5,682,589)
Fair value of plan assets	16,063,747	16,063,747	16,063,747	16,063,747
Present value of net asset/(obligations)	10,381,158	10,381,158	10,381,158	10,381,158
Recognized asset/(liability) for defined benefit obligations	**10,381,158**	**10,381,158**	**10,381,158**	**10,381,158**

The bank has a right to the surplus on its plan assets. The defined benefit scheme is not open to asset ceiling, therefore, there is no need to determine any difference between net defined benefit asset and asset ceiling.
Recognised asset for defined benefit obligations is included within Restricted deposits and other assets in note 34.

(b) Movement in the present value of defined benefit obligations:

In thousands of Nigerian Naira	**Group Jun-2021**	**Group Dec-2020**	**Parent Jun-2021**	**Parent Dec-2020**
(Deficit)/surplus on defined benefit obligations, beginning of period	10,381,158	10,799,957	10,381,158	10,799,957
Net (Expense) / Income recognised in Profit and Loss	-	1,378,517	-	1,378,517
Re-measurements recognised in Other Comprehensive Income	-	(1,940,002)	-	(1,940,002)
Contributions paid	-	142,686	-	142,686
(Deficit)/surplus for defined benefit obligations, end of year	**10,381,158**	**10,381,158**	**10,381,158**	**10,381,158**

(c) Plan assets consist of the following:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Equity securities:				
- Quoted	3,245,129	3,245,129	3,245,129	3,245,129
Government securities				
- Quoted	760,910	760,910	760,910	760,910
Cash and bank balances				
- Unquoted	12,057,708	12,057,708	12,057,708	12,057,708
	16,063,747	**16,063,747**	**16,063,747**	**16,063,747**

Group

In thousands of Nigerian Naira	Jun-2021		Dec-2020	
Equity securities	3,245,129	20%	3,245,129	20%
Government securities	760,910	5%	760,910	5%
Cash and bank balances	12,057,708	75%	12,057,708	75%
	16,063,747	**100%**	**16,063,747**	**100%**

Parent

In thousands of Nigerian Naira	Jun-2021		Dec-2020	
Equity securities	3,245,129	20%	3,245,129	20%
Government securities	760,910	5%	760,910	5%
Cash and bank balances	12,057,708	75%	12,057,708	75%
	16,063,747	**100%**	**16,063,747**	**100%**

The defined benefit plan assets are under the management of Pension Fund Custodians - Crusader Sterling Pension Limited

The N3,245,129,000 equity investments of the scheme includes the Group's ordinary shares with a fair value of N3,016,604,000 (Dec 2020: N3,016,604,000). Additionally, out of the cash and bank balances of N12,057,708,000 an amount with a fair value of N12,057,708,000 (Dec 2020:N12,057,708,000) represents deposit with the Group.

Expected contributions to post-employment benefit plans for the year ending 31 December 2021 are N191,262,000 (December 2020: N175,384,000) while gratuity payments are estimated to be N191,262,000 (December 2020: N175,384,000)

(d) Defined benefit cost for the period ended June 2022 is expected to be as follows:

	Parent Jun-2022	Parent Jun-2021
Net Interest on Net benefit assets	434,956	1,487,735
Current service cost	(120,696)	(106,961)
Income/(Expense) recognised in profit or loss	314,260	1,380,774

Components of net interest on defined benefit liability for the period ended June 2021 is estimated to be as follows:

	Parent Jun-2022	Parent Jun-2021
Interest income on assets	674,677	2,046,671
Interest cost on defined benefit obligation	(239,721)	(558,936)
Total net interest income	434,956	1,487,735

Plan assets are valued at current market value. The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the date of the consolidated statement of financial position. Expected returns on equity reflect long-term real rates of return experienced in the respective markets.

(e) Movement in plan assets:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Fair value of plan assets, beginning of the Period	16,063,747	14,830,952	16,063,747	14,830,952
Contributions paid into/(withdrawn from) the plan	-	142,686	-	142,686
Benefits paid by the plan	-	(142,686)	-	(142,686)
Actuarial loss	-	(813,876)	-	(813,876)
Return on plan assets	-	2,046,671	-	2,046,671
Fair value of plan assets, end of the Period	**16,063,747**	**16,063,747**	**16,063,747**	**16,063,747**

Actual return on plan asset is made up of expected return on plan assets and actuarial gains / losses.

(f) Movement in present value of obligations:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Present value of obligation, beginning of the Period	5,682,589	4,030,995	5,682,589	4,030,995
Interest cost	-	561,193	-	561,193
Current service cost	-	106,961	-	106,961
Benefits paid	-	(142,686)	-	(142,686)
Actuarial loss on obligation[1]	-	1,126,126	-	1,126,126
Present value of obligation at end of the Period	**5,682,589**	**5,682,589**	**5,682,589**	**5,682,589**

[1] The actuarial loss on obligation arose from the following:

	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Experience variance	-	823,743	-	823,743
Change in economic assumptions	-	302,468	-	302,468
Change in demographic assumptions	-	(85)	-	**(85)**
	-	**1,126,126**	**-**	**1,126,126**

(g) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2021	2020
Discount rate	4.2%	4.2%
Salary increase rate	4.2%	4.2%
Inflation	17.2%	13.4%
Retirement age for both male and female	60 years	60 years
Withdrawal Rate: 18 – 29	4.5%	4.5%
Withdrawal Rate: 30 – 44	6.0%	6.0%
Withdrawal Rate: 45 – 50	5.0%	5.0%
Withdrawal Rate: 51	4.5%	4.5%
Withdrawal Rate: 52	4.0%	4.0%
Withdrawal Rate: 53	3.5%	3.5%
Withdrawal Rate: 54	3.0%	3.0%
Withdrawal Rate: 55	2.5%	2.5%
Withdrawal Rate: 56	2.0%	2.0%
Withdrawal Rate: 57	1.5%	1.5%
Withdrawal Rate: 58	1.0%	1.0%
Withdrawal Rate: 59	0.5%	0.5%
Withdrawal Rate: 60	100.0%	100.0%

Assumptions regarding future mortality before retirement are based on A1967/70 ultimate table published by the Institute of Actuaries of United Kingdom.

The overall expected long-term rate of return on assets is 4.2%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based entirely on current market yields on Nigerian Government Bonds. The component of the rate of remuneration increase based on seniority and promotion is an average of 4.2% p.a. The inflation component has been worked out at 15.8% per annum.

For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

(h) Reasonably possible changes at the reporting date of discount rate, salary increase rate and mortality rate would have affected the defined benefit obligation by the amounts shown below:

Group
Jun-2021
In thousands of Nigerian Naira except percentages

		Impact on defined benefit obligation	
	Change in assumption	**Defined benefit obligation Increase**	**Decrease**
Discount rate	1.00%	(5,337,195)	6,077,111
Salary increase rate	1.00%	6,087,551	(5,320,654)
Mortality rate	1 year	5,682,132	(5,682,989)

Group
Jun-2020
In thousands of Nigerian Naira except percentages

		Impact on defined benefit obligation	
	Change in assumption	**Defined benefit obligation Increase**	**Decrease**
Discount rate	1.00%	(3,772,387)	4,323,922
Salary increase rate	1.00%	4,333,003	(3,759,841)
Mortality rate	1 year	4,031,500	(5,682,989)

Parent
Jun-2021
In thousands of Nigerian Naira except percentages

		Impact on defined benefit obligation	
	Change in assumption	**Defined benefit obligation Increase**	**Decrease**
Discount rate	1.00%	(5,337,195)	6,077,111
Salary increase rate	1.00%	6,087,551	(5,320,654)
Mortality rate	1 year	5,682,132	(5,682,989)

Parent
Jun-2020
In thousands of Nigerian Naira except percentages

		Impact on defined benefit obligation	
	Change in assumption	**Defined benefit obligation Increase**	**Decrease**
Discount rate	1.00%	(3,772,387)	4,323,922
Salary increase rate	1.00%	4,333,003	(3,759,841)
Mortality rate	1 year	4,031,500	(4,030,534)

In practice, changing an actuarial assumption while holding other assumptions constant is unlikely to occur as changes in some of the assumptions may be correlated.

(i) Expected maturity analysis of undiscounted pension and post-employment benefits:

In thousands of Nigerian Naira	**Less than 1 year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
Present value of the defined benefit obligation	5,050	19,648	130,871	13,207,243	13,362,812
	5,050	19,648	130,871	13,207,243	13,362,812

(j) Defined Benefit Risk Management

The Group's exposure to risks through its defined benefit plan is mitigated through a number of strategies. Most important of them is the asset-liability matching strategy. Thus, fluctuations in macro-economic variables have minimal impact on its exposure to the plan.

Over the years, the Group not only ensures that it has sufficient plan assets to fund its defined benefit obligation but also adopts a robust strategy that ensures that the macro-economic variables affecting the obligations are similar to those of the plan assets.
The significant risks inherent in the Group's defined benefit plan are detailed below:

Asset volatility

Post employment benefit obligations are calculated using a discount rate determined with reference to market yields on high quality bonds. The Group ensures that the plan assets do not underperform this yield. This is achieved through maintaining an efficient portfolio of investments in plan assets significantly made up of high quality equities and government securities. Consequently, the yield on the Group's plan assets has consistently outperformed interest cost on plan obligations. The Group also ensures that as tenured investments in plan assets mature, they are replaced with top quality investments which better match the liabilities.

Overall, the Group's defined benefit investment strategy aims at reducing investment risks while maintaining the right mix of investments in high quality equities, debt and near cash instruments void of impairment threats. The choice of investment in equities stems from the long term nature of the Group's defined benefit plan and expected maturity of the plan's liabilities.

Changes in bond yields

The rate used to discount post-employment benefit obligations is determined with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds are used. The Group is of the opinion that there is no deep market in Corporate Bonds in Nigeria and as such assumptions underlying the determination of discount rate are referenced to the yield on Nigerian Government bonds of medium duration, as compiled by the Debt Management Organisation. A decrease in Nigerian Government Bond yields will increase the plan's liabilities. However, this growth is offset by an increase in the value of the plan assets.

Inflation risk

We believe this is less a material risk given the accretion to the Group's plan assets arising from continuous contribution to the plan and improved yield. Growth in inflation, all other things being equal, should lead to increased basic salaries (which is an important determinant of the Group's defined benefit liability) and consequently higher plan liabilities. This growth in liabilities should be offset with increased plan assets.

40 Other borrowed funds

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Due to IFC (see note (i) below)	20,684,798	30,234,461	20,684,798	30,234,461
Due to BOI (see note (ii) below)	20,249,330	23,905,694	20,249,330	23,905,694
Due to FMO	2,976,492	-	-	-
Due to CACS (see note (iii) below)	9,048,423	12,178,889	9,048,423	12,178,889
Due to Proparco (see note (iv) below)	3,769,603	5,636,476	3,769,603	5,636,476
MSME Development Fund (see note (v) below)	11,706	22,862	11,706	22,862
Excess Crude Account -Secured Loans Fund (see note (vi) belov	13,909,510	13,812,844	13,909,510	13,812,844
RSSF on lending (see note (vii) below)	21,559,464	22,575,144	21,559,464	22,575,144
SANEF Intervention Fund (see note (viii) below)	1,005,190	865,752	1,005,190	865,752
NESF Fund (see note (ix) below)	1,076,274	1,241,570	1,076,274	1,241,570
Due to Anchor Borrowers' Fund (see note (x) below)	14,095,955	2,997,061	14,095,955	2,997,061
Economic Recovery Fund (see note (xi) below)	369,984	424,015	-	-
Due To P-Aads Loan	1,712,450	-	1,712,450	-
	110,469,179	**113,894,768**	**107,122,703**	**113,470,753**
Current	57,293,856	50,754,645	57,293,856	50,754,644
Non-current	53,175,323	63,140,123	49,828,847	62,716,109

i). The amount of N20,684,798,000 (USD 50,267,000) (December 2020: N30,234,461,000 ; USD 73,698,000) represents the outstanding balance on the Tranche 4 and Tranche 5 dollar term loan granted to the Parent by the International Finance Corporation (IFC). The Tranche 4 facility was disbursed in December 2011(USD 170,000,000) for a period of 8 years and the Tranche 5 was availed in December 2014 (USD 175,000,000) equally for a period of 8 years. The principal amount is repayable semi annually from December 2013 for Tranche 4 and December 2016 for Tranche 5. The pricing of the Tranche 4 facility is 5.5% and Libor plus 4% for the Tranche 5. Interest is paid semi annually on the two tranches.

ii). The amount of N20,249,330,000 (December 2020: N23,905,694,000) represents the outstanding balance on the wholesale funding granted to the Parent for the refinancing/restructuring of SME/Manufacturing loan portfolio under the Small and Medium Enterprise Refinancing and Restructuring Fund and to fastrack the development of power projects and aviation sector so as to improve power supply, under the Power and Airline Intervention Fund (PAIF). The SMERRF and PAIF are administered at an all-in interest rate /charge of 7% per annum payable on a quarterly basis. The BOI is entitled to 1% management fee payable quarterly by the Parent. The Loans have a maximum life of 15 years and/or working capital facility of one year with the provision for roll over subject to a maximum tenor of 5 years. The tenor of the facilities as at the end of the period range between 5 years to 13 years. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

iii). The amount of N9,048,423,000 (December 2020: N12,178,889,000) represents the outstanding balance on the on-lending facilities granted to the Parent by the Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) under the Commercial Agriculture Credit Scheme (CACS). The FGN is represented by the Federal Ministry of Agriculture and Rural Development '(FMARD) who has the aim of providing concessionary funding for agriculture so as to promote commercial agricultural enterprises in Nigeria. The Facility is for a period of 7 years at 2% p.a cost to the Parent. The maximum interest rate to the borrowers under the Scheme is 9% p.a inclusive of all charges. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

iv). The amount of N3,769,603,000 (USD 9,161,000) (December 2020: N5,636,476,000 ; USD13,739,000) represents the outstanding balance on the facility granted to the Parent by PROPARCO, the private sector financing arm of Agence Francais de Development(AfD). The facilities were disbursed in two tranches with the first tranche in December 2011 (USD 50,000,000) and the second tranche in January 2015 (USD 50,000,000). The principal amount is repayable semi annually from January 2012 for the first tranche and April 2017 for the second tranche. Interest is paid on a semi-annual basis with the first tranche priced at 4.46% and second tranche at Libor plus 4.26%. The first tranche matured in January 2016 while the second tranche will mature in April 2022.

v). The amount of N11,706,000 (December 2020: N22,862,000) represents the outstanding balance on the on lending facility granted by the Central Bank of Nigeria targeted at the growth and development of the Micro, Small and Medium Scale sub sector of the economy by providing single digit low interest rate funds. The facility is granted at an interest rate of 2% to the Parent. The maximum rate, inclusive of all charges, to the eligible MSMEs is 9% p.a. and the tenor of the facility ranges from 1 to 3 years depending on the type of enterprise. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

vi). The amount of N13,909,510,000 (December 2020: N13,812,844,000) represents the outstanding balance on the concessionary loans granted by the Central Bank of Nigeria to State Governments for the execution of developmental and infrastructure projects. The facility is secured by the balance due to State Governments from the Excess Crude Account. The facility is priced at 2% p.a payable on a monthly basis. The loan is granted to the States at 9% p.a inclusive of all charges. The principal is repayable monthly from the Federal Account Allocation Committee(FAAC) allocation of those States as a first line charge upon the issuance of an Irrevocable Standing Payment Order(ISPO) by those States. The tenor of 'the facility is 20 years. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

vii). The amount of N21,559,464,000 (December 2020: N22,575,144,000) represents the outstanding balance on the Real Sector Support Facility (RSSF). The Facility is given by the Central Bank of Nigeria to support large enterprises for startups and expansion financing needs. The real sector activities targeted by the facility are manufacturing, agricultural value chain and selected service sub-sectors. The Facility is administered at an all-in Interest rate/charge of 9% per annum payable on quarterly basis. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

xiii). The Shared Agent Network Facility (SANEF) is an intervention fund under the MSME Development Fund to provide ten (10) year loans to CBN Licensed and pre-qualified Mobile Money and Super- Agent operators for the purposes of rolling out of a Shared Agent Network. The objective of the Shared Agent Network is to deepen financial inclusion in the country with the offering of basic financial services such as Cash-in, Cash-out, Funds, Bills Payments, Airtime Purchase, Government disbursements as well as remote enrollment on BMS infrastructure (BVN). The facility is for 10 years inclusive of a 2-year moratorium on principal and 1- year moratorium on Interest. The facility is disbursed at a single digit, all-inclusive interest rate of 5% per annum.The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

ix). The Non Oil Export Stimulation Facility (NESF) was introduced by the Central Bank of Nigeria (CBN) to diversify the revenue base of the economy and promote growth of the non-oil export sector. The facility is granted at an all-inclusive interest rate of 9% p.a. payable on a quarterly basis. NESF can have a tenor of up to 10 years not exceeding 31st December, 2027 and the principal amount is repayable quarterly over the tenure of the facility. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

x). Due to Anchor Borrowers' fund is an initiative of the Central Bank of Nigeria broadly aimed to create economic linkages between small holder farmers and reputable anchor companies involved in the production and processing of key agricultural commodities with a view to increase agricultural output, reduce food import bills and create jobs. The tenor of the facility depends on the gestation period of the targeted commodity but not exceeding 2 years. The facility is disbursed at an all-inclusive interest rate of 9%. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

xi). The Economic Recovery Fund (ERF) was introduced by the Government of Rwanda with the objective of supporting the recovery of businesses adversely affected by COVID-19 so that the businesses can survive, resume operations, safeguard employment and expand domestic production of essential goods.

40b Reconciliation of Financial Liabilities

For the Period ended 30 June 2021

Group

Jun-2021

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**113,894,768**
Cash inflow - Principal	16,613,140
Cash outflow - Principal	(20,245,350)
Cash outflow - Interest	(1,085,727)
Effect of exchange rate fluctuation	117,250
Other non-cash[1]	1,175,098
Closing Balance	**110,469,179**

Group

Jun-2020

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**162,999,909**
Cash inflow - Principal	1,500,000
Cash outflow - Principal	(22,394,521)
Cash outflow - Interest	(3,402,640)
Effect of exchange rate fluctuation	3,178,049
Other non-cash[1]	3,474,081
Closing Balance	**145,354,878**

Parent

Jun-2021

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**113,470,753**
Cash inflow - Principal	16,243,156
Cash outflow - Principal	(22,790,209)
Cash outflow - Interest	(1,160,212)
Effect of exchange rate fluctuation	109,631
Other non-cash[1]	1,249,584
Closing Balance	**107,122,703**

Parent

Jun-2020

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**162,742,565**
Cash inflow - Principal	1,500,000
Cash outflow - Principal	(22,121,652)
Cash outflow - Interest	(3,256,578)
Effect of exchange rate fluctuation	3,162,524
Other non-cash[1]	3,328,019
Closing Balance	**145,354,878**

[1]This relates to non-cash movement in interest payable and origination fees.

41 Capital and reserves

Share capital

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

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
(a) Authorised:				
50,000,000,000 ordinary shares of 50k each (31 December 2020: 50,000,000,000 of 50k each)	25,000,000	25,000,000	25,000,000	25,000,000

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
(b) Issued and fully paid:				
29,431,179,224 ordinary shares of 50 kobo each (31 December 2020: 29,431,179,224 ordinary shares of 50k each)	14,715,590	14,715,590	14,715,590	14,715,590

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
28,060,599,137 ordinary shares (Non-GDR) of 50k each (31 December 2020: 28,060,599,137)	14,035,346	14,030,300	14,035,346	14,030,300
1,360,487,687 ordinary shares (GDR) of 50k each (31 December 2020: 1,370,580,087)	680,244	685,290	680,244	685,290
	14,715,590	**14,715,590**	**14,715,590**	**14,715,590**

The movement on the value of issued and fully paid-up share capital (Non GDR and GDR) account during the period ended was as follows:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Balance, beginning of period	14,715,590	14,715,590	14,715,590	14,715,590
Balance, end of year	**14,715,590**	**14,715,590**	**14,715,590**	**14,715,590**

Share capital

Movement in the components of share capital for the Group is as shown below:

	Number of shares (thousands)	Ordinary shares	Share premium	Treasury shares
At January 2020	**29,431,180**	**14,715,590**	**123,471,114**	**(6,531,749)**
(Purchases)/sales of treasury shares	-	-	-	(396,354)
At 31 December 2020/1 January 2021	**29,431,180**	**14,715,590**	**123,471,114**	**(6,928,103)**
(Purchases)/sales of treasury shares	-	-	-	(609,245)
At 30 June 2021	**29,431,180**	**14,715,590**	**123,471,114**	**(7,537,348)**

Share premium

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

Other regulatory reserves

The other regulatory reserve includes movements in the statutory reserves, the small and medium enterprises equity investment reserve and Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS).

(i) **Statutory Reserves**: Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. In the current year, the bank appropriated N10,108,364,000 representing 15% of its profit after tax to statutory reserves. Total statutory reserves was N335,714,459,000 at the end of the period.

(ii) **Small and medium enterprises equity investment reserve (SMEEIS):** The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this requirement is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable. Total SMEEIS reserves was N4,232,478,000 at the end of the year.

(iii) **Treasury shares:** Treasury shares in the sum of N7,537,348,000 (31 December 2020:N6,928,103,000) represents the Bank's shares held by the Staff Investment Trust as at 30 June 2021.

(iv) **Fair value reserve:** The fair value reserve includes the net cumulative change in the fair value of fair value through other comprehensive income investments until the investment is derecognised or impaired.

(v) **Regulatory risk reserve:** The regulatory risk reserves warehouses the difference between the impairment balance on loans and advances as determined in accordance with the provisions of Prudential guidelines of Central Bank of Nigeria when compared with the assessment in line with the requirement of IFRS 9 Expected credit loss model. The key component of CBN Prudential Guidelines (PG) is the setting aside of additional 2% provision on all performing loans assessed under the PG. This 2% provision is not required under IFRS 9. Therefore it has been recognised in Regulatory Risk Reserve. The Parent's total balance in Regulatory Risk Reserve is N68,604,431,000.

(vi) **Retained earnings:** Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

(vii) **Non-controlling interest**

The analysis of non-controlling interest per subsidiary is as shown below:

	Group Jun-2021 %	Group Dec-2020 %	Group Jun-2021 ₦'000	Group Dec-2020 ₦'000
GTB (Gambia) Limited	22.19	22.19	1,839,212	1,658,180
GTB (Sierra Leone) Limited	16.26	16.26	2,282,696	1,855,484
GTB (Ghana) Limited	1.68	1.68	1,277,164	1,206,798
GTB Liberia	0.57	0.57	71,755	65,241
GTB Kenya Limited	30.00	30.00	11,002,602	10,168,194
GTB Tanzania	23.80	23.80	896,972	826,912
			17,370,401	**15,780,809**

Please refer to Note 44 for more information on the Group structure

(viii) **Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS):** The AGSMEIS is maintained to support the Federal Government's effort at promoting Agricultural businesses and Small and Medium Enterprises. Effective 2017 all Deposit Money Banks (DMBs) are required to set aside 5% of their Profit After Tax for equity investment in permissible activities as stipulated in the scheme guidelines. The fund is domiciled with CBN.

(ix) **Other regulatory reserves breakdown**

	Group			
	Jun-2021			
In thousands of Nigerian Naira	**Statutory Reserves**	**SMEEIS Reserves**	**AGSMEIS Reserves**	**Total**
Opening Balance	350,297,225	4,232,478	31,526,801	386,056,504
Total comprehensive income for the Period:				
Transfers for the Period	13,417,911	-	8,909,400	22,327,311
Total transactions with equity holders	**13,417,911**	**-**	**8,909,400**	**22,327,311**
Balance as at 30 June 2021	**363,715,136**	**4,232,478**	**40,436,201**	**408,383,815**

	Parent			
	Jun-2021			
In thousands of Nigerian Naira	**Statutory Reserves**	**SMEEIS Reserves**	**AGSMEIS Reserves**	**Total**
Opening Balance	325,606,095	4,232,478	31,508,326	361,346,899
Total comprehensive income for the period ended:				
Transfers for the period ended	10,108,364	-	8,909,400	19,017,764
Total transactions with equity holders	**10,108,364**	**-**	**8,909,400**	**19,017,764**
Balance as at 30 June 2021	**335,714,459**	**4,232,478**	**40,417,726**	**380,364,663**

In thousands of Nigerian Naira	Group Dec-2020 Statutory Reserves	SMEEIS Reserves	AGSMEIS Reserves	Total
Opening Balance	317,883,501	4,232,478	22,770,537	344,886,516
Total comprehensive income for the year:				
Transfers for the period	32,413,724	-	8,756,264	41,169,988
Total transactions with equity holders	**32,413,724**	**-**	**8,756,264**	**41,169,988**
Balance as at 31 December 2020	**350,297,225**	**4,232,478**	**31,526,801**	**386,056,504**

In thousands of Nigerian Naira	Parent Dec-2020 Statutory Reserves	SMEEIS Reserves	AGSMEIS Reserves	Total
Opening Balance	298,877,835	4,232,478	22,752,062	325,862,375
Total comprehensive income for the period ended :				
Transfers for the period ended	26,728,260	-	8,756,264	35,484,524
Total transactions with equity holders	**26,728,260**	**-**	**8,756,264**	**35,484,524**
Balance as at 31 December 2020	**325,606,095**	**4,232,478**	**31,508,326**	**361,346,899**

42 Dividends

The following dividends were declared and paid by the Group during the period ended:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Balance, beginning of period	-	-	-	-
Final dividend declared[1]	79,818,740	74,267,788	79,464,184	73,577,950
Interim dividend declared	-	8,829,354	-	8,829,354
Payment during the period	(79,818,740)	(83,097,142)	(79,464,184)	(82,407,304)
Balance, end of Period	-	-	-	-

[1] This relates to the final dividend declared for the 2020 financial year.

Subsequent to the balance sheet date, the Board of directors proposed an interim dividend of 30k per share (June 2020: 30k per share) on the issued ordinary shares of 29,431,179,224 of 50k each.

43 Contingencies

Claims and litigation

The Bank, in its ordinary course of business, is presently involved in 652 cases as a defendant (31 December 2020: 507) and 418 cases as a plaintiff (31 December 2020: 415). The total amount claimed in the 652 cases against the Bank is estimated at N482.29 Billion and $31.20 Million (31 December 2020: N440.83 Billion and $32.60 Million) while the total amount claimed in the 418 cases instituted by the Bank is N100.73 Billion (31 December 2020: N180.48 Billion). However, the solicitors of the Bank are of the view that the probable liability which may arise from the cases pending against the Bank is not likely to exceed N194.80 Million (31 December 2020: N190.20 Million). This probable liability has been fully provided for by the Bank (please refer to Note 38).

Contingent liabilities and commitments

In common with other banks, the Group conducts business involving transaction related bonds and indemnities. Contingent liabilities and Commitments comprise guarantees and letters of credit.

Nature of instruments

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

Other contingent liabilities include transaction related customs and performances bond and are, generally, commitments to third parties which are not directly dependent on the customer's creditworthiness. Documentary credits commit the Group to make payments to third parties on production of documents, which is usually reimbursed immediately by customers. The following tables summarise the nominal amount of contingent liabilities and commitments with off-financial position risk.

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

a. These comprise:

	Group	**Group**	**Parent**	**Parent**
In thousands of Nigerian Naira	**-**	**-**	**-**	**-**
Contingent liabilities:				
Transaction related bonds and guarantees	398,425,224	365,827,380	291,540,869	305,107,662
	398,425,224	**365,827,380**	**291,540,869**	**305,107,662**
Commitments:				
Clean line facilities and letters of credit	86,046,507	44,121,453	36,396,916	11,130,745
Other commitments	8,131,391	8,873,968	-	-
	94,177,898	**52,995,421**	**36,396,916**	**11,130,745**

b. 54% (N157,520,136,000) of all the transaction related bonds and guarantees are collaterised (December 2020: 50% (N151,101,446,000)) while the balance of N134,020,733,000 (December 2020: N154,006,216,000) is non-collaterized

44. Group entities

The Group is controlled by Guaranty Trust Bank Plc "the ultimate Parent" (incorporated in Nigeria). The controlling interest of Guaranty Trust Bank Plc in the Group entities is disclosed in the table below:

i	Significant subsidiaries	Country of incorporation	Ownership Interest	NCI	Ownership interest	NCI
			Jun-21	Jun-21	Dec-20	Dec-20
1	Guaranty Trust Bank Gambia Limited	Gambia	77.81%	22.19%	77.81%	22.19%
2	Guaranty Trust Bank Sierra Leone Limited	Sierra Leone	83.74%	16.26%	83.74%	16.26%
3	Guaranty Trust Bank Ghana Limited	Ghana	98.32%	1.68%	98.32%	1.68%
4	Guaranty Trust Bank UK Limited	United Kingdom	100.00%	0.00%	100.00%	0.00%
5	Guaranty Trust Bank Liberia Limited	Liberia	99.43%	0.57%	99.43%	0.57%
6	Guaranty Trust Bank Cote D'Ivoire S.A	Cote D'Ivoire	100.00%	0.00%	100.00%	0.00%
7	Guaranty Trust Bank Kenya Limited	Kenya	70.00%	30.00%	70.00%	30.00%
8	Guaranty Trust Bank Tanzania Limited	Tanzania	76.20%	23.80%	76.20%	23.80%
	Special purpose entity:					
	Staff Investment Trust	Nigeria	100.00%	0.00%	100.00%	0.00%

ii	Indirect investment in Subsidiaries	Country of incorporation	Ownership interest	NCI	Ownership interest	NCI
			Jun-21	Jun-21	Dec-20	Dec-20
1	Guaranty Trust Bank Rwanda Limited	Rwanda	67.20%	32.80%	67.20%	32.80%
2	Guaranty Trust Bank Uganda Limited	Uganda	70.00%	30.00%	70.00%	30.00%

The subsidiaries and sub-subsidiaries of the Group are all involved in banking business only.

(a) GTB Gambia was incorporated in April 2001 and commenced operations in March 2002.

(b) GTB Sierra Leone was incorporated in September 2001 and commenced operations in January 2002.

(c) Guaranty Trust Bank (Ghana) was incorporated in October 2004 and commenced operations in March 2006.

(d) Guaranty Trust Bank (UK) Limited was incorporated in February 2007 and commenced operations in January 2008.

(e) Guaranty Trust Bank (Liberia) Limited was incorporated in September 2008 and commenced operations in March 2009.

(f) Guaranty Trust Bank (Cote D'Ivoire) is Guaranty Trust Bank Plc's first subsidiary in Francophone West Africa. The Bank was licensed by the Central Bank of Cote D'Ivoire to offer banking services to the

Ivorian public and commenced operations on April 16, 2012.

(g) The Group extended its regional presence in Africa in December 2013 by acquiring 70% stake in Fina Bank Limited, a commercial bank incorporated in Kenya with subsidiaries in Uganda and Rwanda. The bank has been re-branded as Guaranty Trust Bank Kenya Limited.

(h) Guaranty Trust Bank (Tanzania) was incorporated in July 14th 2016 and commenced operations in December 2017 to spread its delivery of superior financial services to its East African customers.

(i) Staff Investment Trust (SIT) is the Special Purpose Vehicle (SPV) set up to operate the Share-Based Payment compensation scheme of the Bank.

Significant restrictions

There are no significant restrictions (contractual or otherwise) on the Group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit/prohibit the group from having access, and in liquidation scenario, the Group's liability will be limited to its level of investment in the entity .

Non -controlling interest of significant subsidiaries

The following relates to accumulated non-controlling interest and profit or loss allocated to non-controlling interest for significant subsidiaries for the year ended 30 June, 2021:

	Significant subsidiaries	Principal place of business	Accumulated Non-controlling Interest		Profit or loss Allocated to Non-controlling Interest	
In thousands of Nigerian Naira			**Jun-21**	**Dec-20**	**Jun-21**	**Jun-20**
1	Guaranty Trust Bank Gambia Limited	Gambia	1,839,212	1,658,180	281,872	184,254
2	Guaranty Trust Bank Sierra Leone Ltd	Sierra Leone	2,282,696	1,855,484	171,519	160,237
3	Guaranty Trust Bank Ghana Limited	Ghana	1,277,164	1,206,798	183,566	154,756
4	Guaranty Trust Bank Liberia Limited	Liberia	71,755	65,241	4,902	4,069
5	Guaranty Trust Bank Kenya Limited	Kenya	11,002,602	10,168,194	670,276	444,170
6	Guaranty Trust Bank Tanzania Limited	Tanzania	896,972	826,912	(32,742)	(48,218)

45. Unconsolidated interests in structured entities

The table below describes the types of structured entities that the Group does not consolidate but in which it holds an interest.

Name of the entity	3 Peat Investment Ltd
Percentage holding	70%
Nature of entity	Hotel & Leisure
Purpose of investment	Government-induced investment
Activities of entity	Provision of hospitality services
Line item in SOFP	Investment securities-FVOCI***
Loans granted	N3,345,984,742 (Dec-2020: N3,164,362,000)
****Maximum exposure to loss**	N3,345,984,742 (Dec-2020: N3,164,362,000)
Source of Financing	Equity financing and loans from financial institutions

** Maximum exposure comprises the cost of investment and total facilities granted at arm's length to the entity.

***Fair Value through Other Comprehensive Income.

The Bank does not provide financial support to the unconsolidated structured entity and has no plans to provide financial support to the entity in the future. However, the bank extended loans to the entity in the normal course of business at arm’s length.

The Bank does not have the rights to direct the entity to enter into, or veto any changes to transactions for the benefit of the Bank. In addition, the bank does not exercise decision-making rights that give the bank the ability to direct the relevant activities of the entity. Furthermore, there is no inter-change of personnel between the Bank and the entity. Likewise, the Bank does not have any form of control or influence on decision making apparatus of the entity. Accordingly, the account of the entity is not consolidated.

46. Related parties

(a) **Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or another party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

(b) **Subsidiaries**

Transactions between Guaranty Trust Bank Plc and its subsidiaries also meet the definition of related party transactions. These transactions are eliminated on consolidation, hence, they are not disclosed in the consolidated financial statements but are disclosed in the books of the Bank.

The Bank has receivables from GTBank Tanzania, GTBank Liberia, GTBank Gambia, and GTBank Ghana to the tune of ₦52,102,432, ₦158,181, ₦298,426, and ₦3,543,873 respectively as at 30 June, 2021 (December 2020: GTBank Tanzania: ₦38,090,000; GTBank Liberia: ₦475,000; GTBank Gambia: ₦213,000; GTBank Ghana: ₦1,042,000). The Bank also received interest of ₦59,573,023 on its placement with GTBank UK (Jun 2020: ₦146,978,000). The Bank also received dividend in the sum of ₦5,171,724,282 (Dec 2020: ₦3,703,482,000) from GTBank Ghana and ₦932,754,889 (Dec 2020: ₦849,308,000) from GTBank Gambia.

(c) **Transactions with key management personnel**

The Group's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management include the close family members of key personnel and any entity over which they exercise control. The key management personnel have been identified as the Assistant General Managers, Deputy General Managers, General Managers, Executive and Non-Executive directors of the Group. Close family members are those family members who may be expected to influence, or be influenced by that individual in their dealings with Guaranty Trust Bank Plc and its subsidiaries.

(d) **Risk assets outstanding 30 June 2021**

During the period the Bank granted various credit facilities to companies whose directors are also directors of Guaranty Trust Bank Plc (Director Related) or related to a Key Management Personnel (Insider Related) at rates and terms comparable to other facilities in the Bank's portfolio. An aggregate of N7,806,534,000 (31 December 2020:N7,864,207,000) was outstanding on these facilities at the end of the period. The bank earned a sum of N1,359,000 (Jun 2020: N10,157,000) on insider related facilities during the Period. The outstanding balance and status of performance of each facility is as shown below:

Name of company /individual	**Relationship**	**Facility type**	**Status**	**Nature of Security**	**Parent**	**Parent**
In thousands of Nigerian Naira					**Jun-2021**	**Dec-2020**
School Kits Limited	Insider Related		Performing	Tripartite Legal Mortgage,Personal Guarantee	-	20,893
Hassan Ibrahim	Director Related		Performing	Legal Mortgage	-	33,883
Hassan Ibrahim	Director Related	Credit Card	Performing		1,365	10,583
Osot Associates Consulting Engineers	Insider Related		Performing	Cash In Pledged Funds	-	2,588
Hydrodive Nigeria Limited	Director Related	Term Loan			3,403,902	3,390,156
Hydrodive Nigeria Limited	Director Related	Bonds & Guarantees			4,401,267	4,406,104
Agusto, Olabode Mubasheer	Director Related	Term Loan	Performing	Legal Mortgage	-	-
Ahukanna Godson Okechukwu	Insider Related	Quick Credit	Performing		-	-
					7,806,534	**7,864,207**

(e) Director/insiders related deposit liabiilties

Name of company/Individual	**Relationship**	**Type of Deposit**	**Parent**	**Parent**
In thousands of Nigerian Naira			**Jun-2021**	**Dec-2020**
Agusto & Co. Limited	Director Related	Demand Deposit	38,682,244	51,904
Alliance Consulting	Director Related	Demand Deposit	1,073	168
Comprehensive Project Mgt. Servic	Director Related	Demand Deposit	258,531	3,946
Cubic Contractors Limited	Director Related	Demand Deposit	68,369	2,277
Eterna Plc	Director Related	Demand Deposit	4,576,357	116,846
IBFC Limited	Director Related	Demand Deposit	83	50
Jaykay Pharmacy Limited	Director Related	Demand Deposit	94	18
Kresta Laurel Limited	Director Related	Demand/Time Deposits	7,959,324	109,133
Main One Cable Company Ltd	Director Related	Demand Deposit	330,240	24,007
WSTC Financial Services Ltd	Director Related	Demand/Time Deposits	14,093,859	369,109
WSTC Nominee Limited	Director Related	Demand Deposit	431	431
Wstc Securities Limited	Director Related	Demand Deposit	246,077	337,627
International Travel Express Ltd	Director Related	Demand Deposit	11,013	19
Mediabloc Consulting Nigeria Ltd.	Insider Related	Demand Deposit	6,139	27
Ahukanna Godson Okechukwu	Insider Related	Demand Deposit	-	43
Polystyrene Industries Ltd	Director Related	Demand Deposit	3,828,970	16,030
Touchdown Travels Limited	Director Related	Demand/Time Deposits	1,113,505	10,024
Agbaje, Olufemi Augustus	Director Related	Demand Deposit	80,764	51,939
Osot Associates Consulting Eng	Director Related	Demand Deposit	664	-
Adeola Razack Adeyemi	Director Related	Demand Deposit	4,078,121	18,369
IBFC Alliance	Director Related	Demand Deposit	3,421,441	12,173
Fcsl Asset Mgt Company Ltd	Director Related	Demand Deposit	250,169	10,103
Ithena Logic Limited	Director Related	Demand Deposit	21	2
School Kits Limited	Insider Related	Demand Deposit	-	5,062
Uzoewulu, Lisa Obiageli	Insider Related	Demand Deposit	-	26
Adeola Fola	Director Related	Demand Deposit	87,759,948	1,194,251
Hassan Ibrahim	Director Related	Demand Deposit	158,913	1,745
Agusto, Olabode Mubasheer	Director Related	Demand Deposit	210,576	1,665
Downtown Hotel & Cat. Services	Director Related	Demand Deposit	36,998	1,154
			167,173,924	**2,338,148**

Interest expense on insider related deposits was N2,912,000 (Jun 2020: N15,729,000) during the period.

(f) Subsidiaries' deposit account balances

Name of company/Individual In thousands of Nigerian Naira	Relationship	Type of Deposit	Jun-2021	Dec-2020
GTB Sierra Leone	Subsidiaries	Domicilliary	1,523	1,518
GTB Ghana	Subsidiaries	Demand Deposit	3,462	3,462
GTB Ghana	Subsidiaries	Domicilliary	48,799	48,651
GTB Rwanda	Subsidiaries	Domicilliary	-	104,558
			53,784	**158,189**

(g) **Key management personnel and their immediate relatives engaged in the following transactions with the Group during the year:**

Loans and advances:

In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Secured loans	7,806,534	7,864,207	7,806,534	7,864,207

Secured loans

Secured loans In thousands of Nigerian Naira	Group Jun-2021	Group Dec-2020	Parent Jun-2021	Parent Dec-2020
Total deposits	167,173,924	2,338,148	167,173,924	2,338,148

Interest rates charged on balances outstanding are at rates that would be charged in the normal course of business. The secured loans granted are secured over real estate, equity and other assets of the respective borrowers. No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the end of the year.

(h) **Key management personnel compensation for the year comprises:**

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Wages and salaries	782,405	851,181	754,272	792,421
Post-employment benefits	120,352	7,949	120,352	7,949
Share-based payments	1,566,930	85,771	1,566,930	85,771
Increase /(decrease) in share appreciation rights	259,498	(21,348)	-	-
	2,729,185	**923,553**	**2,441,554**	**886,141**

(i) (i) **Directors' remuneration**

Directors' remuneration excluding pension contributions and certain benefits was provided as follows:

In thousands of Nigerian Naira	Group Jun-2021	Group Jun-2020	Parent Jun-2021	Parent Jun-2020
Fees as directors	191,021	192,324	29,000	33,000
Other allowances	297,708	232,388	41,500	82,650
	488,729	424,712	70,500	115,650
Executive compensation	416,379	416,143	376,175	416,143
	905,108	**840,855**	**446,675**	**531,793**

(ii) The directors' remuneration shown above includes:

In thousands of Nigerian Naira	Parent Jun-2021	Parent Jun-2020
Chairman	8,000	12,061
Highest paid director	172,348	172,348

(iii) The emoluments of all other directors fell within the following ranges:

	Parent Jun-2021	Parent Jun-2020
N6,500,001 - N11,000,000	7	4
N13,500,001 - N22,500,000	-	2
Above N22,500,001	6	7
	13	13

47 Contraventions

INFRACTION	AMOUNT
FX transactions carried out by Betting and Gaming Companies	N690,000,000
Non refund of interest on debit of non-interest related charges to non-funded accounts	N2,000,000

48 Subsequent events

Subsequent to period ended June 2021, Guaranty Trust Bank plc transitioned into a financial holding company model (operating under the name Guaranty Trust Holding Company Plc) in accordance with the Central Bank of Nigeria (CBN)'s Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria, 2014.

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

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

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

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

All the relevant approvals have been obtained from various regulators and the Holding Company is poised to commence operations on August 1, 2021.

Income statements

Note 49 *In thousands of Nigerian Naira*	Reported Group Jun-2020	Reclassification Group Jun-2020	Restated Group Jun-2020	Reported Parent Jun-2020	Reclassification Parent Jun-2020	Restated Parent Jun-2020
Interest income calculated using the effective interest n	150,486,443	-	150,486,443	124,375,557	-	124,375,557
Interest income on financial assets at fair value through profit or loss	3,222,038	-	3,222,038	2,025,832	-	2,025,832
Interest expense	(26,093,017)	-	(26,093,017)	(20,349,346)	-	(20,349,346)
Net interest income	**127,615,464**	**-**	**127,615,464**	**106,052,043**	**-**	**106,052,043**
Loan impairment charges	(6,769,093)	-	(6,769,093)	(4,524,377)	-	(4,524,377)
Net interest income after loan impairment charges	**120,846,371**	**-**	**120,846,371**	**101,527,666**	**-**	**101,527,666**
Fee and commission income [a]	24,729,059	1,728,150	26,457,209	15,871,300	1,728,150	17,599,450
Fee and commission expense	(2,435,031)	-	(2,435,031)	(1,757,249)	-	(1,757,249)
Net fee and commission income	**22,294,028**	**1,728,150**	**24,022,178**	**14,114,051**	**1,728,150**	**15,842,201**
Net gains on financial instruments held at fair value through profit or loss	10,791,307	-	10,791,307	4,101,032	-	4,101,032
Other income [a]	35,909,970	(1,728,150)	34,181,820	34,446,476	(1,728,150)	32,718,326
Net impairment reversal / (charge) on other financial assets	3,180,078	-	3,180,078	3,111,874	-	3,111,874
Personnel expenses [b]	(18,775,719)	1,326,408	(17,449,311)	(12,001,799)	200,258	(11,801,541)
Operating lease expenses	(958,621)	-	(958,621)	(403,084)	-	(403,084)
Depreciation and amortization	(14,024,670)	-	(14,024,670)	(12,022,194)	-	(12,022,194)
Other operating expenses [b]	(49,548,900)	(1,326,408)	(50,875,308)	(41,569,649)	(200,258)	(41,769,907)
Profit before income tax	**109,713,844**	**-**	**109,713,844**	**91,304,373**	**-**	**91,304,373**
Income tax expense	(15,442,834)	-	(15,442,834)	(11,402,156)	-	(11,402,156)
Profit for the period	**94,271,010**	**-**	**94,271,010**	**79,902,217**	**-**	**79,902,217**

[a] The restatement of prior period resulted from reclassification of fee related income from other income to fees and commission

[b] The restatement of prior period resulted from reclassification of staff welfare expenses from personnel expenses to other operating expenses (human capital related expenses).

Other National disclosures/Other Information

Regulatory Requirements under the IFRS Regime

In addressing the challenges faced by the Nigerian Banking industry which was at the brink of a crisis as a result of spiral effects of the global financial meltdown, the CBN undertook a review of the prudential guidelines. In the revised guidelines, which became effective 1st of July, 2010, the CBN provided for the adaptation of the prudential guidelines to IFRS after it has been adopted in Nigeria. Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

(a) Provisions for loans recognized in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provisions should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserve should be treated as follows:

i. Prudential Provisions is greater than IFRS provisions; transfer the difference from the general reserve to a non-distributable regulatory reserve.

ii. Prudential Provisions is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory reserve account to the general reserve to the extent of the non-distributable reserve previously recognized.

(b) The non-distributable reserve should be classified under Tier 1 as part of core capital.

The group has fully complied with the requirements of the guidelines.

Provisioning as recommended by Prudential Guideline

Loan provisioning is segregated along two (2) categories as detailed below:

1. **Loans other than Specialized Loans**

   The provisioning policy for ‘loans other than specialized loans’ covers the following:

   i. Commercial Loans

   ii. Commodities Financing

   iii. Corporate Loans

   iv. Retail & Consumer Credits

   v. Facilities granted to Federal, State and Local governments and their parastatals.

   vi. Facilities not specifically classified as specialized loans by the CBN.

The bank's provisioning benchmark for 'loans other than specialized loans' is highlighted in the table below:

No of Days Overdrawn	Classification	% Provision taken
90 – 180	Substandard	10
180 – 360	Doubtful	50
Over 360	Lost	100

As soon as an account is classified as non-performing, the interest is accounted for on non-accrual basis i.e. interest is not recognized as income but suspended.

Furthermore, if the occurrence of a loss event is certain, appropriate provisions will be made regardless of the fact that such loans does not fall in any of the above categories.

2. Specialized Loans

The provisioning policy for specialized loans covers the following:

i. Agriculture Finance

ii. Mortgage Loan

iii. Margin Loan

iv. Project Finance

v. Object Finance

vi. SME Loan

vii. Real Estate Loan (Commercial and Residential)

The bank's provisioning benchmarks are spelt out below under each of the specialized loan types:

i. Agriculture Finance

a. Agriculture Finance - short term facilities (purchase of seeds, fertilizers, WC, and other Inputs)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 1.5 years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 1.5 to 2 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 2 years	100% of total outstanding balance

b. Agriculture Finance – long term facilities (Farm development finance, purchase of machinery, livestock financing)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 2years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 2 to 3 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 3 years	100% of total outstanding balance

ii. Mortgage Loans

Category	Classification	Days past due	Treatment of Unrealised Markup / Interest income	% provision
1	Watchlist	Markup / Interest or principal Days past due by more than 90 days	Suspend	0% of total outstanding balance
2	Substandard	Markup / interest or principal past due by more than 180days	Suspend	10% of total outstanding balance
3	Doubtful	Markup / interest or principal past due by more than 1year	Suspend	Un-provided balance should not exceed 50% of NRV of security.
4	Lost	Markup / interest or principal past due by more than 2 years	Suspend	100% of total outstanding balance

iii. Margin Loans

The shares backing margin facilities shall be marked to market on a daily basis in order to determine the potential loss in the portfolio. Provisions shall be made periodically for the excess of loan balance over the market value of the underlining shares. Any increase in the mark to market value from the previous valuation shall be recognized to the extent of the previous charge-off made.

iv. Project Finance

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180days to 2years past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 2 to 3 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment overdue by 3 to 4 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 4 years	As above	100% of total outstanding balance

v. Object Finance

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180 to 1year past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 1 to 2 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment over due by 2 to 3 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 3 years	As above	100% of total outstanding balance

vi. SME Loan
a. SME Loan - SME short term facilities (Maturities of 1 year)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 1.5 years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 1.5 to 2 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 2 years	100% of total outstanding balance

b. SME Loan - SME Long term facilities (Maturities of more than 1 year)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 2years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 2 to 3 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 3 years	100% of total outstanding balance

vii. Real Estate Loan (Commercial and Residential)

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180 to 1year past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 1 to 2 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment over due by 2 to 3 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 3 years	As above	100% of total outstanding balance

(e) Statement of Prudential Adjustment

The Bank's provision level adequately meets the recommended provision by the Regulators. The reassessed CBN recommended provision as at June 30, 2021 amounted to N140,792,297,000 Of the amount recommended by the Central Bank of Nigeria, N47,995,685,000 largely relates to 2% General Loan Loss Provision on performing loans and contingents, while N509,267,000 relates to Other Known Losses and N4,151,658,000 for Investment in SMEEIS. The Bank maintained a Regulatory Risk Reserve of N68,604,431,000 at the end of the period. Regulatory risk reserve represents the difference between the Central Bank of Nigeria (CBN) recommended Provision for Loan Losses under the Prudential Guideline and the Loan Impairment allowance determined in accordance with provisions of IFRS.

The Reconciliation between the CBN Recommended provisions and that under IFRS as at June 2021 is as shown in the table below:

	In thousands of Nigerian Naira	**Reference**	**Specific**	**General**	**Total**
a	**Loans and Advances:**				
	Provision per CBN Prudential Guidelines (including SMEEIS)		92,287,345	47,995,685	140,283,030
	Provision for Other Known Losses – CBN recommended				
	- Other known losses		509,267	-	509,267
	Total recommended provision per CBN (A)		**92,796,613**	**47,996,185**	**140,792,297**
	Impairment allowance per IFRS 9:				
	(Stages 1,2,3)	(Note 28 & 29)	(64,535,377)	-	(64,535,377)
	Impairment allowance on contingents	(Note 38)	(3,237,833)	-	(3,237,833)
	Other assets	(Note 34)	(263,001)	-	(263,001)
	SMEEIS provision		(4,151,658)	-	(4,151,658)
	Total IFRS Provision (B)		**(72,187,869)**	**-**	**(72,187,869)**
	Required Amount in Risk Reserve (A-B)				**68,604,428**
	Amount in Regulatory Risk Reserve[1]	**SOCIE – (Page 69)**			**68,604,431**
	Excess over required regulatory provisions.				**3**

[1]Regulatory Risk Reserve refers to the difference between the Provision assessment under CBN Prudential Guideline and impairment assessment under IFRS

b Movement in Regulatory Reserves

	Specific	General	Others	Total
Balance as at 1 January	-	62,069,429	248,205	62,317,634
Movement for the period	-	6,286,797	-	-
Balance, end of the period	**-**	**68,356,226**	**248,205**	**68,604,431**

Operational Risk Management

Guaranty Trust Bank defines Operational Risk (OpRisk) as "the direct or indirect risk of loss resulting from inadequate and/or failed internal processes, people, and systems or from external events". These risks originate from the actions of the Bank's staff, its processes and systems, activities of interested parties and events that have direct or indirect impact on the Bank.

In GTBank, Operational Risk Management involves the review and monitoring of all strategies and initiatives deployed in its people management, process engineering and re-engineering, technology investment and deployment, management of all regulatory responsibilities, engagement of third-party services, and response to major disruptions and external threats.

The Bank manages Operational risk by using appropriate qualitative & quantitative methods in day to day management processes and adopts various risk mitigating strategies. The following practices, tools and methodologies have been deployed in the Bank for the purpose of Operational Risk Management implementation:

Loss Incident Reporting

Loss incidents are reported to the Operational Risk Management Group by all business areas in the Bank to enable collection of internal OpRisk losses and near misses. All staff are encouraged to report operational risk events as they occur in their respective business spaces whether these risks crystallize into actual losses or not. As a result, the Bank maintains a robust OpRisk loss database detailing relevant OpRisk loss data for ten years. Information collated is analyzed for identification of risk concentrations, appropriate OpRisk risk profiling and capital estimation.

Risk and Control Self Assessment (RCSA)

This is a qualitative risk identification tool deployed bank-wide. A risk-based approach has been adopted for the frequency of RCSAs to be conducted by branches, departments, groups and divisions of the Bank. All branches and Head-Office departments are required to complete the Risk Self-Assessment process at least once a year. These assessments enable risk profiling and risk mapping of prevalent operational risks across the Bank. A detailed risk register cataloguing key risks identified and controls for implementation is also developed and maintained from this process.

Risk Assessments of the Bank's key processes, new and existing products, services, branches and vendors/contractors are also carried out. This process identifies inherent operational risks and tests the quality of controls the Bank has in place to mitigate likely risks.

Key Risk Indicators (KRI)

These are quantitative parameters defined for the purpose of monitoring operational risk trends across the Bank and its subsidiaries. A comprehensive KRI Dashboard set with thresholds is in place and it is supported by specific KRIs for key departments in the Bank. Medium to High risk trends are reported in the Monthly and Quarterly Operational Risk Status reports circulated to Management and key stakeholders.

Fraud Risk Management Initiatives – Causal analysis of key fraud and forgeries incidents identified in the Bank or prevalent in local and global business environments are carried out and reported. Likely and unlikely loss estimations are also determined in the process as input in the OpRisk capital calculation process. The focus in Fraud Risk Management is to ensure that processes for preventing, deterring, detecting fraud and forgeries incidents, and sanctioning offenders are effective.

Business Continuity Management (BCM) in line with ISO 22301 Standards – To ensure the resilience of our business to any disruptive eventuality, the Bank has in place a robust Business Continuity Management System (BCMS). This system assures timely resumption of critical business activities with minimal financial losses or reputational damage and continuity of service to the Bank's customers, vendors and regulators. GTBank has remained certified ISO 22301 BC compliant by the globally recognized Professional Evaluation and Certification Board (PECB) for 6 years and continually improving in its BCM maturity, thereby signifying that the Bank has instituted internationally accepted processes, structures and systems that demonstrate its capacity to resume business within a short timeframe in the event of any business disruption.

Part of the BCMS is a Business Continuity Plan (BCP), which is reviewed and updated periodically to ensure reliability and relevance of information contained.

Various BCP testing and exercising programs are conducted bank-wide to ensure that recovery coordinators are aware of their roles and responsibilities.

Occupational Health and Safety Procedure Initiatives – In line with ISO 45001 and global best practices, the Bank commits to ensuring the health, safety and welfare of all staff, customers and 3rd parties visiting the Bank's premises. Branch Risk Assessments and Fire Risk Assessments are conducted to identify health and safety hazards in order to recommend adequate control measures for identified risks; Branches are mandated to conduct fire drills on a quarterly basis, for areas with high security risks, Table Talk Fire Drills are implemented to ensure staff are apprised of their roles and responsibilities during emergency evacuations. In the last year, the regular and table talk fire drills have been suspended and replaced with virtual / alternative awareness presentations to enlighten the staff on emergency preparedness and response procedures as a result of the COVID-19 pandemic.

Health and Safety related incidents reported to Operational Risk Management are thoroughly investigated for identification of causal factors and implementation of appropriate mitigants to forestall reoccurrence. In addition, awareness on health and safety issues are presented periodically on the intranet and via other forum.

Operational Risk Champions & BCM Champions – Members of staff from various teams Bank wide are selected and undergo intensive Operational Risk management trainings. They become Operational Risk ambassadors and further enshrine the OpRisk standards, culture and practices in their various departments/ Groups. The same is done in selecting Business continuity Champions (BCM).

Strategic and Reputational Risk Monitoring – To ensure a holistic framework is implemented; Operational Risk Management also monitors Strategic and Reputational Risks from a broad perspective.

GTBank considers strategic risk as the risks that not only affect but are created by the Bank's strategic decision. It is the possibility that the Bank's strategy may be inappropriate to support its long-term corporate goals due to the inadequacy of its strategic planning and/or decision-making process, inadequate implementation of such strategies and strategy failure due to unexpected circumstances.

The Bank aligns strategy and risk by identifying, assessing and managing risks and uncertainties, affected by internal and external events or factors, which could inhibit the Bank's ability to achieve its strategic objectives. This is done with the ultimate goal of creating and protecting stakeholder value.

A specialized template is deployed for tracking key business activities designed or defined by the Bank to measure and monitor performance in the achievement of its strategic intent in the short, medium and long term.

The Bank regards Reputational Risk as the current and prospective adverse impact on earnings and capital arising from negative public opinion. It measures the change in perception of the Bank by its stakeholders. It is linked with customers' expectations regarding the Bank's ability to conduct business securely and responsibly. A detailed template with internal and external factors that might impact the Bank adversely is used to monitor the Bank's exposure to reputational risk. All adverse trends identified are reported to relevant stakeholders for timely redress.

Operational Risk Management Philosophy and Principles

Approach to Managing OpRisk – Guaranty Trust Bank continually adopts operational risk procedures and practices that are "fit for purpose" this increases the efficiency and effectiveness of the Bank's resources, minimize losses and utilize opportunities.

This outlook entrenches OpRisk practices in the bank's day-to-day business activities.

It also aligns the Bank's Operational Risk Management framework with sound practices recommended by various local and globally-accepted regulatory agencies such as Basel II Accord's "Sound Practices for the Management and Supervision of Operational Risk", Committee of Sponsoring Organizations (COSO) and International Organization for Standardization (ISO).

Operational Risk Capital Calculation – In line with the directive of the regulator, the Bank has adopted the Basic Indicator Approach (BIA) under Basel II Pillar 1 for the calculation of its Operational Risk Economic Capital for internal risk monitoring and decision-making. However, the Bank has the required OpRisk loss data to migrate to other capital calculation methods i.e. the Standardized Approach, the application of the BIA is in line with the Central Bank of Nigeria's (CBN) recommendation for all banks in Nigeria.

The estimated OpRisk Capital Charge is reported to the Board and Management for guidance in Capital Planning and decision making.

Governance Structure – The Board through its Board Risk Committee (BRC) oversees the operational risk function in the Bank and reviews OpRisk reports on a quarterly basis. It ensures that the OpRisk policy is robust and provides an updated framework for the Bank's OpRisk profile and limits. It also determines the adequacy and completeness of the Bank's risk detection, measurement systems and mitigants whilst ensuring review and approval of the Bank's contingency plans for Specific risks. The Board lays down the principles on how operational risk incidents are to be identified, assessed, controlled, monitored and measured.

The Management Risk Committee monitors and ensures the implementation of the guiding OpRisk framework bank-wide. It considers and approves key decisions relating to Operational Risk before presentation to the Board. The Committee ensures that all departments in the Bank are fully aware of the risks embedded in respective process flows and business activities.

All process owners are responsible for the day-to-day management of OpRisk prevalent in their respective Departments, Groups, Divisions and Regions.

The Internal Audit function conducts independent reviews on the implementation of OpRisk Policies and Procedures bank-wide.

TREATMENT OF OPERATIONAL RISKS

GTBank has maintained several risk treatment strategies to mitigate identified operational risks. These mitigants are applied to achieve a residual risk level aligned with the Bank's risk tolerances. In line with best practices, the cost of risk treatments introduced must not exceed the reward. OpRisk treatment options adopted by the Bank include Risk Acceptance / Reduction, Risk Transfer, Risk Sharing and Risk Avoidance.

Operational Risk Reporting – Weekly, Monthly and Quarterly reports are circulated to relevant stakeholders highlighting key operational risks identified for awareness and timely implementation of mitigation strategies. Reports are also generated and circulated on a need-basis.

To ensure timely and comprehensive reporting of prevalent OpRisk exposures in the Bank, an OpRisk Management software/application is being used by the Bank. This is to aid data collation and information gathering, analysis, escalation and reporting of key OpRisk incidents or emerging trends observed. Current processes are also being automated.

Agents and Locations

LIST OF AGENTS AND LOCATIONS		
S/N	**NAME**	**LOCATION**
1	DE PRINCE SUPERMARKET	3A ADEJOKUN STREET, ISHERI-MAGODO
2	ETISALAT NIGERIA PLC	PLOT 19 ZONE L BANANA ISLAND IKOYI, LAGOS.
SELECT HUBMART SUPERMARKETS IN LAGOS		
3	HUBMART SUPERMARKET ADEOLA-ODEKU VICTORIA ISLAND	PLOT 1263, ADEOLA-ODEKU STREET, VICTORIA ISLAND LAGOS
SELECT FORTE OIL FILLING STATIONS IN LAGOS		
S4	FORTE OIL, BANK ROAD	1, BANK ROAD OPPOSITE FEDERAL SECRETARIAT ALAGBON IKOYI LAGOS
5	FORTE OIL, KINGSWAY ROAD APAPA	72 KOFO ABAYOMI ROAD, KINGSWAY AVENUE APAPA LAGOS.
6	FORTE OIL, MUSHIN ISOLO	259, AGEGE MOTOR ROAD, MUSHIN, LAGOS
7	FORTE OIL, FESTAC TOWN	21, ROAD, FESTAC TOWN, LAGOS
8	FORTE OIL, SHOMOLU	138, IKORODU ROAD ONIPANU BUS STOP, SHOMOLU LAGOS
9	FORTE OIL, WHARF ROAD APAPA	BARRACKS BUS STOP, WHARF ROAD, APAPA, LAGOS
10	FORTE OIL, IKORODU ROUND ABOUT	2, SAGAMU ROAD, IKORODU
11	FORTE OIL, JEBBA	80, HERBERT MACAULAY ROAD, JEBBA EBUTE - METTA, LAGOS
12	FORTE OIL CAMPUS ROAD	1, IGBOSERE ROAD, CAMPOS LAGOS ISLAND
13	FORTE OIL, OSHODI APAPA (MILE 2)	BERGER YARD B/STOP OSHODI-APAPA EXPRESSWAY, MILE 2, LAGOS
14	FORTE OIL, WESTERN AVENUE	113/115, FUNSHO WILLIAMS AVENUE, SURULERE
15	FORTE OIL, OLD APAPA ROAD, COSTAIN	80, OLD APAPA ROAD EBUTE METTA WEST , COSTAIN LAGOS
16	FORTE OIL, OGBA	OBA OGUNJI ROAD, PEN CINEMA, OGBA LAGOS
17	FORTE OIL, OBA-AKRAN	39, OBA AKRAN AVENUE IKEJA LAGOS
18	FORTE OIL, LADIPO-MUSHIN	110, LADIPO STREET , MATORI INDUSTRIAL ESTATE MUSHIN
19	FORTE OIL, BARIGA	6/ 8 FETUGA STREET, BARIGA
20	FORTE OIL, AJIWE-AJAH	BLOCK A, PLOT 7, BUDO FARM LAYOUT, AJIWE-AJAH LAGOS
21	FORTE OIL, OKOTA	51 OKOTA ROAD OPPOSITE POLICE BARRACKS, OKOTA
22	FORTE OIL, IDIMU	222 EGBEDA-IDIMU ROAD, CARWASH BUS-STOP, IDIMU
23	FORTE OIL, AWOLOWO ROAD	111 – 113 AWOLOWO ROAD, IKOYI
24	FORTE OIL, EGBE	71, EGBE ROAD, POWERLINE B/STOP, EJIGBO-LAGOS
25	FORTE OIL IDIMU 2	215/217 IDIMU IKOTUN ROAD, IKOTUN- LAGOS.
26	FORTE OIL, TANTALIZERS LEKKI	ADMIRALTY WAY, LEKKI PHASE 1 LAGOS
27	FORTE OIL ALIMOSHO IKOTUN	47 IDIMU ROAD, PONLE BUST STOP, EGBEDA, LAGOS.
28	FORTE OIL, IWAYA MAKOKO	IWAYA-MAKOKO ROAD YABA-LAGOS
29	FORTE OIL, CEMENT IPAJA	CEMENT BUS-STOP IPAJA LAGOS
30	FORTE OIL IPAJA AYOBO	IPAJA- AYOBO ROAD LAGOS
31	FORTE OIL MILE 12 KETU	MILE 12 BUS-STOP, KETU ALAPERE LAGOS
SELECT FORTE OIL FILLING STATIONS IN OGUN STATE		
32	FORTE OIL, IYANA IYESI- SANGO OTTA	IYANA IYESI ROAD, SANGO OTTA
33	FORTE OIL, ILO AWELA - SANGO OTTA	11, ILO AWELA ROAD, SANGO OTTA
SELECT FORTE OIL FILLING STATIONS IN PORT-HARCOURT		
34	FORTE OIL, RUMUBEKWE PH	PH/ABA EXPRESSWAY BY SHELL RA , PORT HARCOURT
35	FORTE OIL MILE 5 PH	BY RUMUOKWUTA ROUND ABOUT, PORT HARCOURT
36	FORTE OIL AGGREY ROAD 2, PH	AGGREY ROAD 2, PORT HARCOURT.
SELECT TOTAL NIGERIA PLC FILLING STATIONS IN PORT-HARCOURT		
37	TOTAL TRANSAMADI PH	SLAUGHTER MARKET ROAD, TRANSAMADI INDUSTRIAL LAYOUT PORT-HARCOURT.
38	TOTAL RUMOBIAKANI PH	RUBOBIAKANI ROAD, PORT-HARCOURT.
SELECT FORTE OIL FILLING STATIONS IN ABUJA		

39	FORTE OIL, NEW NYANYA ABUJA	NEW NYANYA BUS-STOP ABUJA
40	FORTE OIL, KARU JIKWOYI BY LIVING FAITH	KARU ROAD, JIKWOYI BY LIVING FAITH ABUJA
41	FORTE OIL, JIKWOYI KARISHI WAY ABUJA	JIKWOYI KARISHI WAY ABUJA
SELECT TOTAL NIGERIA PLC FILLING STATIONS IN LAGOS		
42	TOTAL, SURA - LAGOS ISLAND	4 SIMPSON STREET BESIDE SURA SHOPPING COMPLEX, LAGOS ISLAND
43	TOTAL STATION, MM WAY, EBUTE METTA	150/152 MM WAY, EBUTE METTA
44	TOTAL STATION, ITIRE	23/25 ITIRE RD, LAWANSON
45	TOTAL OJOTA	IKORODU ROAD OJOTA BUS-STOP LAGOS
46	TOTAL TINCAN APAPA	APAPA OSHODI EXPRESSWAY BERGER CEMENT BUS-STOP
47	TOTAL LAKOWE LAKES AJAH	LAKOWE LAKES AJAH.
SELECT FORTE OIL FILLING STATIONS IN KANO		
48	FORTE OIL CLUB ROAD	CLUB ROAD KANO
49	FORTE OIL ZARIA ROAD	ZARIA ROAD KANO
SELECT TOTAL NIGERIA PLC FILLING STATIONS IN KANO		
50	TOTAL HOTORO ROAD	HOTORO ROAD KANO
SELECT TOTAL NIGERIA PLC FILLING STATIONS IN IBADAN		
51	TOTAL ELEYELE IBADAN	JERICHO RD. IBADAN, ALONG ONIREKE/JERICHO RD
52	TOTAL SABO OYO IBADAN	SABO ROAD, OYO STATE.

BANK *737# CASH-OUT LOCATIONS

LIST OF BANK *737# CASH-OUT LOCATIONS		
S/N	**STATION NAME**	**ADDRESS**
SELECT LOCATIONS ON LAGOS ISLAND		
1	TOTAL STATION, AGUNGI	LEKKI/EPE EXP WAY, AFTER JAKANDE ROUND-ABOUT AJAH, LAGOS.
2	TOTAL STATION, AJAH AJIWEH	LEKKI/ EPE EXP WAY BY ABRAHAM ADESANYA ESTATE AJAH, LAGOS.
3	TOTAL STATION, CAMPBELL	CAMPBELL STREET, LAGOS ISLAND, LAGOS.
4	TOTAL STATION, AWOLOWO	33 AWOLOWO ROAD, IKOYI, LAGOS
5	TOTAL STATION, LAKOWE LAKES	LAKOWE LAKES, IBEJU LEKKI, LAGOS
6	TOTAL STATION, LEKKI 2	PLOT 42 OBA ELEGUSI STREET, IKATE, LEKKI, LAGOS
7	TOTAL STATION, LEKKI 1	ONIRU ESTATE LEKKI SHOPRITE
8	TOTAL STATION, LEWIS	34 LEWIS STREET SANDGROUSE, LAGOS
9	TOTAL STATION, EPE TOWN LAGOS	EPE TOWN, EPE, LAGOS
10	TOTAL STATION SURA LAGOS	SIMPSON STREET, LAGOS ISLAND, LAGOS.
11	TOTAL STATION ADDOH ROAD 1	ADDOH ROAD, OFF LEKKI/EPE LAGOS.AFTER JAKANDE ROUNDABOUT, LEKKI/ EXPRESS
12	TOTAL STATION IBEJU LEKKI	LEKKI/EPE EXPRESS WAY, IBEJU, LAGOS.IBEJU LOCAL GOVT. SECRETARIAT, IBEJU LEKKI.
13	TOTAL STATION SANGOTEDO	SANGOTEDO BUSTOP, BESIDE GOLDEN PARK ESTATE, LEKKI-AJAH
SELECT LOCATIONS ON LAGOS MAINLAND		
14	TOTAL STATION, AJEGUNLE	MOBIL ROAD, AJEGUNLE
15	TOTAL STATION, AKOKA	52, ST FINBARRS ROAD, AKOKA, LAGOS
16	TOTAL STATION, ALAPERE	139/143 DEMURIN STREET, KETU.
17	TOTAL STATION, ALAPERE 2	IBADAN-LAGOS EXPRESSWAY,ALAPERE BUS STOP, LAGOS
18	TOTAL STATION, ALAUSA	MOBOLAJI JOHNSON WAY, ALAUSA

19	TOTAL STATION, BENSON BUS STOP	27 LAGOS RD IKORODU
20	TOTAL STATION, BONNY	BONNY, MARINE BEACH APAPA LAGOS
21	TOTAL STATION, CHALLENGE	282 AGEGE MOTOR RD, MUSHIN
22	TOTAL STATION, COATES	19 COATES STREET, OYINGBO, YABA
23	TOTAL STATION, DIYA	49, DIYA STREET, IFAKO-GBAGADA, LAGOS
24	TOTAL STATION, IGANDO	IKOTUN ROAD, IGANDO
25	TOTAL STATION, IJORA	4 CAUSE WAY, IJORA
26	TOTAL STATION, IKEJA	19 TOYIN STREET, IKEJA
27	TOTAL STATION, IKORODU ROAD	193, IKORODU ROAD, PALGROOVE, LAGOS
28	TOTAL STATION, IKOSI ROAD	54, IKOSI ROAD, KETU, LAGOS
29	TOTAL STATION, ILUPEJU	INDUSTRIAL AVENUE, ILUPEJU
30	TOTAL STATION, LASU IDIMU	KM 4 LASU IDIMU ROAD, IDIMU
31	TOTAL STATION, M M WAY	150/152 MM WAY, EBUTE METTA
32	TOTAL STATION, MILE 2	MILE 2 BUS STOP AMUWO ODOFIN, BADADRY E/WAY
33	TOTAL STATION, MUSHIN	217 AGEGE MOTOR RD, MUSHIN
34	TOTAL STATION, OGBA 2	11B METAL BOX ROAD, OGBA
35	TOTAL STATION, OJOTA 1	1, IKORODU ROAD, OJOTA, LAGOS
36	TOTAL STATION, OJOTA 2	430, IKORODU ROAD, OJOTA, LAGOS
37	TOTAL STATION, OJUELEGBA	36 OJUELEGBA ROAD, SURULERE, LAGOS
38	TOTAL STATION, OKE AFA	3 OKOTA ROAD, OKE AFA, LAGOS
39	TOTAL STATION, OLD OJO ROAD	118 OLD OJO RD. AGBOJU MAZA-MAZA ORIADE LCDA
40	TOTAL STATION, OLD TOLL GATE	LAGOS/IBADAN EXPRESSWAY, ALAUSA
41	TOTAL STATION, ONIGBAGBO	25 MOBOLAJI BANK ANTHONY WAY, IKEJA
42	TOTAL STATION, OSHODI	OSHODI APAPA EXPRESSWAY, OSHODI
43	TOTAL STATION, SURULERE	LUTH ISHAGA RD, SURULERE
44	TOTAL STATION, TIN CAN	APAPA OSHODI EXPRESS WAY
45	TOTAL STATION, TOYIN	39 TOYIN STREET, IKEJA
46	TOTAL STATION, WESTERN AVENUE	115,FUNSHO WIILIAMS ROAD, IPORI, LAGOS
47	TOTAL STATION, WHARF ROAD	294 WHARF ROAD, APAPA
48	TOTAL STATION, MOSALASI	22/23 MOSHALASHI, EGBEDA IDIMU, LAGOS
49	TOTAL STATION, H/MACAULAY	272 HERBERT MACAULAY ROAD, YABA, LAGOS
50	TOTAL STATION, OREGUN	47 KUDIRAT ABIOLA WAY, OREGUN, LAGOS
51	TOTAL STATION, ISOLO 2	201 MUSHIN ROAD, ISOLO, LAGOS
52	TOTAL STATION, IGBOBI	136/138 IKORODU ROAD, LAGOS
53	TOTAL STATION, TINUBU VILLAGE	52 IKORODU ROAD, LAGOS
54	TOTAL STATION, ABULE EGBA	ABEOKUTA EXPRESS ROAD ABULE-EGBA LAGOS
55	TOTAL STATION, AGEGE	142, ABEOKUTA/AGEGE MOTOR ROAD
56	TOTAL STATION ALAKUKO	LAGOS ABEOKUTA EXPRESS ROAD ALAKUKO
57	TOTAL STATION ATAN	SOKOTO BADDAGRY EXP. AGBARA-ATAN
58	TOTAL STATION IKORODU TOWN	6 SAGAMU RD IKORODU
59	TOTAL STATION IYANA MEIRAN	MEIRAN ROAD MEIRAN LAGOS

60	TOTAL STATION OGIJO	KM6 SAGMU RD OGIJO
61	TOTAL STATION OJOKORO	KM 14 LAGOS ABEOKUTA EXPRESS OJOKORO
62	TOTAL STATION OKE ODO	LAGOS ABEOKUTA EXPRESS RD, OKE-ODO
63	TOTAL STATION OKO OBA	OLD ABEOKUTA MOTOR RD, OKO-OBA
64	TOTAL STATION PENCINEMA	18, BALOGUN STREET AGEGE
65	TOTAL STATION AJANGBADI	273 OJO IJEDE RD AJANGBADI
66	TOTAL STATION IJANIKIN	KM28 BADAGRY EXPWAY IJANIKIN
67	TOTAL STATION OKOKOMAIKO	KM22 BADAGRY EXPRESSWAY
68	TOTAL STATION SEME-BADAGRY	SEA BEACH SEME BADAGRY
69	TOTAL STATION ITIRE	23/25 ITIRE RD, LAWANSONALONG ITIRE RD, BY LAWANSON B/STOP
70	TOTAL STATION "KM 40 PSS (low volume and on the highway)"	KM 40, IBADAN-LAGOS EXPRESSWAY, MOWE, OGUN STATE.REDEEMED CAMP
71	TOTAL STATION LASU IBA	LASU/IBA ROAD. IBA
72	TOTAL STATION TOGAZANU	ALONG TOGA ROAD, BADAGRY
73	TOTAL STATION AJARA TOPA	ALONG LAGOS BADAGRY EXPRESSWAY, BY CEMETRY ROADOPPOSITE TOPA ROAD
SELECT LOCATIONS IN OGUN STATE		
74	TOTAL STATION, ODE REMO	KM 55 ODE-REMO SAGAMU- IBADAN EXPRESS RD
75	TOTAL STATION, SAGAMU CENTRE	152, AKARIGBO STREET, SAGAMU
76	TOTAL STATION EPE GARAGE	EPE GARAGE, IJEBU ODE
77	TOTAL STATION IPARA	146 OLD IBADAN RD IPARA
78	TOTAL STATION ISHARA	43 ODEREMO RD ISHARA
79	TOTAL STATION OPIC	OPIC ESTATE AGBARA-OGUN STATE
80	TOTAL STATION SAGAMU LAGOS ROAD	185 AKARIGBO STREET IJOKO SAGAMU
81	TOTAL STATION SANGO OTTA	ABEOKUTA EXPRESS ROAD SANGO
82	TOTAL STATION IDIROKO	IDIROKO
83	TOTAL STATION KM2	KM2 SAGAMU BENIN EXPRESS WAY
84	TOTAL STATION IJEBU ITOKIN ROAD	ITOKIN RD KASOLERRI IKORODU
85	TOTAL STATION IFO	LAGOS-ABEOKUTA EXPRESS-WAY,IFO
86	TOTAL STATION ADATAN ABEOKUTA	75, IBADAN ROAD, ABEOKUTA.
87	TOTAL STATION IKEREKU ABEOKUTA	70,MAJEKODUNMI STREET,IKEREKU
88	TOTAL STATION ILARO 1 ABEOKUTA	5, ONA-OLA STREET,ILARO
89	TOTAL STATION LAFENWA ABEOKUTA	8,BRIDGE STREET , LAFENWA ABEOKUTA
90	TOTAL STATION OKEITOKU ABEOKUTA	48,OSHOLE STREET,ABEOKUTA
91	TOTAL STATION OWODE ABEOKUTA	OWODE-ILARO RD
92	TOTAL STATION WASIMI ABEOKUTA	LAGOS-ABEOKUTA EXPRESS-WAY,WASIMI
93	TOTAL STATION ABEOKUTA RD IJEBU	TOTAL SERVICE STATION, ABEOKUTA ROAD, IJEBU-ODE.
94	TOTAL STATION IBADAN RD IJEBU	12 IBADAN ROAD, IJEBU-ODE.
95	TOTAL STATION IJEBU IGBO	TOTAL FILLING STATION, IJEBU-IGBO.
96	TOTAL STATION IKANGBA IJEBU	TOTAL FILLING STATION, IKANGBA HOUSING ESTATE, IKANGBA.
97	TOTAL STATION IPERU IJEBU	TOTAL FILLING STATION, IPERU-REMO
98	TOTAL STATION MAMU IJEBU	TOTAL FILLING STATION, MAMU.

99	TOTAL STATION ORU IJEBU	TOTAL SERVICE STATION, ORU ROAD, IJEBU-IGBO.
100	TOTAL STATION ARIGBAJO PSS	LAGOS-ABEOKUTA EXPRESS-WAY,ARIGBAJOAFTER RAILWAY CROSSING ARIGBAJO, OPPOSITE ARIGBAJO MARKET
101	TOTAL STATION EJIRIN PFS	TOTAL SERVICE STATION, EJIRIN ROAD.2KM AFTER IJEBU-ODE ROUND ABOUT
102	TOTAL STATION IKENNE PSS	TOTAL SERVICE STATION, AWOLOWO WAY, IJEBU-ODE.ALONG AWOLOWO WAY, OFF IJEBU-SAGAMU EXPRESS
103	TOTAL STATION JUBILEE ESTATE	ALONG IKORODU-SHAGAMU ROAD, OPPOSITE BOT EVENT PALACE
104	TOTAL STATION OLOFIN ROAD, ILISAN	ALONG OLOFIN ROAD, OPP ILISAN MICRO FINANCE BANK, OFF IKENNE ILISAN ROAD.
105	TOTAL STATION OPP GOVT COLL	244 LAGOS RD IKORODUSTATION IS OPPOSITE GOVERMENT COLLEGE IKORODU
106	TOTAL STATION SAGAMU JUNCTION	SAGAMU JUNCTION LAGOS BENIN EXPRESSPOPULAR JUNCTION TO ENTER SAGAMU TOWN
107	TOTAL STATION EWEKORO	LAGOS ABEOKUTA EXPRESS RD, EWEKORO
SELECT LOCATIONS IN IBADAN , OYO STATE		
108	TOTAL STATION, NEW RESERVATION	IYAGANKU RD, AREA POLICE COMMAND, IBADAN
109	TOTAL STATION, SANGO STATION	OYO ROAD, SANGO, IBADAN
110	TOTAL STATION OKE ADO IBADAN	MOLETE RD., OKE ADO MOLETE-OKE BOLA RD
111	TOTAL STATION OLD LAGOS ROAD IBADAN	OLD LAGOS RD, IBADAN
112	TOTAL STATION ELEIYELE I IBADAN	JERICHO RD. IBADAN, ALONG ONIREKE/JERICHO RD
113	TOTAL STATION ADAMASINGBA IBADAN	FAJUYI RD. IBADAN, ALONG DUGBE-MOKOLA RD
114	TOTAL STATION ELEIYELE II IBADAN	JERICHO RD. IBADAN, ALONG ELEYELE-SANGO RD
115	TOTAL STATION RING ROAD S/S	LIBERTY RD. IBADAN, OLUSANYA AREA, RING ROAD
116	TOTAL STATION ORITA CHALLENGE IBADAN	OLD LAGOS RD. IBADAN, IYANA-ODOONA, ORITA CHALLENGE
117	TOTAL STATION ILUGUN IBADAN	ABEOKUTA RD., ABEOKUTA-ERUWA RD, ILUGUN TOWN
118	TOTAL STATION OLUYOLE IBADAN	OLUYOLE ESTATE, ALAAFIN AVENUE, OLUYOLE ESTATE
119	TOTAL STATION AGODI IBADAN	AGODI JUNCTION , GATE, IBADAN
120	TOTAL STATION MOKOLA IBADAN	MOKOLA ROUNDABOUT, MOKOLA, IBADAN
121	TOTAL STATION IWO ROAD IBADAN	IWO ROAD, IBADAN
122	TOTAL STATION NEW IFE RD IBADAN	NEW IFE ROAD ROUNDABOUT, NEW IFE ROAD
123	TOTAL STATION OLODE IBADAN	ALAKIA EXPRESS WAY, OLODE, ALAKIA
124	TOTAL STATION BODIJA IBADAN	SECRETARIAT-AGODIROAD, BESIDE BODIJA MARKET, IBADAN
125	TOTAL STATION ASHI IBADAN	ASHI ROAD, IBADAN, OPP CHRIST CHAPEL INTERNATIONAL CHURCH, ASHI, IBADAN
126	TOTAL STATION AGO TAPA F/S IBADAN	SANGO RD, MOKOLA
127	TOTAL STATION AKANRAN S/S IBADAN	WESLEY COLLEGE RD. LABO
128	TOTAL STATION ITUTABA F/S IBADAN	AKINLOYE WAY
129	TOTAL STATION OJE MKT S/S IBADAN	OJE MARKET, IBADAN
130	TOTAL STATION OJOO IBADAN	OYO RD. OJOO (BY ODOGBO ARMY BARRACK)
131	TOTAL STATION QUEEN ELIZABETH S/S IBADAN	TOTAL GARDEN
132	TOTAL STATION TRAILER PARK S/S IBADAN	POLY RD, IJOKODO
133	TOTAL STATION APATAPETE S/S IBADAN	ABEOKUTA RD.
134	TOTAL STATION GAISER S/S IBADAN	UMC ROAD, MOLETE

135	TOTAL STATION KINGS MKT F/S IBADAN	MOLETE RD., OJA OBA
136	TOTAL STATION RING ROAD IBADAN	LIBERTY RD. IBADAN (OLUSANYA AREA, RING ROAD)
137	TOTAL STATION WORKSHOP S/S IBADAN	KM 7, OLD LAGOS RD. IBADAN
138	TOTAL STATION EDE RD. OSHOGBO OYO	EDE ROAD, OSHOGBO.
139	TOTAL STATION EDE TOWN OYO	EDE TOWN
140	TOTAL STATION IBADAN RD. OYO	IBADAN RD. IFE
141	TOTAL STATION IGBETI OYO	IGBETTI TOWNSHIP
142	TOTAL STATION IKIRUN MP OYO	OTAEFUN, OSHOGBO
143	TOTAL STATION ISEYIN RD S/S OYO	ISEYIN RD, OYO
144	TOTAL STATION IWO M/P OYO	IWO TOWNSHIP
145	TOTAL STATION LAUTECH OYO	OPP.LADOKE AKINTOLA UNIVERSITY OGBOMOSHO
146	TOTAL STATION OSHOGBO MP OYO	STATION ROAD, OSHOGBO
147	TOTAL STATION OSHOGBO SERV. STN OYO	OLD GARAGE, OSHOGBO
148	TOTAL STATION OYO CENTER OYO	OYO TOWNSHIP
149	TOTAL STATION OYO RD. OGBOMOSO OYO	OGBOMOSHO TOWNSHIP
150	TOTAL STATION SABO RD OYO	SABO RD,OYO
151	TOTAL STATION SHAKI OYO	SHAKI TOWNSHIP
152	TOTAL STATION AIYETORO	ALONG ORITA SABO-AYETORO ROAD, CLOSE TO OJUOLAPE SHOPPING COMPLEX
153	TOTAL STATION APATAPETE S/S	ABEOKUTA RD.AFTER TURNING TO NNPC DEPOT
154	TOTAL STATION BARRACKS ROAD S/S	2, BARRACKS ROAD, SHAKI, OYO STATE
155	TOTAL STATION IGBOHO P,S,S	IGBOHO TOWNSHIP HEALTH CENTRE ROAD, IGHOHO
156	TOTAL STATION ILORIN RD, IKIRUN	ALONG OSHOGBO-IKIRUN RD, CLOSE TO AFORUSH SUPERMARKETAROUND THE AREA OF PHCN
157	TOTAL STATION IRESE-APA RD SS	ALONG OGBOMOSHO/IKIRUN, EJIGBO ROAD OYOCLOSE TO AJILETE HOUSING ESTATE OGBOMOSHO
158	TOTAL STATION J,ALLEN (COCOA HOUSE)	1, OBAFEMI AWOLOWO WAY, J-ALLEN,DUGBE, IBADAN.
159	TOTAL STATION NEW IFE RD, S/S	NEW GBAGI RD, UNDER BRIDGE
160	TOTAL STATION OLD IFE RD, S/S	OLD IFE ROAD
161	TOTAL STATION OSHOGBO SERV, STN	OSHOGBO ROAD ILESHAISOKUN STREET OSHOGBO RD
162	TOTAL STATION RANDAN OGBOMOSHO	RANDAN, ALAO-AKALA RD, OGBOMOSHOCLOSE TO BOWEN UNIVERSITY TEACHING HOSPITAL
163	TOTAL STATION SANGO U.I ROAD	SANGO-UI ROAD, OPPOSITE HALLELUYA FILLING STATION, SAMONDA, IBADAN
164	TOTAL STATION UCH PFS	UCH IBADAN UCH
SELECT LOCATIONS IN KADUNA		
165	TOTAL STATION UNGWAN RIMI	KADUNA UNGWA RIMI, KADUNA NORTH
166	TOTAL STATION SOUTH BRIDGE	KADUNA SOUTH
167	TOTAL STATION KADUNA ZARIA	ZARIA RD,KADUNA NORTH
168	TOTAL STATION WAFF RD	WAFF RD,KADUNA, KADUNA NORTH
169	TOTAL STATION KACHIA RD 1	KACHIA RD,KADUNA SOUTH
170	TOTAL STATION REFINERY RD	REFINERY RD, KADUNA SOUTH
171	TOTAL STATION KADARA SS	KADARA, KADUNA SOUTH

172	TOTAL STATION DOKA CRS SS	DOKA CRESCENT, KADUNA NORTH
173	TOTAL STATION BARNAWA	MOZAMBIQUE ROAD BARNAWA
174	TOTAL STATION MALALI	KADUNA NORTH
175	TOTAL STATION COURT HOUSE ROAD KADUNA	COURT HOUSE RD-ALONG PZ ROAD OPPSITE UNION BANK ZARIA
176	TOTAL STATION FUNTUA BYEPASS KADUNA	BYPASS FUNTUA
177	TOTAL STATION FUNTUNA MOTOR PARK KADUNA	BYPASS FUNTUA-GUSAU BYPASS ALONG GUSAU FUNTUA RD
178	TOTAL STATION HANWA JUNCTION KADUNA	HANWA JUNCTION
179	TOTAL STATION HOSPITAL ROAD ZARIA KADUNA	ALONG HOSPITAL ROAD (OPP OLD TEACHING HOSPITAL)
180	TOTAL STATION MAIN STREET KADUNA	1.MAIN ST. RD
181	TOTAL STATION MALUMFASHI KADUNA	KANO RD. MALUFASHI
182	TOTAL STATION NEW BRIDGE KADUNA	NEW BRIDGE RD
183	TOTAL STATION UNGWAN TV PSS	H 1, UNGWAN TELEVISIONTOWARDS COMMAND SECONDARY SCHOOL
SELECT LOCATIONS IN ABUJA		
184	TOTAL STATION ASOKORO	OPP POLICE HQTR, AREA 11 JUNCTION
185	TOTAL STATION JS TARKA	4 JS TARKA STREET,AREA 2
186	TOTAL STATION KURUDU	KURUDU ROAD, KURUDU, ABUJA
187	TOTAL STATION NEW KARU	NEW NYANYAN, KEFFI ROAD, ABUJA
188	TOTAL STATION MASAKA 2	KUCHIKAWU, KEFFI ROAD, ABUJA
189	TOTAL STATION UKE	UKE, KEFFI ROAD, ABUJA
190	TOTAL STATION KEFFI	KEFFI ROUNDABOUT, AKWANGA ROAD, ABUJA
191	TOTAL STATION MARARABA 2	BESIDE AA RANO, KEFFI ROAD, ABUJA
192	TOTAL STATION MASAKA 1	MASAKA, ABUJA ROAD, ABUJA
193	TOTAL STATION AIRPORT RD.	ABUJA AIRPORT ROAD
194	TOTAL STATION TOTAL HOUSE	TOTAL HOUSE ABUJA, OPP NNPC TOWERS, ABUJA
195	TOTAL STATION WUSE 1	ZONE 5 JUNCTION, OPP FEBSON MALL, ABUJA
196	TOTAL STATION WUSE 2	BERGER JUNCTION, ZONE 6, ABUJA
197	TOTAL STATION SULTAN ABUBAKAR	NEAR CUSTOMS, ZONE 3, ABUJA
198	TOTAL STATION HERBERT MACAULAY	OPP SKY MEMORIAL, ZONE 6, ABUJA
199	TOTAL STATION INDEPENDENT LAYOUT	IND. LAYOUT CBD, CARDASTRAL ZONE, ABUJA
200	TOTAL STATION UTAKO	UTAKO FCT ABUJA
201	TOTAL STATION KUBWA 1	22 JUNCTION KUBWA , ALONG GADO NASCO ROAD
202	TOTAL STATION ZUBA JUNCTION	ZUBA JUNCTION, ALONG SULEJA ROAD
203	TOTAL STATION MADALLA 2	ALONG ZUBA - KADUNA RD, MADALLA
204	TOTAL STATION POST OFFICE RD	MM WAY LOKOJA, ALONG POST OFFICE RD
205	TOTAL STATION GWAGWALADA	ALONG GWAGWALADA - ABAJI RD
206	TOTAL STATION GANAJA RD	ALONG GANAJA LOKOJA ROAD, OPPOSITE FIRST 200 HOUSING UNIT
207	TOTAL STATION TIPPER GARAGE	GWARIPA ABUJA ROAD
208	TOTAL STATION AJAOKUTA RD (SIBM)	LOKOJA AJAOKUTA RD, LOKOJA
209	TOTAL STATION SULEJA EXPRESS	ALONG KADUNA -ABUJA RD, LIVING FAITH CHURCH

210	TOTAL STATION GWARINPA	FIRST AVENUE GWARINPA
211	TOTAL STATION KUJE	KUJE TOWN
212	TOTAL STATION LUGBE ABUJA	2ND AVENUE, H CLOSE, LUGBE
213	TOTAL STATION GWAGWALADA ABUJA	ALONG GWAGWALADA - ABAJI RD
SELECT LOCATIONS IN KANO		
214	TOTAL STATION KANO COOP	1 ZARIA ROAD,NASSARAWA,KANO
215	TOTAL STATION AIRPORT ROAD KANO	181 A AIRPORT ROAD ,KANO
216	TOTAL STATION TAXI PARK KANO	2 MIDDLE/COURT ROAD SABON GARI
217	TOTAL STATION CORONATION KANO	16,LAGOS STREET,CIVIC CENTER ,KANO
218	TOTAL STATION ZARIA ROAD KANO	ZARIA ROAD DAWAKIN KUDU
219	TOTAL STATION WUDIL ROAD KANO	KM 11 WUDIL ROAD KANO
220	TOTAL STATION DAURA TOWN KANO	DAURA TOWN,DAURA
221	TOTAL STATION CLUB ROAD KANO	181 B, AIRPORT ROAD,KANO
222	TOTAL STATION ZOO ROAD KANO	ZOO ROAD,GANDUN ALBASA, KANO
223	TOTAL STATION HOTORO KANO	KM 2 MAIDUGURI ROAD HOTORO
224	TOTAL STATION KAFAR KWAYA KATSINA	KOFAR KWAYA,KATSINA
225	TOTAL STATION GWARZO ROAD KANO	GWARZO RD
226	TOTAL STATION IBB WAY KATSINA TOWN KANO	IBB WAY, KATSINA TOWN
227	TOTAL STATION KATSINA ROAD KANO	KATSINA RD. BACHIRAWA
228	TOTAL STATION BUK ROAD	B5 BUK RD KANOALONG BUK RD
229	TOTAL STATION FARM CENTER	ALONG GUDA ABDULLAHI ROAD, FARM CENTRE, TARAUNI LGA, KANO STATE
230	TOTAL STATION HADEJIA ROAD, KANO	HADEJI RD. MOTOR PARKHADEJIA RD. KANO
SELECT LOCATIONS IN RIVERS IMO STATE		
231	TOTAL STATION RUMUOBIAKANI	ALONG PHC ABA EXPRESS RIVER-STATE, ALONG ABA/PHC ROAD BY MARKET JUNCTION
232	TOTAL STATION RUMUOMASI	ALONG STATION R/D P.H CITY, ALONG OLD ABA ROAD BEFORE RUMUOMASI ROUNDABOUT
233	TOTAL STATION OROGBUM	PLOT IO8 ABA R/D ALONG OROGBUM P.H, ALONG ABA/PHC ROAD BY GARRISON JUNCTION
234	TOTAL STATION MILE 2	123 IKWERE ROAD MILE 2 PHC CITY, ALONG IKWERRE ROAD, MILE 2
235	TOTAL STATION MILE 5	ALONG OBIO AKPOR PH EXPRESS P.H, ALONG IKWERRE ROAD, MILE 5
236	TOTAL STATION PH 1	EXPRESSWAY PHC, OBIO/AKPOR RIVER-STATE, ALONG ABA/PH ROAD, AFTER SHELL
237	TOTAL STATION LIBERATION DRIVE	TOTAL STATION ROAD RIVER STATE, ALONG STATION ROAD, AFTER HIGH COURT
238	TOTAL STATION ELELE ALIMINI	P.H OWERRI EXPRESS R/D ALIMINI R/STATE, ALONG PHC-WARRI EXPRESS, ALIMINI
239	TOTAL STATION GRA	PLOT 171 ABA R/D P.H EXPRESS OBIO AKPOR, ALONG ABA/PHC ROAD BY GRA JUNCTION
240	TOTAL STATION PH 2	PLOT 124 TRANS AMADI LAYOUT P.H, AT SLAUGHTER ROUND ABOUT TRANSAMADI
241	TOTAL STATION RUMUADAOLU	RUMUADAOLU-RUMUOLA ROAD, PHC
242	TOTAL STATION IGWURUTA	ALONG AIRPORT ROAD, IGWURITA
243	TOTAL STATION PALM EXPRESSWAY	N/A

SELECT LOCATIONS IN OWERRI-IMO STATE		
244	TOTAL STATION OGBAKU	OWERRI - ONITSHA EXPRESSWAY, OGBAKU TOWN
245	TOTAL STATION ARUGO PARK	OWERRI-ONITSHA EXPRESSWAY BY ARUGO PARK
246	TOTAL STATION ANARA	ISIALA ROUND ABOUT
247	TOTAL STATION DOUGLAS ROAD	ALONG OWERRI - ABA EXPRESSWAY, BY DOUGLAS
248	TOTAL STATION EGBU ROAD	OWERRI - UMUAHIA RD, BY EGBU ROAD
249	TOTAL STATION OKIGWE	69 OWERRI ROAD, NEW UMUAHIA RD.
250	TOTAL STATION OWERRI CENTRE	BY OWERRI CENTRAL MARKET, BY DOUGLAS ROAD
251	TOTAL STATION ANARA OWERRI	ISIALA MBANO ROUNDABOUT ANARA
252	TOTAL STATION RESCUE LAYOUT (SUPERPOINT)	OWERRI –PH EXPRESS , OWERRI
SELECT LOCATION IN ENUGU STATE		
253	TOTAL STATION NSUKKA	NSUKKA ROUND ABOUT, NSUKKA
254	TOTAL STATION 9TH MILE F/S ENUGU	9TH MILE CORNER ENUGU
255	TOTAL STATION ABAKALIKI F/S ENUGU	55 OGOJA RD, ABAKALIKI
256	TOTAL STATION AGBANI ENUGU	82 AGBANI ROAD,ENUGU
257	TOTAL STATION AKAGBE UGWU ENUGU	ENUGU-PORT HARCOURT EXPRESSWAY, ENUGU
258	TOTAL STATION IBAGWA F/S ENUGU	IBAGWA NSUKKA
259	TOTAL STATION OGBETE ENUGU	OGBETE ROAD,COAL CAMP ENUGU
260	TOTAL STATION OJI RIVER F/S ENUGU	OLD ENUGU ROAD,OJI RIVER
261	TOTAL STATION ORBA ENUGU	KM 200, ENUGU/MAKURDI EXP, AMALLA-ORBA
262	TOTAL STATION PRESIDENTIAL RD S/S ENUGU	46/46 PRESIDENTIAL ROAD,ENUGU
263	TOTAL STATION UWANI	24 EDINBURGH ROAD, ENUGUALONG ZIKS AVE/EDINBURGH ROAD, ENUGU
SELECT LOCATIONS IN ANAMBRA STATE		
264	TOTAL STATION OGUTA RD	34 OGUTA RD, ONITSHA
265	TOTAL STATION IHIALA	ALONG OWERRI - ABA EXPRESSWAY, IHIALA TOWN
266	TOTAL STATION ABAGANA ONITSHA	OYEAGU MARKET,ABAGANA, ANMBRA STATE
267	TOTAL STATION AWKA OLD ENUGU ROAD ONITSHA	8 OLD ENUGU ROAD, AWKA,ANAMBRA
268	TOTAL STATION EKWULOBIA ONITSHA	1 AWKA ROAD, EKWULOBIA,ANAMBRA STATE
269	TOTAL STATION ENUGU ONITSHA EXP.AWKA ONITSHA	ENUGU-ONITSHA EXPRESSWAY, AWKA ANAMBRA. (NEAR AROMA JUNCTION, AWKA)
270	TOTAL STATION ENUGU ROAD ONITSHA	70 AWKA RD, ONITSHA ,ANAMBRA STATE
271	TOTAL STATION ENUGU UKWU ONITSHA	OLD ONITSHA -ENUGU ROAD, ENUGU UKWU.
272	TOTAL STATION NEW MKT ROAD ONITSHA	84 NEW MARKET RD, ONITSHA
273	TOTAL STATION NKPOR JUNCTION (NEW TARZAN) ONITSHA	KM 9 ENUGU -ONITSHA EXPRESSWAY,OGIDI, ANAMBRA
274	TOTAL STATION OLD MKT ROAD ONITSHA	54 OLD MARKET RD, ONITSHA,ANAMBRA
275	TOTAL STATION ASABA COKER S/S	AFTER KOKA JUNCTION, AFTER NNPC MEGA STATION, ASABA ONITSHA EXPRESS WAY
	SELECT LOCATION IN EBONYI STATE	
276	TOTAL STATION KPIRI KPIRI	KPIRI KPRI , MILE 50, ABAKALIKI, EBONYI STATE
SELECT LOCATION IN CROSSRIVER STATE		

277	TOTAL STATION MARIAN ROAD	MARIAN ROAD, CALABAR
278	TOTAL STATION ABAK RD SS CALABAR	189 ABAK ROAD, UYO, AKWA IBOM STATE
279	TOTAL STATION CALABAR RD SS	12 CALABAR ROAD, CALABAR-(ALONG CALABAR RD.CALABAR)
280	TOTAL STATION IKOM-OLD DEALER CALABAR	60 CALABAR ROAD, 4 CORNER SQUARE, IKOM, CROSS RIVER STATE
281	TOTAL STATION IKOT EKPENE FS CALABAR	1 ABA ROAD, OPPOSITE MOTOR PARK, IKOT EKPENE, AKWA IBOM STATE
282	TOTAL STATION YELLOW DUKE SS CALABAR	EKPO ABASI-YELLO DUKE JUNCTION, CALABAR SOUTH
283	TOTAL STATION ORON RD	ORON RD, UYO TOWN, Along Uyo Airport RD
284	TOTAL STATION ORON TOWN	ORON-UYO ROAD OPPOSITE METHODIST SENIOR SCIENCE SCHOOL, ORON TOWN.
SELECT LOCATIONS IN ABIA STATE		
285	TOTAL STATION ABA CTR.	42 ASA RD., ABA-CENTRAL
286	TOTAL STATION ABA GRA.	BRASS JUNCTION ABAYI, ABA OWR.RD.
287	TOTAL STATION ABA OWR.RD.	ABA OWR.RD.ABAYI, OPP.RHEMA UNV.
288	TOTAL STATION OGBOR HILL	1 UMUOBA ROAD, NEW UMUAHIA RD.
289	TOTAL STATION OLD ABA RD.UMUAHIA	OLD ABA ROAD, ABA
290	TOTAL STATION MISSION HILL	MISSION HILL ROADMISSION HILL ROAD
291	TOTAL STATION UKWA TOWN	ALONG PH-ABA EXPRESS ROAD, UKWA TOWN. OPP. 144 ARMY BATTALION, UKWA TOWN
292	TOTAL STATION AHIARA JUNCTION S/S	AHIARA JUNCTION ABIA STATE
293	TOTAL STATION UMUAHIA S/S	UMUAHIA TOWN, UMUAHIA ABIA STATE
SELECT LOCATION IN YENEGOA-BAYELSA STATE		
294	TOTAL STATION BAYELSA	EPIA YENEGWE – YENAGUA ROAD, BAYELSA STATE
SELECT LOCATIONS IN BENIN-EDO STATE		
295	TOTAL STATION UGBOWO	UWASOTA JUNCTION, BENIN CITY, EDO STATE.
296	TOTAL STATION KM8	KM 8, SAPELE ROAD, BENIN CITY, EDO STATE.
297	TOTAL STATION 138 AKPAKPAVA	138 AKPAKPAVA ROAD, BENIN CITY, EDO STATE.
298	TOTAL STATION BENIN CENTRE	8 / 10 AKPAKPAVA ROAD, BENIN CITY, EDO STATE.
299	TOTAL STATION OLUKU JUNCTION	OLUKU JUNCTION, LAGOS ROAD, BENIN, EDO STATE.
300	TOTAL STATION 1ST EAST CIRCULAR	34 1ST EAST CIRCULAR ROAD, BENIN, EDO STATE.
301	TOTAL STATION LAGOS RD	14 URUBI STREET, IYARO, BENIN CITY, EDO STATE.
302	TOTAL STATION AUCHI SS	AUCHI TOWN
303	TOTAL STATION IKPOBA SLOPE BENIN	99 AKPAKPAVA ROAD, BENIN CITY
304	TOTAL STATION LORRY PARK BENIN	LORRY PARK, NEW BENIN MARKET, BENIN CITY
305	TOTAL STATION MISSION ROAD BENIN	41 MISSION ROAD,. BENIN CITY
306	TOTAL STATION OWO ROAD BENIN	OWO ROAD, OLUKU, BENIN CITY
307	TOTAL STATION WIRE ROAD BENIN	59 WIRE ROAD, BENIN CITY
308	TOTAL STATION 3RD EAST CIRCULAR RD	MURITALA MOHAMMED WAY, BENIN CITY
309	TOTAL STATION EYAEN S/S BENIN	BENIN AUCHI ROAD, EYAEN, BENIN CITY
310	TOTAL STATION USELU PSS	163 USELU LAGOS ROAD, BENIN CITY, EDO STATE.AFTER USELU MARKET, TOTAL STATION BY THE LEFT
SELECT LOCATIONS IN DELTA STATE		

311	TOTAL STATION EFFURUN SS	298 EFFURUN SAPELE ROAD EFFURUN, WARRI, DELTA STATE
312	TOTAL STATION OKUMAGBA ESTATE SS	265 OKUMAGBA ESTATE, WARRI, DELTA STATE
313	TOTAL STATION AIRPORT ROAD SS	104 AIRPORT ROAD WARRI
314	TOTAL STATION OKUMAGBA AVENUE FS	1 OKUMAGBA AVENUE WARRI
315	TOTAL STATION WARRI CENTRE SS	168 WARRI SAPELE ROAD WARRI
316	TOTAL STATION AGBARHO SS WARRI	AGBARHO S/S PATANI EXP WAY
317	TOTAL STATION OSUBI	OSUBI RD BY OSUBI AIRPORT
318	TOTAL STATION BRIDGE HEAD 1	KM1 ASABA BENIN EXPRESS
319	TOTAL STATION ASABA UMUEZEI FS	ASABA UMUEZEI
320	TOTAL STATION BRIDGE HEAD 2	111 DENNIS OSADEBE WAY ASABA
321	TOTAL STATION ASABA FERRY	ASABA FERRY JUNCTION
322	TOTAL STATION BENIN/ASABA EXP SS	BENIN ASABA EXPRESS
323	TOTAL STATION OLD SEC RD PSS	OLD SECT RD ASABA
324	TOTAL STATION OGORODE FS	108 SAPELE WARRI ROAD SAPELE
325	TOTAL STATION OKIRIGWHRE SS	OKIRIGHWRE JUNCTION SAPELE
326	TOTAL STATION KOKO FS	KOKO EXPRESS WAY KOKO
327	TOTAL STATION MARKET ROAD UGHELLI	101 MARKET ROAD UGHELLI
328	TOTAL STATION PATANI ROAD FS	265, UGH PATANI RD UGHELLI
329	TOTAL STATION AGBOR FS	AGBOR TOWN
330	TOTAL STATION IBILLO F/S ASABA	ODO,IBILLO-FROM AUCHI,2ND TOTAL STATION BY THE RIGHT ALONG OLD UBA BANK (CLOSE TO OLD UBA IBILLO)
331	TOTAL STATION UMUNEDE ASABA	CLOSE TO UMUNEDE MARKET-UMUNEDE
332	TOTAL STATION AGBOR EXPRESS PSS	ALONG BENIN/ASABA EXPRESS, AFTER OLD AGBOR TOLL GATE, AGBOR DELTA STATE.
333	TOTAL STATION BENIN/AUCHI PSS (AVIELLE)	AUCHI/BENIN EXPRESS ROAD, IYAKPI SOUTH, IBIE
SELECT LOCATIONS IN OSUN STATE		
334	TOTAL STATION AKURE ROAD ILESA	AKURE RD, ILESHA
335	TOTAL STATION OSHOGBO ROAD ILESA	OSHOGBO RD, ILESHA
336	TOTAL STATION IFE ROAD ILESA	IFE RD, ILESHA
337	TOTAL STATION ILESHA CENTER SS	ILESHA CENTRE, ILESHA
338	TOTAL STATION IBADAN ROAD IFE	IBADAN RD, IFE
339	TOTAL STATION IFE CENTER	IFE CENTRE, IFE
340	TOTAL STATION IPETU IJESHA FS	IPETU IJESHA, IPETU IJESHA TOWN
341	TOTAL STATION MODAKEKE 2 PSS	MODAKEKE 2, IRAYE ROAD, MODAKEKE TOWN
342	TOTAL STATION APOMU TOWN FS ILESHA	IFE RD. APOMU
343	TOTAL STATION IBOKUN TOWN FS ILESHA	IBOKUN TOWN
344	TOTAL STATION ONDO RD. FS ILESHA	ONDO ROAD IFE
345	TOTAL STATION NAIRA & KOBO	ALONG IBADAN - IFE EXPRESSWAY, AFTER IKIRE JUNCTIONOPPOSITE MOBIL FILLING STATION
SELECT LOCATIONS IN KWARA STATE		
346	TOTAL STATION JEBBA ROAD ILORIN	ALONG OLD JEBBA ROAD, ILORIN

347	TOTAL STATION GERI ALIMI ILORIN	ALONG UMAR SABO ROAD, ILORIN
348	TOTAL STATION AJASE IPO 1 S/S ILORIN	AJASE IPO TOWN OFFA EXPRESS ROAD
349	TOTAL STATION EYENKORIN ILORIN	OGBOMOSHO/ILORIN RD.
350	TOTAL STATION OFFA RD ILORIN	AJASE IPO RD, OFFA (NEW OFFA GARAGE)
351	TOTAL STATION OFFA TOWN ILORIN	OFFA TOWN
352	TOTAL STATION OGBOMOSHO RD ILORIN	OGBOMOSHO RD. SURULERE, ILORIN (BY ABDULAZEEZ ROAD)
353	TOTAL STATION OLOJE S/S ILORIN	ALONG KAIAMA ROAD (BESIDE MTN OLOJE OKE ILORIN CONNECT POINT)
354	TOTAL STATION OMUARAN TOWN ILORIN	OLORUN TOWN
355	TOTAL STATION OTUN-EKITI ILORIN	ODO OJA ROAD,OTUN EKITI (OORE PALACE)
356	TOTAL STATION STATION RD ILORIN	EMIRS ROAD, ILORIN.
357	TOTAL STATION AJASE-IPO 2	ALONG OMU-ARAN AJASSE IPO RD, KWARAADJACENT TO EXCELLENT HOTEL
358	TOTAL STATION NEW YIDI ROAD	ASADAM RD
359	TOTAL STATION OKO OLOWO	ALONG NEW ILORIN JEBA RD, OKO OLOWO KAWRACLOSE TO BOVAS PETROL STATION
360	TOTAL STATION SOBI ROAD	22,SOBI ROAD, AKEREBIATA, ILORIN
361	TOTAL STATION YAKUBA ROAD PSS	SHARE-OJA OBA RD, ALONG JEBBA ROADBY ROYAL FRIENDSHIP GUEST HOUSE AND GARDEN BAROYUN
SELECT LOCATION IN AKWA-IBOM STATE		
362	TOTAL STATION UYO TOWN	179 IKOT EKPENE ROAD, UYO
SELECT LOCATIONS IN JIGAWA STATE		
363	TOTAL STATION BIRNIN KUDU JIGAWA	BIRNIN KUDU TOWN-MAIDUGURI RD. B/KUDU-BIRNIN KUDU MARKET
364	TOTAL STATION HADEJIA TOWN JIGAWA	KOFAR AREWA HADEJIA-KANO-NGURU RD-(OLD MOTOR PARK)
365	TOTAL STATION JAMA'ARE SS JIGAWA	JAMAARE TOWN
366	TOTAL STATION MALLAM MADORI JIGAWA	HADEJIA RD. MALLAM MADORI (MOTOR PARK M/MADORI)
367	TOTAL STATION WUDIL TOWN JIGAWA	GARINDAU WUDIL TOWN (BY POLICE ACADEMY MAIDUGURI ROAD)
SELECT LOCATIONS IN ZAMFARA STATE		
368	TOTAL STATION AHMADU BELLO WAY SS GUSAU	AHMADU BELLO WAY, SOKOTO BY ALIU FLY-OVER ,SOKOTO KEBBI ROUNDABOUT
369	TOTAL STATION ILLELA ROAD 2 SS GUSAU	ILLELA RD, SOKOTO
370	TOTAL STATION JEGA R/ABOUT B/KEBBI GUSAU	JEGA RD, BIRNIN KEBBI (JEGA ROUNDABOUT, BIRNIN KEBBI)
371	TOTAL STATION RAILWAY STREET FS GUSAU	RAILWAY STREET GUSAU SOKOTO ROAD (GUSAU METROPOLITAN HOTEL)
372	TOTAL STATION SOKOTO ROAD, GUSAU	GADA BIYU, SOKOTO ROAD GUSAU
373	TOTAL STATION TALATA MAFARA GUSAU	SOKOTO RD, TALATA MAFARA
374	TOTAL STATION ARGUNGU PSS	SOKOTO RD ARGUNGU, KEBBIBIRNIN KEBBI ROAD
SELECT LOCATIONS IN ADAMAWA STATE		
375	TOTAL STATION AIRPORT ROAD YOLA	AIRPORT ROAD JUNCTION,JIMETA YOLA
376	TOTAL STATION GALADIMA AMINU WAY YOLA	52,GALADIMA AMINU WAY,JIMETA YOLA
377	TOTAL STATION JALINGO S/S YOLA	80,HAMMAN RUWA WAY,JALINGO
378	TOTAL STATION MICHIKA MUBI S/S YOLA	KM 18 MUBI RD MARARABA, HONG LGA
379	TOTAL STATION MM WAY S/S YOLA	55 MOHAMMED MUSTAPHA WAY,JIMETA

380	TOTAL STATION NUMAN FERRY YOLA	NUMAN FERRY
381	TOTAL STATION RAJAB MUBI PSS YOLA	ALONG MUBI ROAD,MARARABA MUBI
382	TOTAL STATION YOLA RD YOLA	ALONG YOLA ROAD,JIMETA YOLA (BY FEDERAL SECRETARIAT)
SELECT LOCATIONS IN PLATEAU STATE		
383	TOTAL STATION BARKI LADI JOS	BARKIN LADI ALONG PANKSHINAFTER BARKIN LADI LOCAL GOVT SECRETARIATE
384	TOTAL STATION BUKURU BYE PASS SS JOS	BUKURU BYEPASS
385	TOTAL STATION DOGON DUTSE SS JOS	DOGON DUTSE FS-ALONG BAUCHI ROAD (BEFORE UNIJOS MAIN CAMPUS)
386	TOTAL STATION JOS MOTOR PARK FS JOS	JOS MOTOR PARK
387	TOTAL STATION MARKET STREET SS JOS	MARKET STREET
388	TOTAL STATION SHENDAM FS JOS	SHENDAM
389	TOTAL STATION YAKUBU GOWON WAY SS JOS	YAKUBU GOWON WAY
390	TOTAL STATION ZARIA BYE PASS SS JOS	ZARIA BYE PASS
391	TOTAL STATION MANGU	MANGU TOWN BESIDE FIRST BANK
392	TOTAL STATION RING ROAD JOS	BAUCHI RING ROAD JOSCLOSE TO UNIVERSITY OF JOS SENIOR STAFF QUARTERS
SELECT LOCATIONS IN BENUE STATE		
393	TOTAL STATION AKWANGA F/S MAKURDI	ALONG AKWANGA LAFIA RD
394	TOTAL STATION GBOKO F/S (MARKET ROAD) MAKURDI	ALONG MARKET RD GBOKO BY MAIN ROUND ABOUT
395	TOTAL STATION JERICO ROAD SS MAKURDI	JERICHO RD OTUKPO (AFTER AP FILLING STATION)
396	TOTAL STATION K/IBRAHIM F/S MAKURDI	ALONG KASHIM IBRAHIM RD
397	TOTAL STATION LAFIA S/S MAKURDI	ALONG AKWANGA-MAKURDI RD
398	TOTAL STATION MKD CENTRE S/.S MAKURDI	MARKET RD WADATA
399	TOTAL STATION N.A. ROAD OTUKPO MAKURDI	N.A RD OTUKPO
400	TOTAL STATION OTUKPO RD. F/S MAKURDI	ALONG OTUKPO ROAD
401	TOTAL STATION WUKARI F/S MAKURDI	ALONG WUKARI IBE ROAD
	SELECT LOCATIONS IN BORNO STATE	
402	TOTAL STATION AIRPORT ROAD MAIDUGURI	AIRPORT RD SS KANO ROAD MAIDUGURI
403	TOTAL STATION BAMA ROAD MAIDUGURI	UNIMAID SS BAMA ROAD BY UNIVERSITY
404	TOTAL STATION DAMATURU S/S MAIDUGURI	FEZZAN PSS-KANO ROAD BY DAMBOA ROAD-BY KANO MOTOR PARK JUNTION, OPPOSITE BORNO EXPRESS PARK.
405	TOTAL STATION FEZZAN S/S (DAMBOA) MAIDUGURI	LORRY PARK,POTISKUM(MOHD IDRIS WAY,OPPOSITE MOTOR PARK)
406	TOTAL STATION GAMBORU RD SS MAIDUGURI	RACE COURSE
407	TOTAL STATION L/PARK POTISKUM SS MAIDUGURI	MAIDUGURI RD,POTISKUM
408	TOTAL STATION MAIDUGURI RD SS	DAMATURU SS
409	TOTAL STATION RACE COURSE MAIDUGURI	BAMA ROAD BY LAGOS STREET (ALONG UNIVERSITY OF MAIDUGURI.)
410	TOTAL STATION UNIMAID S/S MAIDUGURI	GAMBORU RD SS (ALONG CHAD BASIN CUSTOM ROUND ABOUT)
411	TOTAL STATION ANKPA F/,S	ANKPA ROUND ABOUTANKPA ROUND ABOUT
412	TOTAL STATION AYANGBA F/S	ALONG DEKINA ROADOPP AYANGBA POLICE STATION
SELECT LOCATIONS IN GOMBE STATE		

413	TOTAL STATION AHMADU BELLO WAY GOMBE	AHMADU BELLO WAY, SOKOTO
414	TOTAL STATION ALKALAM SS GOMBE	BAUCHI RD,GOMBE OPPOSITE GOMBE MOTORS
415	TOTAL STATION ATBU , BAUCHI GOMBE	ALONG UNIVERSITY HOSTEL ROAD BESIDE SUG GARDEN GOMBE
416	TOTAL STATION BAUCHI R/ABOUT FS GOMBE	BAUCHI ROUND ABOUT LEADING TO KANO ROAD GIDAN-MAI
417	TOTAL STATION BAUCHI RD, GOMBE	BAUCHI RD,GOMBE CLOSE GOMBE MOTOR PARK
418	TOTAL STATION BIU RD SS GOMBE	BIU RD,GOMBE BY LIJI VILLAGE
419	TOTAL STATION JOS RD SS, BAUCHI	JOS RD,BAUCHI (OPPOSITE SHABA-WANKA ARMY BARACK)
420	TOTAL STATION YANDOKA SS GOMBE	YANDOKA RD,BAUCHI (OPPOSITE AHMADU BELLO STADIUM,BAUCHI)
421	TOTAL STATION YOLA RD, KALTUNGO GOMBE	YOLA RD,KALTUNGO
422	TOTAL STATION DUKKU RD	ALONG DUKKU ROAD, OPPOSITE MUSABA HOSPITAL
SELECT LOCATIONS IN NIGER STATE		
423	TOTAL STATION BIDA ROAD 1 SS MINNA	MARKET ROAD, BIDA-ALONG MARKET RD, BIDA
424	TOTAL STATION BOSSO ROAD SS MINNA	26 BOSSO RD, MINNA-ALONG BOSSO RD, NEAR MOBIL ROUND ABOUT (OPPOSITE OBASANJO SHOPPING COMPLEX)
425	TOTAL STATION KADUNA ROAD KONTAGORA MINNA	COLLEGE RD, KONTAGORA (OPPOSITE HYDRO GARAGE)
426	TOTAL STATION LAGOS ROAD, KONTAGORA MINNA	ALONG LAGOS RD, KONTAGORA (AFTER YAURI RD JUNCTION)
427	TOTAL STATION MOKWA S/S MINNA	KM 2 BIDA MOKWA RD
428	TOTAL STATION NEW BUSSA MINNA	KAINJI ROUND ABOUT
429	TOTAL STATION RIVER BASIN, MINNA	MINNA- ZUNGERU RD
430	TOTAL STATION TEGINA MINNA	KADUNA RD, TEGINA
431	TOTAL STATION TUNDUN FULANI MINNA	TUNDUNFULANI,MINNA
432	TOTAL STATION WESTERN BYE PASS, MINNA	WESTERN BYPASS, MINNA (OPPOSITE NNPC MEGA STATION)
SELECT LOCATIONS IN ONDO STATE		
433	TOTAL STATION ADEMULEGUN RD AKURE	NO 220, ADEMULEGUN ROAD, KOLA REWIRE, ONDO TOWNSHIP
434	TOTAL STATION AKURE MOTOR PARK AKURE	CLOSE TO AKURE MOTOR PARK, ONDO TOWNSHIP, ONDO STATE
435	TOTAL STATION EREKESAN MARKET AKURE	ADESIDE ROAD, OJA MARKET, AKURE, ONDO STATE
436	TOTAL STATION HOSPITAL ROAD AKURE	OLUWATUYI RD, IJOKA AKURE
437	TOTAL STATION ILESHA ROAD AKURE	AKURE SOUTH LOCAL GOVT ROAD, AKURE ONDO STATE
438	TOTAL STATION ONDO MOTOR PARK AKURE	ODO JOMU, ONDO TOWNSHIP, ONDO STATE
439	TOTAL STATION ONDO ODOTU AKURE	ODO IJOMU, ONDO TOWNSHIP, ONDO STATE
440	TOTAL STATION ONDO YABA AKURE	EBIDO JUNCTION, YABA STREET, ONDO TOWNSHIP, ONDO STATE
441	TOTAL STATION ORE EXPRESS AKURE	IJEBU/SAGAMU EXPRESSWAY, ORE
442	TOTAL STATION ORE JUNCTION AKURE	OLD BENIN ROAD, ORE, ONDO STATE
443	TOTAL STATION ST. DAVIDS AKURE	ONDO IJOMU STREET, AKURE ONDO STATE
444	TOTAL STATION AKURE MOTOR PARK	CLOSE TO AKURE MOTOR PARK, ONDO TOWNSHIP, ONDO STATEFROM AKURE, FIRST TOTAL BY THE LEFT
445	TOTAL STATION ONDO MOTOR PARK	ODO JOMU, ONDO TOWNSHIP, ONDO STATEFROM ORE, FIRST TOTAL STATION IN ONDO TOWM
446	TOTAL STATION ONDO RD S/S	AKURE ONDO RD OPP CAC GRAMMAR SCHOOL AKURE ONDO STATE
	SELECT LOCATIONS IN EKITI STATE	

447	TOTAL STATION ADO IKERE EKITI	ADO IKERE RD, FAYOSE MKT, ADO EKITI
448	TOTAL STATION ADO IWOROKO EKITI	FAJUYI PARK, ALONG IWOROKO RD, ADO EKITI.
449	TOTAL STATION ADO OWO EKITI	OWO EXPRESS WAY, AKURE, ONDO STATE.
450	TOTAL STATION BIG H (FCE OKENE) EKITI	EIKA-ADAGU OTITE, ALONG DAURA RD (OKENE-LOKOJA RD), BY EID PRAYER GROUND
451	TOTAL STATION IKARE CENTRE EKITI	ILEPA STREET, BESIDE MOBIL FILLING STATION, IKARE, ONDO STATE
452	TOTAL STATION IKARE OWO ROAD EKITI	ALONG OWO ROAD, OKERUWA, IKARE AKOKO, ONDO STATE
453	TOTAL STATION IKERE EKITI	OKE IKERE, ALONG ADO AKURE RD, IKERE EKITI
454	TOTAL STATION IKOLE EKITI	OBA AYEYEMI ROAD, OPP FIRST BANK, IKOLE EKITI
455	TOTAL STATION OGBESE EKITI	KILO 18, AKURE OWO EXPRESS WAY, OGBESE, ONDO STATE.
456	TOTAL STATION OKENE EKITI	ABUJA LOKOJA ROAD, OKENE, KOGI STATE.
457	TOTAL STATION OWO CENTRE EKITI	NO 14 OODASA STREET, ADJACENT FIRST BANK, OWO, ONDO STATE.
458	TOTAL STATION POLY ROAD EKITI	POLY ROAD EKITI
459	TOTAL STATION AFAO ROAD	N/A
460	TOTAL STATION IDDO EKITI	NO. 94 OBARO WAY, KABBA. LOKOJA.FROM ADO EKITI, LOCATE AT ROUNDABOUT IN MAIN TOWN
461	TOTAL STATION KABBA - LOKOJA PSS	KABBA BYEPASS, OMUO EKITI, EKITI STATE.FROM OKENE, TO KABBA, ONLY TOTAL IN KABBA TOWN.
462	TOTAL STATION LOKOJA RD OKENE	EIKA-ADAGU OTITE, ALONG DAURA RD (OKENE-LOKOJA RD), BY GRACELAND MINISTRIES
463	TOTAL STATION OMUO EKITI	ILOGBO/USI ROAD, OPPOSITE EKITI PARAPO COLLEGE, IDDO EKITI.FROM KABBA, FIRST TOTAL BY THE LEFT IN OMUO.
464	TOTAL STATION ORIRE JUNCTION	TOTAL ORIRE, JUNCTION ALONG ADEBAYO RD, ADO EKITI.

5. Activities of Cards Operations

Within Nigeria and all other countries where we have a foothold, the group continues to abide by strict standards and requirements for the issuance and usage of payment cards. We carry out continuous upgrades of our card systems to ensure optimal security, efficiency, cost effectiveness and best in class customer satisfaction. To reduce financial loss to both customers and the bank, we have implemented stringent fraud control measures to achieve this.

We continually encourage the usage of our cards both locally and internationally by providing an enabling environment for smooth operations in terms of provision of modern technology, one of which is the contactless payment technology.

Presented below are the highlights of our card transaction volumes for the period ended 30th of June. With less stringent restriction on travel, there has been a gradual increase in international spend on our foreign currency cards, when comparing the same period last year.

5.1. Table below shows a summary of transactions done on GTBank Cards

Category	No. of Transactions		Value of International Transaction		Value of Local Transactions	
	Jun-21	Dec-20	Jun-21	Dec-20	Jun-21	Dec-20
	‘000	‘000	₦'mm	₦'mm	₦'mm	₦'mm
Naira denominated debit cards	243,449	390,046	17,966	137,929	2,160,771	3,131,068
Foreign currency credit cards	116	225	9,918	18,993	-	-
Foreign currency debit cards	660	1,048	40,381	52,286	-	534

Breakdown of transactions done using GTBank Cards (Number of transactions)

	International Transactions				Local Transactions			
	ATM		POS/Web		ATM		POS/Web	
In thousands	**Jun-21**	**Dec-20**	**Jun-21**	**Dec-20**	**Jun-21**	**Dec-20**	**Jun-21**	**Dec-20**
Naira MasterCard debit	-	248	1,813	4,674	70,188	150,670	171,448	234,454
Foreign Currency Denominated Cards:								
MasterCard debit	61	81	409	561	-	31	-	46
MasterCard credit	3	6	58	104	-	-	-	-
Visa classic debit	11	24	179	286	-	-	-	6
Visa classic credit	2	5	50	102	-	-	-	-
World credit	0.2	0.3	3.3	7	-	-	-	-
Total	**77**	**364**	**2,511**	**5,735**	**70,188**	**150,714**	**171,448**	**234,506**

Breakdown of transactions done using GTBank Cards (Value of Transactions)

	International Transactions				Local Transactions			
In millions of Naira	ATM		POS/Web		ATM		POS/Web	
	Jun-21	**Dec-20**	**Jun-21**	**Dec-20**	**Jun-21**	**Dec-20**	**Jun-21**	**Dec-20**
Naira MasterCard debit	-	11,423	17,966	126,506	691,293	1,317,233	1,469,478	1,813,835
MasterCard debit	4,294	5,136	23,331	29,347	-	-	-	167
MasterCard credit	434	1,026	4,389	7,320	-	-	-	-
Visa classic debit	1,297	2,821	11,458	14,982	-	-	-	146
Visa classic credit	329	834	4,285	8,675	-	-		
World credit	24	53	457	1,085	-	-	-	
Total	**6,380**	**21,293**	**61,885**	**187,916**	**691,293**	**1,317,455**	**1,469,478**	**1,814,148**

5.2 Type of customers' complaints and remedial measures taken

COMPLAINTS	CATEGORY OF COMPLAINT	REASONS	REMEDIAL MEASURES
Declined Transactions	Declined Transactions on International ATMs & POS/WEB	Dynamic currency conversion transactions (Naira billing) Reduced monthly international limits on the Naira Cards Usage on non-EMV terminals (non chip and pin transactions) Insufficient funds Restriction on international ATM withdrawals	Awareness
Complaints on delayed debits & double debits for Domestic POS & Web Transactions	Delayed Debits & Double Debits	System glitch/ Technical error from Third party processors	Continuous engagement with Third party processors to ensure adequate and effective maintenance of their systems to prevent such incidences. Escalation to the relevant department of the regulators (CBN) to assist to check the activities of processors/switches responsible for persistent incidents.

Dispense Error	ATM and POS /WEB transactions (Value not received for transactions)	This occurs when an ATM attempts to dispense cash after an account has been debited but fails due to network failure. This also occurs when a customer's account has been debited for a certain amount for goods/services on POS/WEB terminals, but value is not received	Strict adherence to resolution of customers' complaints within stipulated SLA . Proactive reversal of failed transactions that are not auto reversed. Constant follow up with relevant stakeholders (e.g. switches and TPPs) to address any identified cause(s) of delayed refund.

6. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) **Guaranty Trust Bank Plc** maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

Value Added Statements

For the Period ended 30 June 2021

Group

	Jun-2021				Jun-2020			
In thousands of Nigerian Naira	Continuing operations	Discontinued operations	Total	%	Continuing operations	Discontinued operations	Total	%
Gross earnings	207,914,405	-	207,914,405		225,138,817	-	225,138,817	
Interest expense:								
-Local	(10,074,711)	-	(10,074,711)		(18,681,695)	-	(18,681,695)	
- Foreign	(8,961,115)	-	(8,961,115)		(7,411,322)	-	(7,411,322)	
	188,878,579	-	188,878,579		199,045,800	-	199,045,800	
Loan impairment charges / Net impairment loss on financial assets	(5,056,382)	-	(5,056,382)		(3,589,015)	-	(3,589,015)	
	183,822,197	-	183,822,197		195,456,785	-	195,456,785	
Bought in materials and services								
- Local	(57,943,443)	-	(57,943,443)		(53,369,173)	-	(53,369,173)	
- Foreign	(256,994)	-	(256,994)		(899,787)	-	(899,787)	
Value added	**125,621,760**	**-**	**125,621,760**	**100**	**141,187,825**	**-**	**141,187,825**	**100**
Distribution								
Employees								
- Wages, salaries, pensions, gratuity and other employee benefits	17,234,789	-	17,234,789	14	17,449,311	-	17,449,311	12
Government								
- Taxation	13,641,336	-	13,641,336	11	15,442,834	-	15,442,834	11
Retained in the Group								
- For replacement of Property and equipment / intangible assets (depreciation and amortisation)	15,330,912	-	15,330,912	12	14,024,670	-	14,024,670	10
-Profit for the year (including non - controlling interest, statutory and regulatory risk reserves)	79,414,723	-	79,414,723	64	94,271,010	-	94,271,010	67
	125,621,760	**-**	**125,621,760**	**100**	**141,187,825**	**-**	**141,187,825**	**100**

Value Added Statements

For the Period ended 30 June 2021

Parent

In thousands of Nigerian Naira	Jun-2021 Continuing operations	Jun-2021 Discontinued operations	Jun-2021 Total	%	Jun-2020 Continuing operations	Jun-2020 Discontinued operations	Jun-2020 Total	%
Gross earnings	158,602,359	-	158,602,359		180,820,197	-	180,820,197	
Interest expense:								
-Local	(10,107,763)	-	(10,107,763)		(18,828,673)	-	(18,828,673)	
- Foreign	(787,112)	-	(787,112)		(1,520,673)	-	(1,520,673)	
	147,707,484	-	147,707,484		160,470,851	-	160,470,851	
Loan impairment charges / Net impairment loss on financial assets	(2,124,464)	-	(2,124,464)		(1,412,503)	-	(1,412,503)	
	145,583,020	-	145,583,020		159,058,348	-	159,058,348	
Bought in materials and services								
- Local	(45,483,459)	-	(45,483,459)		(43,030,453)	-	(43,030,453)	
- Foreign	(256,994)	-	(256,994)		(899,787)	-	(899,787)	
Value added	**99,842,567**	**-**	**99,842,567**	**100**	**115,128,108**	**-**	**115,128,108**	**100**
Distribution								
Employees								
- Wages, salaries, pensions, gratuity and other employee benefits	11,216,676	-	11,216,676	11	11,801,541	-	11,801,541	10
Government								
- Taxation	8,031,543	-	8,031,543	8	11,402,156	-	11,402,156	10
Retained in the Bank								
- For replacement of Property and equipment / intangible assets (depreciation and amortisation)	13,205,259	-	13,205,259	13	12,022,194	-	12,022,194	10
- Profit for the year (including statutory and regulatory risk reserves)	67,389,089	-	67,389,089	67	79,902,217	-	79,902,217	69
	99,842,567	**-**	**99,842,567**	**99**	**115,128,108**	**-**	**115,128,108**	**99**

Five Year Financial Summary
Statements of financial Position

Group

In thousands of Nigerian Naira	Jun-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2017
Assets					
Cash and bank balances	794,323,951	745,557,370	593,551,117	676,989,012	641,973,784
Financial assets at fair value through profit or loss	76,244,179	67,535,363	73,486,101	-	-
Financial assets held for trading	-	-	-	11,314,814	23,945,661
Derivative financial assets	35,389,350	26,448,550	26,011,823	3,854,921	2,839,078
Investment securities:					
– Fair Value through profit or loss	3,273,771	3,273,771	33,084,367	2,620,200	-
– Fair Value through other comprehensive Income	290,067,066	693,371,711	585,392,248	-	-
– Available for sale	-	-	-	536,084,955	517,492,733
– Held at amortised cost	865,137,145	283,582,832	145,561,232	-	-
– Held to maturity	-	-	-	98,619,509	96,466,598
Assets pledged as collateral	69,457,589	62,200,326	58,036,855	56,777,170	58,976,175
Loans and advances to banks	89,241	99,043	1,513,310	2,994,642	750,361
Loans and advances to customers	1,632,088,961	1,662,731,699	1,500,572,046	1,259,010,359	1,448,533,430
Restricted deposits and other assets	1,067,576,885	1,226,481,116	577,433,006	508,678,702	444,946,897
Property and equipment	153,501,362	148,782,835	141,774,863	111,825,917	98,669,998
Intangible assets	19,515,587	19,872,523	20,245,232	16,402,621	14,834,954
Deferred tax assets	10,616,550	4,716,154	2,256,570	2,169,819	1,666,990
Total assets	**5,017,281,637**	**4,944,653,293**	**3,758,918,770**	**3,287,342,641**	**3,351,096,659**
Liabilities					
Deposits from banks	129,535,081	101,509,550	107,518,398	82,803,047	85,430,514
Deposits from customers	3,625,217,843	3,509,319,237	2,532,540,384	2,273,903,143	2,062,047,633
Financial liabilities at fair value through profit or loss	3,086,939	-	1,615,735	-	-
Financial liabilities held for trading	-	-	-	1,865,419	2,647,469
Derivative financial liabilities	2,292,109	2,758,698	2,315,541	3,752,666	2,606,586
Other liabilities	328,338,050	356,222,575	233,425,713	140,447,508	224,116,829
Current income tax liabilities	13,759,868	21,592,016	20,597,088	22,650,861	24,147,356
Debt securities issued	-	-	-	-	92,131,923
Other borrowed funds	110,469,179	113,894,768	162,999,909	178,566,800	220,491,914
Deferred tax liabilities	7,000,105	24,960,772	10,568,534	7,075,956	17,437,766
Total liabilities	**4,219,699,174**	**4,130,257,616**	**3,071,581,302**	**2,711,065,400**	**2,731,057,990**
Capital and reserves attributable to equity holders of the parent entity					
Share capital	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590
Share premium	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114
Treasury shares	(7,537,348)	(6,928,103)	(6,531,749)	(5,583,635)	(5,291,245)
Retained earnings	163,870,625	193,921,810	119,247,653	107,248,944	123,257,080
Other components of equity	485,692,081	473,434,457	422,704,836	323,991,767	352,403,527
Capital and reserves attributable to equity holders of the parent entity	**780,212,062**	**798,614,868**	**673,607,444**	**563,843,780**	**608,556,066**
Non-controlling interests in equity	17,370,401	15,780,809	13,730,024	12,433,461	11,482,603
Total equity	**797,582,463**	**814,395,677**	**687,337,468**	**576,277,241**	**620,038,669**
Total equity and liabilities	**5,017,281,637**	**4,944,653,293**	**3,758,918,770**	**3,287,342,641**	**3,351,096,659**

Five Year Financial Summary Cont'd
Statements of comprehensive income

Group

In thousands of Nigerian Naira	Jun-2021	Jun-2020	Jun-2019	Jun-2018	Jun-2017
Interest income	126,091,101	153,708,481	148,992,664	161,880,719	165,884,856
Interest expense	(19,035,826)	(26,093,017)	(32,627,904)	(43,951,186)	(36,347,415)
Net interest income	**107,055,275**	**127,615,464**	**116,364,760**	**117,929,533**	**129,537,441**
Loan impairment charges	(4,714,675)	(6,769,093)	(2,186,033)	(2,031,734)	(7,212,808)
Net interest income after loan impairment charges	**102,340,600**	**120,846,371**	**114,178,727**	**115,897,799**	**122,324,633**
Fee and commission income	38,284,192	26,457,209	35,348,970	27,356,320	23,715,006
Fee and commission expense	(1,428,928)	(2,435,031)	(1,505,138)	(1,446,593)	(965,643)
Net fee and commission income	**36,855,264**	**24,022,178**	**33,843,832**	**25,909,727**	**22,749,363**
Net gains on financial instruments classified as held for trading	10,430,087	10,791,307	9,488,464	12,649,671	5,663,642
Other income	33,109,025	34,181,820	28,039,447	24,745,351	18,834,075
Total other income	**43,539,112**	**44,973,127**	**37,527,911**	**37,395,022**	**24,497,717**
Total Operating income	182,734,976	189,841,676	185,550,470	179,202,548	169,571,713
Net impairment reversal / (charge) on other financial assets	(341,707)	3,180,078	108,445	-	(646,180)
Net operating income after net impairment loss on financial assets	**182,393,269**	**193,021,754**	**185,658,915**	**179,202,548**	**168,925,533**
Personnel expenses	(17,234,789)	(17,449,311)	(18,578,601)	(18,576,247)	(16,368,191)
Right-of-use asset depreciation	(2,430,876)	(958,621)	-	-	-
Operating lease expenses	-	-	(1,230,467)	(801,684)	(749,535)
Depreciation and amortisation	(15,330,912)	(14,024,670)	(10,622,861)	(8,230,390)	(7,880,864)
Other operating expenses	(54,340,633)	(50,875,308)	(39,439,644)	(41,961,610)	(42,826,433)
Total expenses	**(89,337,210)**	**(83,307,910)**	**(69,871,573)**	**(69,569,931)**	**(67,825,023)**
Profit before income tax	**93,056,059**	**109,713,844**	**115,787,342**	**109,632,617**	**101,100,510**
Income tax expense	(13,641,336)	(15,442,834)	(16,654,105)	(14,051,037)	(17,421,102)
Profit for the period from continuing operations	**79,414,723**	**94,271,010**	**99,133,237**	**95,581,580**	**83,679,408**
Loss for the year from discontinued operations		-	-	-	-
Profit for the period	**79,414,723**	**94,271,010**	**99,133,237**	**95,581,580**	**83,679,408**

Earnings per share for the profit from continuing operations attributable to the equity holders of the parent entity during the year (expressed in naira per share):

– Basic	2.79	3.32	3.50	3.38	2.96
– Diluted	2.79	3.32	3.50	3.38	2.96

Five Year Financial Summary
Statements of financial Position

Bank

In thousands of Nigerian Naira	Jun-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2017
Assets					
Cash and cash bank balances	517,772,696	493,209,016	396,915,777	457,497,929	455,296,196
Financial assets at fair value through profit or loss	3,487,412	36,226,876	44,717,688	-	-
Financial assets held for trading	-	-	-	8,920,153	16,652,356
Derivative financial assets	35,389,350	26,448,550	26,011,823	3,854,921	2,839,078
Investment securities:					
– Fair value through profit or loss	3,273,771	3,273,771	33,084,367	2,620,200	-
– Fair Value through other comprehensive Income	180,410,186	596,932,440	495,731,932	-	-
– Available for sale	-	-	-	459,629,259	453,089,625
– Held at amortised cost	663,755,117	77,820,332	2,003,583	-	-
– Held to maturity	-	-	-	2,003,272	2,007,253
Assets pledged as collateral	69,071,631	61,955,975	57,790,749	56,291,739	58,961,722
Loans and advances to banks	89,241	39,749	72,451	46,074	43,480
Loans and advances to customers	1,339,073,889	1,410,577,734	1,300,820,647	1,067,999,019	1,265,971,688
Restricted deposits and other assets	1,017,670,851	1,160,172,271	552,105,755	494,969,807	433,528,669
Investment in subsidiaries	56,903,032	56,903,032	55,814,032	55,814,032	46,207,004
Property and equipment	133,322,339	128,689,540	122,633,438	96,300,538	84,979,798
Intangible assets	9,152,074	9,294,319	9,546,253	5,635,606	4,501,296
Deferred tax assets	5,097,065	-	-	-	-
	4,034,468,654	**4,061,543,605**	**3,097,248,495**	**2,711,582,549**	**2,824,078,165**
Assets classified as held for sale and discontinued operations	-	-	-	938,945	850,820
Total assets	**4,034,468,654**	**4,061,543,605**	**3,097,248,495**	**2,712,521,494**	**2,824,928,985**
Liabilities					
Deposits from banks	6,692	12,733	15,200	735,929	42,360
Deposits from customers	2,941,790,590	2,881,686,058	2,086,810,070	1,865,816,172	1,697,560,947
Financial liabilities at fair value through profit or loss	3,086,939	-	1,615,735	-	-
Financial liabilities held for trading	-	-	-	1,865,419	2,647,469
Derivative financial liabilities	2,292,109	2,758,698	2,315,541	3,752,666	2,606,586
Other liabilities	292,500,262	321,975,804	205,817,828	122,178,733	197,251,819
Current income tax liabilities	11,926,254	19,719,757	19,748,074	22,511,233	24,009,770
Debt securities issued	-	-	-	-	92,131,923
Other borrowed funds	107,122,703	113,470,753	162,742,565	177,361,218	210,671,384
Deferred tax liabilities	-	19,520,277	12,293,886	7,178,560	12,814,766
	3,358,725,549	**3,359,144,080**	**2,491,358,899**	**2,201,399,930**	**2,239,737,024**
Liabilities classified as held for sale and discontinued operations	-	-	-	935,725	847,600
Total liabilities	**3,358,725,549**	**3,359,144,080**	**2,491,358,899**	**2,202,335,655**	**2,240,584,624**
Capital and reserves attributable to equity holders of the parent entity					
Share capital	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590
Share premium	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114
Retained earnings	99,669,819	137,049,475	78,110,906	78,012,269	115,361,824
Other components of equity	437,886,582	427,163,346	389,591,986	293,986,866	330,795,833
Capital and reserves attributable to equity holders of the parent entity	**675,743,105**	**702,399,525**	**605,889,596**	**510,185,839**	**584,344,361**
Total equity and liabilities	**4,034,468,654**	**4,061,543,605**	**3,097,248,495**	**2,712,521,494**	**2,824,928,985**

Five Year Financial Summary Cont'd

Statements of comprehensive income

Bank

In thousands of Nigerian Naira	Jun-2021	Jun-2020	Jun-2019	Jun-2018	Jun-2017
Interest income	92,329,020	126,401,389	122,399,132	137,498,087	145,244,701
Interest expense	(10,894,875)	(20,349,346)	(25,996,313)	(36,129,827)	(29,529,809)
Net interest income	**81,434,145**	**106,052,043**	**96,402,819**	**101,368,260**	**115,714,892**
Loan impairment charges	(2,124,464)	(4,524,377)	(1,673,173)	(2,001,057)	(7,316,758)
Net interest income after loan impairment charges	**79,309,681**	**101,527,666**	**94,729,646**	**99,367,203**	**108,398,134**
Fee and commission income	26,005,296	17,599,450	26,648,016	19,276,566	17,076,295
Fee and commission expense	(622,085)	(1,757,249)	(541,610)	(1,032,247)	(653,914)
Net fee and commission income	**25,383,211**	**15,842,201**	**26,106,406**	**18,244,319**	**16,422,381**
Net gains on financial instruments classified as held for trading	3,946,210	4,101,032	2,896,698	9,019,140	3,104,156
Other income	36,321,833	32,718,326	25,948,011	24,014,126	21,176,753
Total other income	**40,268,043**	**36,819,358**	**28,844,709**	**33,033,266**	**24,280,909**
Total Operating income	144,960,935	154,189,225	149,680,761	150,644,788	149,101,424
Net impairment reversal / (charge) on other financial assets	-	3,111,874	362,261	-	(646,180)
Net operating income after net impairment loss on financial assets	**144,960,935**	**157,301,099**	**150,043,022**	**150,644,788**	**148,455,244**
Personnel expenses	(11,216,676)	(11,801,541)	(11,624,608)	(12,459,690)	(11,380,738)
Right-of-use asset amortisation	(1,585,223)	(403,084)	-	-	-
Operating lease expenses	-	-	(358,131)	(309,089)	(326,757)
Depreciation and amortisation	(13,205,259)	(12,022,194)	(8,415,903)	(6,711,162)	(6,543,777)
Other operating expenses	(43,533,145)	(41,769,907)	(32,506,271)	(34,622,006)	(35,645,552)
Total expenses	**(69,540,303)**	**(65,996,726)**	**(52,904,913)**	**(54,101,947)**	**(53,896,824)**
Profit before income tax	**75,420,632**	**91,304,373**	**97,138,109**	**96,542,841**	**94,558,420**
Income tax expense	(8,031,543)	(11,402,156)	(12,163,470)	(10,383,488)	(14,123,341)
Profit for the period	**67,389,089**	**79,902,217**	**84,974,639**	**86,159,353**	**80,435,079**

Earnings per share for the profit from continuing operations attributable to the equity holders of the parent entity during the year (expressed in naira per share):

– Basic	2.29	2.71	2.89	2.93	2.73
– Diluted	2.29	2.71	2.89	2.93	2.73

Share Capitalization History

YEAR	AUTHORISED		ISSUED			
	INCREASE	CUMULATIVE	INCREASE	CUMMULATIVE	NO. OF SHARES	CONSIDERATION
1991	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	Cash
1992	35,000,000	60,000,000	NIL	25,000,000	25,000,000	NIL
1993	NIL	60,000,000	25,000,000	50,000,000	50,000,000	Scrip
1994	40,000,000	100,000,000	NIL	50,000,000	50,000,000	NIL
1995	NIL	100,000,000	50,000,000	100,000,000	100,000,000	SCRIP
1996	100,000,000	200,000,000	300,000,000	400,000,000	400,000,000	Cash
1997	300,000,000	500,000,000	600,000,000	1,000,000,000	1,000,000,000	SCRIP
1998	250,000,000	750,000,000	500,000,000	1,500,000,000	1,500,000,000	SCRIP
1999	NIL	750,000,000	NIL	1,500,000,000	1,500,000,000	NIL
2000	NIL	750,000,000	NIL	1,500,000,000	1,500,000,000	NIL
2001	250,000,000	1,000,000,000	500,000,000	2,000,000,000	2,000,000,000	Initial Public Offer
2002	1,000,000,000	2,000,000,000	500,000,000	2,500,000,000	2,500,000,000	SCRIP
2003	NIL	2,000,000,000	500,000,000	3,000,000,000	3,000,000,000	SCRIP
2004	1,000,000,000	3,000,000,000	1,000,000,000	4,000,000,000	4,000,000,000	SCRIP
2004	NIL	3,000,000,000	2,000,000,000	6,000,000,000	6,000,000,000	Public Offer
2005	2,000,000,000	5,000,000,000	NIL	6,000,000,000	6,000,000,000	NIL
2006	NIL	5,000,000,000	2,000,000,000	8,000,000,000	8,000,000,000	SCRIP
2007	2,500,000,000	7,500,000,000	2,000,000,000	10,000,000,000	10,000,000,000	SCRIP
2007	NIL	7,500,000,000	3,679,415,650	13,679,415,650	13,679,415,650	GDR Underlying Shares
2008	7,500,000,000	15,000,000,000	1,243,583,241	14,922,998,890	14,922,998,890	SCRIP
2008	NIL	15,000,000,000	3,730,749,723	18,653,748,613	18,653,748,613	SCRIP
2009	NIL	15,000,000,000	4,663,437,153	23,317,185,766	23,317,185,766	SCRIP
2010	15,000,000,000	30,000,000,000	NIL	23,317,185,766	23,317,185,766	NIL
2010	20,000,000,000	50,000,000,000	5,829,296,442	29,146,482,207	29,146,482,207	SCRIP
2011	NIL	50,000,000,000	284,697,017	29,431,179,224	29,431,179,224	IFC Special Placement
2012	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2013	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2014	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2015	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2016	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2017	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2018	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2019	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2020	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL

Dividend History

Ten-year dividend and unclaimed dividend history as at June 30, 2021

Dividend No.	Dividend Type	Financial Year Ended	Total Dividend Amount Declared	Dividend Per Share	Net Dividend Amount Unclaimed as at 30-Jun-21	Percentage Dividend Amount Unclaimed
Payment 38	Interim	09-09-11	7,286,620,552.30	25 Kobo	268,008,810.64	3.68%
Payment 39	Final	31-12-11	25,016,502,340.40	85 Kobo	821,625,401.55	3.28%
Payment 40	Interim	09-11-12	7,357,794,806.00	25 Kobo	255,037,080.31	3.47%
Payment 41	Final	31-12-12	38,260,532,991.20	130 kobo	1,233,294,469.93	3.22%
Payment 42	Interim	12-09-13	7,357,794,806.00	25 Kobo	277,012,593.47	3.76%
Payment 43	Final	31-12-13	42,675,209,874.80	145 kobo	1,474,027,159.95	3.45%
Payment 44	Interim	15-09-14	7,357,794,806.00	25 Kobo	261,998,692.91	3.56%
Payment 45	Final	31-12-14	44,146,768,836.00	150 kobo	1,417,563,776.01	3.21%
Payment 46	Interim	18-09-15	7,357,794,806.00	25 Kobo	245,371,119.01	3.33%
Payment 47	Final	31-12-15	44,735,392,420.48	152 Kobo	1,364,000,773.47	3.05%
Payment 48	Interim	09-09-16	7,357,794,806.00	25 Kobo	245,102,513.92	3.33%
Payment 49	Final	31-12-16	51,504,563,642.00	175 kobo	1,639,047,308.21	3.18%
Payment 50	Interim	05-09-17	8,829,353,767.20	30 kobo	315,569,667.05	3.57%
Payment 51	Final	31-12-17	70,634,830,137.60	240 kobo	3,793,130,378.03	5.37%
Payment 52	Interim	29-08-18	8,829,353,767.20	30 kobo	453,280,424.05	5.13%
Payment 53	Final	31-12-18	72,106,389,098.80	245 kobo	3,733,399,150.67	5.18%
Payment 54	Interim	10-09-19	8,829,353,767.20	30 kobo	460,356,421.00	5.21%
Payment 55	Final	31-12-19	73,577,948,060.00	250 kobo	3,771,833,603.72	5.13%
Payment 56	Interim	21-09-20	8,829,353,767.20	30 kobo	465,874,556.39	5.28%
Payment 57	Final	31-12-20	79,464,183,904.80	270 kobo	4,142,821,403.81	5.21%

CORPORATE SOCIAL RESPONSIBILITY REPORT

At Guaranty Trust, we believe it is essential to give back to the communities in which we operate. This is why we support several important causes throughout the year, contributing our time, money and resources in ways that make a positive impact.

The following are highlights of our CSR efforts for the period ended June 30, 2021.

Pillar	Amount (₦)
Arts	450,000
Community Development	2,417,509,951
Education	16,139,531
Others	50,000,000
Total	**2,484,099,482**

Our commitment to touching lives and uplifting communities is rooted in our belief that building a socially responsible business is essential for long term success. We maintain a Corporate Social Responsibility (CSR) policy that rests on the pillars of championing education for all, fostering community development, protecting our environment and promoting the arts.

For the half-year 2021, Our corporate social responsibility report provides comprehensive information about our CSR initiatives, including our support for vulnerable women and children in partnership with the Swiss Red Cross.

Going a Step further with Vaccines

The COVID-19 pandemic put an overwhelming burden on healthcare systems, hampering business operations, disrupting our ways of life and driving billions of people into further socio-economic distress. Yet, the development of vaccines means that we can dream of a return to normalcy - but access to vaccines remains a problem for many African countries.

To bridge this access gap, we gave the full strength of our support to the government's relief efforts and played a leading role in the Private Sector Coalition against COVID-19, also known as CACOVID. CACOVID served as a vehicle for procuring Oxford-AstraZeneca vaccines for Nigerians with plans in place to secure more.

1000 Women have BETA Health

For the 2021 International Women's Day (IWD21), Guaranty Trust launched #GiveHerBetaHealth to draw attention to the need for essential healthcare coverage, especially for women in the informal sector. Through the initiative, we provided 1000 self-employed women with health insurance for a year at no cost.

Launched in 2020, BetaHealth is a low-cost healthcare package that provides coverage for essential health services such as malaria treatments, pre and postnatal care, accidents and medical emergencies as well as life insurance, all at a subscription fee of N500 per month.

Coming together to uplift vulnerable Mothers and Children

In 2021, we continued our decade-long partnership with the Swiss Red Cross, donating 100,000CHF to support vulnerable women and children in Africa, Asia and Geneva Canton. Specifically, this funding will significantly impact all the critical aspects of maternal health, promoting health education and providing preventive and curative maternal and child care.

Our donation to this cause is consistent with our commitment to making a difference in maternal and child health. Over the years, we have provided medical care to stop mother-to-child HIV transmissions.

Keeping the Ball Rolling

After lockdown restrictions in 2020 put public gatherings on hold, we were as excited as our young football stars for the opportunity to get back to the pitch for the conclusion of the Masters Cup. The Masters Cup continues to be the leading grassroots tournament in the country, having produced stars who have gone on to play at top academies across the world.

The finals of the Masters Cup lived up to its billing with Eko Boys High school emerging as winners of the male category. Anwar Ul Islam and Kings College emerged second and third-placed teams respectively for the male category. Lead Forte college, Lekki, were crowned champions for the first time in the school's history while Greensprings College and Queens College finished as the second and third-placed teams respectively in the female category.

Building an inclusive Society for people with Autism

Through the Orange Ribbon initiative, we continue to lead the advocacy for children and adults living with Autism and other developmental disorders. In 2021, we set the stage for the 11th Guaranty Trust Annual Autism Conference, which has become a focal point for parents, caregivers, children and advocates touched by Autism.

With the theme "Life beyond the diagnosis," the 2-day conference will feature leading medical experts and specialists who will speak about the reality of an autism disorder diagnosis and free one-on-one consultations for children and adults living with Autism and other developmental disorders.

Promoting Financial Literacy

Every year, our staff volunteer their time and contribute their knowledge to the greater good of the communities around them. This year, our team took out time to share the importance of financial empowerment with over 500 children across four states nationwide to mark Financial Literacy Day. Beyond pushing the Central Bank's mandate of financial inclusion forward, this outreach will teach children the culture of saving and enable them to make wise financial decisions as they grow older.

Encouraging the Culture of Reading

Remarkable stories and the people who tell them inspire us to read. This is why we put a literary spin to this year's Children's Day Celebration, hosting the 91-year-old iconic storyteller, sportswoman and broadcaster Mrs. Mabel Segun at a special event.

The event took place at the library in GTBank's Head Office, and children spoke with the author, probing into her literary work. The author of classics like "My Father's Daughter" and "Under the Mango Tree" also had the pleasure of being read to by the kids. She shared tidbits of her life with the children and practical lessons on writing and delivering the perfect poem.

Providing Spaces for Relaxation in Universities

Increasing the quality of education and boosting learning opportunities extends outside the classroom. During the half-year, we focused on improving the social wellbeing of students by providing spaces for relaxation and making connections. We provided benches across the campus compound of six (6) universities in Nigeria, including UNIBEN, UNILAG, LASU, UNIZIK, UNN and Babcock University. These spaces will play a key role in improving the experiences of students across the campus.