Guaranty Trust Holding Company Plc.

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

December 2021

Introduction

Guaranty Trust Holding Company Plc ("the Parent" or the "Company") and its Subsidiaries (hereafter referred to as 'the Group') Consolidated Financial Statements complies with the applicable legal Requirements of the Nigerian Securities and Exchange Commission regarding Annual Financial Statements and comprises Separate and Consolidated Financial Statements of the Group for the year ended 31 December 2021. The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the Financial Reporting Council of Nigeria. For better understanding, certain disclosures and some prior year figures have been presented in line with current year figures. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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Corporate Governance

Introduction

Aiming to strengthen its long-term competitiveness, earnings base, growth prospects, deliver greater shareholder value and to take advantage of new business opportunities in the emerging competitive landscape, Guaranty Trust Bank plc ("the Bank/GTBank") adjusted its operating model and was restructured by way of a scheme of arrangement between the Bank and its shareholders pursuant to the Companies and Allied Matters Act 2020, into a holding company structure. Under the terms of the re-organisation, a financial holding company structure was established with the corporate name, Guaranty Trust Holding Company Plc (GTCO/the Company). Guaranty Trust Bank plc thereafter re-registered as a private limited liability company named Guaranty Trust Bank Limited and became the flagship subsidiary of GTCO.

The Board of Directors of the Bank made the decision to embark on the Restructuring following a comprehensive strategic evaluation of the operating and competitive environment of the Nigerian banking sector in the near term. The Board of the Bank believed that a Holding Company Structure would allow the Bank take advantage of new business opportunities in the emerging competitive landscape and strengthen earnings base. The Holding Company is expected to drive growth by making end-to-end financial services easily accessible by leveraging Technology and Strategic Partnerships in order to meet every customer's need in this new world of digital technologies and unprecedented possibilities.

The following are expected to be the benefits of the Holding Company Structure: (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.

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

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

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

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

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

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

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

Governance Structure

The Board

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

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

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

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

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

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

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

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

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

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

The Board met once during year ended December 31, 2021, the Company having only commenced operations after the commencement of the second half of the year.

Responsibilities of the Board

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

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

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

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

Roles of Chairman and Chief Executive

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

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

Director Nomination Process

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

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

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

Induction and Continuous Training

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

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

The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education from onshore and offshore institutions to its Directors, in order to enhance their performance on the Board and the various committees to which they belong. Due to the impact of Covid-19 and restrictions of movement into most Countries, some of the Company's Non-Executive Directors attended foreign and/or local courses in the year ended December 31, 2021.

Members of the Board

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

Profile of the Directors

Mr. Hezekiah Oyinlola (Chairman)

Mr. Oyinlola holds a Bachelor of Science degree (B.Sc) in Accounting (First Class Hons.) from University of Ghana, Legon (1979) and a Master of Business Administration (MBA) degree from Stanford University, Graduate School of Business, Stanford, United States of America (U.S.A). He is an alumnus of the Oxford University's Institute for Energy Studies, and has attended executive and board governance courses in business schools in Europe and the USA.

He is a seasoned energy and finance professional with over thirty (30) years' operations and executive experience in the Oil and Gas industry, having worked with Schlumberger Group from 1984 to June 2015. He has at various times served in a management capacity across several locations in the US, Europe, Asia and Africa, including being the first Nigerian Managing Director of Schlumberger Group in Nigeria & Gulf of Guinea and rising through the executive ranks to Vice President & Group Treasurer, in Houston and Paris; and Chairman Africa, Global Head of Sustainability & ESG, Schlumberger Group, in Houston, USA, a position he held from 2011 until his retirement in June 2015. He was also previously President of the Schlumberger Foundation. Sola commenced his professional career in 1980 at the Central Bank of Nigeria in Lagos, Nigeria.

He is a member on the boards of Shelf Drilling Offshore in Nigeria and the FSDA (Africa), a Nairobi, Kenya based, UK-funded development finance institution/ VC fund that invests in innovative financial markets to catalyze African development. Sola is a board director of the Houston Angel Network. He is Chairman of the Nigerian American Chamber of Commerce in Houston, and until 2020, he served as a board director of Lekoil Ltd, and the Schlumberger Foundation.

He is also a Fellow of the Institute of Petroleum Studies, University of Port Harcourt, Nigeria. He joined the Board of Guaranty Trust Bank plc (GTBank) in April 2014 and retired in July 2021 to take up the appointment on the Board of the Company. Mr. Oyinlola is in his 60s and resident in Nigeria.

Mr. Segun Agbaje (Group Chief Executive Officer)

Mr. Segun Agbaje is the Group Chief Executive Officer of GTCO, one of Africa's leading banking groups with a client base of over 20 million customers and business outlays across ten (10) African Countries and the United Kingdom.

Mr. Agbaje started his career in 1988 as an Auditor at Ernst & Young, USA. He subsequently joined GTBank as a pioneer staff in 1991 and rose through the ranks to become Executive Director in 2000 and Deputy Managing Director in 2002. In 2011, he was appointed Managing Director and CEO of GTBank, and under his leadership the Bank became one of Nigeria's most profitable banks, maintaining impressive year on year growth in market share and profitability.

Mr. Agbaje is widely regarded as one of Africa's leading CEOs with a reputation for identifying capital opportunities and executing business deals. He holds a Bachelor of Science in Accounting and a Master's in Business Administration, both from the University of San Francisco, USA. He is also an alumnus of the Harvard Business School and has over 30 years of experience in investment, commercial and international banking.

Passionate about innovation and embracing disruptive technologies, Mr. Agbaje is driving the transformation of GTCO by constantly pioneering ground-breaking ideas that offer customers more value beyond financial services. Under his leadership, the Organization has promoted enterprise in the SME sector by empowering small businesses and creating Free Business Platforms such as the GTBank Food and Drink Fair and the GTBank Fashion Weekend.

Mr. Agbaje also revolutionized consumer lending in Nigeria through GTBank's offering of Quick Credit, which gives individuals and small businesses instant, real-time access to loans at a low interest of 1.3 percent monthly.

In recognition of his sterling leadership and consistent outstanding performance, Mr. Agbaje has been the recipient of several awards over the years, some of which include: the African Banker of the Year Award by the African Banker Magazine, the Banker of the Year, Africa by the World Finance Magazine and CEO of the Year at the Africa Investor Awards.

Mr. Agbaje currently serves on the boards of GTBank (Ghana) Limited, GTBank (UK) Limited, GTBank (Kenya) Limited, and GTBank (Tanzania) Limited. He is also a Director on the MasterCard Advisory Board (Middle East and Africa), and was elected to the Board of Directors of PepsiCo Inc., USA as an Independent Director and a member of the company's audit committee in July 2020. Mr. Agbaje is in his 50s and resident in Nigeria. Mr. Agbaje retired from the Board of GTBank in July 2021 to take up the appointment on the Board of the Company

Mrs. Catherine Echeozo (Non-Executive Director)

Mrs. Catherine Echeozo started her 33-year banking career in 1984 with Chase Merchant Bank Nigeria and also worked with Ecobank Nigeria Plc. She then began her 24-year career with GTBank in 1993. She was appointed to the Board of GTBank as an Executive Director in March 2005, and Deputy Chief Executive Officer of the Bank in 2011 and served in that capacity until her retirement in March 2017. Mrs. Echeozo also represented GTBank on the Board of Nigerian Interbank Settlement System (NIBSS) from 2008 till March 2017.

After her retirement in 2017 from GTBank, Mrs. Echeozo was appointed to the Council of The Nigerian Stock Exchange as the Second Vice President and also served as an Independent Director of Stanbic IBTC Pension Managers Limited from 2017 – 2020. She presently manages Cathingens Empowerment Initiative, her social intervention & Investment entity and also serves in the following capacities:

Mrs. Echeozo is the Chairman, NGX Regulation Ltd, a subsidiary of the Nigerian Exchange Group, an External Member of Investment Committee CDC Group, a Member Board of Trustees First Cardiology Foundation, Member Finance Council, Catholic Archdiocese of Lagos and a Member Board of Trustees ICAN University.

Mrs. Echeozo holds a first degree in Accountancy from the University of Nigeria, a Masters of Business Administration from the University of Maryland, University College, USA. She became a Fellow of the Institute of Chartered Accountants of Nigeria in the year 2000 and a Certified Information Systems Auditor in 2005. Mrs. Echeozo is in her 50s and resident in Nigeria.

Mr. Suleiman Barau, OON, FCIB, FNIM (Independent Non-Executive Director)

Mr. Suleiman Barau holds post graduate degree in Economics and Certificates in Management Research and Projects Planning. He is a seasoned banker and economist. His experience in the banking sector covered merchant, commercial and central banking.

Mr. Barau was between 2007 and 2017 a two term Deputy Governor of the Central Bank of Nigeria (CBN). Prior to that he was a Special Adviser to the CBN Governor between 2005 and 2007. Mr. Barau had been involved in significant reforms of the banking and financial services industry during these periods particularly on banking, payments and monetary policies.

Mr. Barau has received executive education from most of the major global business schools. Mr. Barau is in his 60s. and resident in Nigeria.

Mrs. Helen Lee Bouygues (Independent Non-Executive Director)

Mrs. Helen Bouygues received her Bachelor of Arts, magna cum laude, from Princeton University in Political Science and a Masters of Business Administration from Harvard Business School. She started her career in 1995 at J.P. Morgan in the M&A group in New York and in Hong Kong. From 2000 until 2004, she worked at Cogent Communications Inc. as Chief Operating Officer, Chief Financial Officer and Treasurer. She thereafter became a Partner at Alvarez & Marsal Paris, where she left to launch her own consulting firm specialised in corporate turnaround and transformations in 2010. In 2014, she joined McKinsey & Company in Paris where she was Partner responsible for the Recovery and Transformation Services division. Since June 2017, she has been an active board member for multiple companies including Burelle SA, CGG SA, Neoen SA, Latécoère SA and Steinhoff Europe AG (representing the first and second lien creditors). Mrs. Bouygues is in her 40s and resident in France.

Mr. Adebanji Adeniyi (Executive Director)

Mr. Adebanji Adeniyi is an astute professional of over 25years, he acquired consulting and auditing experience in Coopers & Lybrand 1996-1998, PricewaterhouseCoopers 1998-2000 & Arthur Andersen 2000-2001. During his stint at the Big 4, he garnered experiences within the Manufacturing, Oil and Gas and Financial Services Industry providing value adding financial statement audit, assurance & business advisory services.

Mr. Adeniyi started Banking at Lead Bank in 2001, rose to Deputy Manager/Head, Internal Audit with responsibilities for Inspection &, Internal Control functions, Implemented Control tools amongst other projects at the Bank. In February 2006, he joined GTBank, rose to General Manager & Chief Financial Officer, having responsibilities for the activities within Financial Control, Strategy and Group Reporting Division. He has diverse knowledge and vast experience in planning, implementing, building and enhancing financial health of Organizations. Possesses strong analytical, General Management, Accounting, Financial Advisory & Control Skills.

Mr. Adeniyi has worked on several projects with challenging objectives; GTBank Eurobonds issuance working with PwC, JP Morgan, Morgan Stanley and White & Case, led the finance team in converting 3years Local GAAP

Financial Statement to IFRS FS in fulfilment of the listing requirement of $825m GDR on the London Stock Exchange and championed GTBank's full transition and embedding of IFRS & has represented GTBank at several Road shows (RS) and Conferences (CFs) both locally and Internationally (GTBank/JPMorgan RS, HSBC, EFG Hermes, Rencap, Standard Bank & Moody conferences.

Mr. Adeniyi is an Alumnus of University of Ibadan, graduated with Doctor of Vet Medicine Degree in 1995, a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), bagged MBA in 1999 & HCIB in 2013. He has attended Local and International Trainings; Euromoney, Programme Certificate in Strategic Finance IMD Switzerland, Mckinsey Executive Leadership Programmes South Africa, Michigan Ross, Cranefield School of Management & LBS SMP. Mr. Adeniyi is in his early 50s and resident in Nigeria.

Retirement by Rotation

In compliance with the provisions of Article 84(a) of the Articles of Association of the Company which requires all Directors (excluding Executive Directors) to retire from office at the first Annual General Meeting. Mr. Hezekiah Oyinlola, Mrs. Catherine Echeozo, Mr. Suleiman Barau and Mrs. Helen Lee Bouygues will retire at the 1st Annual General Meeting and all being eligible, offer themselves for re-election. The Profile of the retiring Directors can be found on pages 7.

Non-Executive Directors' Remuneration

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

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

Board Committees

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

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

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

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

Board Risk Management and Audit Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

• Oversee the independence of the external auditors;

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

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

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

The Committee meets quarterly and additional meetings are convened as required. The Committee met once during the financial year ended December 31, 2021, as the Company commenced operations after the commencement of the second half of the year.

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

S/NO	NAME	STATUS	DESIGNATION	Dates of Attendance
1.	Mrs. C. N. Echeozo	Non-Executive Director	Chairman	25-Oct-2021
2.	Mr. J. K. O. Agbaje	Group Chief Executive Officer	Member	25-Oct-2021

3.	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Member	25-Oct-2021
4.	Mr. A. I. Adeniyi	Executive Director	Member	25-Oct-2021

Board Governance, Nominations and Remuneration Committee

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

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

The membership of the Committee is as follows:

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

The Committee is required to meet at least once a year, and additional meetings may be convened as the need arises. Meetings were not scheduled during the financial year ended December 31, 2021, as the Company commenced operations after the commencement of the second half of the year.

Board Information Technology Strategy Committee

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

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

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

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

S/No	Name	Status	Designation
1	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Chairman

2	Mr J. K. O. Agbaje	Group Chief Executive Officer	Member
3.	Mrs. C. N. Echeozo	Non-Executive Director	Member

The Committee is required to hold its Meetings twice in a year. Meetings were not scheduled during the financial year ended December 31, 2021, due to commencement of operations of the Company in the second half of the year.

Statutory Audit Committee

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

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

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

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

The Statutory Audit Committee of the Company met once during the year. The following members served on the Committee during the year ended December 31, 2021:

S/No	Name	Status	Designation	Dates of Attendance
1	Mrs. S. O. J. Mbagwu-Fagbemi	Shareholders' Representative	Chairman	25-Oct-2021
2	Alhaji M. O. Usman	Shareholders' Representative	Member	25-Oct-2021
3	Mrs. A. Kuye	Shareholders' Representative	Member	25-Oct-2021

4	Mrs. C. N. Echeozo	Non-Executive Director	Member	25-Oct-2021
5	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Member	25-Oct-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 year ended December 31, 2021.

S/N	DIRECTORS	BOARD	BOARD RISK MANAGEMENT AND AUDIT COMMITTEE	BOARD GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE	BOARD I.T. STRATEGY
	DATE OF MEETINGS	**26-Oct-2021**	**25-Oct-2020**	**NIL**	**NIL**
	NUMBER OF MEETINGS	**1**	**1**	**N/A**	**N/A**
1	Mr. H. A. Oyinlola[1]	1	N/A	N/A	N/A
2	Mr. J. K. O Agbaje	1	1	NIL	NIL
3	Mrs. C. N. Echeozo	1	1	NIL	NIL
4	Mr. S. Barau	1	N/A	NIL	N/A
5	Mrs. H. L. Bouygues	1	1	NIL	NIL
6	Mr. A. I. Adeniyi	1	1	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;
NIL – Committee meetings were not scheduled as the Company commenced operations after commencement of the second half of the year
N/A -Not Applicable

Tenure of Directors

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

Board Evaluation and Appraisal

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

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

Key Responsible Officers

As at 31 December 2021, the Group key officers comprised of 59 individuals drawn from critical functions within the Company as well as its Subsidiaries.

S/No	Name	Responsibility
1	Segun Agbaje	Group Chief Executive Officer (Guaranty Trust Holding Company)
2	Miriam Olusanya	Managing Director (GTBank Limited)
3	Babajide Okuntola	Deputy Managing Director (GTBank Limited)
4	Haruna Musa	Executive Director (GTBank Limited)
5	Adebanji Adeniyi	Executive Director/Chief Finance Officer (Guaranty Trust Holding Company)
6	Olalekan Sanusi	Managing Director (GTBank Uganda)
7	Gbenga Alade	Managing Director (GTBank UK)
8	Olusina Ayegbusi	Head, Information Technology (Guaranty Trust Holding Company)
9	Paul Abiagam	Head, Corporate Bank Island (GTBank Limited)
10	Omolara Ogunlaja	Head, Syndicated Corporate Finance (GTBank Limited)
11	Bayo Veracruz	Managing Director (GTBank Kenya)
12	Oyinade Adegite	Head, Corporate Communications (Guaranty Trust Holding Company)
13	Olumide Oguntuase	Head, Enterprise Risk Management (GTBank Limited)
14	Ahmed Liman	Head, North West Division (GTBank Limited)
15	Yewande Ige	Head, South West Division (GTBank Limited)
16	Sylvia Nwakwue	Head, Transaction Services (GTBank Limited)
17	Erhi Obebeduo	Company Secretary (Guaranty Trust Holding Company)
18	Thomas John	Managing Director (GTBank Ghana)
19	Isiaka Ajani-Lawal	Managing Director (GTBank Cote d 'Ivoire)
20	Ade Adebiyi	Managing Director (GTBank Sierra Leone)
21	Jubril Adeniji	Managing Director (GTBank Tanzania)
22	Viva Obioha	Head, Group Talent (Guaranty Trust Holding Company)
23	Oyiza Salu	Head, Human Resources (GTBank Limited)
24	Ndidiamaka Ukaonu	Head, South South Division (GTBank Limited)
25	Kelvin Biiranee	Head, Financial Institutions and Telecoms (GTBank Limited)
26	Bharat Soni	Head, Information Security (GTBank Limited)
27	Chima Azubuike	Head, South East Division (GTBank Limited)
28	Paul Ogwemoh	Head, Service Delivery (GTBank Limited)
29	Osa Aiwerioghene	Head, Compliance Group (GTBank Limited)
30	Chinedu Okoli	Head, Lagos Mainland Division (GTBank Limited)
31	Sherifat Dawodu	Head, Public Sector Lagos (GTBank Limited)

32	Omolara Ismail	Head, Lagos Island Retail Division (GTBank Limited)
33	Modupe Olafimihan	Head, Group Sourcing (Guaranty Trust Holding Company)
34	Ikenna Anekwe	Managing Director (GTBank Liberia)
35	Nnamaka Ejizu	Managing Director (GTBank Rwanda)
36	Abolaji Yusuf	Managing Director (GTBank Gambia)
37	Oluyemisi Harrison-Bayagbon	Head, Business Process Re-Engineering (GTBank Limited)
38	Enoo Ebruke	Head, Abuja Commercial Banking (GTBank Limited)
39	Olawale Abdul	Head, Administration (GTBank Limited)
40	Adewumi Ayodele	Head, SME Lagos Island Division (GTBank Limited)
41	Adeola Oyegbade	Head, SME Lagos Mainland Division 1 (GTBank Limited)
42	Adebayo Omogoroye	Head, Treasury & Currency Trading (GTBank Limited)
43	Ronald Nwaezeapu	Head, Asset & Liability Management (GTBank Limited)
44	Chioma Mogbo	Head, Transaction Services (S/South & S/East - GTBank Limited)
45	Nadine Lawal	Head, Group Data Analytics (Guaranty Trust Holding Company)
46	Maimuna Shonibare	Relationship Manager, Cement Team (GTBank Limited)
47	Olayinka Odusote	Head, Digital Banking (GTBank Limited)
48	Tinuola Aigwedo	Head, Retail Abuja (GTBank Limited)
49	Oluwole Shodiyan	Relationship Manager, Foods Team (GTBank Limited)
50	Olanrewaju Kola-Banjo	Head, International Settlement (GTBank Limited)
51	Oluwakemi Dele-Odiachi	Head, Lagos Mainland Retail Division (GTBank Limited)
52	Alice Anyim	Head, Retail Banking North West 1 (GTBank Limited)
53	Oso Adewumi	Head, Emerging Technologies (GTBank Limited)
54	Akinwale Babafemi	Head, SME Lagos Mainland Division 2 (GTBank Limited)
55	Adesina Adebesin	Head, SME South East Division (GTBank Limited)
56	Muinat Kasim	Head, Systems and Control Division (GTBank Limited)
57	Adekunle Adegbenro	Head of Finance (GTBank Limited)
58	Kofoworola Okochukwu	Head, Group Risk & Compliance (Guaranty Trust Holding Company)
59	Babatunde Abioye	Head, Group Internal Audit (Guaranty Trust Holding Company)

Non-Executive Directors at GTBank Limited

S/No	Name	Responsibility
1	Ibrahim Hassan	Chairman, Board of Directors
2	Olabode Agusto	Non-Executive Director
3	Imoni Akpofure	Non-Executive Director (Independent)
4	Victoria Osondu Adefala	Non-Executive Director (Independent)

Shareholders

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

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

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

Protection of Shareholders' Rights

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

Communication Policy

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

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

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

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

(i) **Compliance with Rules and Regulations**: The Company complies with the legislation and codes of corporate governance of the jurisdictions within which it operates. These include the Banks and other Financial Institutions Act (BOFIA), the Companies and Allied Matters Act (CAMA) and the codes of Corporate Governance issued by the Central Bank of Nigeria, the Financial Reporting Council, the Securities and Exchange Commission, as well as the disclosure and transparency rules of the United

Kingdom Listing Authority ("UKLA") (by virtue of the listing of Global Depositary Receipts by the Company on The London Stock Exchange in July 2007);

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

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

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

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

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

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

Information Flow

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

The Group Company Secretary

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

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

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

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

Insider Trading and price sensitive information

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

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

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

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

Management Committees

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

The standing Management Committees in the Company are:

i. Talent;

ii. Data Steering;

iii. Information Technology;

iv. Risk and Compliance; and

v. Sourcing

Talent Committee

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

Data Steering Committee

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

Information Technology (IT) Steering Committee

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

Risk and Compliance Committee

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

Sourcing Committee

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

Monitoring Compliance with Corporate Governance

Head, Risk and Compliance

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

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

Whistle Blowing procedures

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

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

Code of Conduct

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

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

Human Resources Policy

The Human Resources policy of the Company is contained in the Directors' Report on page 45 of this Annual Report.

Employee Share-ownership Scheme

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

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

Internal Management Structure

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

Subsidiary Governance

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

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

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

Oversight function

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

Subsidiary Board Representation

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

Subsidiary Board Committees

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

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

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

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

Representation on the Local Board and Board Committees

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

Management of Subsidiaries

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

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

Existence of Group Finance Function

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

Monthly Management Reporting

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

Business Performance Review Session

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

Annual System and Control Audit

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

Annual Risk Management Audit

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

Group Compliance Function

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

Group Treasury Function

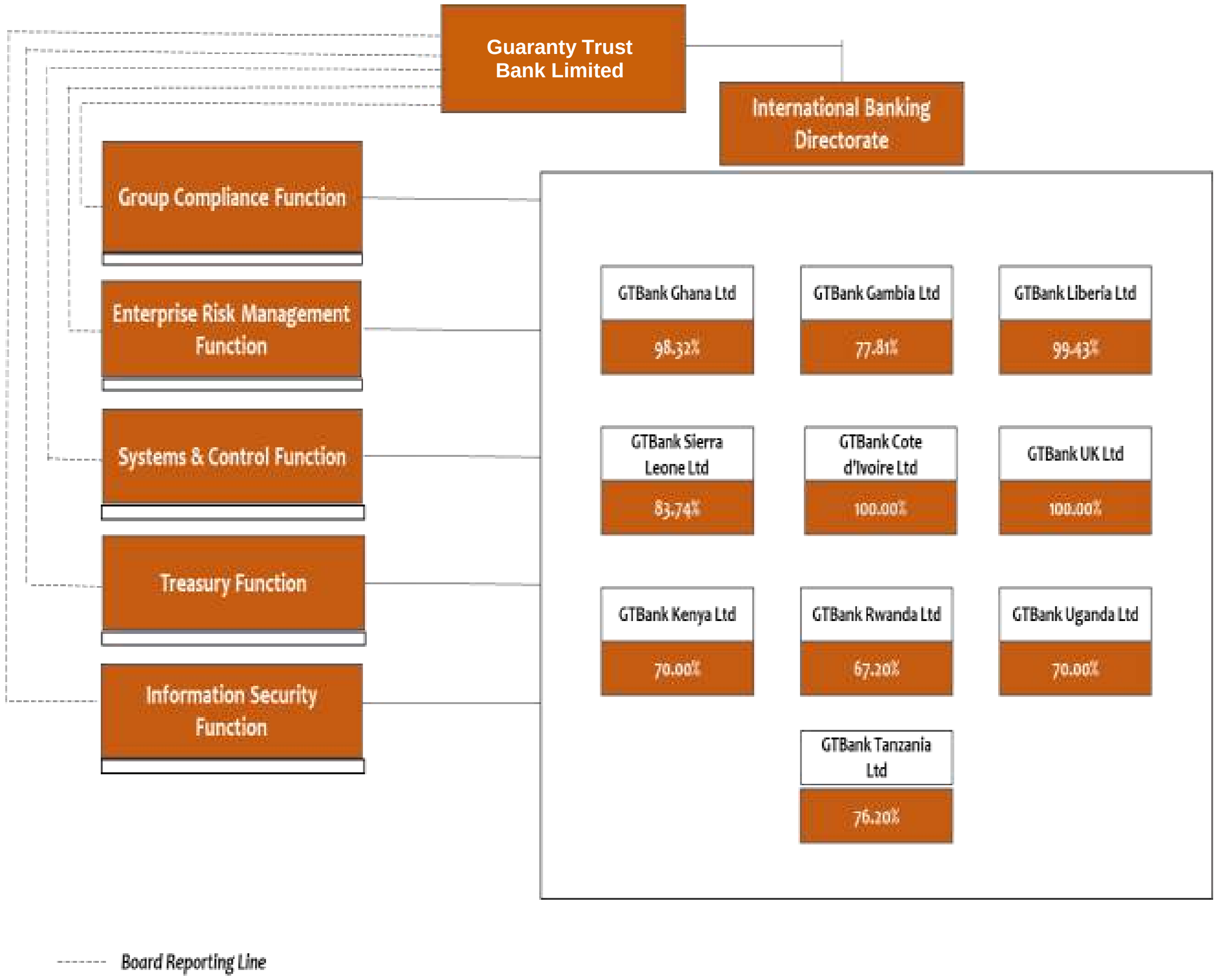
The Group Treasury function is responsible for providing required guidance in optimizing the deployment of resources in the subsidiaries except GTBank UK. The key focus is efficiency of the Balance Sheet. Monthly Assets and Liabilities review meetings are held with the Group treasury team to create synergies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

Group Information Security Assurance

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

External Auditors' Report

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


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

Sustainability Report

Introduction

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

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

Marketplace

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

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

In line with our commitment to developing all-inclusive financial products and ensuring the access of critical services to all, GTBank Limited launched the #GiveHerBetaHealth campaign that provided 1,000 self-employed women with BetaHeath for a year, at no cost. 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. We further extended the Beta Health initiative to low income earners to enable them access essential health services for a discounted fee of N500 monthly.

As part of the Group's initiative to extend financial services to unbanked individuals, GTBank Limited currently has 21 agent banking locations across the country. Through these agent banking locations, we received deposits of about ₦809 million in the year 2021. From our partnership with CBN SANEF Initiative, we opened 888,503 new accounts in the reporting period.

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

The Group 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, GTBank Limited 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, GTBank Limited 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 Limited 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 GMD/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.

Governance Risk Compliance (GRC) and Crime Prevention Awards
The Governance Risk Compliance (GRC) and Financial Crime Prevention Awards recognised the bank's outstanding contributions in embedding compliance, risk, ethics and governance in the organisation. The following awards were conferred upon the bank at the event. Risk and Compliance Champion, Compliance Team of the Year, Risk Management Team of the Year, GRC & Financial Cime Prevention Practise Leader and GRC & Financial Crime Prevention Visionary.

The Chief Risk Officer of the Bank received the award for the Chief Risk Officer of the year, while the Chief Compliance Officer of the Bank received Head of Anti-Financial Crime of the Year and Compliance Officer of the Year the awards.

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

In terms of community development, we made donations towards the renovation and purchase of police equipment. This will enhance the safety of lives and properties in our communities. We also supported the Solar Electrification Project in the Epe Community of Lagos State though our donation. The Company continues to provide Covid-19 support to communities in conjunction with Coalition Against COVID (CA-COVID) to lessen the economic and health impact of the Covid-19 pandemic.

GTCO held the Swiss Red Cross Charity Event- a humanitarian programme that provides the avenue to raise funds that will be utilised for supporting disadvantaged communities across Africa, Asia and Latin America.

In terms of promoting education, the Company 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 and World Savings Day, we provided financial literacy training to 1,279 secondary school students. The objective of these training is to improve their savings culture and enhance the financial knowledge of the students. We also extended our support towards school activities across several secondary schools and universities.

The Company provided support to children with developmental disabilities through the Orange Ribbon Initiative. This featured a 2-day autism conference headlined by medical experts and specialists from around the world. A one-on-one consultation where children meet with specialists for consultation, diagnosis and treatment was also held.

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 Company in 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 ₦1,450,000.00 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. The bank spent ₦10,527,000.	400 participants
	World Savings Day Initiative - We celebrated the world savings day by sensitizing young students on the importance of imbibing a saving culture	879 participants
	Renovation: We renovated a hostel at the University of Lagos at a sum of ₦4,344,705.00 and provided benches for students in six universities in Nigeria.	1,200
	School Support – The Bank donated a monetary sum of ₦1,380,000.00 to support school activities in secondary schools and universities.	Schools
Healthcare	**Orange Ribbon Initiate-Autism Program** This featured a 2-day conference and a one-on-one consultation session for people living with autism. The bank spent approximately ₦70 Million	15,199 participants from 11 countries

	Swiss Red Cross Charity Event: An annual humanitarian programme which provides an avenue to raise funds for several welfare initiatives across the globe. Proceeds from the event are used to ensure the continuation of relief efforts in the areas of Healthcare and Relief to support disadvantaged communities across Africa, Asia and Latin America. The bank spent ₦ 98,587,882.	charity
	COVID-19 Support: To support the Coalition Against COVID-19 task force (CA-COVID) and to lessen the economic and health impact of the Covid-19 pandemic. The Bank spent N 97,489,015	Healthcare charity
	Massey Children's Hospital Yuletide Support- support for children on admission at the Massey Children Hospital. The bank spent ₦2,410,000.	Over 200 Children
Security	**Renovation of Police Stations** – The Bank spent approximated ₦2.28 Billion 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 ₦26,600,531 in organizing and hosting the football competition.	1000 participants
	Support for Nigerian Sports We donated ₦ 20,575,000 to support the Nigerian Basketball Federation within the year.	Nigerian Basketball Federation

Environment

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

The Group presently has 8 Main Branches, 1 e-branch and 23 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 GTCO 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 Company has an Employee Assistance Programme accessible to all employees to provide psychological and emotional support whenever they need it. The Human Resources Group releases weekly educational slides on the intranet tagged Wellness Wednesday, which encourages employees to adopt a healthy lifestyle, and Finance Fridays which provides savings and investment-related tips. Periodic seminars and webinars are also organised for employees on wellness, security and health to improve their awareness and well-being.

In line with our drive for capacity building, we trained 3,489 employees on subject matters ranging from Financial Modelling, Business Continuity, Business Etiquette, Customer Relationship Management, Risk Management, Environmental and Social Risk Management, Workplace Fire Safety and First Aid Management, Mastering Digital Banking and Customer Experience 2021 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.

GTCO remains committed to promoting gender equality and women empowerment. The ratio of women in the employment of the Group and in senior management positions is currently 45% and 42% respectively. The percentage of women on our Board of Directors is currently at 33%. To celebrate International Women's Day within the year, 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)

GTBank Limited 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	• All our transactions (690) were screened for E&S risk in the period under review. • To date, we have visited/conducted desktop Due Diligence Assessments for

	consideration into our lending activities.	156 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 690 transactions booked were assessed for human rights risks such as child labour and forced labour. Assessment comprises of initial screening with the Exclusion Checklist for all customers and Further Due Diligence Assessment for High Risk customers.
Principle 4	**Women's Economic Empowerment:** promote economic empowerment through a gender inclusive workplace culture and provide products and services for women.	• There was a slight decrease in the number of female employees in the work force. • 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 11.86% (from 31% in December 2020 to 42.86%). • 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 ₦809 Million. • We also partnered with CBN SANEF Initiative. We were able to open 888,503 new accounts in the year 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. • 40 employees were trained on Enhanced Sustainable Banking Model in Event of Major Econ and Bus Disruptions within the year. • 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.

<u>The United Nations Sustainable Development Goals (SDGs)</u>

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

SDG 1- End poverty in all its forms everywhere

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

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

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

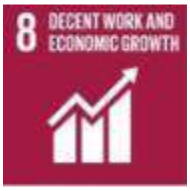
SDG 3 - Ensure healthy lives and promote well-being for all at all ages

- At GTCO, we have a long line of innovative products and services aimed at adding value to people's everyday lives. During the year, we launched #GiveHerBetaHealth campaign to draw attention to the need for universal essential healthcare coverage, especially for women in the informal sector. Through the initiative, the leading African financial institution provided 1000 self-employed women with BetaHealth for a year, at no cost. The Beta Health initiative was also extended to low income earners. These beneficiaries can walk into designated hospitals nationwide for selected medical services at a discounted fee of N500 monthly. The bank also provided maternal and childcare support to over 400 patients at the Massey Street Children Hospital within the year.

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 and World Savings Day Initiative 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

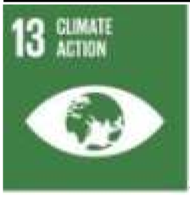


- At GTCO, we operate an inclusive system that provides equal employment opportunities for all. Through our strategic credit model, we lend to businesses across development-oriented sectors to promote sustainable economic growth and decent work for all. Through this model, we are able to indirectly provide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

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

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

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



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

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

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

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

Summary of our ESG Materiality

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

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

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

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

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

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

The Feedback Channels/ Customer Touchpoints

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

- The complaints received via the complaint portal on the Bank's website and letters;
- GTConnect (our 24 hours self-service interactive call center);
- Social Media feedback platforms;
- 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 Group constantly evaluates valuable insights provided by customers and other stakeholders on our products, services and policies in order to improve the business, products and overall customer experience.
The review and evaluation are conducted using various methods including:

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

Complaints Handling and Resolution Structure

GTCO is committed to effective complaint handling and values feedback through complaints when they arise. The complaints and feedback structure ensure the prompt resolution of customers' complaints. The Complaints Units GTBank Limited 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 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

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

Below is a breakdown of Complaints received and resolved by the Bank between January and December 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	673,772	32,193	3,097,835	530,674	-	-
3	Resolved Complaints	672,167	32,246	3,097,805	859,432	363,588	63,524
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved Complaints pending with the Bank carried forward **	1,605	0	30	0	-	-

**Some of the outstanding complaints include complaints on loans and facilities availed by the Bank, excess charges etc

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

RECEIVED COMPLAINTS (Per Currency)

	Currency	**Amount Claimed**	
		2021	**2020**
1	United States Dollars	**$41,229,927**	**$61,269**
2	Great Britain Pounds	**£9,052**	**£19,399**
3	Euros	**€ 0**	**€ 5,594**

RESOLVED COMPLAINTS (Per Currency)

	Currency	**Amount Claimed**		**Amount Refunded**	
		2021	**2020**	**2021**	**2020**
1	United States Dollars	**$41,229,901**	**$61,269**	**$6,555**	**$16,493**

2	Great Britain Pounds	**£9,052**	**£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	**$26**	**$0**
2	Great Britain Pounds	**£0**	**£0**
3	Euros	**€ 0**	**€ 0**

REPORTS TO THE CBN ON FRAUD AND FORGERIES

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

Fraud and Forgeries	Dec-2021	Dec-2020
Number of Fraud Incidents	15,024	17,310
Amount Involved (N'000)	1,211,892.59	1,357,904.52
Amount Involved (USD$'000)	101.02	298.24
Actual/Expected Loss (N'000)	511,962.54	174,402.48
Actual/Expected Loss (USD$'000)	0.00	0.00

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

GTCO, is committed to the fight against all forms of financial crime, which includes, money laundering, terrorism financing, bribery and corruption, etc. To show this commitment, the Group 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 this framework is mandatory for all employees.

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

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

Structure of the Framework
The Group has developed policies and procedural guidelines and these documents are regularly reviewed/revised to ensure that they remain relevant and current and are in line with the evolving regulatory requirements and best practices. The policies and procedures clearly articulate Banking Subsidiaries' AML and CFT stance in the global fight against financial crime and are available on the Bank's intranet site for access to all employees at any point in time.

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

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

Scope of the Framework
The scope of the GTBank Limited's AML/CFT framework includes the following:

(i) Board and Management Responsibilities:

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

(ii) Reports to Senior Management and the Board:

On a monthly and quarterly basis, AML/CFT reports are submitted to the Bank's Senior Management and the Board members respectively. These reports provide the Board and Senior Management with information to enable them to assess the Bank's compliance with its regulatory obligations. The reports also ensure 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:

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

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

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

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

As part of the 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 a relationship with a sanctioned person/entity.

The Bank is also in compliance with the Foreign Account Tax Compliance Act (**FATCA**) and Common Reporting Standards criteria, and thus, have put measures in place to identify 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 is done using manual and automated methods. The former is performed by employees, who regularly identify red flags in transactions/activities and the latter resides within the Compliance team with the aid of transaction monitoring solutions.

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

Suspicious Transactions are brought to the attention of the Compliance team on a manual or automated basis; the former by way of employees filing internal suspicious transaction reports to the Compliance team and the latter by way of transaction monitoring tools reviewed by Compliance Officers. If deemed appropriate, reports are filed to the Nigerian Financial Intelligence Unit (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 stipulate that certain reports and returns are made to regulatory bodies. In Nigeria, the NFIU is the agency charged with the responsibility of receiving the following core transaction-based reports:

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

The Bank renders reports to the **NFIU** and the 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 and 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.

The Bank also, where applicable, in accordance with the Act, provides transaction-based reports to competent authorities as required

(vi) Relationship with Regulators and Law Enforcement Agencies:

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

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:

As a policy, the Bank 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) and 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 the classification includes people or entities associated with them. Enhanced due diligence measures are applied to PEPs, as with other high-risk customers to mitigate the AML/CFT risk they pose. This is to ensure that the 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.
Continuous monitoring is also carried out on these accounts.

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

(ix) AML/CFT principles for Correspondent Banking:

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

(x) Prohibited Business Relationships

In line with international best practice, the 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, assessed and mitigated.

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

The Bank upholds the highest standards of ethical conducts in all its activities 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. The Bank's Board Approved Ethics policy provides the requisite standards and principles on ethical conducts and practices expected and required of all staff and our related stakeholders.

(xiii) AML/CFT Training:

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

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

Tests are also conducted annually after the trainings to ensure that all employees have understood the training contents.

(xiv) AML/CFT Audits:

To ensure compliance with laws and regulations and to ensure an ever-evolving fit for use of the Compliance function, 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 up to date and effective.

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

(xv) Record Retention:

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

(xvi) Data Protection:

The 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 in relation to the financial reporting

GTCO's internal control and risk Management systems ensure that material errors or inconsistencies in the financial statements are identified and corrected. The Group'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 Group.

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

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

Control Environment

The Group has 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 Group's business are identified and mitigated or controlled. The Group also has an Audit Committee which is made up of three shareholders' representatives and three Non- Executive Directors; one of the shareholders' representatives is the Chairman. The Audit Committee is therefore independent. Its oversight functions include among others, ensuring that quality accounting policies, internal controls, independent and objective statutory auditors are in place to prevent and detect fraud and material errors in financial reporting.

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

Risk Assessment

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

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

Periodic Independent Assessment of the Internal Audit Function

In line with the Nigerian Code of Corporate Governance, 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 GTBank Limited and going forward, it will be conducted periodically as mandated by the Code.

Control Activities

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

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

Top Management Reviews

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

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 Group's physical and financial assets, including dual custody, use of overrides etc.

Compliance with Limits

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

Information and Communication/ Monitoring

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

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

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

Directors' Report

For the financial year ended December 31, 2021

The Directors of Guaranty Trust Holding Company Plc ("the Company") are pleased to present their report on the affairs of the Company and its subsidiaries ("the Group"), together with the Group audited financial statements and the auditor's report for the financial year ended December 31, 2021.

Legal form and principal activity

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

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

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

Operating results

The Snapshot of the Group's operating results for the year ended December 31, 2021, are shown below:

	Group	**Group**	**Company**	**Company**
	Dec-21	**Dec-20**	**Dec-21**	**Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
Gross Earnings	447,810,585	455,229,759	8,829,354	-
Profit before income tax	221,497,676	238,095,070	8,282,599	-
Income tax expense	(46,658,189)	(36,655,130)	-	-
Profit for the year	174,839,487	201,439,940	8,282,599	-
Profit attributable to:				
Equity holders of the parent entity	172,107,185	199,609,450	8,282,599	-
Non-controlling interests	2,732,302	1,830,490	-	-
Earnings Per Share (Kobo) - Basic	614	711	28	-
Earnings Per Share (Kobo) - Diluted	614	711	28	-

Dividends

During the 2021 financial year, Directors declared and paid an interim dividend of 30 Kobo per ordinary share on the issued capital of 29,431,179,224 Ordinary Shares of 50 Kobo each, for the half-year period ended June 30, 2021.

Withholding tax was deducted at the time of payment.

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

The Directors recommend the payment of a final dividend of N2.70k (Two Naira, Seventy Kobo only) per ordinary share of 50 Kobo (bringing the total dividend for the financial year ended December 31, 2021 to N3.00k. Withholding tax would be deducted at the point of payment.

Directors and their interest

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

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

Directors' Remuneration

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

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

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

Members of the Board

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

Profile of the Directors

Mr. Hezekiah Oyinlola (Chairman)

Mr. Oyinlola holds a Bachelor of Science degree (B.Sc) in Accounting (First Class Hons.) from University of Ghana, Legon (1979) and a Master of Business Administration (MBA) degree from Stanford University, Graduate School of Business, Stanford, United States of America (U.S.A). He is an alumnus of the Oxford University's Institute for Energy Studies, and has attended executive and board governance courses in business schools in Europe and the USA.

He is a seasoned energy and finance professional with over thirty (30) years' operations and executive experience in the Oil and Gas industry, having worked with Schlumberger Group from 1984 to June 2015. He has at various times served in a management capacity across several locations in the US, Europe, Asia and Africa, including being the first Nigerian Managing Director of Schlumberger Group in Nigeria & Gulf of Guinea and rising through the executive ranks to Vice President & Group Treasurer, in Houston and Paris; and Chairman Africa, Global Head of Sustainability & ESG, Schlumberger Group, in Houston, USA, a position he held from 2011 until his retirement in June 2015. He was also previously President of the Schlumberger Foundation. Sola commenced his professional career in 1980 at the Central Bank of Nigeria in Lagos, Nigeria.

He is a member on the boards of Shelf Drilling Offshore in Nigeria and the FSDA (Africa), a Nairobi, Kenya based, UK-funded development finance institution/ VC fund that invests in innovative financial markets to catalyze African development. Sola is a board director of the Houston Angel Network. He is Chairman of the Nigerian American Chamber of Commerce in Houston, and until 2020, he served as a board director of Lekoil Ltd, and the Schlumberger Foundation.

He is also a Fellow of the Institute of Petroleum Studies, University of Port Harcourt, Nigeria. He joined the Board of Guaranty Trust Bank plc (GTBank) in April 2014 and retired in July 2021 to take up the appointment on the Board of the Company . Mr. Oyinlola is in his 60s and resident in Nigeria.

Mr. Segun Agbaje (Group Chief Executive Officer)

Mr. Segun Agbaje is the Group Chief Executive Officer of GTCO, one of Africa's leading banking groups with a client base of over 20 million customers and business outlays across ten (10) African Countries and the United Kingdom.

Mr. Agbaje started his career in 1988 as an Auditor at Ernst & Young, USA. He subsequently joined GTBank as a pioneer staff in 1991 and rose through the ranks to become Executive Director in 2000 and Deputy Managing Director in 2002. In 2011, he was appointed Managing Director and CEO of GTBank, and under his leadership the Bank became one of Nigeria's most profitable banks, maintaining impressive year on year growth in market share and profitability.

Mr. Agbaje is widely regarded as one of Africa's leading CEOs with a reputation for identifying capital opportunities and executing business deals. He holds a Bachelor of Science in Accounting and a Master's in Business Administration, both from the University of San Francisco, USA. He is also an alumnus of the Harvard Business School and has over 30 years of experience in investment, commercial and international banking.

Passionate about innovation and embracing disruptive technologies, Mr. Agbaje is driving the transformation of GTCO by constantly pioneering ground-breaking ideas that offer customers more value beyond financial services.

Under his leadership, the Organization has promoted enterprise in the SME sector by empowering small businesses and creating Free Business Platforms such as the GTBank Food and Drink Fair and the GTBank Fashion Weekend.

Mr. Agbaje also revolutionized consumer lending in Nigeria through GTBank's offering of Quick Credit, which gives individuals and small businesses instant, real-time access to loans at a low interest of 1.3 percent monthly.

In recognition of his sterling leadership and consistent outstanding performance, Mr. Agbaje has been the recipient of several awards over the years, some of which include: the African Banker of the Year Award by the African Banker Magazine, the Banker of the Year, Africa by the World Finance Magazine and CEO of the Year at the Africa Investor Awards.

Mr. Agbaje currently serves on the boards of GTBank (Ghana) Limited, GTBank (UK) Limited, GTBank (Kenya) Limited, and GTBank (Tanzania) Limited. He is also a Director on the MasterCard Advisory Board (Middle East and Africa), and was elected to the Board of Directors of PepsiCo Inc., USA as an Independent Director and a member of the company's audit committee in July 2020. Mr. Agbaje is in his 50s and resident in Nigeria. Mr. Agbaje retired from the Board of GTBank in July 2021 to take up the appointment on the Board of the Company.

Mrs. Catherine Echeozo (Non-Executive Director)

Mrs. Catherine Echeozo started her 33-year banking career in 1984 with Chase Merchant Bank Nigeria and also worked with Ecobank Nigeria Plc. She then began her 24-year career with GTBank in 1993. She was appointed to the Board of GTBank as an Executive Director in March 2005, and Deputy Chief Executive Officer of the Bank in 2011 and served in that capacity until her retirement in March 2017. Mrs. Echeozo also represented GTBank on the Board of Nigerian Interbank Settlement System (NIBSS) from 2008 till March 2017.

After her retirement in 2017 from GTBank, Mrs. Echeozo was appointed to the Council of The Nigerian Stock Exchange as the Second Vice President and also served as an Independent Director of Stanbic IBTC Pension Managers Limited from 2017 – 2020. She presently manages Cathingens Empowerment Initiative, her social intervention & Investment entity and also serves in the following capacities:

Mrs. Echeozo is the Chairman, NGX Regulation Ltd, a subsidiary of the Nigerian Exchange Group, an External Member of Investment Committee CDC Group, a Member Board of Trustees First Cardiology Foundation, Member Finance Council, Catholic Archdiocese of Lagos and a Member Board of Trustees ICAN University.

Mrs. Echeozo holds a first degree in Accountancy from the University of Nigeria, a Masters of Business Administration from the University of Maryland, University College, USA. She became a Fellow of the Institute of Chartered Accountants of Nigeria in the year 2000 and a Certified Information Systems Auditor in 2005. Mrs. Echeozo is in her 50s and resident in Nigeria.

Mr. Suleiman Barau, OON, FCIB, FNIM (Independent Non-Executive Director)

Mr. Suleiman Barau holds post graduate degree in Economics and Certificates in Management Research and Projects Planning. He is a seasoned banker and economist. His experience in the banking sector covered merchant, commercial and central banking.

Mr. Barau was between 2007 and 2017 a two term Deputy Governor of the Central Bank of Nigeria (CBN). Prior to that he was a Special Adviser to the CBN Governor between 2005 and 2007. Mr. Barau had been involved in significant reforms of the banking and financial services industry during these periods particularly on banking, payments and monetary policies.

Mr. Barau has received executive education from most of the major global business schools. Mr. Barau is in his 60s. and resident in Nigeria.

Mrs. Helen Lee Bouygues (Independent Non-Executive Director)

Mrs. Helen Bouygues received her Bachelor of Arts, magna cum laude, from Princeton University in Political Science and a Masters of Business Administration from Harvard Business School. She started her career in 1995 at J.P. Morgan in the M&A group in New York and in Hong Kong. From 2000 until 2004, she worked at Cogent Communications Inc. as Chief Operating Officer, Chief Financial Officer and Treasurer. She thereafter became a Partner at Alvarez & Marsal Paris, where she left to launch her own consulting firm specialised in corporate turnaround and transformations in 2010. In 2014, she joined McKinsey & Company in Paris where she was Partner responsible for the Recovery and Transformation Services division. Since June 2017, she has been an active board member for multiple companies including Burelle SA, CGG SA, Neoen SA, Latécoère SA and Steinhoff Europe AG (representing the first and second lien creditors). Mrs. Bouygues is in her 40s and resident in France.

Mr. Adebanji Adeniyi (Executive Director)

Mr. Adebanji Adeniyi is an astute professional of over 25years, he acquired consulting and auditing experience in Coopers & Lybrand 1996-1998, PricewaterhouseCoopers 1998-2000 & Arthur Andersen 2000-2001. During his stint at the Big 4, he garnered experiences within the Manufacturing, Oil and Gas and Financial Services Industry providing value adding financial statement audit, assurance & business advisory services.

Mr. Adeniyi started Banking at Lead Bank in 2001, rose to Deputy Manager/Head, Internal Audit with responsibilities for Inspection &, Internal Control functions, Implemented Control tools amongst other projects at the Bank. In February 2006, he joined GTBank, rose to General Manager & Chief Financial Officer, having responsibilities for the activities within Financial Control, Strategy and Group Reporting Division. He has diverse knowledge and vast experience in planning, implementing, building and enhancing financial health of Organizations. Possesses strong analytical, General Management, Accounting, Financial Advisory & Control Skills.

Mr. Adeniyi has worked on several projects with challenging objectives; GTBank Eurobonds issuance working with PwC, JP Morgan, Morgan Stanley and White & Case, led the finance team in converting 3years Local GAAP Financial Statement to IFRS FS in fulfilment of the listing requirement of $825m GDR on the London Stock Exchange and championed GTBank's full transition and embedding of IFRS & has represented GTBank at several Road shows (RS) and Conferences (CFs) both locally and Internationally (GTBank/JPMorgan RS, HSBC, EFG Hermes, Rencap, Standard Bank & Moody CFs.

Mr. Adeniyi is an Alumnus of University of Ibadan, graduated with Doctor of Vet Medicine Degree in 1995, a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), bagged MBA in 1999 & HCIB in 2013. He has attended Local and International Trainings; Euromoney, Programme Certificate in Strategic Finance IMD Switzerland, Mckinsey Executive Leadership Programmes South Africa, Michigan Ross, Cranefield School of Management & LBS SMP. Mr. Adeniyi is in his early 50s and resident in Nigeria.

Retirement by Rotation

In compliance with the provisions of Article 84(a) of the Articles of Association of the Company which requires all Directors (excluding Executive Directors) to retire from office at the first Annual General Meeting. Mr. Hezekiah Oyinlola, Mrs. Catherine Echeozo, Mr. Suleiman Barau and Mrs. Helen Lee Bouygues will retire at the 1st Annual General Meeting and all being eligible, offer themselves for re-election. The Profile of the retiring Directors can be found on pages 48.

Shareholding analysis

The analysis of the distribution of the shares of the Company as at December 31, 2021, is as follows:

Share Range			Number of Shareholders	% of Shareholder	Number of Holdings	% Shareholding
1	-	10,000	252,664	76.83	748,801,103	2.54

10001	-	50,000	56,706	17.24	1,227,401,704	4.17
50001	-	100,000	9,114	2.77	644,280,665	2.19
100001	-	500,000	7,929	2.41	1,629,939,046	5.54
500001	-	1,000,000	1,071	0.33	747,504,749	2.54
1000001	-	5,000,000	1,039	0.32	2,096,192,133	7.12
5000001	-	10,000,000	134	0.04	899,912,220	3.06
10000001	-	50,000,000	132	0.04	2,851,439,461	9.69
50000001	-	100,000,000	30	0.01	2,246,848,361	7.63
100000001	-	500,000,000	30	0.01	5,778,660,854	19.63
500000001	-	1,000,000,000	5	0.00	3,371,612,955	11.46
1000000001	-	2,000,000,000	4	0.00	5,829,476,636	19.81
SUB TOTAL: -			**328,858**	**99.9997**	**28,072,069,887**	**95.38**
GTCO GDR UNDERLYING SHARES			**1**	**0.0003**	**1,359,109,337**	**4.62**
TOTAL			**328,859.00**	**100.00**	**29,431,179,224**	**100.00**

According to the Register of Members as at December 31, 2021, no individual shareholder held more than 5% of the issued share capital of the Bank except for the following:

SHAREHOLDER	PERCENTAGE OF SHAREHOLDING
** Stanbic Nominees Nigeria Limited	19.63

** Stanbic Nominees Nigeria Limited held 20.65% of the GTCO's shares largely in trading accounts on behalf of various investors.

Donations and charitable gifts

In order to identify with the aspirations of various sections of the society, the Group donated a total sum of N2,710,852,466 (December 31 2020: N1,870,906,230) as donations and charitable contributions during the year. It comprises contributions to Educational organizations, Art and Cultural organizations, and Professional organizations amongst others.

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

SECTOR	BENEFICIARY/PROJECT	AMOUNT (₦)
Community Development	Covid-19 Support	97,489,015
	Massey Children's Hospital Support	2,410,000
	Orange Ribbon Initiative - Support for people living with Autism	69,755,450
	Solar Electrification Project	2,000,000
	Support for Police Force - Renovation of Police Stations	782,060,321
	Support for vulnerable mothers and children - Swiss Red Cross Partnership	98,587,882
	Support for Women in the Informal Sector (IWD Project)	8,761,062
	Support towards Equipping Law Enforcement & Security Personnel	1,500,000,000
Education	Banker's Conference Sponsorship	20,000,000

	Basketball Sponsorship	20,575,000
	Financial Literacy & Financial Inclusion Drive in Northern Nigeria	10,527,000
	Photography Workshop sponsorship	450,000
	Sports Education Support - Masters Cup	26,600,531
	Support for extra-curiculat activities in State Pry & Sec Schools	1,380,000
	University of Lagos Hostel Renovation	4,344,705
	World Savings Day Initiative	911,000
Others	Bankers Funds Donation	50,000,000
	CSR Profiling	1,000,000
	Others	14,000,500
Grand Total		**2,710,852,466**

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 December 31, 2021 and profit attributable to equity holders is disclosed the financial statements.

Research and development

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

Gender Analysis

The average number and percentage of males and females employed for the year ended December 31, 2021 vis-a-vis total workforce is as follows:

Group

	Male	Female	Total	Male	Female
		Number		**%**	
Employees	2587	2030	4617	56%	44%

Gender analysis in terms of Board and Top Management as at December 31, 2021 is as follows:

	Male	Female	Total	Male	Female
		Number		%	
Board	4	2	6	67%	33%
Top Management	50	30	80	63%	38%
Total	**54**	**32**	**86**	**63%**	**37%**

Detailed Gender analysis in terms of Board and Top Management as at December 31, 2021 is as follows:

	Male	Female	Total	Male	Female
		Number		%	
Assistant General Manager	18	16	34	53%	47%
Deputy General Manager	15	11	26	58%	42%
General Manager	7	4	11	64%	36%
Executive Director (Subsidiaries)	1	0	1	100%	0%
Managing Director (Subsidiaries)	10	1	11	91%	9%
Deputy Managing Director (Subsidiaries)	1	0	1	100%	0%
Executive Director (Holdco)	1	0	1	100%	0%
Group CEO	1	0	1	100%	0%
Total	**54**	**32**	**86**	**63%**	**37%**

Human Resources Policy

(1) Recruitment

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

(2) Diversity and Inclusion

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

The Company seeks to achieve a minimum of 30% and 40% female representation at Board and Top Management levels respectively, subject to identification of candidates with appropriate skills. For the purpose of this statement, “Board” refers to 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 Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from physically challenged persons.

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

(4) Employee Involvement and Training

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

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

(5) Health, Safety and Welfare of Employees

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

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

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

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

BY ORDER OF THE BOARD

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

Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended December 31, 2021

The Directors accept responsibility for the preparation of the financial statements set out from pages 63 – 285 that give a true and fair view in accordance with the requirements of the International Financial Reporting Standards.

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

Going Concern:

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

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

SIGNED ON BEHALF OF THE DIRECTORS BY:

BANJI ADENIYI	SEGUN AGBAJE
FRC/2013/ICAN/00000004318	FRC/2013/CIBN/00000001782
29 January 2022	29 January 2022

Report of the Audit Committee

For the year ended December 31, 2021

To the members of Guaranty Trust Holding Company Plc

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

- We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act, 2004 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Company and Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended December 31, 2021, were satisfactory and reinforce the Group's internal control systems.
- We are satisfied that the Company has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February, 2004 on "Disclosure of directors' related credits in the financial statements of Company", and hereby confirm that an aggregate amount of N6,859,721,453 (31 December, 2020: N7,864,207,991) was outstanding as at 31 December, 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 the effectiveness of the Group's system of accounting and internal control.

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

Members of the Audit Committee are:

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

$\left.\begin{array}{l}\text{Mrs. Sandra Mbagwu-Fagbemi}\\ \text{Alhaji M.A. Usman}\\ \text{Mrs. A. Kuye}\end{array}\right\}$ Shareholder's Representatives

4. Mrs. C. N. Echeozo
5. Mrs. H. L. Bouygues

Corporate Responsibility for Financial Statements as at December 31, 2021

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

Financial Information

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

II. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of and for the period ended December 31, 2021.

Effective Internal Controls

I. Effective internal controls have been designed to ensure that material information relating to the Company and its Subsidiaries are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.

II. The effectiveness of the Group's Internal controls have been evaluated within 90 days prior to December 31, 2021

III. The Group's Internal Controls are effective as at December 31, 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
29 January, 2022	29 January, 2022

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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Guaranty Trust Holding Company ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate income statements, the consolidated and separate statements of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year ended, and a summary of significant accounting policies and notes to the consolidated and separate financial statements.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2021 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act 2020, the Banks and Other Financial Institutions Act (BOFIA) 2020, and relevant circulars issued by the Central Bank of Nigeria (CBN) and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

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

Key Audit Matter

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

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

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

Key Audit Matters - Continued

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

Key Audit Matter	How the matter was addressed in the audit
Impairment of loans and advances to customers and off-balance sheet loan commitments The determination of the adequacy of the allowance for expected credit losses (ECL) for loans and advances and off-balance sheet loan commitments is highly subjective and judgmental. As at 31 December 2021, the Group reported total gross loans and advances to customers and total credit risk exposure relating to off-balance sheet of N1,886.2 billion and N432.8 billion, respectively; allowance for ECL of N83.7 billion; and ECL impairment charges of N7.9 billion. Given the subjective nature of the calculation of ECL there is a heightened risk that the extent of allowances could be misstated. The ECL model involves the application of considerable level of judgement and estimation in determining inputs for ECL calculation such as: • determining criteria for significant increase in credit risk (SICR) for the purpose of stage assessment. • assessing the relationship between default and macro-economic variables. • incorporating forward looking information in the expected credit loss and establishing multiple scenarios with related probability weights. • validating the completeness and accuracy of historical data used to recalibrate the models • validating the completeness and accuracy of data used to run the models; and • factors incorporated in determining the Probability of Default (PD), the Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD). • factors considered in cash flow estimation including timing and amount. • factors considered in collateral valuation. • factors considered in determining Credit Conversion Factor (CCF) for off balance sheet exposures such as bonds and guarantees and loan commitments.	Our audit approach was a combination of control reliance and substantive procedures. We reviewed IT General and Application controls governing the IT systems used to calculate expected credit losses such as the process for data migration and upload, access controls over inputs into the system, change management controls and staging configuration within the system. We reviewed management's criteria for default and significant increase in credit risk (SICR) by reviewing customer files and account statements for selected obligors to identify quantitative and qualitative indicators of SICR and default. In addition, for stage 3 exposures, we assessed all the assumptions considered in the estimation of recovery cash flows, the discount factor, collateral valuation, and timing of realization. Working with our credit risk modelling specialists, we gained an understanding of how the PD, LGD and EAD were derived by reviewing the ECL model documentation and performing walkthroughs. Our specialists evaluated and performed the following in respect of the ECL parameters: *Probability of default (PD)* • Assessed the Group's rating scale based on their homogenous categories. • Re-computed the through-the-cycle PDs, by observing yearly migration of balances from a performing state to a non-performing state rating over a four-year period. • Re-calculated the conversion of through-the-cycle PDs to conditional PDs. *Loss given default (LGD)* • Reviewed the assumptions used in determining LGD. • Tested historical data for recoveries on unsecured exposures and re-computed unsecured LGD in order to assess the reasonableness of the Group's LGD computations. • Reviewed and challenged the reasonableness of collateral parameters.

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

Key Audit Matters - Continued

Key Audit Matter	How the matter was addressed in the audit
The determination of ECL on loans and advances to customers and off-balance sheet accounts is considered a key audit matter given the significant balances of loans and advances to customers, off balance-sheet accounts, and related ECL allowances and charges, and the level of complexity and judgement involved in the process. See Note 3(V) for the related Accounting policies and Notes 29 and 43 of the Consolidated and Separate Financial Statements for the details of the balances.	*Exposure at default (EAD)* We re-computed the Lifetime exposures at default using the EAD parameters contained in the loan book. We recognised the impact of Covid-19 by applying post-model adjustments on the PDs. *Disclosures* We evaluated the adequacy of disclosures in the financial statements including the appropriateness of assumptions and sensitivities disclosed. We tested the data and calculations supporting the disclosures.

Other Matters

The consolidated and separate financial statements of the Group for the year ended 31 December 2020, which comprised the consolidated financial statements of Guaranty Trust Bank Limited (formerly Guaranty Trust Bank Plc), 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.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Guaranty Trust Holding Company Plc Audited Consolidated and Separate Financial Statements Together with Directors' and Auditor's Reports for the year ended 31 December 2021", which includes the Corporate Governance, Subsidiaries Governance, Sustainability Report, Complaints and Feedback, Anti-Money Laundering and Combating Terrorist Financing Framework, Internal Control and Risk Management Systems, Directors' Report, Statement of Directors' Responsibilities, Report of the Audit Committee, Corporate Responsibility for Financial Statements, and Other National Disclosures as required by the Companies and Allied Matters Act 2020, and the Financial Reporting Council Act, No. 6, 2011, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GUARANTY TRUST HOLDING COMPANY PLC - 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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

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

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.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

iii) As stated in Note 47 to the consolidated and separate financial statements, Guaranty Trust Bank Limited (formerly Guaranty Trust Bank Plc) paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act 2020 and circulars issued by Central Bank of Nigeria during the year ended 31 December 2021.

Anthony Oputa

Anthony Oputa
FRC/2013/ICAN/00000000980

For: Ernst & Young
Lagos, Nigeria
24 February 2022

Financial statements

Consolidated and separate statements of financial position

As at 31 December 2021

In thousands of Nigerian Naira	*Notes*	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Assets					
Cash and bank balances	23	933,591,069	745,557,370	-	-
Financial assets at fair value through profit or loss	24	104,397,651	67,535,363	-	-
Derivative financial assets	25	24,913,435	26,448,550	-	-
Investment securities:					
– Fair value through profit or loss	26	3,904,458	3,273,771	-	-
– Fair value through other comprehensive income	26	276,041,190	693,371,711	-	-
– Held at amortised cost	26	846,923,215	283,582,832	-	-
Assets pledged as collateral	27	79,273,911	62,200,326	-	-
Loans and advances to banks	28	115,014	99,043	-	-
Loans and advances to customers	29	1,802,587,381	1,662,731,699	-	-
Restricted deposits and other assets	34	1,137,554,208	1,226,481,116	1,407,460	-
Investment in subsidiaries	30	-	-	141,811,575	-
Property and equipment, and Right of use assets	31	203,971,924	148,782,835	496,969	-
Intangible assets	32	19,573,604	19,872,523	-	-
Deferred tax assets	33	3,187,937	4,716,154	-	-
Total assets		**5,436,034,997**	**4,944,653,293**	**143,716,004**	**-**
Liabilities					
Deposits from banks	35	118,027,576	101,509,550	-	-
Deposits from customers	36	4,012,305,554	3,509,319,237	-	-
Derivative financial liabilities	25	1,580,971	2,758,698	-	-
Other liabilities	38	231,519,271	356,222,575	6,076,055	-
Current income tax liabilities	21	22,676,168	21,592,016	-	-
Other borrowed funds	40	153,897,499	113,894,768	-	-
Deferred tax liabilities	33	12,800,866	24,960,772	-	-
Total liabilities		**4,552,807,905**	**4,130,257,616**	**6,076,055**	**-**

Consolidated and separate statements of financial position (Continued)

In thousands of Nigerian Naira	*Notes*	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Capital and reserves	41				
Share capital		14,715,590	14,715,590	14,715,590	-
Share premium		123,471,114	123,471,114	123,471,114	-
Treasury shares		(8,125,998)	(6,928,103)	-	-
Retained earnings		198,358,025	193,921,810	(546,755)	-
Other components of equity		535,938,145	473,434,457	-	-
Capital and reserves attributable to equity holders of the parent entity		**864,356,876**	**798,614,868**	**137,639,949**	**-**
Non-controlling interests in equity		18,870,216	15,780,809	-	-
Total equity		**883,227,092**	**814,395,677**	**137,639,949**	**-**
Total liabilities and equity		**5,436,034,997**	**4,944,653,293**	**143,716,004**	**-**

Approved by the Board of Directors on 29 January 2022:

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

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

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

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

Consolidated and separate income statements

For the year ended 31 December 2021

In thousands of Nigerian Naira	*Notes*	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Interest income calculated using the effective interest method	9	251,466,260	288,278,670	-	-
Interest income on financial assets at fair value through profit or loss	9	15,427,483	12,458,918	-	-
Interest expense	10	(46,281,121)	(47,069,441)	-	-
Net interest income		**220,612,622**	**253,668,147**	**-**	**-**
Loan impairment charges	11	(8,531,155)	(19,572,893)	-	-
Net interest income after loan impairment charges		**212,081,467**	**234,095,254**	**-**	**-**
Fee and commission income	12	74,123,774	53,179,802	-	-
Fee and commission expense	13	(8,472,981)	(6,244,554)	-	-
Net fee and commission income		**65,650,793**	**46,935,248**	**-**	**-**
Net gains on financial instruments held at fair value through profit or loss	14	22,390,669	24,486,177	-	-
Other income	15	84,402,399	76,826,192	8,829,354	-
Net impairment (charge)/reversal on other financial assets	16	(760,795)	3,190,517	-	-
Personnel expenses	17	(33,430,007)	(37,606,138)	(353,877)	-
Right-of-use asset depreciation	18	-	(2,108,645)	-	-
Depreciation and amortisation	19	(35,300,097)	(29,046,513)	(35,886)	-
Other operating expenses	20	(93,536,753)	(78,677,022)	(156,992)	-
Profit before income tax		**221,497,676**	**238,095,070**	**8,282,599**	**-**
Income tax expense	21	(46,658,189)	(36,655,130)	-	-
Profit for the year from continuing operations		174,839,487	201,439,940	8,282,599	-
Profit for the Year		**174,839,487**	**201,439,940**	**8,282,599**	**-**
Profit attributable to:					
Equity holders of the parent entity		172,107,185	199,609,450	8,282,599	-
Non-controlling interests		2,732,302	1,830,490	-	-
		174,839,487	**201,439,940**	**8,282,599**	**-**
Earnings per share attributable to the equity holders of the parent entity during 'the year (expressed in naira per share):					
– Basic	22	6.14	7.11	0.28	-
– Diluted	22	6.14	7.11	0.28	-

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

Consolidated and separate statements of other comprehensive income

For the year ended 31 December 2021

In thousands of Nigerian Naira	**Notes**	**Group Dec-2021**	**Group Dec-2020**	**Company Dec-2021**	**Company Dec-2020**
Profit for the year		174,839,487	201,439,940	8,282,599	-
Other comprehensive income not to be reclassified to profit or loss in subsequent years:					
Net change in fair value of equity investments FVOCI		-	469,023	-	-
		-	469,023	-	-
Remeasurement gain/(loss) on post-employment benefit obligations	39(b)	256,166	(1,940,001)	-	-
Income tax relating to remeasurements of post-employment benefit obligations	21(a)	(76,850)	582,000	-	-
		179,316	(1,358,001)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent Periods:					
Foreign currency translation differences for foreign operations		(4,281,799)	12,112,470	-	-
Income tax relating to foreign currency translation differences for foreign operations	21	1,284,540	(3,633,741)	-	-
Net change in fair value of other financial assets FVOCI		(19,063,060)	2,174,306	-	-
Income tax relating to change in fair value of other financial assets FVOCI	21	5,718,918	(652,292)	-	-
		(16,341,401)	10,000,743	-	-
Other comprehensive (loss)/income for the year, net of tax		(16,162,085)	9,111,765	-	-
Total comprehensive income for the year		**158,677,402**	**210,551,705**	**8,282,599**	**-**
Total Comprehensive Income attributable to:					
Equity holders of the parent entity		**155,233,440**	**207,811,082**	**8,282,599**	**-**
Non-controlling interests		**3,443,962**	**2,740,623**	**-**	**-**
Total comprehensive income for the year		**158,677,402**	**210,551,705**	**8,282,599**	**-**

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

Consolidated Statement of Changes in Equity
31 December 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 interests	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 year:											
Profit for the year	-	-	-	-	-	-	-	172,107,186	172,107,186	2,732,302	174,839,488
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	(3,299,234)	-	(3,299,234)	301,975	(2,997,259)
Actuarial gain	-	-	-	-	-	-	-	179,316	179,316	-	179,316
Fair value adjustment	-	-	-	-	-	(13,753,827)	-	-	(13,753,827)	409,685	(13,344,142)
Total other comprehensive income/loss	**-**	**-**	**-**	**-**	**-**	**(13,753,827)**	**(3,299,234)**	**179,316**	**(16,873,745)**	**711,660**	**(16,162,085)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(13,753,827)**	**(3,299,234)**	**172,286,502**	**155,233,441**	**3,443,962**	**158,677,403**
Transactions with equity holders, recorded directly in equity:											
Transfers for the year[3]	-	-	25,186,729	38,027,844	-	16,342,176	-	(79,556,749)	-	-	-
(Acquisition)/disposal of own shares[1]	-	-	-	-	(1,197,895)	-	-	-	(1,197,895)	-	(1,197,895)
Dividend to equity holders[2]	-	-	-	-	-	-	-	(88,293,538)	(88,293,538)	(354,555)	(88,648,093)
	-	**-**	**25,186,729**	**38,027,844**	**(1,197,895)**	**16,342,176**	**-**	**(167,850,287)**	**(89,491,433)**	**(354,555)**	**(89,845,988)**
Balance at 31 December 2021	**14,715,590**	**123,471,114**	**87,614,884**	**424,084,348**	**(8,125,998)**	**6,604,907**	**17,634,006**	**198,358,025**	**864,356,876**	**18,870,216**	**883,227,092**

[1] Please refer to Note 41

[2] Please refer to Note 42

[3] This includes recycling of fair value reserves

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

Consolidated Statement of Changes in Equity
31 December 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 year:											
Profit for the year	-	-	-	-	-	-	-	199,609,450	199,609,450	1,830,490	201,439,940
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	7,522,790	-	7,522,790	955,939	8,478,729
Actuarial loss	-	-	-	-	-	-	-	(1,358,001)	(1,358,001)	-	(1,358,001)
Fair value adjustment	-	-	-	-	-	2,036,843	-	-	2,036,843	(45,806)	1,991,037
Total other comprehensive income/loss	**-**	**-**	**-**	**-**	**-**	**2,036,843**	**7,522,790**	**(1,358,001)**	**8,201,632**	**910,133**	**9,111,765**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**2,036,843**	**7,522,790**	**198,251,449**	**207,811,082**	**2,740,623**	**210,551,705**
Transactions with equity holders, recorded directly in equity:											
Transfers for the year	-	-	-	41,169,988	-	-	-	(41,169,988)	-	-	-
(Acquisition)/disposal of own shares[1]	-	-	-	-	(396,354)	-	-	-	(396,354)	-	(396,354)
Dividend to equity holders[2]	-	-	-	-	-	-	-	(82,407,304)	(82,407,304)	(689,838)	(83,097,142)
	-	**-**	**-**	**41,169,988**	**(396,354)**	**-**	**-**	**(123,577,292)**	**(82,803,658)**	**(689,838)**	**(83,493,496)**
Balance at 31 December 2020	**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**

[1] Please refer to Note 41

[2] Please refer to Note 42

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

Statement of Changes in Equity
31 December 2021
Company

In thousands of Nigerian Naira	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves[1]	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the Year:							
Profit for the year	-	-	-	-	-	8,282,599	8,282,599
Other comprehensive income, net of tax							
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	-	-	-	-	-	8,282,599	**8,282,599**
Transactions with equity holders, recorded directly in equity:							
Share transfer to Holding Company by virtue of change in structure[1]	14,715,590	123,471,114	-	-	-	-	138,186,704
Dividend to equity holders[2]	-	-	-	-	-	(8,829,354)	(8,829,354)
	14,715,590	**123,471,114**	**-**	**-**	-	**(8,829,354)**	**129,357,350**
Balance at 31 December 2021	**14,715,590**	**123,471,114**	**-**	**-**	**-**	**(546,755)**	**137,639,949**

[1] Please refer to Note 41

[2] Please refer to Note 42

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

Consolidated and separate statements of cash flows

For the year ended 31 December 2021

In thousands of Nigerian Naira	***Notes***	**Group Dec-2021**	**Group Dec-2020**	**Company Dec-2021**	**Company Dec-2020**
Cash flows from operating activities					
Profit for the year		174,839,487	201,439,940	8,282,599	-
Adjustments for:					
Depreciation of property and equipment	19	30,576,441	25,055,895	35,886	-
Amortisation of Intangible assets	19	4,723,656	3,990,618	-	-
Right-of-use asset depreciation	18	-	2,108,645	-	-
Gain on disposal of property and equipment	15	15,001	(26,809)	-	-
Gain on repossessed collateral	15	-	(804,728)	-	-
Impairment on financial assets		9,291,950	16,382,376	-	-
Net interest income		(220,612,622)	(253,668,147)	-	-
Foreign exchange gains	15	(45,017,296)	(56,636,964)	-	-
Fair value changes for assets at FVTPL		(6,422,058)	(4,574,164)	-	-
Dividend income	15	(297,361)	(162,220)	(8,829,354)	-
Income tax expense	21	46,658,189	36,655,130	-	-
Other non-cash items		69,994	142,864	-	-
		(6,174,619)	(30,097,564)	(510,869)	-
Net changes in:					
Financial assets at fair value through profit or loss		(29,910,572)	12,861,696	-	-
Assets pledged as collateral		(17,068,555)	(4,152,129)	-	-
Loans and advances to banks and placements with banks		6,269,061	(23,869,163)	-	-
Loans and advances to customers		(80,446,342)	(39,525,743)	-	-
Restricted deposits and other assets		80,253,746	(661,081,510)	(1,407,460)	-
Deposits from banks		8,977,851	(27,553,959)	-	-
Deposits from customers		453,722,548	856,221,098	-	-
Financial liabilities at fair value through profit or loss		-	(1,615,735)	-	-
Other liabilities		(123,590,075)	124,136,739	6,076,055	-
		298,207,662	235,421,294	4,668,595	-
Interest received		247,998,100	277,149,534	-	-
Interest paid		(43,657,757)	(48,425,349)	-	-
		204,340,343	228,724,185	-	-
		496,373,386	434,047,915	4,157,726	-
Income tax paid	21(b)	(32,071,389)	(27,886,269)	-	-
Net cash flow provided by operating activities		**464,301,997**	**406,161,646**	**4,157,726**	**-**

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

Consolidated and separate statements of cash flows

For the year ended 31 December 2021

In thousands of Nigerian Naira	***Notes***	**Group Dec-2021**	**Group Dec-2020**	**Company Dec-2021**	**Company Dec-2020**
Cash flows from investing activities					
Redemption of investment securities		2,795,127,294	817,456,535	-	-
Purchase of investment securities		(2,955,871,677)	(1,008,032,903)	-	-
Dividends received		297,361	162,220	8,829,354	-
Purchase of property and equipment and Right of use assets	31	(59,431,226)	(31,247,964)	(532,855)	-
Proceeds from the sale of property and equipment		423,967	24,954	-	-
Purchase of intangible assets	32	(4,399,142)	(3,499,756)	-	-
Net cash flow (used in)/ from investing activities		(223,853,423)	(225,136,914)	8,296,499	-
Cash flows from financing activities					
Repayment of long term borrowings	40(b)	(48,211,998)	(61,042,321)	-	-
Proceeds from long term borrowings	40(b)	85,593,303	5,411,015	-	-
Additional investment in subsidiary	30	-	-	(3,624,871)	-
Purchase of treasury shares	41(b)	(1,197,895)	(396,354)	-	-
Lease liabilities	38(f)	(1,828,130)	-	-	-
Dividends paid to owners	42	(88,293,538)	(82,407,304)	(8,829,354)	-
Dividends paid to non-controlling interests	42	(354,555)	(689,838)	-	-
Net cash flow used in financing activities		(54,292,813)	(139,124,802)	(12,454,225)	-
Net increase in cash and cash equivalents		186,155,761	41,899,930	-	-
Cash and cash equivalents at beginning of the year		711,429,419	585,156,021	-	-
Effect of exchange rate fluctuations on cash held		8,072,056	84,373,468	-	-
Cash and cash equivalents at end of the year	23(b)	905,657,236	711,429,419	-	-

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

1. Reporting entity

Guaranty Trust Holding Company Plc (“the Parent” or the “the Company”) is a company incorporated in Nigeria. The address of the Company’s registered office is Plot 635, Akin Adesola Street, Victoria Island, Lagos. These separate and consolidated financial statements, for the period ended 31 December 2021, are prepared for the Company and the Group (Holding Company and its subsidiaries, separately referred to as “Group entities”) respectively. The Group is primarily involved in the provision of banking and other financial services to corporate and individual customers.

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

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

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

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

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

2. Basis of preparation

The consolidated and separate annual financial statement for the year ended 31 December 2021 has been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). The financial statements comply with the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act, the Financial Reporting Council of Nigeria Act and other relevant Cental Bank of Nigeria circulars.

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

- The assets and liabilities of the company and subsidiaries are reflected at their carrying amounts as no adjustments have been made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination. The accounting policies of the company and subsidiaries are well aligned upon the reorganization.
- No 'new' goodwill is recognised as a result of the reorganization.
- The consolidated income statement reflects the results of the company and its subsidiaries.

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

The Financial Statements were authorized for issue by the directors on **29th January 2022**.

3. (a) Significant Accounting Policies

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

(a) Functional and presentation currency

These Consolidated and Separate financial statements are presented in Nigerian Naira, which is the 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.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Relating to Interest Rate Benchmark Reform (Phase 2 amendments).

Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 issued in August 2020 represents the second phase of the IASB's project on the effects of interest rate benchmark reform, addressing issues affecting financial statements when changes are made to contractual cash flows and hedging relationships as a result of the reform.

Under these amendments, changes made to a financial instrument that are economically equivalent and required by interest rate benchmark reform do not result in the derecognition or a change in the carrying amount of the financial instrument, but instead require the effective interest rate to be updated to reflect the change in the interest rate benchmark. In addition, hedge accounting will not be discontinued solely because of the replacement of the interest rate benchmark if the hedge meets other hedge accounting criteria.

These amendments apply from 1 January 2021 with early adoption permitted. The Group adopted the amendments from 1 January 2021 and has made the additional disclosures as required by the amendments below.

Financial instruments yet to transition to alternative benchmarks from USD Libor.	
At 31 Dec 2021	₦'000
Non-derivative financial assets	249,799,644
Non-derivative financial liabilities	13,688,808
Derivative notional contract amount	-

The amounts provide an indication of the extent of the Group's exposure to the Libor benchmarks that are due to be replaced. Amounts are in respect of financial instruments that:

• contractually reference an interest rate benchmark that is planned to transition to an alternative benchmark;

• have a contractual maturity date after 31 December 2021, the date by which Libor is expected to cease; and

• are recognised on the Group's consolidated statement of financial position.

The administrator of Libor, IBA, has announced a proposal to extend the publication date of most US dollar Libor tenors until 30 June 2023. Publication of one-week and two-month tenors will cease after 31 December 2021. This proposal, if endorsed, would reduce the amounts presented in the above table as some financial instruments included will reach their contractual maturity date prior to 30 June 2023.

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
IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities	01-Jan-22
IAS 1	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01-Jan-23

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

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

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

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

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

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

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

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

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

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

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

And

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

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

3. (b) Other Accounting Policies

Other accounting policies that have been applied are:

(a) Consolidation

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

(i) Subsidiaries

Subsidiaries are entities controlled by the 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.

(l) 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 (5) 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 Company's ordinary shares

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

(iii) Treasury shares

Where the Company or any member of the Group purchases the Company's shares, the consideration paid is deducted from shareholders' sequity 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 Holding Company Plc has a robust risk culture and embrace the best practice Enterprisewide Risk Management. The risk management framework is designed to align people, strategy, policies, processes, technology and business intelligence in order to evaluate, manage and optimize the opportunities and threats it may face in maximising sustainable stakeholders' value within its defined risk appetite.

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

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

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

(b) Risk Management Philosophy

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

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

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

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

Risk Appetite

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

Risk Appetite Statement

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

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

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

Risk Tolerance

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

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

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

(c) Risk Management Framework

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

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

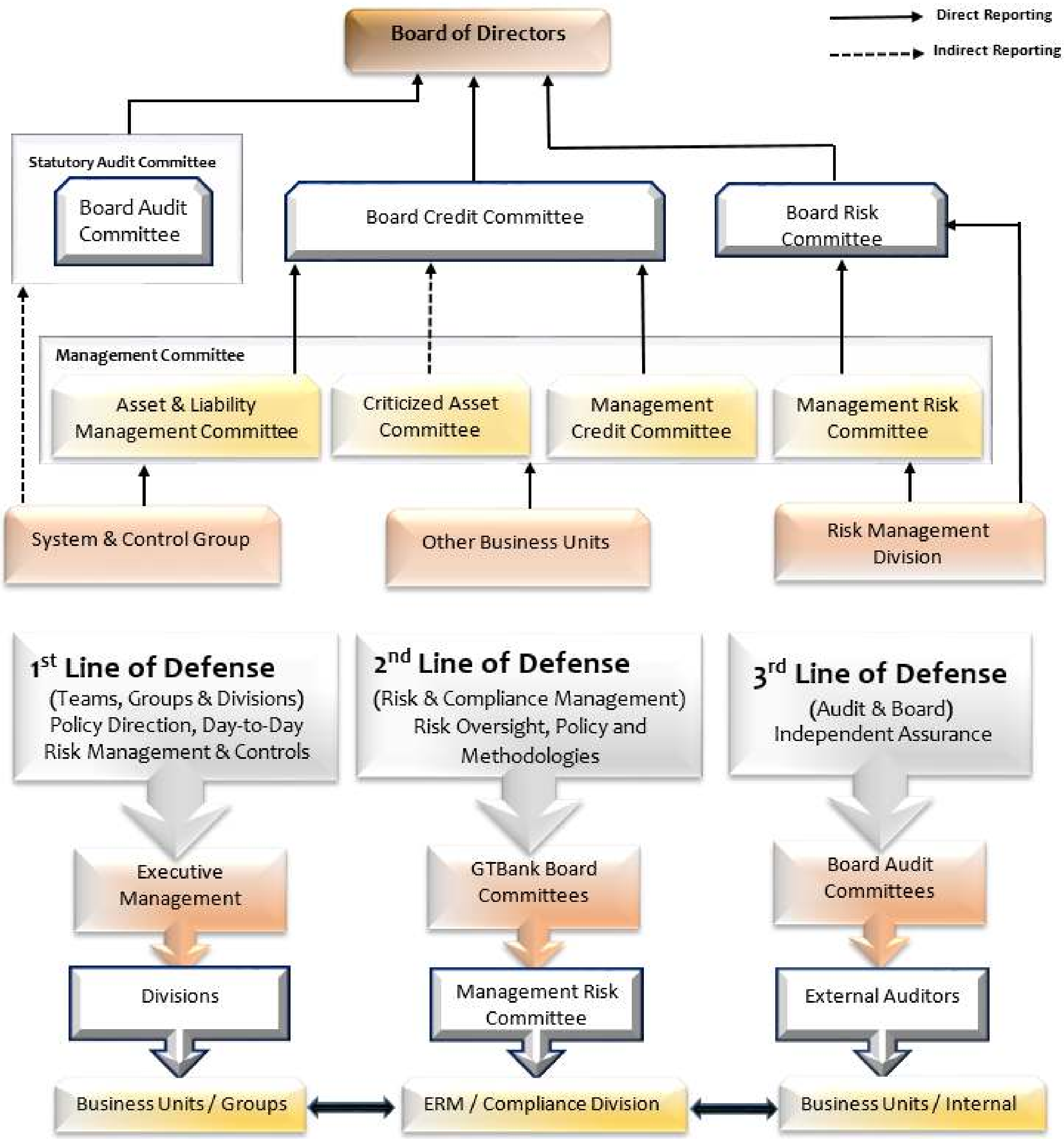
The Board of Directors has overall responsibility for the establishment of the Group's Risk Management framework and exercises its oversight function over all the Group's prevalent risks via its various committees; Board Risk Committee, Board Credit Committee, and Board Audit Committee. These committees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

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

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

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

The Risk Governance Structure of the Group



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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Risk Management Methodology

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

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

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

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

(e) Risk Management Overview

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

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

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

(f) Credit risk

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

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

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

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

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

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

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

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

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

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

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

(i) Management of Credit Risk

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

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

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

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

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

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

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

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

(ii) Credit Risk Measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Investments in securities issued by Sovereign

2. Investments in securities issued by State Government

3. Interbank Placements

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

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

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

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

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

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

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

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

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

(iii) Risk Limit Control and Mitigation Policies

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

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

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

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

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

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

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

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

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

The above limits are subject to the following overriding approvals:

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

Master Netting Arrangements

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

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

Off-balance sheet engagements

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

Contingencies

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

Placements

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

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

Credit risk exposure relating to On-Balance Sheet

In thousands of Nigerian naira	**Maximum exposure Group**		**Maximum exposure Company**	
Classification	**Dec-2021**	**Dec-2020**	**Dec-2021**	**Dec-2020**
Cash and bank balances:				
- Unrestricted balances with central banks	156,998,908	215,435,972	-	-
- Balances held with other banks	318,218,071	267,211,047	-	-
- Money market placements	328,926,030	170,512,774	-	-
Loans and advances to banks	115,014	99,043	-	-
Loans and advances to customers[1]:				
- Loans to individuals	233,099,810	202,575,279	-	-
- Loans to non-individuals	1,569,487,571	1,460,156,420	-	-
Financial assets at fair value through profit or loss:				
- Debt securities	104,397,651	67,535,363	-	-
- Derivative financial instruments	24,913,435	26,448,550	-	-
Investment securities:				
- Debt securities	1,121,298,587	975,288,535	-	-
Assets pledged as collateral:				
- Debt securities	79,273,911	62,200,326	-	-
Restricted deposits and other assets[2]	1,106,445,803	1,155,845,157	18,183	-
Total	**5,043,174,791**	**4,603,308,466**	**18,183**	**-**
Loans exposure to total exposure	36%	36%	0%	0%
Debt securities exposure to total exposure	26%	24%	0%	0%
Other exposures to total exposure	38%	40%	100%	0%

As shown above, 36% (Company: 0%) of the total maximum exposures is derived from loans and advances to banks and customers (2020: 36% ; Company: 0%); while 26% (Company: 0%) represents exposure to investments in debt securities (2020: 24% ; Company: 0%%). The Directors are confident in their ability to continue to control exposure to credit risk within a specified risk appetite which can result from both its Loans and Advances portfolio and Debt securities.

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

[2] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations,Prepayment,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 Company**	
	Dec-2021	**Dec-2020**	**Dec-2021**	**Dec-2020**
Financial guarantees	361,977,858	365,827,380	-	-
Other contingents	70,841,704	52,995,421	-	-
Total	**432,819,562**	**418,822,801**	**-**	**-**

Contingencies are disclosed on Note 43

Classification of Maximum Exposure on Loans to Customers by Product

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

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

	Group		**Company**	
	Dec-2021	**Dec-2020**	**Dec-2021**	**Dec-2020**
Loans to individuals:				
Overdraft	17,695,430	12,454,649	-	-
Loans	215,316,091	190,035,965	-	-
Others	88,289	84,665	-	-
	233,099,810	**202,575,279**	**-**	**-**
Loans to non-individuals:				
Overdraft	165,998,815	122,675,496	-	-
Loans	1,379,749,552	1,328,807,820	-	-
Others	23,739,204	8,673,104	-	-
	1,569,487,571	**1,460,156,420**	**-**	**-**

Credit quality of Financial Assets

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

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

Unrestricted balances with central banks

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

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Sovereign Ratings				
Nigeria (B-) S&P	89,799,456	183,482,104	-	-
Nigeria (BB-)	2,880,839	-	-	-
Fitch:				
B+	-	15,154,337	-	-
B-	28,438,893	-	-	-
B	17,381,198	13,174,571	-	-
unrated	18,498,522	3,624,960	-	-
	156,998,908	**215,435,972**	**-**	**-**

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

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

Balances held with other banks

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

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Counterparties with external credit rating (S&P)				
AA+	-	51,149,418	-	-
AA	44,300	41,780	-	-
AA-	26,077,470	-	-	-
A+	139,934,336	144,506,536	-	-
A	104,838,270	27,894,635	-	-
A-	18,026,062	11,646,994	-	-
BBB+	-	10,051,441	-	-
BBB	11,548,467	-	-	-
BBB-	-	-	-	-
BB+	-	-	-	-
BB	32,892	-	-	-
BB-	1,320,414	904,366	-	-
B-	2,349,000	-	-	-
B	1,020,135	1,622,212	-	-
Unrated	13,026,726	19,393,667	-	-
	318,218,071	**267,211,047**	**-**	**-**

Money Market placements

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

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	**Dec-2021**	**Dec-2020**	**Dec-2021**	**Dec-2020**
Counterparties with external credit rating (S&P)				
A-1+	-	2,204,355	-	-
A-1	145,673,165	144,817,085	-	-
A-2	151,366,705	2,694,373	-	-
A-3	1,088,805	-	-	-
BBB+	-	-	-	-
B+	-	343,147	-	-
B	13,142,868	14,378,807	-	-
Unrated	351,858	-	-	-
	311,623,401	**164,437,767**	**-**	**-**
Sovereign Ratings				
Nigeria (B-) S&P	1,000,122	2,000,246	-	-
	1,000,122	**2,000,246**	**-**	**-**
Counterparties without external credit rating				
Unrated	16,302,507	4,074,761	-	-
Foreign Subsidiaries	-	-	-	-
	16,302,507	**4,074,761**	**-**	**-**
	328,926,030	**170,512,774**	**-**	**-**

Financial Assets at Fair value through profit or loss

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

	Group		Company	
In thousands of Nigerian naira	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Soverign Ratings				
Nigeria (B) S&P	104,397,651	36,226,876	-	-
Other Sovereign (B) S&P	-	31,308,487	-	-
	104,397,651	**67,535,363**	**-**	**-**

Investment Securities

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

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Sovereign Ratings:				
AA	45,969,920	34,374,681	-	-
BB-	44,615,162	-	-	-
B+	-	55,365,777	-	-
Nigeria (B-) S&P	805,655,214	671,483,063	-	-
Ghana (B-) S&P	2,871,621	-	-	-
Other Sovereign Rating (B) S&P	135,445,841	117,369,066	-	-
Counterparties with external credit rating (S&P):				
A-1	-	-	-	-
unrated	-	66,567,422	-	-
Counterparties with external credit rating (Fitch):				
B+	-	28,513,367	-	-
Counterparties with external credit rating (Agusto):				
Aa-	-	1,615,160	-	-
Counterparties without external credit rating :				
Unrated	86,740,830	-	-	-
	1,121,298,587	**975,288,535**	**-**	**-**

Of the Group's Investment Securities of N1,121,298,587,000 (Dec 2020: N975,288,535,000) the sum of N805,655,214,000 (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		Company	
In thousands of Nigerian naira	**Dec-2021**	**Dec-2020**	**Dec-2021**	**Dec-2020**
Soverign Ratings				
Nigeria (B-) S&P	68,430,170	61,955,975	-	-
Other Sovereign Rating (B+) S&P	10,843,741	244,351	-	-
	79,273,911	**62,200,326**	**-**	**-**

Restricted deposits and other assets

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

	Group		Company	
In thousands of Nigerian naira	**Dec-2021**	**Dec-2020**	**Dec-2021**	**Dec-2020**
Soverign Ratings				
Other Sovereign Rating (B+) S&P	-	52,839,107	-	-
Nigeria (B-) S&P	992,731,135	1,040,256,377	-	-
Counterparties with external credit rating (S&P)				
A-1	18,931,625	15,442,840	-	-
A-1+	33,922,425	34,422	-	-
A-2	5,898,363	1,788,937	-	-
B	-	13,267,221	-	-
Other Sovereign Rating (B-) S&P	29,575,420	-	-	-
Unrated	25,386,835	32,216,253	18,183	-
	1,106,445,803	**1,155,845,157**	**18,183**	**-**

Rating Legend:

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

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

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

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

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

Credit Concentration

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

(i) Geographical Sector

Concentration of risks of financial assets with credit risk exposure

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

Credit risk exposure relating to On-Balance Sheet

Group

Dec-2021

In thousands of Nigerian naira

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

Of the Group's Credit risk exposure outside Africa relating to On-balance sheet, 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
Dec-2021

In thousands of Nigerian naira

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

Contingencies are disclosed on Note 43

Classification of Credit Concentration on Loans to Customers by Product

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

Group
Dec-2021

In thousands of Nigerian naira

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

[#] 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

Company

Dec-2021

In thousands of Nigerian naira

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

Credit risk exposure relating to On-Balance Sheet

Company

Dec-2020

In thousands of Nigerian naira

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

(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
Dec-2021
In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Cash and bank balances:												
- Unrestricted balances with central banks	-	-	-	-	-	156,998,908	-	-	-	-	-	156,998,908
- Balances held with other banks	-	318,218,071	-	-	-	-	-	-	-	-	-	318,218,071
- Money market placements	-	327,925,907	-	-	-	1,000,123	-	-	-	-	-	328,926,030
Loans and advances to banks	-	115,014	-	-	-	-	-	-	-	-	-	115,014
Loans and advances to customers [3] :												
- Loans to individuals	-	-	-	-	-	-	-	-	-	233,099,810	-	233,099,810
- Loans to non-individuals	116,576,862	56,904,283	54,594,488	8,172,529	80,726,128	57,797,529	246,127,145	658,654,311	148,144,607	-	141,789,689	1,569,487,571
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	104,397,651	-	-	-	-	-	104,397,651
- Derivative financial instruments	1,998	23,981,829	7,859	-	13,047	-	586,368	6,143	316,191	-	-	24,913,435
Investment securities:												
- Debt securities	-	1,171,511	-	-	-	1,118,173,845	-	-	-	-	1,953,231	1,121,298,587
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	79,273,911	-	-	-	-	-	79,273,911
Restricted deposits and other assets[4]	-	-	-	-	-	993,597,023	-	-	-	-	112,848,780	1,106,445,803
	116,578,860	**728,316,615**	**54,602,347**	**8,172,529**	**80,739,175**	**2,511,238,990**	**246,713,513**	**658,660,454**	**148,460,798**	**233,099,810**	**256,591,700**	**5,043,174,791**

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

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

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

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

Credit Risk Exposure to off-balance sheet items

Group
Dec-2021
In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Financial guarantees	446	53,560,098	207,682,169	1,288	16,088,455	1,234	30,326,812	38,034,069	4,634,129	98,248	11,550,910	361,977,858
Other contingents	762,572	13,627,164	4,770,315	-	8,313,440	29,518	19,023,070	4,876,146	5,122,979	2,204,827	12,111,673	70,841,704
Total	**763,018**	**67,187,262**	**212,452,484**	**1,288**	**24,401,895**	**30,752**	**49,349,882**	**42,910,215**	**9,757,108**	**2,303,075**	**23,662,583**	**432,819,562**

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.
[2] Includes Telecoms, Logistics, Maritime and Haulage.

Classification of Sectorial Credit Concentration on Loans to Customers by Product

Group
Dec-2021
In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Loans to individuals:												
Overdraft	-	-	-	-	-	-	-	-	-	17,695,430	-	17,695,430
Loans	-	-	-	-	-	-	-	-	-	215,316,091	-	215,316,091
Others	-	-	-	-	-	-	-	-	-	88,289	-	88,289
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**233,099,810**	**-**	**233,099,810**
Loans to non-individuals:												
Overdraft	8,633,575	2,541,323	9,707,629	551,795	25,885,207	2,004,761	29,091,145	60,221,673	9,399,215	-	17,962,492	165,998,815
Loans	107,327,081	54,362,960	44,379,343	7,620,734	52,372,645	55,792,768	207,560,216	596,724,363	131,456,292	-	122,153,150	1,379,749,552
Others	616,206	-	507,516	-	2,468,276	-	9,475,784	1,708,275	7,289,100	-	1,674,047	23,739,204
	116,576,862	**56,904,283**	**54,594,488**	**8,172,529**	**80,726,128**	**57,797,529**	**246,127,145**	**658,654,311**	**148,144,607**	**-**	**141,789,689**	**1,569,487,571**

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.
[2] Includes Telecoms, Logistics, Maritime and Haulage.

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

Company
Dec-2021

In thousands of Nigerian naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info.Telecoms & Transport.[2]	Individual	Others [1]	Total
Cash and bank balances:												
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Restricted deposits and other assets[4]	-	-	-	-	-	-	-	-	-	-	18,183	18,183
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,183**	**18,183**

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

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

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

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

The following tables show the analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

Maximum exposure to credit risk - Loans and advances

Group
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	189,125,207	-	-	189,125,207
Very Strong Capacity	619,423,553	-	-	619,423,553
Strong Repayment Capacity	504,466,293	-	-	504,466,293
Acceptable risk	189,107,988	-	-	189,107,988
Significant increase in credit risk	-	270,366,922	-	270,366,922
Default	-	-	113,919,483	113,919,483
Total	**1,502,123,041**	**270,366,922**	**113,919,483**	**1,886,409,446**

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**

Maximum exposure to credit risk - Money Market Placements

Group
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	329,063,731	-	-	329,063,731

Group
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	170,650,475	-	-	170,650,475

Company
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Company
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Maximum exposure to credit risk - Investment securities

Group
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,122,683,890	-	-	1,122,683,890

Group
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	975,913,481	-	-	975,913,481

Company
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Company
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Maximum exposure to credit risk - Other assets

Group
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,106,715,604	-	-	1,106,715,604

ith central banks (See note 34(i) below)

Group
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,156,111,305	-	-	1,156,111,305

ith central banks (See note 34(i) below)
/IEIS (See note 34(ii) below)

Company
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	18,183	-	-	18,183

ith central banks (See note 34(i) below)

Company
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

ith central banks (See note 34(i) below)
/IEIS (See note 34(ii) below)

Maximum exposure to credit risk - off balance sheet

Group
Dec-2021
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	432,819,562	-	-	432,819,562

Group
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	418,822,801	-	-	418,822,801

Company
Dec-21
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Company
Dec-2020
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	-	-	-	-

Disclosures of various factors that impact the ECL Model as at 31 December 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 - 29%; normal - 40%; and downturn - 31%.

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	389.97	415.61	454.73
	Normal	448.81	476.72	518.77
	Downturn	507.65	537.83	582.81
Inflation rate (%)	Upturn	11.31	9.42	8.49
	Normal	13.00	11.00	10.00
	Downturn	14.69	12.58	11.51
Unemployment (%)	Upturn	26.38	24.48	24.62
	Normal	32.00	30.00	30.00
	Downturn	37.62	35.52	35.38
GDP growth rate (%)	Upturn	4.24	3.75	4.65
	Normal	2.70	2.30	3.30
	Downturn	1.16	0.85	1.95

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	389.97	415.61	454.73
	Normal	448.81	476.72	518.77
	Downturn	507.65	537.83	582.81
Inflation rate (%)	Upturn	11.31	9.42	8.49
	Normal	13.00	11.00	10.00
	Downturn	14.69	12.58	11.51
Crude oil prices (USD/barrel)	Upturn	78.69	83.83	81.07
	Normal	66.00	72.01	70.00
	Downturn	53.31	60.19	58.93
Crude oil Production (barrel)	Upturn	1,611,467	2,028,626	2,390,744
	Normal	1,420,000	1,850,000	2,220,000
	Downturn	1,228,533	1,671,374	2,049,256
GDP growth rate (%)	Upturn	4.24	3.75	4.65
	Normal	2.70	2.30	3.30
	Downturn	-1.16	-0.85	-1.95

Disclosures of various factors that impact the Subsidiaries ECL Model as at 31 December 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
	Exchange rate (Per US$)	1.375	1.04	113.90	11,246.46	53.40
	inflation rate	5.40%	12.00%	5.90%	12.00%	7.00%
Normal	unemployment rate	4.10%	4.40%	11.44%	4.40%	9.30%
	Residential Property Prices	10.4%	n/a	n/a	n/a	n/a
	GDP	5.10%	5.80%	6.00%	6.00%	6.00%
	Exchange rate (Per US$)	1.435	1.12	110.42	10,800.00	53.35
	inflation rate	2.20%	10.00%	5.72%	10.00%	6.95%
Upturn	unemployment rate	3.90%	4.60%	11.09%	4.10%	9.10%
	Residential Property Prices	15.55%	n/a	n/a	n/a	n/a
	GDP	6.80%	6.50%	6.18%	6.90%	6.10%
	Exchange rate (Per US$)	1.340	1.01	117.45	11,950.00	53.65
	inflation rate	5.80%	12.50%	6.08%	15.00%	7.15%
Downturn	unemployment rate	5.50%	4.00%	5.81%	5.00%	9.37%
	Residential Property Prices	9.80%	n/a	n/a	n/a	n/a
	GDP	2.10%	5.30%	5.81%	4.70%	5.94%

Macro-Economic variable assumptions for corporate customers:

Scenario	Macroeconomic Variable	United Kingdom	Ghana	Kenya	Serria-Leone	Gambia
	Exchange rate (Per US$)	1.38	1.04	113.90	11,246.46	53.40
Normal	inflation rate	5.40%	12.00%	5.90%	12.00%	7.00%
	GDP	5.10%	5.80%	6.00%	6.00%	6.00%
	Crude($/pbl)	n/a	60.00	n/a	n/a	n/a
	Exchange rate (Per US$)	1.44	1.12	110.42	10,800.00	53.35
Upturn	inflation rate	2.20%	10.00%	5.72%	10.00%	6.95%
	GDP	6.80%	6.50%	6.18%	6.90%	6.10%
	Crude($/pbl)	n/a	75.00	n/a	n/a	n/a
	Exchange rate (Per US$)	1.34	1.01	117.45	11950.00	53.65
Downturn	inflation	5.80%	12.50%	6.08%	15.00%	7.15%
	GDP	2.10%	5.30%	5.81%	4.70%	5.94%
	Crude($/pbl)	n/a	55.00	n/a	n/a	n/a

(vii) Impairment and provisioning policies

The following policies guide the Group's provisioning and impairment:

(1) Loan Categorization

All loans and advances are categorized as follows during the current year:

- **Stage 1 Loans and Advances:**

  These are loans and advances that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (where the optional simplification is applied) at the reporting date. The credit quality of the Stage 1 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned ratings 1-6.

  In addition to the above, Stage 1 loans and advances are loans that have experienced movement of credit rating of less than 3 notches migration from origination and are not in default.

- **Stage 2 Loans and Advances:**

  These are loans and advances that have deteriorated significantly in credit quality since initial recognition but do not have objective evidence of a credit loss event. The credit quality of the Stage 2 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned rating 7.

  In addition to the above, Stage 2 loans and advances are loans that have experienced movement of credit rating of more than 3 notches migration from origination and are not in default.

- **Stage 3 Loans and Advances:**

  These are loans and advances that have objective evidence of a credit loss event. Stage 3 allocation is driven by either the identification of credit impairment or an exposure being classified as defaulted. The credit quality of the Stage 3 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned ratings 8-10.

(2) Allowances for impairment

The Group establishes an allowance for impairment losses that represents its estimate of expected credit losses in its loan portfolio. In accordance with IFRS 9 which requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (stage 1), and lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (stage 2) or which are credit impaired (stage 3).

Stage 1 – This is where credit risk has not increased significantly since initial recognition. For loans in stage 1, the Group recognises 12 month ECL and interest income is recognised on a gross basis – this means that interest will be calculated on the gross carrying amount of the loan before adjusting for ECL.

Stage 2 - This is where credit risk has increased significantly since initial recognition (stage 1). When a loan is transferred to stage 2, the Group recognises lifetime ECL but interest income will continue to be recognised on a gross basis.

Stage 3 – At stage 3, the loan is credit impaired. This is effectively the point at which there has been an incurred loss event. For loans in stage 3, the Group continues to recognise lifetime ECL but interest income is recognised on a net basis. This means that interest income will be calculated based on the gross carrying amount of the loan less ECL.

Realizable collaterals are important component of cash flows.

(3) Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower’s financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured, it remains in this category independent of satisfactory performance after restructuring.

(4) Governance structure around the ECL model:

The governance around the ECL model centres on the monitoring of performance of obligors in accordance with the term and conditions of the underlying facilities and ensure that the ratings assigned to each counterparty reflects the outcome of the internal rating model of the Group, tailored to the various categories and sectors of the counterparties. For this purpose, the Group has set up 3 level of structure with oversights on the review of credit performance and assign credit ratings. The three levels of governance structure are:

i) **Chief Risk Officer:** The Chief Risk Officer (CRO) works with the divisional heads and relationship managers to monitor and provide feedback on the performance of the facilities less than or equal to ₦100 million. This gives him insight into what the appropriate rating migration for each facility in this band should be.

ii) **An Executive Director (ED) who is a member of the Board Risk Management Committee (BRMC):** An ED who is a member of the BRMC has been assigned responsibility for the facilities above ₦100 million but less than ₦500 million. The ED works with the CRO, divisional heads and the relationship managers to monitor the facilities in this category. He ensures that adequate information as to the level of performance of these facilities is promptly retrieved and the counterparties are correctly rated.

iii) **The Managing Director (MD):** The Managing Director presides over the review of facilities over ₦500 million.

Every decision made with respect to the performance of these facilities must be approved by the MD.

All the above approving authorities in respect of credit ratings consider number of days past due as one of the quantitative variables in the determination of the credit ratings to be assigned to credit facilities. Facilities that are 30 days past due are assigned a credit rating of 7 except appropriate rebuttals are in place to justify a better credit rating while Facilities that are 90 days past due are assigned a rating of 8 except appropriate rebuttals are in place to justify a better credit rating.

(5) Policy around rebuttal:

When backstop is used and an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 respectively, the presumption can be rebutted only on the basis of the following:

i) The relationship manager and divisional head must provide reasonable and supportable evidence for the rebuttal. In doing this, the evidence must be provided to the CRO and credit risk management team within 10 working days failure of which the transfer will be made.

ii) For accounts that are moved to stage 2, the CRO and credit risk management team will review the evidence provided by the relationship manager and provide feedback to the relationship manager as regards the acceptability of the evidence.

iii) For accounts that are moved to stage 3, the CRO and credit risk management team will review the evidence provided by the relationship manager. The account is then scheduled to be presented to the Criticised Asset Committee (CAC).

iv) CAC takes decision with respect to the acceptability of the evidence presented to it.

v) Where the evidence is deemed acceptable as stated in (ii) and (iv) above, the account is immediately transferred back to the previous stage. Where the evidence is not acceptable, the account is left in the new stage except the relationship manager is able to provide fresh evidence which will follow the same step above.

(i) Credit quality of Stage 1 Loans and advances

The credit quality of the portfolio of Stage 1 loans and advances can be assessed by reference to the internal rating system adopted by the Group.

Group
Dec-2021
In thousands of Nigerian Naira

	Loans and advances to customers						Loans and advances to banks		
	Individuals			Non-individuals					
Rating	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Total**
Exceptional capacity	24,526	31,078,140	74,229	53,542,703	95,531,829	8,873,780	-	-	189,125,207
Very strong capacity	1,486,568	8,855,544	-	13,706,428	587,067,316	8,307,697	-	-	619,423,553
Strong repayment capacity	13,323,801	161,144,488	-	50,188,907	274,910,183	4,883,548	15,366	-	504,466,293
Acceptable risk	1,024,704	4,925,589	14,060	18,798,666	162,682,377	1,582,477	64,901	15,214	189,107,988
Total	**15,859,599**	**206,003,761**	**88,289**	**136,236,704**	**1,120,191,705**	**23,647,502**	**80,267**	**15,214**	**1,502,123,041**

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**

(ii) **Stage 2 Loans and Advances to Customers**

Group
Dec-2021
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	1,999,068	244,744,045	-	246,743,113
Overdraft	1,888,882	21,570,400	-	23,459,282
Others	-	164,527	-	164,527
	3,887,950	**266,478,972**	**-**	**270,366,922**
Impairment:				
Loans	14,645	17,327,334	-	17,341,979
Overdraft	216,199	853,508	-	1,069,707
Others	-	104	-	104
	230,844	**18,180,946**	**-**	**18,411,790**
Net Amount:				
Loans	1,984,423	227,416,711	-	229,401,134
Overdraft	1,672,683	20,716,892	-	22,389,575
Others	-	164,423	-	164,423
	3,657,106	**248,298,026**	**-**	**251,955,132**
FV of collateral[1]:				
Loans	47,855,555	6,292,769,910	-	6,340,625,465
Overdraft	45,217,820	86,180,061	-	131,397,881
Others	-	272,325	-	272,325
	93,073,375	**6,379,222,296**	**-**	**6,472,295,671**
Amount of undercollateralisation:				
Others	-	-	-	-
	-	**-**	**-**	**-**
Net Loans	**3,657,106**	**248,298,026**	**-**	**251,955,132**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

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	-	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.

(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
Dec-2021
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross loans:				
Loans	13,610,800	70,905,056	21,336	84,537,192
Overdraft	9,653,307	19,718,008	673	29,371,988
Others	-	10,303	-	10,303
	23,264,107	**90,633,367**	**22,009**	**113,919,483**
Impairment:				
Loans	5,541,566	35,008,540	1,522	40,551,628
Overdraft	9,023,896	7,917,498	673	16,942,067
Others	-	-	-	-
	14,565,462	**42,926,038**	**2,195**	**57,493,695**
Net Amount:				
Loans	8,069,234	35,896,516	19,814	43,985,564
Overdraft	629,411	11,800,510	-	12,429,921
Others	-	10,303	-	10,303
	8,698,645	**47,707,329**	**19,814**	**56,425,788**
FV of collateral[1]:				
Loans	11,116,780	96,090,993	44,924	107,252,697
Overdraft	7,884,451	20,461,284	-	28,345,735
Others	-	1,963,876	-	1,963,876
FV of collateral	**19,001,231**	**118,516,153**	**44,924**	**137,562,308**
Amount of undercollateralisation:				
Loans	2,494,020	-	-	-
Overdraft	1,768,856	-	673	1,026,253
Others	-	-	-	-
	4,262,876	-	-	-
Net Loans	**8,698,645**	**47,707,329**	**19,814**	**56,425,788**
Amount of undercollateralisation on net loans	-	-	-	-

[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	9,657,343	74,831,922	34,409	84,523,674
Overdraft	10,169,653	16,690,834	32,874	26,893,361
Others	-	46,603	-	46,603
	19,826,996	**91,569,359**	**67,283**	**111,463,638**
Impairment:				
Loans	5,008,406	37,303,390	7,753	42,319,549
Overdraft	6,123,004	8,086,935	19,781	14,229,720
Others	-	18,001	-	18,001
	11,131,410	**45,408,326**	**27,534**	**56,567,270**
Net Amount:				
Loans	4,648,937	37,528,532	26,656	42,204,125
Overdraft	4,046,649	8,603,899	13,093	12,663,641
Others	-	28,602	-	28,602
	8,695,586	**46,161,033**	**39,749**	**54,896,368**
FV of collateral[1]:				
Loans	9,255,129	142,882,709	34,919	152,172,757
Overdraft	9,746,102	65,514,532	32,498	75,293,132
Others	-	1,957,599	-	1,957,599
FV of collateral	**19,001,231**	**210,354,840**	**67,417**	**229,423,488**
Amount of undercollateralisation:				
Loans	402,214	-	-	-
Overdraft	423,551	-	376	-
Others	-	-	-	-
	825,765	**-**	**-**	**-**
Net Loans	**8,695,586**	**46,161,033**	**39,749**	**54,896,368**
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.

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.

Dec-2021

	Group				Company			
	Dec-2021				Dec-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	221,951,649	1,280,075,911	95,481	1,502,123,041	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	3,887,950	266,478,972	-	270,366,922	-	-	-	-
Stage 3 - Non Performing Loans	23,264,107	90,633,367	22,009	113,919,483	-	-	-	-
Gross Loans and Advances	**249,103,706**	**1,637,188,250**	**117,490**	**1,886,409,446**	**-**	**-**	**-**	**-**
Less allowances for impairment:								
Stage 1 - 12 months ECL	1,207,590	6,593,695	281	7,801,566	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	230,844	18,180,946	-	18,411,790	-	-	-	-
Stage 3 - Non Performing Loans	14,565,462	42,926,038	2,195	57,493,695	-	-	-	-
Total allowance	**16,003,896**	**67,700,679**	**2,476**	**83,707,051**	**-**	**-**	**-**	**-**
Net Loans and Advances	**233,099,810**	**1,569,487,571**	**115,014**	**1,802,702,395**	**-**	**-**	**-**	**-**

Dec-2020

	Group				Company			
	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	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	1,434,432	280,224,182	-	281,658,614	-	-	-	-
Stage 3 - Non Performing Loans	19,826,996	91,569,359	67,283	111,463,638	-	-	-	-
Gross Loans and Advances	**214,528,510**	**1,529,180,353**	**186,432**	**1,743,895,295**	**-**	**-**	**-**	**-**
Less allowances for impairment:								
Stage 1 - 12 months ECL	777,438	5,741,522	59,855	6,578,815	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	44,383	17,874,085	-	17,918,468	-	-	-	-
Stage 3 - Non Performing Loans	11,131,410	45,408,326	27,534	56,567,270	-	-	-	-
Total allowance	**11,953,231**	**69,023,933**	**87,389**	**81,064,553**	**-**	**-**	**-**	**-**
Net Loans and Advances	**202,575,279**	**1,460,156,420**	**99,043**	**1,662,830,742**	**-**	**-**	**-**	**-**

Each category of the gross loans is further analysed into Product lines as follows:

Dec-2021

	Group Dec-2021				Company Dec-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
Loans	206,003,761	1,120,191,705	15,214	1,326,210,680	-	-	-	-
Overdrafts	15,859,599	136,236,704	80,267	152,176,570	-	-	-	-
Others	88,289	23,647,502	-	23,735,791	-	-	-	-
Stage 1 - 12 Months ECL	**221,951,649**	**1,280,075,911**	**95,481**	**1,502,123,041**	**-**	**-**	**-**	**-**
Loans	1,999,068	244,744,045	-	246,743,113	-	-	-	-
Overdrafts	1,888,882	21,570,400	-	23,459,282	-	-	-	-
Others	-	164,527	-	164,527	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	**3,887,950**	**266,478,972**	**-**	**270,366,922**	**-**	**-**	**-**	**-**
Loans	13,610,800	70,905,056	21,336	84,537,192	-	-	-	-
Overdrafts	9,653,307	19,718,008	673	29,371,988	-	-	-	-
Others	-	10,303	-	10,303	-	-	-	-
Stage 3 - Non Performing Loans	**23,264,107**	**90,633,367**	**22,009**	**113,919,483**	**-**	**-**	**-**	**-**
Total Loans and Advances	**249,103,706**	**1,637,188,250**	**117,490**	**1,886,409,446**	**-**	**-**	**-**	**-**

The impairment allowance on loans is further analysed as follows:

	Group Dec-2021				Company Dec-2021			
	Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Stage 1: 12 Months ECL								
Loans	741,327	3,755,380	-	4,496,707	-	-	-	-
Overdrafts	466,263	2,755,291	281	3,221,835	-	-	-	-
Others	-	83,024	-	83,024	-	-	-	-
	1,207,590	**6,593,695**	**281**	**7,801,566**	**-**	**-**	**-**	**-**
Stage 2: Life Time ECL Not Credit Impaired								
Loans	14,645	17,327,334	-	17,341,979	-	-	-	-
Overdrafts	216,199	853,508	-	1,069,707	-	-	-	-
Others	-	104	-	104	-	-	-	-
	230,844	**18,180,946**	**-**	**18,411,790**	**-**	**-**	**-**	**-**
Stage 3: Non Performing Loans								
Loans	5,541,566	35,008,540	1,522	40,551,628	-	-	-	-
Overdrafts	9,023,896	7,917,498	673	16,942,067	-	-	-	-
Others	-	-	-	-	-	-	-	-
	14,565,462	**42,926,038**	**2,195**	**57,493,695**	**-**	**-**	**-**	**-**
Total allowance	**16,003,896**	**67,700,679**	**2,476**	**83,707,051**	**-**	**-**	**-**	**-**

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	Company 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	-	-	-	-
Overdrafts	8,232,005	99,698,293	3,912	107,934,210	-	-	-	-
Others	84,665	8,600,005	-	8,684,670	-	-	-	-
Stage 1 - 12 Months ECL	**193,267,082**	**1,157,386,812**	**119,149**	**1,350,773,043**	**-**	**-**	**-**	**-**
Loans	1,077,188	262,463,801	-	263,540,989	-	-	-	-
Overdrafts	357,244	17,711,098	-	18,068,342	-	-	-	-
Others	-	49,283	-	49,283	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	**1,434,432**	**280,224,182**	**-**	**281,658,614**	**-**	**-**	**-**	**-**
Loans	9,657,343	74,831,922	34,409	84,523,674	-	-	-	-
Overdrafts	10,169,653	16,690,834	32,874	26,893,361	-	-	-	-
Others	-	46,603	-	46,603	-	-	-	-
Stage 3 - Non Performing Loans	**19,826,996**	**91,569,359**	**67,283**	**111,463,638**	**-**	**-**	**-**	**-**
Total Loans and Advances	**214,528,510**	**1,529,180,353**	**186,432**	**1,743,895,295**	**-**	**-**	**-**	**-**

The impairment allowance on loans is further analysed as follows:

	Group Dec-2020 Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Company 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	-	-	-	-
Overdrafts	174,430	1,537,332	-	1,711,762	-	-	-	-
Others	-	4,786	-	4,786	-	-	-	-
	777,438	**5,741,522**	**59,855**	**6,578,815**	**-**	**-**	**-**	**-**
Stage 2: Life Time ECL Not Credit Impaired								
Loans	37,564	16,073,623	-	16,111,187	-	-	-	-
Overdrafts	6,819	1,800,462	-	1,807,281	-	-	-	-
Others	-	-	-	-	-	-	-	-
	44,383	**17,874,085**	**-**	**17,918,468**	**-**	**-**	**-**	**-**
Stage 3: Non Performing Loans								
Loans	5,008,406	37,303,390	7,753	42,319,549	-	-	-	-
Overdrafts	6,123,004	8,086,935	19,781	14,229,720	-	-	-	-
Others	-	18,001	-	18,001	-	-	-	-
	11,131,410	**45,408,326**	**27,534**	**56,567,270**	**-**	**-**	**-**	**-**
Total allowance	**11,953,231**	**69,023,933**	**87,389**	**81,064,553**	**-**	**-**	**-**	**-**

(v) Credit collateral

The Group ensures that each credit is reviewed and granted based on the strength of the borrowers' cash flow. However, the Group also ensures its credit facilities are well secured as a second way out. The policies that guide collateral for facilities are embedded within the Group's credit policy guide. These include the following policy statements amongst others:

Loans to individuals and non-individuals are to be secured by tangible, marketable collateral that has a market value that is supported by a valuation report from a registered estate valuer who is acceptable to the Group. The collateral must also be easy to check and easy to dispose of. This collateral must be in the possession of, or pledged to, the Group. Client's account balances must be within the scope of cover provided by its collateral.

All collateral offered must have the following attributes:

- There must be good legal title
- The title must be easy to transfer
- It should be easy and relatively cheap to value
- The value should be appreciating or at least stable
- The security must be easy to sell.

All collateral must be protected by insurance. Exceptions include cash collateral, securities in safe keeping, indemnity or guarantees, or where our interest is general (for instance in a negative pledge). The insurance policy has to be issued by an insurer acceptable to the Group. All cash collateralized facilities shall have a 20% margin to provide cushion for interest and other charges i.e. only 80% of the deposit or cash collateral may be availed to an obligor.

The main collateral types acceptable to the Group for loans and advances include:

- Mortgages over residential properties.
- Charges over business premises, fixed and floating assets as well as inventory.
- Charges over financial instruments such as equities, treasury bills etc.

The fair values of collaterals are based upon last annual valuation undertaken by independent valuers on behalf of the Group. The valuation techniques adopted for properties are based upon fair values of similar properties in the neighbourhood taking into cognizance the advantages and disadvantages of the comparatives over the subject property and any other factor which can have effect on the valuation e.g. subsequent movements in house prices, after making allowance for dilapidations. The fair values of non-property collaterals (such as equities, bond, treasury bills, etc.) are determined with reference to market quoted prices or market values of similar instrument.

The same Fair value approach is used in determining the collaterals value in the course of sale or realisation. The Group uses external agents to realize the value as soon as practicable, generally at auction, to settle indebtedness. Any surplus funds are returned to the borrower.

Notes to the financial statements

Summary of collaterals pledged by customers against loans and advances

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers and banks is shown below:

Group
Dec-2021

	Loans and advances to customers		Loans and advances to Banks	
In thousands of Nigerian Naira	Gross Loans	Collateral	Gross Loans	Collateral
Against Stage 1 Loans and Advances	1,502,027,560	19,850,087,258	95,481	119,081
Against Stage 2 Loans and Advances	270,366,922	6,472,295,671	-	-
Against Stage 3 Loans and Advances	113,897,474	137,517,384	22,009	44,924
Total	**1,886,291,956**	**26,459,900,313**	**117,490**	**164,005**

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**

Notes to the financial statements

The type of Collaterals and Other Security enhancement held against the various loan classifications are disclosed in the table below:

Group

In thousands of Nigerian Naira	**Loans and advances to customers Dec-2021**	**Loans and advances to banks Dec-2021**
Against Stage 1 Loans and Advances:		
Property	1,766,899,458	56,000
Equities	64,316,977	-
Treasury bills	7,142,506	63,081
Cash	120,799,293	-
Guarantees	30,384,813	-
Negative pledge	2,905,370	-
ATC*, stock hypothecation and ISPO*	56,823,057	-
Others #	17,800,815,784	-
Total	**19,850,087,258**	**119,081**
Against Stage 2 Loans and Advances:		
Property	79,316,781	-
Equities	10,727,529	-
Cash	141,719	-
Treasury bills	620,037	-
Guarantees	2,934,962	-
Others #	6,378,554,643	-
Total	**6,472,295,671**	**-**
Against Stage 3 Loans and Advances:		
Property	87,748,851	42,000
Equities	41,404	-
Treasury bills	3,307,034	-
Cash	7,875,332	-
Guarantees	3,071,730	-
ATC*, stock hypothecation and ISPO*	693,272	-
Others #	34,779,761	2,924
Total	**137,517,384**	**44,924**
Grand total	**26,459,900,313**	**164,005**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Notes to the financial statements

The type of Collaterals and Other Security enhancement held against the various loan classifications are disclosed in the table below:

Group

In thousands of Nigerian Naira	**Loans and advances to customers Dec-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

Summary of collaterals pledged by customers against loans and advances

Analysis of credit collateral is further shown below:

Group
Dec-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	1,104,011,987	138,932,639	523,954,832	1,766,899,458	-	56,000	-	56,000
Equities	64,316,977	-	-	64,316,977	-	-	-	-
Cash	104,976,885	12,414,804	3,407,604	120,799,293	-	-	-	-
Guarantees	4,276,120	2,181,666	23,927,027	30,384,813	-	-	-	-
Negative Pledge	1,197,987	564,380	1,143,003	2,905,370	-	-	-	-
Treasury Bills	1,847,731	5,214,379	80,396	7,142,506	11,979	51,102	-	63,081
ATC*, stock hypothecation and ISPO*	55,694,522	1,128,535	-	56,823,057	-	-	-	-
Others #	17,692,517,465	76,835,134	31,463,185	17,800,815,784	-	-	-	-
Total	**19,028,839,674**	**237,271,537**	**583,976,047**	**19,850,087,258**	**11,979**	**107,102**	**-**	**119,081**
Against Stage 2 Loans and Advances:								
Property	53,942,097	25,220,794	153,890	79,316,781	-	-	-	-
Equities	10,727,529	-	-	10,727,529	-	-	-	-
Cash	32,572	109,143	4	141,719	-	-	-	-
Treasury bills	217,458	402,579	-	620,037	-	-	-	-
Guarantees	1,855,227	1,077,265	2,470	2,934,962	-	-	-	-
Others #	6,273,850,582	104,588,100	115,961	6,378,554,643	-	-	-	-
Total	**6,340,625,465**	**131,397,881**	**272,325**	**6,472,295,671**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	67,212,245	20,185,652	350,954	87,748,851	42,000	-	-	42,000
Equities	37,704	3,700	-	41,404	-	-	-	-
Treasury bills	1,885,236	1,421,798	-	3,307,034	-	-	-	-
Cash	7,832,758	42,570	4	7,875,332	-	-	-	-
Guarantees	1,444,609	19,138	1,607,983	3,071,730	-	-	-	-
ATC*, stock hypothecation and ISPO*	693,272	-	-	693,272	-	-	-	-
Others #	28,101,949	6,672,877	4,935	34,779,761	2,924	-	-	2,924
Total	**107,207,773**	**28,345,735**	**1,963,876**	**137,517,384**	**44,924**	**-**	**-**	**44,924**
Grand total	**25,476,672,912**	**397,015,153**	**586,212,248**	**26,459,900,313**	**56,903**	**107,102**	**-**	**164,005**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Notes to the financial statements

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	1,059,047,141	128,587,624	558,445,092	1,746,079,857	-	-	-	-
Equities	33,111,048	65,094	92,284	33,268,426	-	-	-	-
Cash	37,091,458	16,423,214	20,835,545	74,350,217	-	-	-	-
Guarantees	50,629,121	8,282,751	62,691,768	121,603,640	-	-	-	-
Negative Pledge	-	892,278	-	892,278	-	-	-	-
Treasury Bills	7,620,178	-	-	7,620,178	-	-	-	-
ATC*, stock hypothecation and ISPO*	822,527,066	603,660	41,883	823,172,609	-	-	-	-
Others #	12,292,169,162	171,835,352	18,482,278	12,482,486,792	-	-	-	-
Total	**14,302,195,174**	**326,689,973**	**660,588,850**	**15,289,473,997**	**-**	**-**	**-**	**-**
Against Stage 2 Loans and Advances:								
Property	121,268,925	19,485,170	141,236	140,895,331	-	-	-	-
Equities	28,922,470	-	-	28,922,470	-	-	-	-
Cash	-	622,546	26,336	648,882	-	-	-	-
Guarantees	20,024,985	493,364	264,695	20,783,044	-	-	-	-
Negative pledge	-	-	-	-	-	-	-	-
Others #	4,253,643,025	77,660,680	-	4,331,303,705	-	-	-	-
Total	**4,423,859,405**	**98,261,760**	**432,267**	**4,522,553,432**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	90,276,882	21,811,042	356,413	112,444,337	30,585	32,496	-	63,081
Equities	198,569	414,570	-	613,139	-	-	-	-
Treasury bills	5,500	-	-	5,500	-	-	-	-
Cash	7,475,873	1,202,015	-	8,677,888	-	-	-	-
Guarantees	3,903,273	1,856,135	1,600,120	7,359,528	-	-	-	-
ATC*, stock hypothecation and ISPO*	1,166,606	-	-	1,166,606	-	-	-	-
Others #	49,111,135	49,976,872	1,066	99,089,073	4,334	2	-	4,336
Total	**152,137,838**	**75,260,634**	**1,957,599**	**229,356,071**	**34,919**	**32,498**	**-**	**67,417**
Grand total	**18,878,192,417**	**500,212,367**	**662,978,716**	**20,041,383,500**	**34,919**	**32,498**	**-**	**67,417**

*ISPO: Irrevocable standing payment order
*ATC: Authority to collect
#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

Notes to the financial statements

(b) Credit risk (continued)

Debt securities

The table below shows analysis of debt securities into the different classifications:

Group
Dec-2021

In thousands of Nigerian Naira	Financial assets at fair value through profit or loss	Investment securities	Assets pledged as collateral	Total
Federal government bonds	53,005,868	125,898,799	6,953,359	185,858,026
Treasury bills	49,350,665	414,833,941	72,320,552	536,505,158
Special Bills	-	560,806,136	-	560,806,136
Corporate bonds	-	1,953,231	-	1,953,231
Euro bond	2,041,118	10,178,024	-	12,219,142
Promissory Notes	-	7,628,456	-	7,628,456
	104,397,651	**1,121,298,587**	**79,273,911**	**1,304,970,149**

The Group’s investment in risk-free Government securities constitutes 99.9% of debt instruments portfolio (December 2020: 99.8%). Investment in Corporate and State Government bonds accounts for the outstanding 0.1% (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**

(g) Liquidity Risk

Liquidity risk is the risk that the Group, though having a solvent balance sheet, might not be able to generate sufficient cash resources to meet its obligations as they fall due, or is only able to do so at an excessive cost. The risk typically arises from mismatches in the timing of cash inflows and cash outflows.

The objective of the Group's liquidity risk management system is to ensure that all foreseeable funding commitments can be met when due, and that access to wholesale markets is controlled and cost effective. To this end, the Group maintains a diversified funding base comprising of retail, small business, commercial and institutional customer deposits. The Group continues to develop and improve its liquidity risk management system with the aim of effectively identifying, measuring, monitoring and controlling liquidity risk across its network. Seeking at all times to balance safety, liquidity, profitability and regulatory requirements.

A brief overview of the Group's liquidity management processes during the year includes the following:

1. Control of liquidity risk by the setting of dynamic limits on metrics such as liquidity ratio, reserve ratio, asset and liability gap measures, amongst others. Internal limits are typically more stringent than regulatory limits across all jurisdictions of the Group's operation.

2. The limits are monitored regularly with exceptions reported to the Management Risk Committee (MRC) and the Board.

3. Based on its judgement of financial market trends, the Group actively adjusts its business strategies to manage liquidity risk.

4. Periodic cash flow projections considering its impact on internal and regulatory limits.

5. Control of non-earning assets proportion to manage its impact on the Group's overall financial position.

6. Conduct regular liquidity stress tests including testing of contingency plans.

7. Monitor diversification of funding sources in order to control concentration risk and ensure a satisfactorily funding mix.

8. Monitoring the level of undrawn commitments.

9. Maintain an updated liquidity and contingency funding plan. These plans will identify stress indicators and prescribe actions to be taken in event of firm specific or market-based crises.

10. Regular conduct of the Asset and Liability Management Committee (ALMAC) meetings.

The Group's Asset and Liability Management Committee (ALMAC) is charged with the following responsibilities.

1. Establishing policies and tolerance levels, from both risk and return perspectives, for liquidity, interest rate and balance sheet valuation management.

2. Manage the intra-day liquidity position to ensure that payment and settlement obligations are met

on a timely basis.

3. Strategic financial position planning from both risk and return perspective.

4. Strategically coordinate the management of the Bank's financial position in consideration of changing economic conditions.

(i) Funding approach

The Group's overall approach to funding is as follows:

1. Consistently grow customer deposits from diverse sources particularly along geographical and sectorial categories. The objective is to eliminate depositor concentration or undue reliance on individual depositors.

2. Generate funding at the most appropriate pricing in light of market realities.

3. Maintain an appropriate funding structure that enables the Group to operate under a variety of adverse circumstance, including potential firm-specific and/or market liquidity events.

4. Maintain appropriate capital to support the Group's risk level and strategic intent.

The Group was able to meet all its financial commitments and obligations without any liquidity risk exposure during the year under review.

(ii) Exposure to Liquidity Risk

One of the key measures used by the Group for managing liquidity risk is the ratio of liquid assets to short term liabilities. For this purpose, liquid assets include but is not limited to cash and its equivalents and investment grade debt securities for which there is an active and liquid market. Short term liabilities include local currency deposits from banks and customers. A similar calculation is used to measure the Group's compliance with the liquidity limit established by the Group's lead regulator (The Central Bank of Nigeria).

	Dec-21	Dec-20
At end of year	38.26%	49.33%
Average for the year	40.76%	44.43%
Maximum for the year	44.99%	49.86%
Minimum for the year	35.65%	36.80%
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
Dec-2021

In thousands of Nigerian Naira	*Note*	Carrying amount	Gross nominal inflow/outflow	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets								
Cash and bank balances	23	933,591,069	932,878,481	904,941,761	22,348,781	5,587,939	-	-
Financial assets at fair value through profit or loss	24	104,397,651	116,059,042	15,881,110	6,886,674	36,647,652	15,179,672	41,463,934
Derivative financial assets	25	24,913,435	25,350,216	15,698,638	59,903	9,591,675	-	-
Investment securities:								
– Fair Value through other comprehensive Income[2]	26	274,375,372	295,608,649	167,157,371	38,383,784	50,488,722	10,930,144	28,648,628
– Held at amortised cost	26	846,923,215	858,518,592	261,172,733	372,159,397	155,955,912	50,673,014	18,557,536
Assets pledged as collateral	27	79,273,911	81,837,740	10,436,053	-	71,401,687	-	-
Loans and advances to banks	28	115,014	116,666	104,274	4,329	8,063	-	-
Loans and advances to customers	29	1,802,587,381	2,055,543,361	542,353,180	160,474,524	282,312,960	880,739,100	189,663,597
Restricted deposits and other assets[3]	34	1,121,888,414	1,122,633,060	1,100,647,068	5,008,342	1,526,218	15,451,432	-
		5,188,065,462	**5,488,545,807**	**3,018,392,188**	**605,325,734**	**613,520,828**	**972,973,362**	**278,333,695**
Financial liabilities								
Deposits from banks	35	118,027,576	118,040,512	100,192,525	730,801	17,117,186	-	-
Deposits from customers	36	4,012,305,554	4,014,761,182	3,930,940,324	37,553,704	28,729,581	15,574,321	1,963,252
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-	-
Derivative financial liabilities	25	1,580,971	1,584,438	1,526,224	58,214	-	-	-
Other liabilities[4]	38	227,576,293	228,515,345	172,449,043	29,869,810	10,853,176	8,204,803	7,138,513
Other borrowed funds	40	153,897,499	154,327,213	56,620,438	9,232,433	37,448,403	37,293,964	13,731,975
		4,513,387,893	**4,517,228,690**	**4,261,728,554**	**77,444,962**	**94,148,346**	**61,073,088**	**22,833,740**
Gap (asset - liabilities)				(1,243,336,366)	527,880,772	519,372,482	911,900,274	255,499,955
Cumulative liquidity gap				(1,243,336,366)	(715,455,594)	(196,083,112)	715,817,162	971,317,117

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under Gross Nominal consideration.

[3] Excludes Prepayments,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	6,318,113	8,047,081	122,208	119,746	400,952	1,041,017	6,363,158
Non-Lease Liabilities	221,258,180	220,468,264	172,326,835	29,750,064	10,452,224	7,163,786	775,355
	227,576,293	**228,515,345**	**172,449,043**	**29,869,810**	**10,853,176**	**8,204,803**	**7,138,513**

Gross nominal (undiscounted) maturities of financial assets and liabilities
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	1,944,238,527	510,976,225	124,078,962	239,838,484	891,899,652	177,445,204
Restricted deposits and other assets[3]	34	1,166,226,315	1,166,225,415	1,143,378,350	9,891,922	454,057	10,429,030	2,072,056
		4,706,087,201	**5,016,004,765**	**3,062,155,604**	**232,653,887**	**518,713,559**	**974,186,480**	**228,295,235**
Financial liabilities								
Deposits from banks	35	101,509,550	101,509,429	90,105,128	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	2,120,560	2,120,560	-	-	-	-
Other liabilities[4]	38	352,176,806	352,177,089	114,619,844	212,082,161	3,265,695	12,970,430	9,238,959
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	**4,080,971,036**	**3,600,505,650**	**245,437,521**	**147,489,552**	**56,776,891**	**30,761,422**
Gap (asset - liabilities)				(538,350,046)	(12,783,634)	371,224,007	917,409,589	197,533,813
Cumulative liquidity gap				(538,350,046)	(551,133,680)	(179,909,673)	737,499,916	935,033,729

[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	9,929,682	146,867	524,611	932,047	1,144,624	7,181,533
Non-Lease Liabilities	344,089,693	342,247,407	114,472,977	211,557,550	2,333,648	11,825,806	2,057,426
	352,176,806	**352,177,089**	**114,619,844**	**212,082,161**	**3,265,695**	**12,970,430**	**9,238,959**

Gross nominal (undiscounted) maturities of financial assets and liabilities
Company
Dec-2021

In thousands of Nigerian Naira	*Note*	Carrying amount	Gross nominal inflow/outflow	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets								
Restricted deposits and other assets[3]	34	18,183	18,183	-	18,183	-	-	-
		18,183	**18,183**	**-**	**18,183**	**-**	**-**	**-**
Financial liabilities								
Other liabilities[4]	38	6,076,055	6,076,055	-	-	6,076,055	-	-
Other borrowed funds	40	-	-	-	-	-	-	-
		6,076,055	**6,076,055**	**-**	**-**	**6,076,055**	**-**	**-**
Gap (asset - liabilities)				-	18,183	(6,076,055)	-	-
Cumulative liquidity gap				-	18,183	(6,057,872)	(6,057,872)	(6,057,872)

[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	-	-	-	-	-	-	-
Non-Lease Liabilities	6,076,055	6,076,055	-	-	6,076,055	-	-
	6,076,055	**6,076,055**	**-**	**-**	**6,076,055**	**-**	**-**

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
Dec-2021

In thousands of Nigerian Naira	**Note**	**Carrying amount**	**Less than 3 months**[1]	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	23	933,591,069	905,657,236	22,345,894	5,587,939	-	-
Financial assets at fair value through profit or loss	24	104,397,651	15,870,535	6,877,431	35,318,133	15,179,672	31,151,880
Derivative financial assets	25	24,913,435	15,605,968	59,340	9,248,127	-	-
Investment securities:							
– Fair Value through other comprehensive Income[2]	26	274,375,372	166,354,843	37,543,483	49,769,362	9,465,116	11,242,568
– Held at amortised cost	26	846,923,215	261,083,274	371,540,850	145,194,985	50,546,570	18,557,536
Assets pledged as collateral	27	79,273,911	10,436,054	-	68,837,857	-	-
Loans and advances to banks	28	115,014	103,764	3,750	7,500	-	-
Loans and advances to customers	29	1,802,587,381	707,524,888	139,158,448	230,885,809	644,016,862	81,001,374
Restricted deposits and other assets[3]	34	1,121,888,414	1,099,902,423	5,008,341	1,526,218	15,451,432	-
		5,188,065,462	**3,182,538,985**	**582,537,537**	**546,375,930**	**734,659,652**	**141,953,358**
Financial liabilities							
Deposits from banks	35	118,027,576	100,179,589	730,801	17,117,186	-	-
Deposits from customers	36	4,012,305,554	3,928,960,983	37,387,520	28,419,927	15,573,872	1,963,252
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-
Derivative financial liabilities	25	1,580,971	1,523,305	57,666	-	-	-
Other liabilities[4]	38	227,576,293	171,698,715	29,642,350	11,079,039	8,188,836	6,967,353
Other borrowed funds	40	153,897,499	56,201,737	9,244,323	37,425,500	37,293,964	13,731,975
		4,513,387,893	**4,258,564,329**	**77,062,660**	**94,041,652**	**61,056,672**	**22,662,580**
Gap (asset - liabilities)			(1,076,025,344)	505,474,877	452,334,278	673,602,980	119,290,778
Cumulative liquidity gap			(1,076,025,344)	(570,550,467)	(118,216,189)	555,386,791	674,677,569

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under liquidity consideration.
[3] Excludes prepayments,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	6,318,113	121,218	117,821	388,264	894,819	4,795,991
Non-Lease Liabilities	221,258,180	171,577,497	29,524,529	10,690,775	7,294,017	2,171,362
	227,576,293	**171,698,715**	**29,642,350**	**11,079,039**	**8,188,836**	**6,967,353**

Residual contractual maturities of contingencies

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. The maximum amount of the contingencies is allocated to the earliest period in which the contingencies could be called.

Group
Dec-2021

In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Transaction related bonds and guarantees	43	361,977,858	79,056,259	18,252,744	34,616,437	59,030,955	171,021,463
Clean line facilities and letters of credit	43	65,055,611	48,410,009	8,700,869	5,849,349	1,896,568	198,816
Other commitments	43	5,786,093	5,786,093	-	-	-	-
		432,819,562	**133,252,361**	**26,953,613**	**40,465,786**	**60,927,523**	**171,220,279**

[1] Includes balances with no specific contractual maturities

Residual contractual maturities of financial assets and liabilities
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	114,619,560	210,577,115	4,770,741	12,970,431	9,238,959
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**	**243,906,058**	**148,391,399**	**56,718,647**	**30,761,422**
Gap (asset - liabilities)			(431,870,050)	(24,655,191)	308,030,480	665,152,168	109,770,735
Cumulative liquidity gap			(431,870,050)	(456,525,241)	(148,494,761)	516,657,407	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	114,473,786	210,060,257	3,865,841	11,975,106	3,714,703
	352,176,806	**114,619,560**	**210,577,115**	**4,770,741**	**12,970,431**	**9,238,959**

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.

Company
Dec-2021

In thousands of Nigerian Naira	***Note***	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets							
Restricted deposits and other assets[3]	34	18,183	-	18,183	-	-	-
		18,183	**-**	**18,183**	**-**	**-**	**-**
Financial liabilities							
Other liabilities[4]	38	6,076,055	-	-	6,076,055	-	-
Other borrowed funds	40	-	-	-	-	-	-
		6,076,055	**-**	**-**	**6,076,055**	**-**	**-**
Gap (asset - liabilities)			-	18,183	(6,076,055)	-	-
Cumulative liquidity gap			-	18,183	(6,057,872)	(6,057,872)	(6,057,872)

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under liquidity consideration.
[3] Excludes prepayments
[4] Excludes deferred income, provision for litigations & impairment on contingents

Management of this liquidity gap is as disclosed in Note 4(g)

Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

The residual maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	-	-	-	-	-	-
Non-Lease Liabilities	6,076,055	-	-	6,076,055	-	-
	6,076,055	**-**	**-**	**6,076,055**	**-**	**-**

(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
Dec-2021

In thousands of Nigerian Naira	*Note*	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
Financial assets							
Cash and bank balances	23	933,591,069	905,657,236	22,345,894	5,587,939	-	-
Financial assets at fair value through profit or loss	24	104,397,651	15,870,535	6,877,431	35,318,133	15,179,672	31,151,880
Derivative financial assets	25	24,913,435	15,605,968	59,340	9,248,127	-	-
Investment securities:							
– Fair Value through other comprehensive Income[1]	26	274,375,372	166,354,843	37,543,483	49,769,362	9,465,116	11,242,568
– Held at amortised cost	26	846,923,215	261,083,274	371,540,850	145,194,985	50,546,570	18,557,536
Assets pledged as collateral	27	79,273,911	10,436,054	-	68,837,857	-	-
Loans and advances to banks	28	115,014	115,014	-	-	-	-
Loans and advances to customers	29	1,802,587,381	1,438,370,264	51,859,522	99,465,126	180,031,808	32,860,661
Restricted deposits and other assets[2]	34	1,121,888,414	1,099,902,423	5,008,341	1,526,218	15,451,432	-
		5,188,065,462	**3,913,395,611**	**495,234,861**	**414,947,747**	**270,674,598**	**93,812,645**
Financial liabilities							
Deposits from banks	35	118,027,576	100,179,589	730,801	17,117,186	-	-
Deposits from customers	36	4,012,305,554	3,928,960,983	37,387,520	28,419,927	15,573,872	1,963,252
Financial liabilities at fair value through profit or loss	36	-	-	-	-	-	-
Derivative financial liabilities	25	1,580,971	1,523,305	57,666	-	-	-
Other liabilities[3]	39	227,576,293	171,698,715	29,642,350	11,079,039	8,188,836	6,967,353
Other borrowed funds	41	153,897,499	56,201,737	9,244,323	37,425,500	37,293,964	13,731,975
		4,513,387,893	**4,258,564,329**	**77,062,660**	**94,041,652**	**61,056,672**	**22,662,580**
		674,677,569	**(345,168,718)**	**418,172,201**	**320,906,095**	**209,617,926**	**71,150,065**

[1] Excludes equity securities. [2] Excludes prepayments

[3] Excludes deferred income, 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	6,318,113	121,218	117,821	388,264	894,819	4,795,991
Non-Lease Liabilities	221,258,180	171,577,497	29,524,529	10,690,775	7,294,017	2,171,362
	227,576,293	**171,698,715**	**29,642,350**	**11,079,039**	**8,188,836**	**6,967,353**

Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the 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	210,577,115	4,770,741	12,970,431	9,238,959
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**	**243,906,058**	**148,391,399**	**56,718,647**	**30,761,422**
		626,428,142	**157,051,707**	**28,629,449**	**192,296,146**	**167,146,160**	**81,304,680**

[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	210,060,257	3,865,841	11,975,106	3,714,703
	352,176,806	**114,619,560**	**210,577,115**	**4,770,741**	**12,970,431**	**9,238,959**

Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Parent can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Parent can vary the terms of the underlying financial asset or liabilities and analyses the Parent's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Company
Dec-2021

In thousands of Nigerian Naira	*Note*	**Carrying amount**	**Less than 3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Financial assets							
Restricted deposits and other assets[2]	34	18,183	-	18,183	-	-	-
		18,183	**-**	**18,183**	**-**	**-**	**-**
Financial liabilities							
Other liabilities[3]	38	6,076,055	-	-	6,076,055	-	-
Other borrowed funds	40	-	-	-	-	-	-
		6,076,055	**-**	**-**	**6,076,055**	**-**	**-**
		(6,057,872)	**-**	**18,183**	**(6,076,055)**	**-**	**-**

[1] Excludes equity securities.
[2] Excludes prepayments
[3] Excludes deferred income, provision for litigations & impairment on contingents

The repricing maturity of other liabilities is further analysed into:

In thousands of Nigerian Naira	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Lease Liabilities	-	-	-	-	-	-
Non-Lease Liabilities	6,076,055	-	-	6,076,055	-	-
	6,076,055	**-**	**-**	**6,076,055**	**-**	**-**

(h) Settlement Risk

The Treasury Group activities with counterparties may give rise to settlement risk at the time of settlement of trade transactions. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligations i.e. deliver cash, securities or other assets, as contractually agreed.

In order to ensure that these risks are mitigated and controlled, the Market & Liquidity Risk Management (MLRM) Group has put in place Settlement Limits. These limits are sought periodically using various criteria based on the counterparty's financial statement and some other non-financial parameters. The FX Settlement limits are approved at the Management Credit Committee meeting and / or Board level, depending on the limit of each counterparty.

(i) Market Risk

Market risk is the risk of loss in On- or Off-balance sheet positions, as a result of adverse movement in foreign exchange rate, interest rate, and equity or commodity prices. Whilst the Group may be faced with myriads of market risks, the Market & Liquidity Risk Management Group ensures these risks are managed and controlled within the Group's acceptable parameters, while optimising returns on risk.

(i) Management of Market Risk

The Market & Liquidity Risk Management Group separates its market risk exposures into the trading and banking books. Due to the various macro-economic indices and unanticipated market happenings, it has become more imperative for the Group to engage in continuous but proactive monitoring of market risks inherent in both trading and non-trading activities.

The trading portfolio resides with the Treasury & Sales Division of the Group, and they maintain positions arising from market making and proprietary trading activities. With the exception of translation risk arising from the Group's net investment in foreign currency, the Market & Liquidity Risk Group monitors the foreign exchange position in the trading and banking books.

The overall authority of the Market & Liquidity Risk Management Group is vested in the Management Risk Committee.

(ii) Exposure to Market Risks – Trading Book

The principal tools used by Market & Liquidity Risk Management Group to measure and control market risk exposure within the Group's trading portfolios are the Open Position limits, Mark-to-Market Analysis, Value-at-Risk Analysis, Sensitivity Analysis and the Earning-at-Risk Analysis. Specific limits (regulatory and in-house) across the trading portfolios have been clearly defined, in line with the Group's overall risk appetite. These set limits shall prevent undue exposure in the event of abrupt market volatility. The MLRM group ensures that these limits and triggers are adhered to by the Treasury & Sales Group.

The Group traded in the following financial instruments in the course of the period;

1. Treasury Bills
2. Bonds
3. Foreign Currencies (Spot and Forwards)
4. Money Market Instruments

(iii) Exposure to Interest Rate Risk – Banking Book

The principal risk to which non-trading portfolios are exposed to, is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally using interest rate gaps. The Asset & Liability Management (ALM) Group is responsible for managing and monitoring mismatches between the Group's assets and liabilities. The Asset & Liability Management Committee (ALMAC) is responsible for ensuring compliance with these limits while the limits are independently verified by Market & Liquidity Risk Management group.

The Group makes use of limit monitoring, earnings-at-risk and gap analyses to measure and control the market risk exposures within its banking book.

The Group also performs regular stress tests on its banking and trading books. In performing this, the Group ensures there are quantitative criteria in building the scenarios. The Group determines the effect of changes in interest rates on interest income; volatility in prices on trading income; and changes in funding sources and uses on the Group's liquidity.

During the period, the foreign exchange risk, interest rate risk and price risk, were the key risks the Group was exposed to. However, all potential risk exposures in the course of the year were successfully mitigated as mentioned above.

Value-at-Risk (VaR)

The Group applies VaR, a statistical risk measure, to estimate the maximum potential loss that can incur on trading positions at a given confidence level under normal market condition. VaR is the Group's primary market risk management measure for assets and liabilities classified as trading positions. However, the Group does not only base its risk estimates on VaR models, it uses sensitivity, scenario analysis and stress testing to further complement it.

The Group 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, the Group 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 Group 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			**Dec-21**	
In thousands of Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	31,220	2,391,524	357	46,712
Interest rate risk	739,689	7,961,341	9,731	523,140
Total	**770,908**	**10,352,865**	**10,088**	**569,852**

Group VaR by risk type			**Dec-20**	
In thousands of Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	39,837	107,089	223	1,326
Interest rate risk	1,792,033	4,996,541	86,226	310,262
Total	**1,831,870**	**5,103,630**	**86,449**	**311,588**

(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 31 December 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 (Dec 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 177.

- 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	Dec-21 Pre-tax	Dec-21 Post-tax	Dec-20 Pre-tax	Dec-20 Post-tax
Decrease	**(14,655,860)**	**(11,598,648)**	**(17,833,572)**	**(15,058,668)**
Asset	(26,327,463)	(20,835,554)	(27,769,414)	(23,448,493)
Liabilities	11,671,602	9,236,906	9,935,843	8,389,826
Increase	**14,655,860**	**11,598,648**	**17,833,572**	**15,058,668**
Asset	26,327,463	20,835,554	27,769,414	23,448,493
Liabilities	(11,671,602)	(9,236,906)	(9,935,843)	(8,389,826)

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	Dec-21 Pre-tax	Dec-21 Post-tax	Dec-20 Pre-tax	Dec-20 Post-tax
Decrease				
Assets				
Cash and bank balances	(2,238,179)	(1,771,295)	(1,531,264)	(1,292,999)
Loans and advances to banks	(1,197,574)	(947,760)	(13,543)	(11,436)
Loans and advances to customers	(16,274,741)	(12,879,830)	(16,443,582)	(13,884,961)
Financial assets held for trading	(1,661,161)	(1,314,642)	(1,150,488)	(971,472)
Investment securities	(4,265,900)	(3,376,033)	(8,052,570)	(6,799,590)
Assets pledged as collateral	(689,907)	(545,992)	(577,968)	(488,036)
	(26,327,463)	**(20,835,554)**	**(27,769,414)**	**(23,448,493)**
Liabilities				
Deposits from banks	62,079	49,129	51,082	43,134
Deposits from customers	10,278,539	8,134,436	8,364,341	7,062,849
Financial liabilities held for trading	28,651	22,674	22,653	19,129
Debt Securities	0	0	6,893	5,820
Other borrowed funds	1,302,333	1,030,667	1,490,873	1,258,894
	11,671,602	**9,236,906**	**9,935,843**	**8,389,826**
Total	**(14,655,860)**	**(11,598,648)**	**(17,833,572)**	**(15,058,668)**

Increase				
Assets				
Cash and bank balances	2,238,179	1,771,295	1,531,264	1,292,999
Loans and advances to banks	1,197,574	947,760	13,543	11,436
Loans and advances to customers	16,274,741	12,879,830	16,443,582	13,884,961
Financial assets held for trading	1,661,161	1,314,642	1,150,488	971,472
Investment securities	4,265,900	3,376,033	8,052,570	6,799,590
Assets pledged as collateral	689,907	545,992	577,968	488,036
	26,327,463	**20,835,554**	**27,769,414**	**23,448,493**
Liabilities				
Deposits from banks	(62,079)	(49,129)	(51,082)	(43,134)
Deposits from customers	(10,278,539)	(8,134,436)	(8,364,341)	(7,062,849)
Financial liabilities held for trading	(28,651)	(22,674)	(22,653)	(19,129)
Debt securities	0	0	(6,893)	(5,820)
Other borrowed funds	(1,302,333)	(1,030,667)	(1,490,873)	(1,258,894)
	(11,671,602)	**(9,236,906)**	**(9,935,843)**	**(8,389,826)**
Total	**14,655,860**	**11,598,648**	**17,833,572**	**15,058,668**

As for Cashflow 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 31 December 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	**Dec-21 Pre-tax**	**Dec-21 Post-tax**	**Dec-20 Pre-tax**	**Dec-20 Post-tax**
Decrease	1,055,730	900,538	791,135	679,743
Increase	(1,055,730)	(900,538)	(791,135)	(679,743)

(v) Sensitivity Analysis of Fair Value Through Other Comprehensive Income Portfolio to Price

1. Financial Instrument held as Fair Value through Other Comprehensive Income

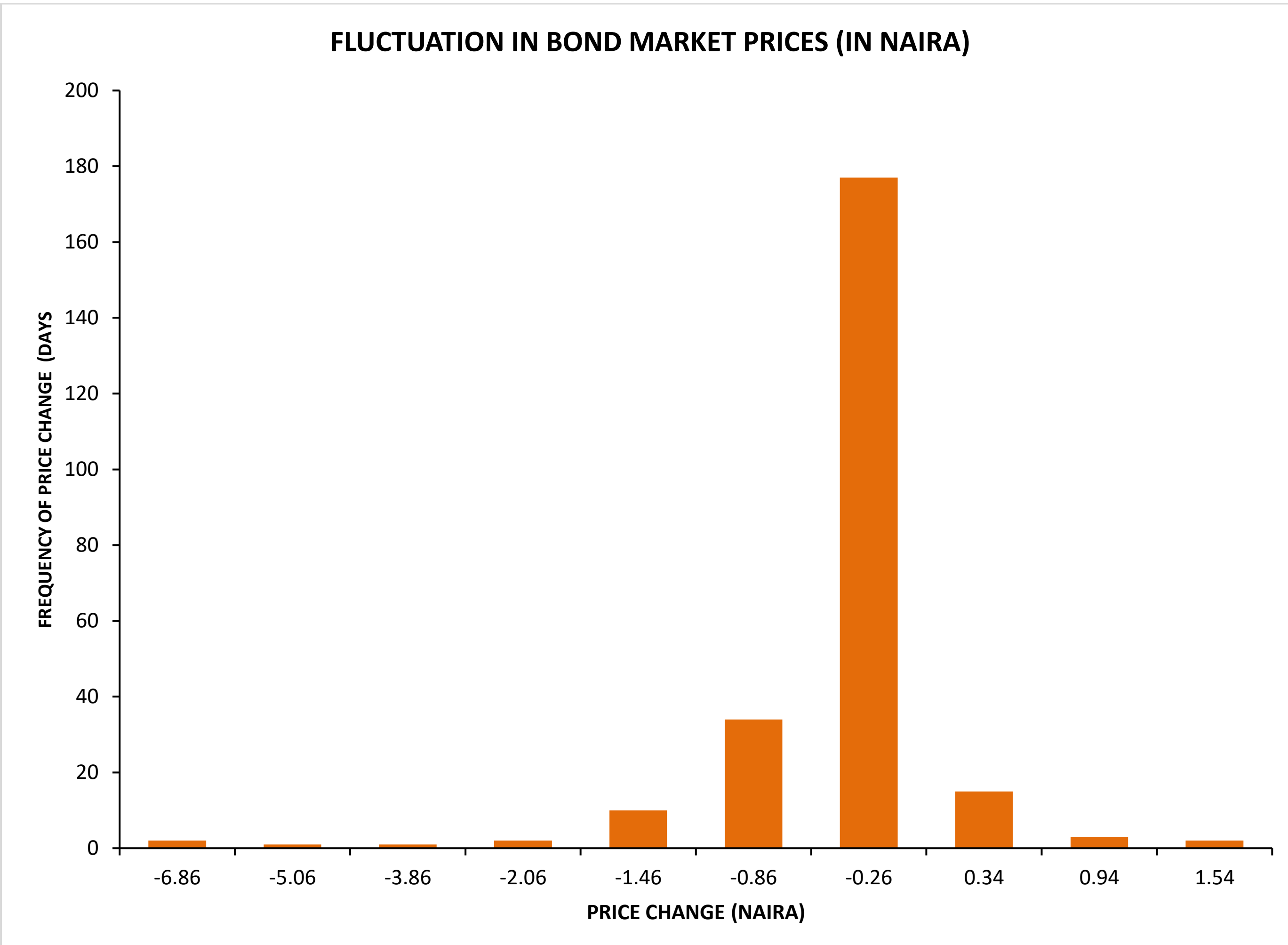
The Group recognized fair value changes for FVOCI Bonds, Bills and Equities as at 31 December 2021 and the comparative period in 2020. The Group carried out the following in determining sensitivity of its other comprehensive income to fluctuations in market prices of the financial assets:

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 Group's holding of bonds designated as FVOCI as at end of the year.



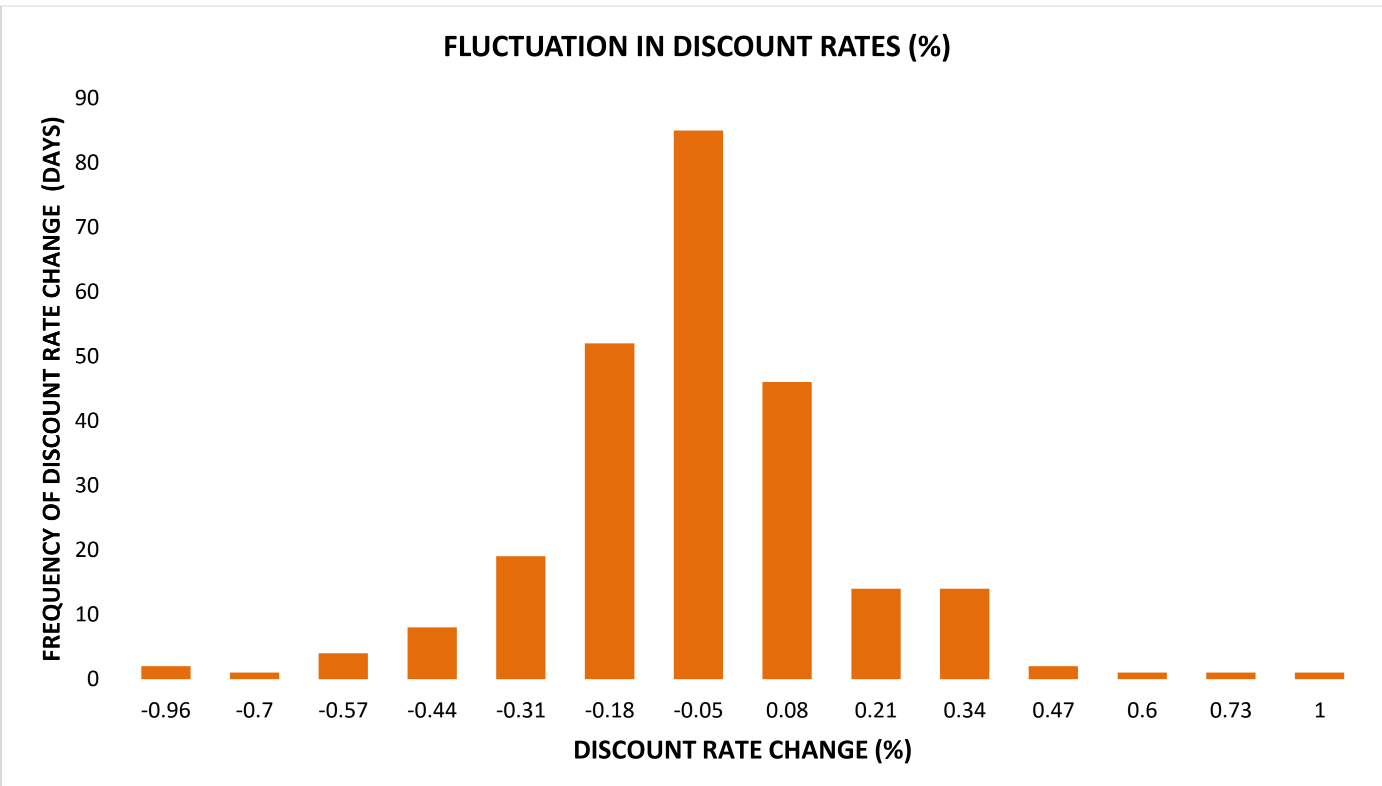
The result of the price sensitivity i.e. impact on other comprehensive income as at 31 December 2021, when price of bonds designated as FVOCI increased or decreased by one Naira with all other variables held constant, would have been as set out in the tables below:

Group	**Dec-21**	**Dec-21**	**Dec-20**	**Dec-20**
In thousands of Nigerian Naira	**Pre-tax**	**Post-tax**	**Pre-tax**	**Post-tax**
Decrease	(190,478)	(150,738)	(132,103)	(111,548)
Increase	257,764	203,986	174,337	147,210

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 Group'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 31 December 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	**Dec-21** **Pre-tax**	**Dec-21** **Post-tax**	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**
Decrease	1,644,775	1,301,621	1,942,071	1,639,885
Increase	(1,675,552)	(1,325,977)	(1,715,411)	(1,448,493)

(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	Dec-21 Pre-tax	Dec-21 Post-tax	Dec-20 Pre-tax	Dec-20 Post-tax
Decrease	196,570	156,910	196,570	164,922
Increase	(162,868)	(130,009)	(162,868)	(136,646)

Impact on Income statement

Group

In thousands of Nigerian Naira	Dec-21 Pre-tax	Dec-21 Post-tax	Dec-20 Pre-tax	Dec-20 Post-tax
Decrease	663,559	529,682	355,609	298,356
Increase	(494,870)	(395,027)	(293,640)	(246,364)

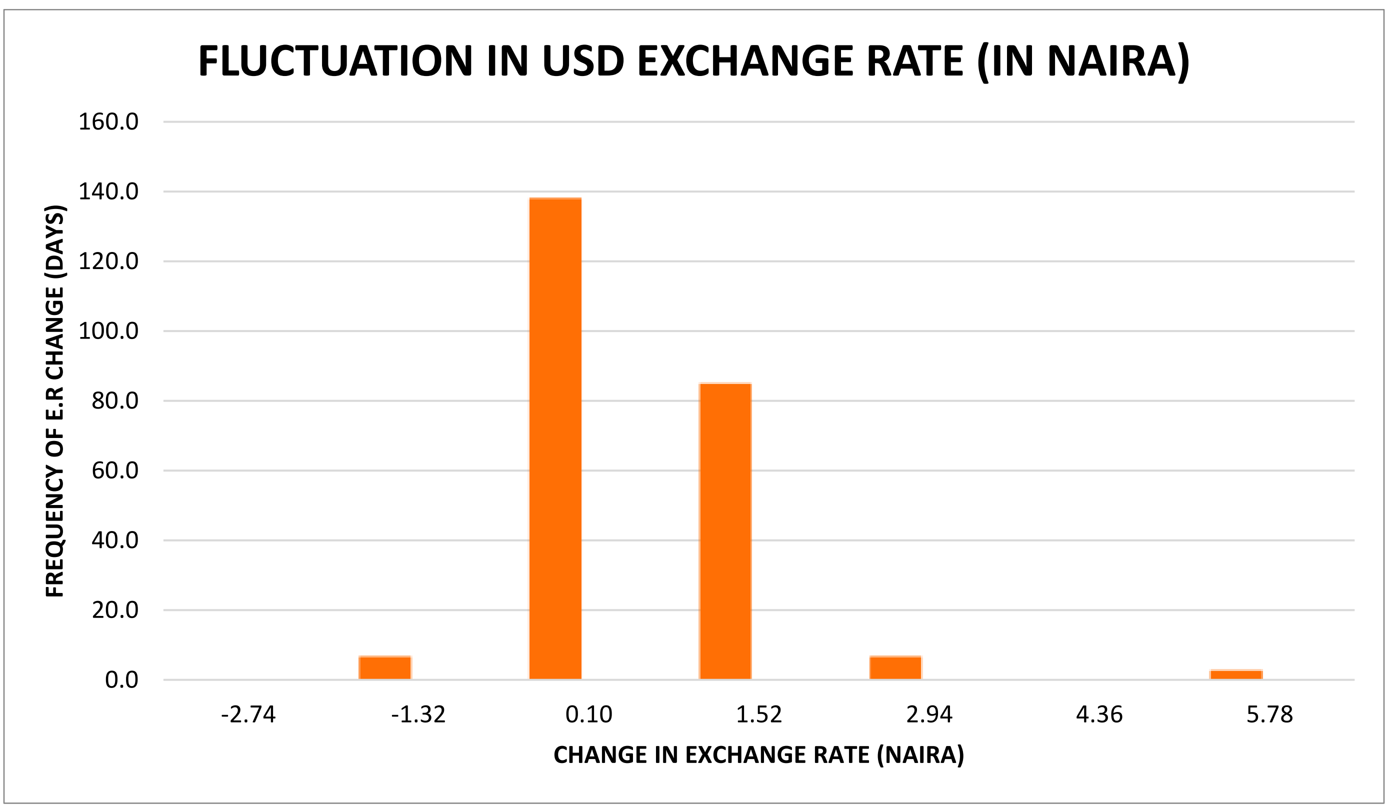
(iv) Exposure to foreign currency risk

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 -2.74/5.78 (Dec 2020: -1.20/1.32) 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 -2.74/5.78 (Dec 2020: -1.20/1.32)
- The chosen reasonable change in exchange rates was then applied to the Group's dollar position at the end of the year.



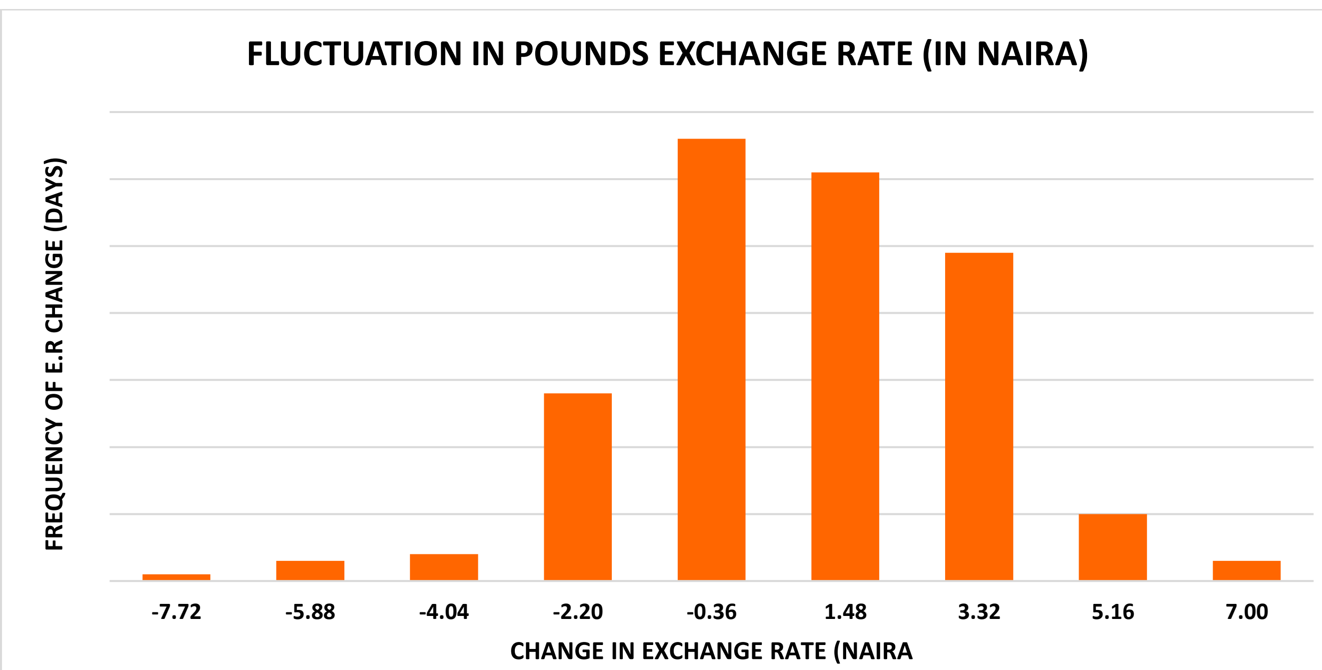
At 31 Dec 2021, if the Naira had strengthened/weakened by -2.74/5.78 Naira against the Dollar with all other variables held constant, the pre-tax and post-tax profit for the year would have increased/(decreased) as set out in the table below mainly as a result of foreign exchange gains or losses on the translation

In thousands of Nigerian Naira	Dec-2021 Pre-tax	Dec-2021 Post-tax	Dec-2020 Pre-tax	Dec-2020 Post-tax
Decrease	(977,056)	(773,210)	(1,087,849)	(918,580)
Increase	910,590	720,611	1,196,634	1,010,438

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 -7.72/7.00 (December 2020: -6.92/6.64) 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 -7.72/7.00 (December 2020: -6.92/6.64)
- The chosen reasonable change in exchange rates was then applied to the Group's position as at end of the year.



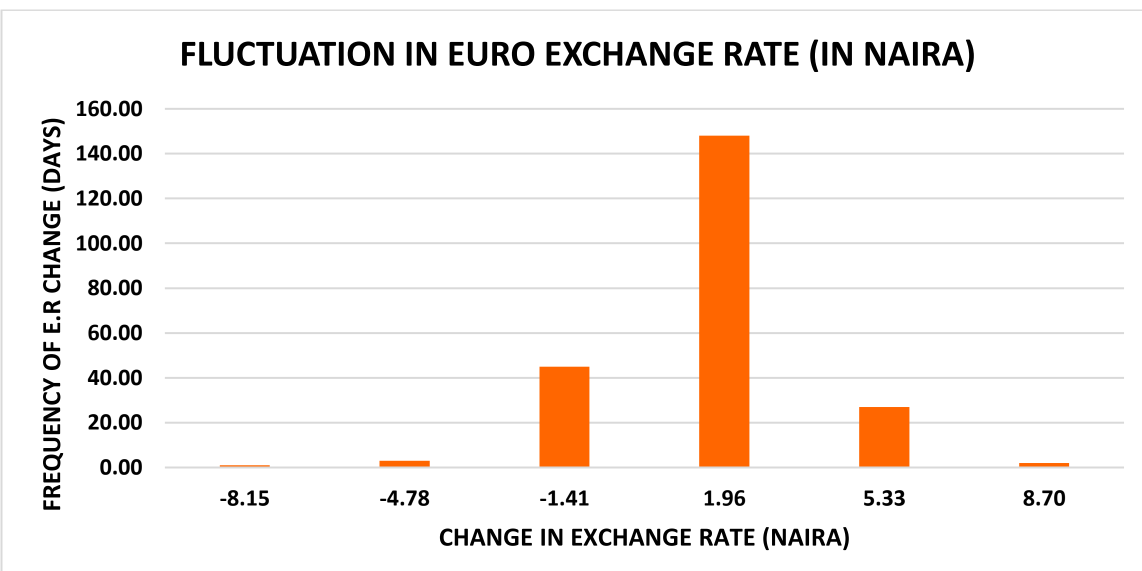
At 31 Dec 2021, if the Naira had strengthened/weakened by -7.72/7.00 Naira against the Pounds with all other variables held constant the pre-tax and post-tax profit for the year would have increased/(decreased) as set out in the table below mainly as a result of foreign exchange gains or losses on the translation.

Group In thousands of Nigerian Naira	Dec-2021 Pre-tax	Dec-2021 Post-tax	Dec-2020 Pre-tax	Dec-2020 Post-tax
Decrease	(90,904)	(71,939)	(93,515)	(78,964)
Increase	82,426	65,229	89,732	75,769

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 (Dec 2020: -6.57/7.65) 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 (Dec 2020: -6.57/7.65).
- The chosen reasonable change in exchange rates was then applied to the Group's euro position as at end of the year.



At 31 Dec 2021, if the Naira had strengthened/weakened 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	Dec-2021 Pre-tax	Dec-2021 Post-tax	Dec-2020 Pre-tax	Dec-2020 Post-tax
Decrease	(14,691)	(11,626)	(42,067)	(35,522)
Increase	13,763	10,891	48,983	41,361

Foreign Exchange Profit or Loss (Other Currencies)

At 31st Dec 2021, if Naira had strengthened/weakened by 5.96/-6.45 (Dec 2020: 5.20/-4.90) 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 Group is as shown below:

Group

In thousands of Nigerian Naira	Dec-2021 Pre-tax	Dec-2021 Post-tax	Dec-2020 Pre-tax	Dec-2020 Post-tax
Decrease	(13,198)	(10,445)	(10,608)	(8,957)
Increase	12,196	9,652	11,272	9,518

(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 (Dec 2020: ±₦0.5) depreciation of the Nigerian Naira and ±₦0.5 (Dec 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 31 December 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 (Dec 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 ₦477,735,447 and (₦477,735,447) respectively.

Group
Dec-21
Total derivatives

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value	Asset/ (Liability)	Favourable changes (Pre-tax) Income Statement	Unfavourable changes (Pre-tax) Income Statement	Favourable changes (Post-tax) Income Statement	Unfavourable changes (Post-tax) Income Statement
Derivative Assets	352,282,093	24,913,434	Asset	460,113	(460,113)	364,133	(364,133)
Derivative Liabilities	70,907,015	(1,580,970)	Liability	17,622	(17,622)	13,946	(13,946)

Dec-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)

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 31 December 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

Dec-2021

	Improvement		**Worsening**	
In thousands of naira	**Pre-Tax**	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(11,102,228)	(7,771,559)	7,835,988	5,485,192
CORPORATE	(3,325,502)	(2,327,851)	8,330,792	5,831,554
PUBLIC SECTOR	(58,021)	(40,615)	101,662	71,163
RETAIL	(1,617,721)	(1,132,405)	2,058,851	1,441,196
SME	(324,834)	(227,384)	414,124	289,886
	(16,428,306)	**(11,499,814)**	**18,741,417**	**13,118,992**

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**

The table below summaries the Group's financial instruments at carrying amount, categorised by currency:

Group
Dec-2021
Financial instruments by currency

In thousands of Nigerian Naira	*Note*	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	23	933,591,069	84,324,593	633,365,589	93,757,182	37,158,839	84,984,866
Financial assets at fair value through profit or loss	24	104,397,651	42,643,770	2,383	-	-	61,751,498
Derivative financial assets	25	24,913,435	24,913,435	-	-	-	-
Investment securities:							
– Fair Value through other comprehensive Income	26	274,375,372	149,397,538	56,220,345	-	-	68,757,489
– Held at amortised cost	26	846,923,215	645,385,810	37,191,183	-	-	164,346,222
Assets pledged as collateral	27	79,273,911	68,430,171	-	-	-	10,843,740
Loans and advances to banks	28	115,014	114,915	99	-	-	-
Loans and advances to customers	29	1,802,587,381	731,131,771	819,327,165	35,042,115	7,642,921	209,443,409
Restricted deposits and other assets[1]	34	1,121,888,414	1,009,119,008	75,848,426	-	4,199,627	32,721,353
		5,188,065,462	**2,755,461,011**	**1,621,955,190**	**128,799,297**	**49,001,387**	**632,848,577**
Deposits from banks	35	118,027,576	658,166	90,667,389	16,429,281	9,346,480	926,260
Deposits from customers	36	4,012,305,554	2,533,471,934	896,946,970	86,256,170	31,318,610	464,311,870
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-
Derivative financial liabilities	25	1,580,971	1,580,971	-	-	-	-
Other liabilities[2]	38	227,576,293	98,658,983	104,161,567	1,639,268	410,631	22,705,844
Other borrowed funds	40	153,897,499	133,289,197	20,202,138	-	-	406,164
		4,513,387,893	**2,767,659,251**	**1,111,978,064**	**104,324,719**	**41,075,721**	**488,350,138**
Financial Instrument Gap		**674,677,569**	**(12,198,240)**	**509,977,126**	**24,474,578**	**7,925,666**	**144,498,439**

[1] Excludes prepayments, Stocks, Employee defined benefit

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

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, Stocks, Employee defined benefit

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Company
Dec-2021
Financial instruments by currency
In thousands of Nigerian Naira

	Note	Total	Naira	USD	GBP	Euro	Others
Restricted deposits and other assets[1]	34	18,183	18,183	-	-	-	-
		18,183	**18,183**	**-**	**-**	**-**	**-**
Derivative financial liabilities	25	-	-	-	-	-	-
Other liabilities[2]	38	6,076,055	6,076,055	-	-	-	-
Other borrowed funds	40	-	-	-	-	-	-
		6,076,055	**6,076,055**	**-**	**-**	**-**	**-**
Financial Instrument Gap		**(6,057,872)**	**(6,057,872)**	**-**	**-**	**-**	**-**

[1] Excludes prepayments, Stocks, Employee defined benefit

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

5. Capital management and other risks

(a) Regulatory capital

Guaranty Trust Holding Company manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth and depositor confidence and providing competitive returns to shareholders. The Company's objectives when managing capital are (i) to comply with the capital requirements set by the regulators (Central Bank of Nigeria and the respective regulatory authorities in the countries in which the subsidiary banking operations are domiciled) (ii) to safeguard the Group's ability to continue as a going concern and (iii) to maintain a sufficient capital base to achieve the current regulatory capital requirement of the Company and its subsidiaries. The regulatory capital requirement for entities within the Group, as well as the internal target for capital management are as follows:

The regulatory capital requirement for entities within the group are as follows:

Name of Entity	Primary Regulator	Regulatory Requirement
Guaranty Trust Holding Company	Central Bank of Nigeria	₦52billion Capital *
Guaranty Trust Bank Limited	Central Bank of Nigeria	₦50billion Capital; and 16% Capital Adequacy Ratio
Habari Pay	Central Bank of Nigeria	₦2billion Capital

*The Capital Requirement of Guaranty Trust Holding Company represents the sum of the minimum paid up capital of all its subsidiaries.

The Central Bank of Nigeria (CBN) on 29th August 2014 issued Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria ("Guidelines"). According to the Guidelines, a financial holding company shall have a minimum paid up capital which shall exceed the sum of the minimum paid up capital of all its subsidiaries, as may be prescribed from time to time by the sector regulators. A review of the capital level as at 31 December 2021 shows that Guaranty Trust Holding Company complies with paragraphs 7.1 and 7.3 of the regulation, which stipulates that a financial holding company should maintain a minimum paid up capital which exceeds the aggregate of the minimum paid up capital of all its subsidiaries;

Entity	Minimum Share Capital N 'million	% Holding	Holdco Share N 'million
Guaranty Trust Bank Limited	50,000	100	50,000
Habari Pay	2,000	100	2,000
Aggregated minimum paid up Capital of Subsidiaries	**52,000**		**52,000**
Holdco Company (Share Capital and Reserves)			137,694
Surplus/(Deficit)			87,694

(b) Capital Adequacy Position in line with Basel II Accord

The International Convergence of Capital Measurement and Capital Standards: A Revised Framework, popularly known as the Basel II Framework was introduced in 2004 as a new set of international standards and best practices that define the minimum capital requirements for internationally active banks. The Basel II framework stipulates a minimum level of capital that banks must maintain to ensure that they can meet their obligations, cover unexpected losses; and can, very importantly, promote public confidence.

Basel II is a three-pronged approach relying on three Pillars -Minimum Capital Requirements (Pillar 1), Supervisory Review Process (Pillar 2) and Market Discipline (Pillar 3).

Pillar 1 Minimum Capital Requirements: It prescribes the capital allocation methodology against the core traditional credit, market and operational risks to ensure these are adequately measured and that banks have adequate capital to mitigate these risks.

Pillar 2 Supervisory Review: It requires banks to establish a risk management framework to identify, assess and manage major risks inherent in the institution and allocate adequate capital against those risks. It emphasizes that supervisors should be able to evaluate the soundness of these assessments.

Pillar 3 Market Discipline: It sets out to encourage market discipline by requiring a number of disclosure requirements in respect of a bank's risk exposures, risk assessment process and capital adequacy.

The CBN specifies approaches for quantifying the risk weighted assets for credit, market and operational risk for the purpose of determining regulatory capital. Although the computations are consistent with the requirements of Pillar 1 Basel II Accord, certain sections have been adjusted to reflect the peculiarities of the Nigerian environment. In compliance with CBN, the Bank adopted the Standardized Approach (SA) in determining capital charge for Credit Risk and Market Risk while capital charge for Operational Risk was determined using the Basic Indicator Approach (BIA).

Pillar 1 focuses mainly on CAR, also known as Capital to Risk (Weighted) Assets Ratio (CRAR). This is the ratio of a bank's capital to its risk. CBN requires the minimum requirement of 10% or 15% of Capital to risk weighted assets be maintained by Nigerian banks or banking groups with regional/national license and international banking license respectively.

CAR is measured as:

$$\frac{\text{Total Capital}}{(\text{Credit Risk Weighted Assets} + \text{Market Risk Weighted Assets} + \text{Operational Risk Weighted Assets})}$$

The Bank’s regulatory capital is analysed into two tiers:

Tier 1 capital includes ordinary share capital, share premium, retained earnings, statutory reserves, and other reserves excluding regulatory reserves. Intangible assets and investments in subsidiaries were also deducted from Tier I capital for capital adequacy purposes.

Tier 2 capital comprises Fair Value Reserves.

The Bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank’s management of capital during the year.

Period under review

A fundamental part of the Group’s overall business strategy is its sound capital management practices. It adopts a capital planning process that ensures that regulatory capital remains within approved ranges or above target levels across economic and business cycles. The Group is appropriately capitalized under normal and severe scenarios as well as a range of stress events.

Stress-testing models are used to gauge vulnerability of the Group to exceptional yet possible events. The result of stress-testing reveals the minimum capital requirements of the Group in the event that unforeseen negative events crystallize. The critical objective underpinning the stress-testing exercise is to identify as early as possible, any shortfall in capital requirements of the Group and take corrective actions which may be direct or indirect.

The Group throughout the review period, operated above its targeted capitalization range and well over the CBN-mandated regulatory minimum of 16% for Domestic Systemically Important. As at December 31, 2021, the Group’s capital adequacy ratio was 23.83% (December 31, 2020- 25.90%).

The following table shows the composition of regulatory capital and risk weighted assets for the Group:

Capital adequacy ratio

	Group			
	Transitional Arrangement Impact	Transitional Arrangement Impact	Full Impact	Full Impact
In thousands of Nigerian Naira	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Tier 1 capital				
Share capital	14,715,590	14,715,590	14,715,590	14,715,590
Share premium	123,471,114	123,471,114	123,471,114	123,471,114
Retained profits*	263,848,744	259,412,529	263,848,744	259,412,529
Statutory Reserve	379,415,669	350,297,225	379,415,669	350,297,225
SMEEIS and AGSMEIS Reserves	44,668,679	35,759,279	44,668,679	35,759,279
IFRS 9 Transitional Adjustment	-	17,277,633	-	-
RRR applied for IFRS 9 Impact	-	-	(65,490,719)	(65,490,719)
Non-Controlling Interest	18,870,216	15,780,809	18,870,216	15,780,809
Tier 1 Sub-Total	**844,990,012**	**816,714,179**	**779,499,293**	**733,945,827**
Less Regulatory deductions :				
Other intangible assets	(10,883,946)	(11,184,555)	(10,883,946)	(11,184,555)
Goodwill	(8,689,658)	(8,687,968)	(8,689,658)	(8,687,968)
Deferred Tax	(3,187,937)	(4,716,154)	(3,187,937)	(4,716,154)
Treasury Shares	(8,125,998)	(6,928,103)	(8,125,998)	(6,928,103)
Underimpairment	(7,825,121)	-	(7,825,121)	-
Excess exposure(s) over single obligor without CBN approval	(36,339,753)	-	(36,339,753)	-
100% of investments in unconsolidated Banking and financial subsidiary/associate companies	-	-	-	-
Unsecured Lending to subsidiaries within the same Group	-	-	-	-
Net Total Tier 1 Capital (A)	**769,937,599**	**785,197,399**	**704,446,880**	**702,429,047**
Tier 2 capital				
Foreign Exchange Adjustments	17,634,006	20,933,240	17,634,006	20,933,240
Fair Value Reserves	6,604,907	4,016,558	6,604,907	4,016,558
Net Total Tier 2 Capital (B)	**24,238,913**	**24,949,798**	**24,238,913**	**24,949,798**
Total Qualifying Capital (C= A+B)	**794,176,512**	**810,147,197**	**728,685,793**	**727,378,845**
Composition of Risk-Weighted Assets				
Credit Risk	2,495,964,312	2,272,856,649	2,430,473,593	2,207,365,930
Operational Risk	612,311,772	589,711,798	612,311,772	589,711,798
Market Risk	15,214,430	10,998,110	15,214,430	10,998,110
Aggregate	**3,123,490,513**	**2,873,566,556**	**3,057,999,794**	**2,808,075,837**
Total Risk-Weighted Capital Ratio	**25.43%**	**28.19%**	**23.83%**	**25.90%**
Tier 1 Risk-Based Capital Ratio	**24.65%**	**27.32%**	**23.04%**	**25.01%**

**Includes Regulatory Risk Reserve (RRR) of ₦65.5bn applied upon the adoption of IFRS 9 impact.*

TRANSITIONAL ARRANGEMENTS TREATMENT OF IFRS 9 EXPECTED CREDIT LOSS FOR REGULATORY PURPOSES BY BANKS IN NIGERIA

The Central Bank of Nigeria (CBN) issued a circular to provide guidance on the treatment of ECL provisions for regulatory purpose and introduced a four-year transitional arrangement to cushion the effect on tier 1 regulatory capital. The summary of the guidance is as follows:

1) Utilisation of Regulatory Risk Reserve (RRR) to cushion the impact of IFRS 9 ECL Provisions on Transition Date

In order to cushion the impact of IFRS 9 on regulatory capital banks are required, in the first instance, to apply the balance in their RRR to reduce the additional ECL provisions to be recognized in the opening retained earnings on January 1, 2018. The amount to be deducted from RRR shall be limited to the excess of ECL provisions over the IAS 39 provisions on the transition date. Accordingly, banks are required to effect appropriate accounting entries to reflect the transfer from RRR to the retained earnings.

2) Transitional Arrangement of the ECL Accounting Provisions for Regulatory Capital Purpose

Where the additional IFRS 9 ECL provision as stated in (1) above is higher than the balance in RRR, Banks are required to amortise the excess in line with the transitional arrangements provided by CBN. For the purpose of the transitional arrangement, the excess of the ECL provisions over IAS 39 provisions adjusted for the RRR is termed “Adjusted Day One Impact”, using the Static Approach. This approach requires banks to hold static the Adjusted Day One Impact and amortise on a straight-line basis over the four-year transition period by writing back to the Tier 1 capital as indicated in the table below:

Period	Provisions to be written back
Year 0 (January 1, 2018)	4/5 of Adjusted Day One Impact
Year 1 (December 31, 2018)	3/5 of Adjusted Day One Impact
Year 2 (December 31, 2019)	2/5 of Adjusted Day One Impact
Year 3 (December 31, 2020)	1/5 of Adjusted Day One Impact
Year 4 (December 31, 2021)	Nil

Where the RRR fully absorbs the additional ECL provision, this transitional arrangement shall not apply.

The outcome of the application of the CBN guidance on the treatment of IFRS 9 ECL provisions is as presented in the capital adequacy computation on page 196.

(c) Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases, the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by the Group Enterprise Risk Management Division, and is subject to review by the Group Credit Committee or ALMAC as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Consideration is also given to synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer-term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

6. Use of estimates and judgments

These disclosures supplement the commentary on financial risk management (see note 4).

(a) Key sources of estimation uncertainty

Measurement of the expected credit losses

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, in the application of forward-looking information, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is as described in accounting policy 3b (j)(v).

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3b (j)(vii). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(b) Critical accounting judgements in applying the Group's accounting policies

Critical accounting judgements made in applying the Group's accounting policies include:

Financial asset and liability classification

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

1. In classifying financial assets as measured at amortised cost, the Group has determined that it meets the

description of financial assets set out in accounting policy **3b(j)(ii)(a).**

2. In designating financial assets as measured at FVOCI, the Group has determined that it has met the criteria for this designation set out in accounting policy **3b (j)(ii)(b).**

3. In classifying financial assets as measured at FVTPL, the Group has determined that it meets the description of financial assets set out in accounting policy **3b(j)(ii)(c).**

4. In accounting for financial liabilities as FVTPL, the Group has determined that it meets the description of financial liabilities set out in accounting policy **3b(j)(ii)(e).**

5. In carrying financial liabilities at amortised cost, the Group has determined that it meets the description of financial liabilities set out in accounting policy **3b(j)(ii)(f).**

Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

Determination of impairment of property and equipment, and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Translation of FX position during the year*:* This is referenced to the Investors & Exporters FX Window (I & E FX Window) rate quoted on FMDQ.

Defined benefits plan

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations.

The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

Impairment of Goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy in note 3(q). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of estimates. Goodwill and Goodwill Impairment testing are shown in note 32(c) below.

IFRIC 23 - Uncertain Tax Position

The tax legislation in relation to the treatment of expected credit loss on stage 2 loans is unclear with respect to whether the stage 2 impairment should be treated as specific or collective in the assessment of deferred tax.

The Group has opted to treat these stage 2 expected credit loss balances as collective in the determination and computation of deferred taxes because they are assessed as having a less significant increase in credit risk and their computation was based on lifetime expected credit losses in accordance with IFRS 9.

This treatment does not give rise to any deductible temporary difference. If the Group had not treated the stage 2 impairment as being a collective provision within the context of deferred tax assessment, a deferred tax asset of N4.9bn would not have been recognised.

Valuation of equity financial instruments

The Group's accounting policy on fair value measurements is discussed under note 3b (j)(iid).

The Group measures fair values using the following hierarchy of methods.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

All fair values are on a recurring basis. The sensitivity of investments and derivatives to fluctuation in market prices and yields are disclosed in note 4(i) under market risk above.

Group
Dec-2021
In thousands of Nigerian Naira

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
-Debt securities	24	104,397,651	-	-	104,397,651
Derivative financial assets	25	-	24,913,435	-	24,913,435
Investment securities:					
-Debt securities at FVOCI	26	274,375,372	-	-	274,375,372
-Equity securities at FVOCI	26	-	-	1,665,818	1,665,818
-Equity securities FVTPL	26	-	-	3,904,458	3,904,458
Assets pledged as collateral	27	68,430,170	10,843,741	-	79,273,911
Total assets		**447,203,193**	**35,757,176**	**5,570,276**	**488,530,645**
Liabilities					
Financial liabilities at fair value through profit or loss	37	-	-	-	-
Derivative financial liabilities	25	-	1,580,971	-	1,580,971
Total liabilities		**-**	**1,580,971**	**-**	**1,580,971**

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**

Reconciliation of Level 3 Items

-Investment Securities (unquoted equity securities)

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Opening balance	4,939,779	4,444,857	-	-
Effect of exchange rate fluctuations	(190)	2,129	-	-
Total unrealised gains or (losses) in Profit and Loss	-	23,771	-	-
Total unrealised gains or (losses) in OCI	630,687	469,022	-	-
Additional investment during the year	-	-	-	-
	5,570,276	**4,939,779**	**-**	**-**

(e) Disclosure Requirement for Level 2 and 3 Financial Instruments

Valuation control framework

The key elements of the control framework for the valuation of financial instruments include model validation, product implementation review and independent price verification. These functions are carried out by an appropriately skilled finance team, independent of the business area responsible for the products.

Model validation covers both qualitative and quantitative elements relating to new models. In respect of new products, model validation examines the explanatory power of the implemented model, actively monitoring model parameters and comparing in-house pricing to external sources.

Independent price verification procedures cover financial instruments carried at fair value. The frequency of the review is matched to the availability of independent data, monthly being the minimum. Valuation differences in breach of established thresholds are escalated to senior management. The results from independent pricing and valuation reserves are reviewed monthly by senior management.

Valuation technique and Input used in Level 2 Fair Value Measurement

Where there is limited trading activity in financial instruments, the Group uses valuation models, consensus pricing information from third party pricing services and quotes to determine an appropriate valuation.

Disclosure Requirements for Level 3 Financial Instruments

Valuation Technique:

The investment valuation policy (IVP) of the Group provides the framework for accounting for the Group's investment in unquoted equity securities while also providing a broad valuation guideline to be adopted in valuing them. Furthermore, the IVP details how the group decides its valuation policies and procedures and analyses changes in fair value measurements from period to period.

IFRS 13 - Fair Value Measurement outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in each of the unquoted equity securities at the end of the financial year using the income approach.

The Discounted Cash flow (DCF) technique of the income approach was adopted in valuing each of these equity investments taken into cognizance the suitability of the model to each equity investment and the available financial information.

Description of Valuation Methodology and inputs:

Discounted Cash flow Technique (DCF)

The fair value of the other unquoted equity securities was derived using the Discounted Cash Flow technique. The steps involved in estimating the fair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

Step 1: A five-year forecast of the Free Cash Flow to the Firm (FCFF) for each of the equity investments was made (see (a) below for the definition, explanation and derivation of FCFF).

Step 2: The yearly FCFF forecasts were discounted to present value using the company's WACC. (See (b) below for the definition, explanation and derivation of WACC).

Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFF by the capitalization rate (please see (c) below).

Step 4: The terminal value was discounted to present value using the company's WACC.

Step 5: The firm value was obtained by adding the present value of the five-year FCFF obtained in step (2) above to the present value of terminal value obtained in step (4) above.

Step 6: The equity value of the firm was obtained by deducting the value of the debt of the company from the firm value obtained in step (5) above (i.e. Firm value minus market value of debt = Equity value).

Step 7: The equity value per share was obtained by dividing the Equity value obtained in step (6) above by the number of shares outstanding in the company.

Step 8: The fair value of the group's investment in each of the relevant unquoted equity securities was derived by multiplying the number of the Groups' shares in the investee by the value per share obtained in step (7) above.

a. Free Cash flow to the Firm (FCFF):

A measure of financial performance that expresses the net amount of cash that is generated for the firm, consisting of expenses, taxes and changes in net working capital and investments. Free cash flow to the firm is the cash available to all investors, both equity and debt holders.

FCFF = NI + NCC + [Int x (1-tax rate)] – Changes in FCInv – Changes in WCInv

Where:

NI = Net Income

NCC = Non- Cash Charges

Int = Interest

T= tax rate

FCI = Fixed Capital Investment

WCI = Working Capital Investment

b. Weighted average Cost of Capital (WACC):

This is the average cost of both equity and debt capital used in financing a business.

WACC= {(D/D+E) x Kd(1-T)} + {(E/D+E) x Ke }
Where:
D = Value of Debt

E = Equity value
Ke = Cost of equity
Kd = Cost of debt
T = Tax rate

c. *Capitalization Rate= WACC – g*

Terminal value = ($FCFF_5$ *(1+g))/ (WACC – g)

Where:

FCFF = $Year_5$ FCFF
g = Growth rates
WACC = *Weighted average Cost of Capital*

Valuation Assumptions – Discounted Cash flow

1. The Bank applies Capital Asset Pricing Model in determining the cost of equities for its various unquoted equities which were fair valued at the reporting period.
2. The risk-free rate was determined using the yield on the 10-year Nigerian Government bond (for unquoted securities denominated in Naira) of 12.6% and the yield on the 10-year US Government bond (for unquoted securities denominated in US $) of 1.51%.
3. Market premium of 4.38% was adopted based on trend analysis and research of market premiums across the globe by Aswath Damodaran.
4. Beta = 1
5. Growth rate used is growth rate in earnings between the latest period and prior period.

The movement in equity securities at fair value through OCI during the year is as follows:

	Group	Group
In thousands of Nigerian Naira	**Dec-21**	**Dec-20**
Balance, beginning of the period	1,666,008	1,194,857
Effect of exchange rate fluctuation	(190)	2,128
Derecognition via sales option	-	-
Additional investment during the year	-	-
Fair value movement recognised in OCI	-	469,023
Balance, end of the year	**1,665,818**	**1,666,008**

The movement in equity securities fair value through profit and loss during the year is as follows:

In thousands of Nigerian Naira	**Dec-21**	**Dec-20**
Historical cost	636,048	636,048
Unrealized Fair Value Gain recognized in FVPL	3,268,410	2,637,723
Fair value	**3,904,458**	**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 31 December 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 **Dec-2021** *In thousands of Nigerian Naira*	**Gross amounts of Financial Assets/liabilities**	**Gross amounts set off on the SOFP**	**Net amounts presented on the SOFP**	**Related amount not set off in the SOFP**	**Cash collateral**	**Net amount**
Financial assets						
Cash and bank balances (a)	29,437,803	(33,777,265)	(4,339,462)	-	-	(4,339,462)
Other Assets (b)	63,097,791	-	63,097,791	-	63,097,791	-
	92,535,594	**(33,777,265)**	**58,758,329**	**-**	**63,097,791**	**(4,339,462)**
Financial liabilities						
Other Liabilities (b)	63,097,791	-	63,097,791	63,097,791	-	-
	63,097,791	**-**	**63,097,791**	**63,097,791**	**-**	**-**

Group **Dec-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)**

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

Dec-2021

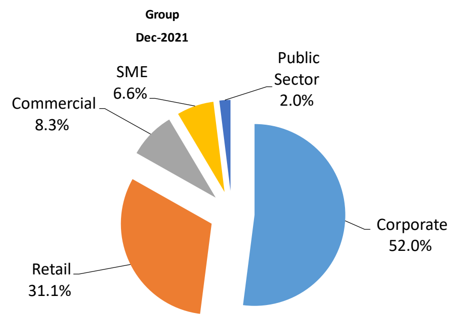
In thousands of Nigerian Naira	Corporate Banking	Retail Banking	Commercial Banking	SME Banking	Public Sector Banking	Total Continuing Operations	Discontinued Operations	Total
Revenue:								
Derived from external customers	255,105,136	121,787,229	33,675,019	25,084,374	8,405,104	444,056,862	-	444,056,862
Derived from other business segments	(24,057,659)	16,436,255	3,133,026	4,164,413	323,965	-	-	-
Total revenue	**231,047,477**	**138,223,484**	**36,808,045**	**29,248,787**	**8,729,069**	**444,056,862**	**-**	**444,056,862**
Interest expenses	(36,477,267)	(4,789,740)	(2,428,043)	(1,081,139)	(1,504,932)	(46,281,121)	-	(46,281,121)
Fee and commission expenses	(1,438,161)	(5,725,823)	(762,202)	(502,362)	(44,433)	(8,472,981)	-	(8,472,981)
Net operating income	**193,132,049**	**127,707,921**	**33,617,800**	**27,665,286**	**7,179,704**	**389,302,760**	**-**	**389,302,760**
Expense:								
Operating expenses	(34,189,821)	(52,860,108)	(19,335,643)	(16,633,521)	(3,947,667)	(126,966,760)	-	(126,966,760)
Net impairment loss on financial assets	(11,917,753)	659,679	1,843,130	38,118	84,876	(9,291,950)	-	(9,291,950)
Depreciation and amortisation	(9,304,160)	(12,668,266)	(6,052,689)	(6,268,592)	(1,006,390)	(35,300,097)	-	(35,300,097)
Total cost	**(55,411,734)**	**(64,868,695)**	**(23,545,202)**	**(22,863,995)**	**(4,869,181)**	**(171,558,807)**	**-**	**(171,558,807)**
Profit before income tax from reportable segments	**137,720,315**	**62,839,226**	**10,072,598**	**4,801,291**	**2,310,523**	**217,743,953**	**-**	**217,743,953**
Tax	(29,553,668)	(13,431,467)	(2,152,951)	(1,026,244)	(493,859)	(46,658,189)	-	(46,658,189)
Profit after income tax from reportable segments	**108,166,647**	**49,407,759**	**7,919,647**	**3,775,047**	**1,816,664**	**171,085,764**	**-**	**171,085,764**
Assets and liabilities:								
Total assets	3,265,422,141	1,387,784,695	379,647,284	309,395,537	93,785,340	5,436,034,997	-	5,436,034,997
Total liabilities	(1,345,245,040)	(2,211,420,267)	(473,029,756)	(495,815,098)	(19,135,520)	(4,544,645,681)	-	(4,544,645,681)
Net assets/ (liabilities)	**1,920,177,101**	**(823,635,572)**	**(93,382,472)**	**(186,419,561)**	**74,649,820**	**891,389,316**	**-**	**891,389,316**
Additions to Non-Current Assets	**13,993,696**	**24,775,788**	**11,873,695**	**10,835,151**	**2,352,038**	**63,830,368**	**-**	**63,830,368**
Assets:								
Loans and advances to banks	115,014	-	-	-	-	115,014	-	115,014
Loans and advances to customers	1,407,971,349	192,721,372	101,516,994	31,191,834	69,185,832	1,802,587,381	-	1,802,587,381
Others	1,857,335,779	1,195,063,323	278,130,290	278,203,702	24,599,508	3,633,332,602	-	3,633,332,602
	3,265,422,142	**1,387,784,695**	**379,647,284**	**309,395,536**	**93,785,340**	**5,436,034,997**	**-**	**5,436,034,997**
Liabilities:								
Deposits from banks	118,027,576	-	-	-	-	118,027,576	-	118,027,576
Deposits from customers	904,803,210	2,175,636,896	429,864,769	484,323,261	17,677,418	4,012,305,554	-	4,012,305,554
Others	322,414,254	35,783,371	43,164,987	11,491,837	1,458,102	414,312,551	-	414,312,551
	1,345,245,040	**2,211,420,267**	**473,029,756**	**495,815,098**	**19,135,520**	**4,544,645,681**	**-**	**4,544,645,681**

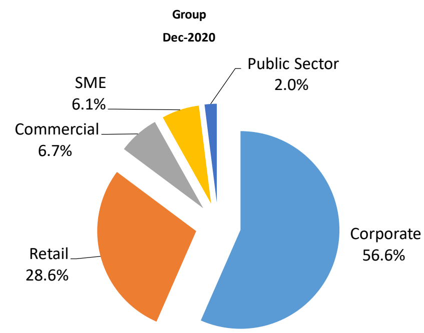
Group
Dec-2020

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	248,463,968	135,370,713	31,394,681	29,275,123	9,124,122	453,628,607	-	453,628,607
Derived from other business segments	8,155,124	(5,462,897)	(1,130,677)	(1,411,230)	(150,320)	-	-	-
Total revenue	**256,619,092**	**129,907,816**	**30,264,004**	**27,863,893**	**8,973,802**	**453,628,607**	**-**	**453,628,607**
Interest expenses	(37,431,707)	(4,823,959)	(2,343,429)	(1,061,294)	(1,409,052)	(47,069,441)	-	(47,069,441)
Fee and commission expenses	(1,128,660)	(4,294,628)	(460,712)	(319,042)	(41,512)	(6,244,554)	-	(6,244,554)
Net operating income	**218,058,725**	**120,789,229**	**27,459,863**	**26,483,557**	**7,523,238**	**400,314,612**	**-**	**400,314,612**
Expense:								
Operating expenses	(31,517,683)	(48,216,816)	(19,394,776)	(15,642,178)	(3,620,352)	(118,391,805)	-	(118,391,805)
Net impairment loss on financial assets	(16,035,792)	(4,449,155)	5,318,021	(1,161,993)	(53,457)	(16,382,376)	-	(16,382,376)
Depreciation and amortisation	(6,355,781)	(11,102,217)	(5,531,826)	(5,123,964)	(932,725)	(29,046,513)	-	(29,046,513)
Total cost	**(53,909,256)**	**(63,768,188)**	**(19,608,581)**	**(21,928,135)**	**(4,606,534)**	**(163,820,694)**	**-**	**(163,820,694)**
Profit before income tax from reportable segments	**164,149,469**	**57,021,041**	**7,851,282**	**4,555,422**	**2,916,704**	**236,493,918**	**-**	**236,493,918**
Tax	(25,442,177)	(8,837,917)	(1,216,901)	(706,063)	(452,072)	(36,655,130)	-	(36,655,130)
Profit after income tax from reportable segments	**138,707,292**	**48,183,124**	**6,634,381**	**3,849,359**	**2,464,632**	**199,838,788**	**-**	**199,838,788**
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	1,894,638,544	392,540,672	432,510,916	16,300,618	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	**1,903,495,750**	**435,034,890**	**436,570,759**	**62,761,228**	**4,119,622,309**	**-**	**4,119,622,309**

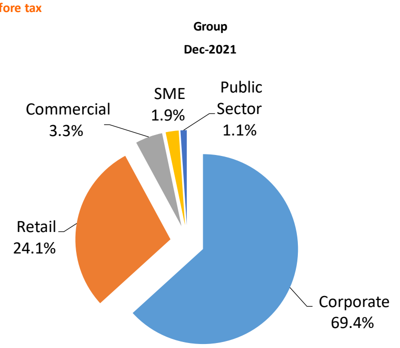
Operating segments (Continued)
Information about operating segments

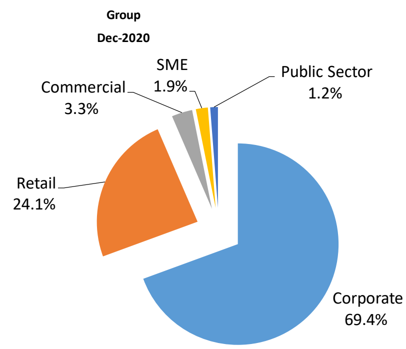
Revenue



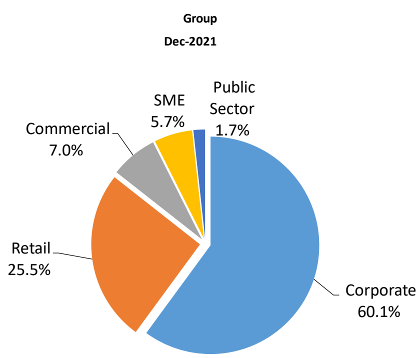


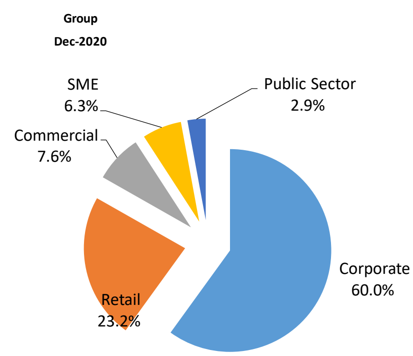
Profit before tax



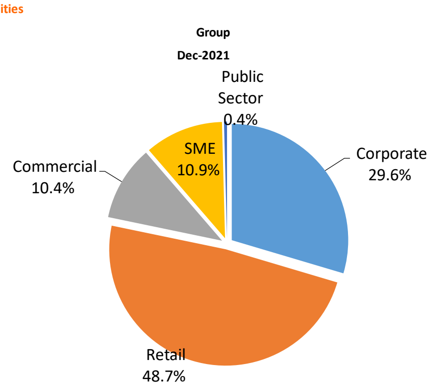


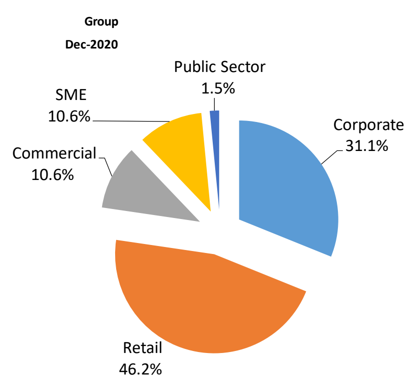
Assets





Liabilities





Operating segments (Continued)

The following is an analysis of the Group's revenue and gains from continuing operations by products and services;

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Bonds	2,351,768	4,382,763	-	-
Placements	14,679,881	12,583,545	8,829,354	-
Treasury Bills	56,738,083	106,715,052	-	-
Loans	311,797,849	252,793,636	-	-
Contingents	62,243,004	78,754,763	-	-
	447,810,585	**455,229,759**	**8,829,354**	**-**

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 Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Continuing Operations:				
Total revenue from reportable segments	444,056,862	453,628,607	-	-
Consolidation and adjustments:				
- Other operating income	3,753,723	1,412,123	8,829,354	-
Revenue from continuing operations	**447,810,585**	**455,040,730**	**8,829,354**	**-**

Revenue from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Interest income	266,893,743	300,737,588	-	-
Fee and commission income	74,123,774	53,179,802	-	-
Net gains on financial instruments classified as held for trading	22,390,669	24,486,177	-	-
Other operating income	84,402,399	76,826,192	8,829,354	-
Revenue and gains from continuing operations	447,810,585	455,229,759	8,829,354	-
Less gains:				
- Gain on disposal of fixed assets	-	(26,809)	-	-
- Dividends income	-	(162,220)	-	-
Revenue from continuing operations	**447,810,585**	**455,040,730**	**8,829,354**	**-**

Reconciliation of operating expenses

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Continuing Operations:				
Total operating expense from reportable segments	126,966,760	118,391,805	510,869	-
Operating expense from continuing operations	**126,966,760**	**118,391,805**	**510,869**	**-**

Operating expense from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Personnel expenses (See Note17)	33,430,007	37,606,138	353,877	-
Operating lease expenses	-	2,108,645	-	-
Other operating expenses (See Note20)	93,536,753	78,677,022	156,992	-
	126,966,760	**118,391,805**	**510,869**	**-**

Reconciliation of profit or loss

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Continuing Operations:				
Total profit or loss for reportable segments	217,743,953	236,493,918	8,282,599	-
Consolidation and adjustments:				
- Operating expenses	-	-	-	-
- Other operating income	3,753,723	1,412,123	-	-
Gains:				
- Gain on disposal of fixed assets	-	26,809	-	-
- Dividends income	-	162,220	-	-
Profit before income tax from continuing operations	**221,497,676**	**238,095,070**	**8,282,599**	**-**

Reconciliation of assets

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Continuing Operations:				
Total assets for reportable segments	5,436,034,997	4,944,653,293	143,716,004	-
Consolidation and adjustments	-	-	-	-
Total assets	**5,436,034,997**	**4,944,653,293**	**143,716,004**	**-**

Reconciliation of liabilities

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Continuing Operations:				
Total liabilities for reportable segments	4,544,645,681	4,119,622,309	6,076,055	-
Consolidation and adjustments	8,162,224	10,635,307	-	-
Total liabilities	**4,552,807,905**	**4,130,257,616**	**6,076,055**	**-**

Geographical segments

The Group operates in four geographic regions, being:

- Nigeria
- Rest of West Africa (comprising Ghana, Gambia, Sierra Leone, Liberia, Cote D'Ivoire)
- East Africa (comprising Kenya, Uganda, Rwanda and Tanzania)
- Europe (UK)

Dec-2021

In thousands of Nigerian Naira	Nigeria	Rest of West Africa	East Africa	Europe	Total Continuing Operations	Discontinued Operations	Total
Derived from external customers	331,716,713	87,830,548	23,503,218	4,760,106	447,810,585	-	447,810,585
Derived from other segments	-	-	-	-	-	-	-
Total Revenue	**331,716,713**	**87,830,548**	**23,503,218**	**4,760,106**	**447,810,585**	**-**	**447,810,585**
Interest expense	(29,402,053)	(12,057,637)	(4,411,817)	(409,614)	(46,281,121)	-	(46,281,121)
Fee and commission expenses	(4,479,054)	(2,869,757)	(1,124,170)	-	(8,472,981)	-	(8,472,981)
Net interest margin	297,835,606	72,903,154	17,967,231	4,350,492	393,056,483	-	393,056,483
Profit before income tax	**169,437,001**	**46,566,980**	**6,618,147**	**(1,124,452)**	**221,497,676**	**-**	**221,497,676**
Assets and liabilities:							
Total assets	4,262,111,737	680,761,944	229,490,928	263,670,388	5,436,034,997	-	5,436,034,997
Total liabilities	(3,615,214,768)	(519,719,398)	(179,627,552)	(238,246,187)	(4,552,807,905)	-	(4,552,807,905)
Net assets/(liabilities)	**646,896,969**	**161,042,546**	**49,863,376**	**25,424,201**	**883,227,092**	**-**	**883,227,092**

Dec-2020

In thousands of Nigerian Naira	Nigeria	Rest of West Africa	East Africa	Europe	Total Continuing Operations	Discontinued Operations	Total
Derived from external customers	363,209,370	68,036,043	19,187,022	4,797,324	455,229,759	-	455,229,759
Derived from other segments	-	-	-	-	-	-	-
Total Revenue	**363,209,370**	**68,036,043**	**19,187,022**	**4,797,324**	**455,229,759**	**-**	**455,229,759**
Interest expense	(34,640,650)	(7,426,268)	(4,051,011)	(951,512)	(47,069,441)	-	(47,069,441)
Fee and commission expenses	(4,973,672)	(379,601)	(891,281)	-	(6,244,554)	-	(6,244,554)
Net interest margin	323,595,048	60,230,174	14,244,730	3,845,812	401,915,764	-	401,915,764
Profit before income tax	**201,281,596**	**34,540,122**	**3,594,257**	**(1,320,905)**	**238,095,070**	**-**	**238,095,070**

Dec-2020

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
Dec-2021

		Carrying amount					Fair Value			
In thousands of Nigerian Naira	*Note*	Fair value through profit or loss	Held at ammortised cost	Fair value through other comprehensive income	Other financial assets / liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total Fair value
Cash and cash equivalents[3]	23	-	933,591,069	-	-	933,591,069	933,591,069	-	-	933,591,069
Loans and advances to banks[3]	28	-	115,014	-	-	115,014	-	115,014	-	115,014
Loans and advances to customers	29	-	1,802,587,381	-	-	1,802,587,381	-	1,717,611,936	66,025,961	1,783,637,897
Financial assets at fair value through profit or loss	24	104,397,651	-	-	-	104,397,651	104,397,651	-	-	104,397,651
Derivative financial assets	25	24,913,435	-	-	-	24,913,435	-	24,913,435	-	24,913,435
Assets pledged as collateral	27	79,273,911	-	-	-	79,273,911	79,273,911	-	-	79,273,911
Investment securities:										
– Fair value through profit or loss	26	3,904,458	-	-	-	3,904,458	-	-	3,904,458	3,904,458
– Fair Value through other comprehensive Income	26	-	-	276,041,190	-	276,041,190	274,375,372	-	1,665,818	276,041,190
– Held at amortised cost	26	-	846,923,215	-	-	846,923,215	195,749,092	645,265,150	-	841,014,242
Restricted deposits and other assets[1]	34	-	1,121,888,414	-	-	1,121,888,414	-	1,121,870,231	-	1,121,870,231
		212,489,455	**4,705,105,093**	**276,041,190**	**-**	**5,193,635,738**	**1,587,387,095**	**3,509,775,766**	**71,596,237**	**5,168,759,098**
Deposits from banks	35	-	-	-	118,027,576	118,027,576	-	118,024,975	-	118,024,975
Deposits from customers	36	-	-	-	4,012,305,554	4,012,305,554	-	4,012,401,723	-	4,012,401,723
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	25	1,580,971	-	-	-	1,580,971	-	1,580,971	-	1,580,971
Other borrowed funds	40	-	-	-	153,897,499	153,897,499	-	153,897,499	-	153,897,499
Other liabilities[2]	38	-	-	-	227,576,293	227,576,293	-	227,576,293	-	227,576,293
		1,580,971	**-**	**-**	**4,511,806,922**	**4,513,387,893**	**-**	**4,513,481,461**	**-**	**4,513,481,461**

[1]Excludes prepayments [2] Excludes Deferred Income and Provision for Litigations [3] it is assumed that fair value approximates the carrying amount

Group
Dec-2020

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	-	745,557,370	-	-	745,557,370	745,557,370	-	-	745,557,370
Loans and advances to banks[3]	28	-	99,043	-	-	99,043	-	1,357,267	-	1,357,267
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**	**3,168,780,647**	**200,416,016**	**4,730,878,120**
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

Company
Dec-2021

		Carrying amount					Fair Value			
In thousands of Nigerian Naira	***Note***	**Fair value through profit or loss**	**Held at ammortised cost**	**Fair value through other comprehensive income**	**Other financial assets / liabilities at amortised cost**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total Fair value**
Cash and cash equivalents[3]	23	-	-	-	-	-	-	-	-	-
Loans and advances to banks[3]	28	-	-	-	-	-	-	-	-	-
Loans and advances to customers	29	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	24	-	-	-	-	-	-	-	-	-
Derivative financial assets	25	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	27	-	-	-	-	-	-	-	-	-
Investment securities:										
– Fair value through profit or loss	26	-	-	-	-	-	-	-	-	-
– Fair Value through other comprehensive Income	26	-	-	-	-	-	-	-	-	-
– Held at amortised cost	26	-	-	-	-	-	-	-	-	-
Restricted deposits and other assets[1]	34	-	18,183	-	-	18,183	-	18,183	-	18,183
		-	**18,183**	**-**	**-**	**18,183**	**-**	**18,183**	**-**	**18,183**
Deposits from banks	35	-	-	-	-	-	-	-	-	-
Deposits from customers	36	-	-	-	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	37	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	25	-	-	-	-	-	-	-	-	-
Other borrowed funds	40	-	-	-	-	-	-	-	-	-
Other liabilities[2]	38	-	-	-	6,076,055	6,076,055	-	6,076,055	-	6,076,055
		-	**-**	**-**	**6,076,055**	**6,076,055**	**-**	**6,076,055**	**-**	**6,076,055**

[1]Excludes prepayments [2] Excludes Deferred Income and Provision for Litigations [3] it is assumed that fair value approximates the carrying amount

Accounting classification measurement basis and fair values (continued)

Financial instruments at fair value (including those FVTPL and FVOCI) are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves and prices.

9 Interest income

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Interest income calculated using the effective interest method				
Loans and advances to banks	749,325	1,354,355	-	-
Loans and advances to customers	194,268,302	184,180,129	-	-
	195,017,627	185,534,484	-	-
Cash and cash equivalents	4,173,220	4,760,465	-	-
Investment securities:				
– Investment securities FVOCI	14,498,100	68,641,520	-	-
– Investment securities at amortised cost	30,127,628	21,384,442	-	-
Euro Bonds	33,704	-	-	-
Assets pledged as collateral	7,615,982	7,957,759	-	-
	251,466,260	288,278,670	-	-
Interest income on financial assets FVTPL				
Investment securities FVTPL	15,427,483	12,458,918	-	-
Total interest income	**266,893,743**	**300,737,588**	**-**	**-**
Geographical location				
Interest income earned in Nigeria	196,225,798	242,565,664	-	-
Interest income earned outside Nigeria	70,667,945	58,171,924	-	-
	266,893,743	**300,737,588**	**-**	**-**

10 Interest expense

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Interest expense calculated using the effective interest method				
Deposit from banks	1,777,592	397,223	-	-
Deposit from customers	41,576,692	40,604,344	-	-
	43,354,284	41,001,567	-	-
Other borrowed funds	2,687,942	5,790,482	-	-
	46,042,226	**46,792,049**	**-**	**-**
Interest expense on financial liabilities FVTPL				
Financial liabilities at fair value through profit or loss	238,895	277,392	-	-
Total interest expense	**46,281,121**	**47,069,441**	**-**	**-**
Geographical location				
Interest expense paid in Nigeria	28,056,697	31,757,964	-	-
Interest expense paid outside Nigeria	18,224,424	15,311,477	-	-
	46,281,121	**47,069,441**	**-**	**-**

11 Loan impairment (reversal) / charges

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Loans and advances to banks (Note 28)	**(87,928)**	**18,780**	**-**	**-**
Stage 1 - 12 Months ECL	(62,589)	(730)	-	-
Stage 2 - Lifetime ECL Not Credit Impaired	-	(5)	-	-
Stage 3 - Lifetime ECL Credit Impaired	(25,339)	19,515	-	-
Loans and advances to customers (Note 29)	**8,619,083**	**19,554,113**	**-**	**-**
Stage 1 - 12 Months ECL	1,455,438	(2,276,374)	-	-
Stage 2 - Lifetime ECL Not Credit Impaired	2,108,512	11,219,308	-	-
Stage 3 - Lifetime ECL Credit Impaired	5,055,133	10,611,179	-	-
	8,531,155	**19,572,893**	**-**	**-**

12 Fee and commission income

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Credit related fees and commissions[1]	6,046,631	5,913,221	-	-
Account maintenance charges	16,684,861	12,496,711	-	-
Corporate finance fees	2,962,077	1,761,742	-	-
E-business Income	21,083,191	11,770,997	-	-
Commission on foreign exchange deals	7,334,127	6,074,904	-	-
Commission on touch points	2,482,955	2,239,540	-	-
Income from financial guarantee contracts issued	3,471,161	2,123,581	-	-
Account services, maintenance and anciliary banking charges	9,436,953	3,829,171	-	-
Transfers related charges	4,621,818	6,969,935	-	-
	74,123,774	**53,179,802**	**-**	**-**

[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 Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Bank charges	5,734,532	4,058,506	-	-
Loan recovery expenses	2,738,449	2,186,048	-	-
	8,472,981	**6,244,554**	**-**	**-**

14 Net trading gains on financial instruments held at FVPL

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Bonds FVPL	4,224,017	7,272,199	-	-
Treasury bills FVPL	1,043,055	1,058,854	-	-
Euro Bond	4,275	-	-	-
Net foreign exchange trading gain	17,119,322	16,155,124	-	-
Net trading income	**22,390,669**	**24,486,177**	**-**	**-**

15 Other income

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Mark to market gains on trading investments	6,422,058	4,542,428	-	-
FVPL notes income	-	31,736	-	-
Foreign exchange revaluation gain	45,017,296	56,636,964	-	-
(Loss)/Gain on disposal of fixed assets	(15,001)	26,809	-	-
Discounts and recoverables (FX)[1]	23,084,495	13,557,158	-	-
Valuation income on repossessed collateral	-	804,728	-	-
Recoveries[2]	9,596,190	4,077,395	-	-
Modification Loss	-	(3,013,246)	-	-
Dividends income[3]	297,361	162,220	8,829,354	-
	84,402,399	**76,826,192**	**8,829,354**	**-**

[1] Included in discount and recoverables in the sum of N3,583,000,000 representing non-vatable portion of Digital earnings.

[2] These include amount recovered on Loans facilities previously written off in the sum of N7,151,796,000.

[3] This includes Dividend in the sum of N5,171,724,282 and N932,754,889 received from two of its banking subsidiaries

16 Net impairment charge / (reversal) on other financial assets

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Impairment charges/(reversal) on investment securities	757,142	212,092	-	-
Impairment charges on other assets	3,653	611	-	-
Impairment reversal on placements	-	(291,016)	-	-
Impairment charges/(reversal) on contingents	-	(3,112,204)	-	-
	760,795	**(3,190,517)**	**-**	**-**

17 Personnel expenses

(a)

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Wages and salaries	33,206,118	33,494,265	353,877	-
Contributions to defined contribution plans	1,587,535	1,559,016	-	-
Defined benefit costs	(402,697)	(1,378,517)	-	-
Cash-settled share-based payments (see 17(b) below)	(960,949)	1,172,519	-	-
Staff welfare expenses	-	2,758,855	-	-
	33,430,007	**37,606,138**	**353,877**	**-**

Cash- settled share-based payments

This relates to estimated gains at the point of exit of employees from the share based scheme, it is calculated as the difference between the Cost and expected Market price of the underlying shares purchased by employee at the point of exit discounted to present value. This is in line with IFRS 2 as these estimated gains are deemed to be directly attributable to the fact that employee within the Scheme provides services to the Bank. The estimated gain resulted from the operation of cash settled payment by the Group. The Group operates a cash-settled share based compensation plan (share appreciation rights (SARs)) and profit-sharing scheme (PSS) for its management personnel from the Administrative fee which the Scheme receives for the management of the employee shares held by SIT. The management personnel are entitled to share appreciation rights after spending ten years in the Bank while PSS is paid on a deferred basis. Qualified employees must have been in the scheme for five years and must have held the shares for at least three years. The amount of cash payment is determined based on the fair value of the shares of the Bank. The details of SARs granted at the reporting date are provided below:

In thousands	Number of shares
SARs granted to senior management employees at 31 Dec 2021	328,036
SARs granted to senior management employees at 31 Dec 2020	380,587

(b) Employee expenses for share-based payments

In thousands of Nigerian Naira	**Note**	**Group Dec-2021**	**Group Dec-2020**
Total carrying amount of liabilities for cash-settled arrangements	38	8,162,224	10,635,307

(i) The average number of persons employed during the year was as follows:

	Group Dec-2021	**Group Dec-2020**	**Company Dec-2021**	**Company Dec-2020**
	Number	Number	Number	Number
Executive directors	2	6	2	-
Management	262	164	6	-
Non-management	4,625	5,024	67	-
	4,889	**5,194**	**75**	**-**

(ii) The average number of persons in employment during the year is shown below:

	Group Dec-2021	**Group Dec-2020**	**Company Dec-2021**	**Company Dec-2020**
	Number	Number	Number	Number
Administration	155	90	2	-
Commercial Banking Abuja	23	28	-	-
Commercial Banking Lagos	34	141	-	-
Commercial Banking North East	39	48	-	-
Commercial Banking North West	39	45	-	-
Commercial Banking South East	48	44	-	-
Commercial Banking South South	28	34	-	-
Communication and External Affairs	40	70	8	-
Compliance Group	104	62	6	-
Digital Banking Division	128	121	-	-
Emerging Technologies Division	8	21	-	-
Enterprise Risk Management	106	139	4	-
Chief Executive Officer	1	1	1	-
Financial Control, Group Reporting & Strategy	76	75	7	-
Human Resources	81	43	19	-

Institutional Banking	99	268	-	-
International Banking	92	32	-	-
Operations	328	204	-	-
Procurement & Expense Control	1	15	-	-
Public Sector Abuja	25	30	-	-
Public Sector Lagos	16	18	-	-
Retail Lagos	217	171	-	-
Retail Abuja	68	63	-	-
South West Division	108	112	-	-
Retail South-South	63	61	-	-
SME Abuja	40	45	-	-
SME Division - Lagos	80	101	-	-
SME Division - South East	34	35	-	-
Systems and Control	134	138	4	-
Technology	262	276	12	-
Transaction Services	1,478	1,549	-	-
Wholesale Banking	69	57	-	-
Commercial Banking Subsidiaries	139	125	-	-
Retail Subsidiaries	374	292	-	-
Public Sector Subsidiaries	30	20	-	-
Other Support Services Subsidiaries	105	425	-	-
Customer Experience Management Division	88	68	-	-
Data Analytics Division	7	8	7	-
Fintech and Innovation Division	2	10	-	-
Legal Group	64	43	5	-
Financial Institutions & Telecoms	23	28	-	-
Oil & Gas Divison	33	38	-	-
	4,889	**5,194**	**75**	**-**

(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 Dec-2021 Number	Group Dec-2020 Number	Company Dec-2021 Number	Company Dec-2020 Number
N720,001 - ₦1,400,000	753	704	-	-
N1,400,001 - ₦2,050,000	351	486	-	-
N2,190,001 - ₦2,330,000	730	796	-	-
N2,330,001 - ₦2,840,000	16	16	-	-
N2,840,001 - ₦3,000,000	60	63	-	-
N3,001,001 - N3,830,000	1,060	1,223	21	-
N3,830,001 - ₦4,530,000	90	77	2	-
N4,530,001 - ₦5,930,000	533	540	20	-
N6,000,001 - N6,800,000	332	336	9	-
N6,800,001 - ₦7,300,000	11	11	-	-
N7,300,001 - ₦7,800,000	194	182	-	-
N7,800,001 - ₦8,600,000	285	266	7	-
N8,600,001 - ₦11,800,000	314	316	3	-
Above ₦11,800,000	158	172	11	-
	4,887	**5,188**	**73**	**-**

18 Right-of-use asset depreciation

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Right-of-use assets depreciation[1]	-	2,108,645	-	-
	-	**2,108,645**	**-**	**-**

[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 Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Amortisation of intangible assets (see note 32)	4,723,656	3,990,618	-	-
Depreciation of property equipment (see note 31)	30,576,441	25,055,895	35,886	-
	35,300,097	**29,046,513**	**35,886**	**-**

20 Other operating expenses

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Deposit insurance premium	12,239,801	8,503,629	-	-
Other insurance premium	1,537,983	1,530,936	-	-
Auditors' remuneration[1]	1,173,713	1,179,881	53,750	-
Professional fees and other consulting costs	1,880,721	1,349,576	60,835	-
AMCON expenses	21,888,910	17,200,292	-	-
Stationery and postage	1,096,073	1,147,994	-	-
Business travel expenses	483,014	286,513	-	-
Advert, promotion and corporate gifts	5,843,991	5,148,807	-	-
Repairs and maintenance	4,633,870	5,182,624	-	-
Occupancy costs[2]	5,014,696	7,681,897	-	-
Directors' emoluments	928,634	700,641	7,903	-
Outsourcing services[3]	10,075,202	10,107,251	-	-
Communications,technological related expense and Administrative expense[4]	18,455,719	14,586,868	34,504	-
General welfare expenses [5]	6,541,879	929,312	-	-
Customer service related expenses	1,742,547	3,140,801	-	-
	93,536,753	**78,677,022**	**156,992**	**-**

[1] Auditor's remuneration represents fees for the interim and full year audit of the Group and Company for the year ended 31 December 2021.The Company also paid the auditors professional fees for non-audit services.
These services, in the Bank's opinion, did not impair the independence and objectivity of the external auditor.
Non-audit services provided during the period are stated below.

Name **of Signer**	**FRC Number**	**Name of Firm**	**Services Rendered**	**Amount**
Anthony Oputa	FRC/2013/ICAN/00000000980	EY	RRP Validation	N6,000,000
Anthony Oputa	FRC/2013/ICAN/00000000980	EY	Board Evaluation	N15,000,000
Anthony Oputa	FRC/2013/ICAN/00000000980	EY	NDIC Certification	N2,000,000

[2] This relates to diesel, fuel, and electricity cost as well as ground rates and water cost

[3] Outsourcing services relates to salaries paid to outsourced contract staff

[4] Inclusive of Administrative fee due to SIT for management of the shares held by the Scheme.

[5]These relate to training expenses, estimate of employee benefits determined as required by IAS 19 for Loans granted to Staff at interest rate lower than the market interest rate and provision for deferred incentives.
The loans are measured at fair value at initial recognition. The difference between the PV 'of cash flows discounted at the contractual rate and PV of cash flows discounted at market rate has been recognised as prepaid employee estimates which is amortised to personnel expense (staff welfare expenses) over the life of the loan.

21 Income tax expense

recognised in the Income statement

In thousands of Nigerian Naira	**Group Dec-2021**	**Group Dec-2020**	**Company Dec-2021**	**Company Dec-2020**
a) **Current tax expense:**				
Company income tax	28,824,628	24,656,317	-	-
Education Tax	1,978,556	1,689,644	-	-
Police Trust Fund Levy	7,270	8,952	-	-
NITDEF tax levy	1,761,214	2,051,306	-	-
	32,571,668	28,406,219	-	-
Prior year's under provision	166,352	107,357	-	-
Deferred tax expense:				
Origination of temporary differences	13,920,169	8,141,554	-	-
	46,658,189	**36,655,130**	**-**	**-**

Reconciliation of effective tax rate

Group

In thousands of Nigerian Naira	**Dec-2021**	**Dec-2021**	**Dec-2020**	**Dec-2020**
Profit before income tax	221,497,676		238,095,070	
Income tax using the domestic corporation tax rate	66,613,330	30.1%	71,428,521	30.0%
Effect of tax rates in foreign jurisdictions	2,943,914	1.3%	(176,384)	-0.1%
Tax reliefs/WHT Credits	(650,143)	-0.3%	(433,013)	-0.2%
Non-deductible expenses	10,137,277	4.6%	10,657,876	4.5%
Education tax levy	1,978,556	0.9%	1,689,644	0.7%
Police Trust Fund Levy	7,270	0.0%	8,952	0.0%
NITDEF tax levy	1,761,214	0.8%	2,051,306	0.9%
Tax exempt income	(35,771,216)	-16.1%	(48,063,739)	-20.2%
Deductible expenses[3]	(528,364)	-0.2%	(615,390)	-0.3%
Prior year's under provision	166,352	0.1%	107,357	0.0%
Total income tax expense	**46,658,190**	**21.1%**	**36,655,130**	**15.4%**

Income tax recognised in other comprehensive income

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Income tax relating to remeasurements of post-employment benefit obligations	76,850	(582,000)	-	-
Income tax relating to Foreign currency translation differences for foreign operations	(1,284,540)	3,633,741	-	-
Income tax relating to Net change in FVOCI financial assets	(5,718,918)	652,292	-	-
	(6,926,608)	**3,704,033**	**-**	**-**

(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 Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Balance, beginning of the year	21,592,016	20,597,089	-	-
Exchange difference on translation	417,521	367,621	-	-
Charge for the year	32,571,668	28,406,218	-	-
Prior year's under provision	166,352	107,357	-	-
Payments during the year	(32,071,389)	(27,886,269)	-	-
Balance, end of the year	**22,676,168**	**21,592,016**	**-**	**-**

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 N172,107,185,000 (Company: N8,282,599,000) and a weighted average number of ordinary shares outstanding of 28,037,834,000 (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 Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Net profit attributable to equity holders of the Company	172,107,185	199,609,450	8,282,599	-
Net profit used to determine diluted earnings per share	**172,107,185**	**199,609,450**	**8,282,599**	**-**

Number of ordinary shares

In thousands of shares	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Weighted average number of ordinary shares in issue	28,037,834	28,084,989	29,431,179	-
Basic earnings per share (expressed in naira per share)	6.14	7.11	0.28	0.00

The Group does not have any dilutive potential ordinary shares. Therefore, Basic EPS and Diluted EPS are the same for the Group.

23 Cash and bank balances

(a)

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Cash in hand	129,448,060	92,397,577	-	-
Balances held with other banks	318,218,071	267,211,047	-	-
Unrestricted balances with central banks	156,998,908	215,435,972	-	-
Money market placements	329,063,731	170,650,475	-	-
	933,728,770	**745,695,071**	**-**	**-**
Impairment on Placements	(137,701)	(137,701)	-	-
	933,591,069	**745,557,370**	**-**	**-**
The additional impairment during the year is considered immaterial				
Current	933,591,069	745,557,370	-	-
Non-current	-	-	-	-

(b) Cash and cash equivalents in statement of cash flows includes:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Cash and bank balances	933,728,770	745,695,071	-	-
Cash and bank balances above three months	(28,071,534)	(34,265,652)	-	-
	905,657,236	**711,429,419**	**-**	**-**

Movement in Impairment on Cash and bank balances

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Opening balance	137,701	428,717	-	-
Addition/(Reversal) during the year	-	(291,016)	-	-
Closing balance	**137,701**	**137,701**	**-**	**-**

Expected credit losses on Balances held with other banks and Unrestricted balances with Central banks are assessed as immaterial and classified in Stage 1.

24 Financial assets at fair value through profit or loss

(a)

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Financial assets Fair Value through Profit or Loss:				
Bonds - (see note 24(b) below)	53,005,868	29,627,653	-	-
Treasury Bills - (see note 24(c) below)	49,350,665	35,097,781	-	-
Trading Euro Bonds	2,041,118	-	-	-
Promissory Notes - (see note 24(d) below)	-	2,809,929	-	-
	104,397,651	**67,535,363**	**-**	**-**
Current	58,066,099	52,748,491	-	-
Non-current	46,331,552	14,786,872	-	-

(b) Bonds FVPL are analysed below:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
FGN Bond 16.2884 17-MAR-27/10Y	119,815	1,078,889	-	-
FGN Bond 12.1493 18-JUL-2034/20Y	263	360	-	-
FGN Sukuk 13.00 29-DEC-2031/10Y	1,001,071	-	-	-
FGN Bond 12.98 27-MAR-2050/30Y	1,538,122	-	-	-
FGN Bond 13.98 23-FEB-2028/10Y	891,573	-	-	-
FGN Bond 16.2499 18-APR-2037/20Y	498,593	-	-	-
FGN Bond 14.55 26-APR-2029/10Y	561,240	897,769	-	-
FGN Sukuk 11.20 16-JUN-2027/7Y	-	377,624	-	-
FGN Bond 12.75 27-APR-2023/5Y	-	1	-	-
Non-Nigerian trading bonds	48,395,191	27,273,010	-	-
	53,005,868	**29,627,653**	**-**	**-**

(c) Treasury bills FVPL is analysed below:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Nigerian treasury bills' maturities:				
05-January-2021	-	35,343	-	-
14-January-2021	-	1,091	-	-
11-February-2021	-	149	-	-
25-February-2021	-	566	-	-
09-March-2021	-	192,805	-	-
18-March-2021	-	3,611	-	-
01-April-2021	-	2,876	-	-
15-April-2021	-	947	-	-
27-April-2021	-	2,995,698	-	-
29-April-2021	-	2,601	-	-
13-May-2021	-	10,945	-	-
27-May-2021	-	39	-	-
10-June-2021	-	39,168	-	-
17-June-2021	-	24,387	-	-
15-July-2021	-	47,332	-	-
29-July-2021	-	2,196	-	-
12-August-2021	-	46,366	-	-
26-August-2021	-	43,661	-	-
31-August-2021	-	27,289,407	-	-
16-September-2021	-	52,548	-	-
30-September-2021	-	120,733	-	-
28-October-2021	-	43,514	-	-
09-December-2021	-	106,321	-	-
13-January-2022	61,681	-	-	-
17-January-2022	1,495,792	-	-	-
27-January-2022	121,240	-	-	-
01-February-2022	268	-	-	-
10-February-2022	5,054	-	-	-

15-February-2022	3,598	-	-	-
24-February-2022	205,355	-	-	-
28-February-2022	396,663	-	-	-
10-March-2022	3,307	-	-	-
17-March-2022	32,101	-	-	-
31-March-2022	168,402	-	-	-
14-April-2022	16,058	-	-	-
28-April-2022	58,456	-	-	-
03-May-2022	37,371	-	-	-
12-May-2022	120,104	-	-	-
26-May-2022	120,233	-	-	-
09-June-2022	233,181	-	-	-
30-June-2022	98,330	-	-	-
14-July-2022	73,387	-	-	-
26-July-2022	37,391	-	-	-
28-July-2022	105,101	-	-	-
11-August-2022	55,648	-	-	-
16-August-2022	86,345	-	-	-
25-August-2022	97,252	-	-	-
30-August-2022	27,765,890	-	-	-
08-September-2022	692,273	-	-	-
29-September-2022	107,877	-	-	-
13-October-2022	116,354	-	-	-
25-October-2022	4,575	-	-	-
27-October-2022	48,996	-	-	-
10-November-2022	179,681	-	-	-
22-November-2022	1,731,592	-	-	-
24-November-2022	1,712,421	-	-	-
Non-Nigerian treasury bills	13,358,690	4,035,477	-	-
	49,350,665	**35,097,781**	**-**	**-**

(d) Promissory Notes is analysed below:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
17-December-2021	-	555,767	-	-
23-November-2023	-	1,771,708	-	-
17-December-2023	-	481,042	-	-
17-December-2024	-	1,412	-	-
	-	**2,809,929**	**-**	**-**

25 Derivative financial instruments

(a) **Group**
Dec-2021

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	352,282,093	24,913,435	(1,580,971)
Derivative assets/(liabilities)	**352,282,093**	**24,913,435**	**(1,580,971)**

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)**

Company
Dec-2021

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	-	-	-
Derivative assets/(liabilities)	**-**	**-**	**-**

Company
Dec-2020

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	-	-	-
Derivative assets/(liabilities)	**-**	**-**	**-**

All derivative assets are current.

(b) All derivatives are settled in less than one year.

(c) Foreign exchange contracts

The Group enters into forward foreign exchange contracts which include currency swaps and normal trading forwards designated as held for trading. A forward foreign exchange contract is an agreement by two counterparties to exchange currencies at a pre-determined rate on some future date. No funds change hands when a typical forward foreign exchange contract originates; a funds flow occurs only at the contract's stated future delivery time. Additionally the Group offers its customers derivatives in connection with their risk management objectives to transfer or reduce market risk (commodity price) for their own trading purpose. The hedge transaction with the customer is backed by visible trade transaction. The foreign currency forward and option contracts are subject to the same risk management policies. The Group's foreign exchange derivatives do not qualify for hedge accounting; therefore all gains and losses from changes in their fair values are recognised immediately in the income statement and are reported in ''Net gains/(losses) on financial instruments at fair value through profit or loss'.

26 Investment securities

In thousands of Nigerian Naira	**Group Dec-2021**	**Group Dec-2020**	**Company Dec-2021**	**Company Dec-2020**
(a) (i)				
Investment securities at fair value through OCI				
Debt securities - Treasury bills FVOCI	252,778,278	262,956,865	-	-
Debt securities - Bonds FVOCI	13,641,920	17,669,033	-	-
Eurobond	7,955,174	-	-	-
Special Bills - FVOCI	-	411,079,805	-	-
Investment securities - Equity (See note 26(a)(ii) below	1,665,818	1,666,008	-	-
Total	**276,041,190**	**693,371,711**	**-**	**-**
Investment securities at fair value through profit or loss				
Investment securities - Equity	3,904,458	3,273,771	-	-
	3,904,458	**3,273,771**	**-**	**-**
Investment securities at amortised cost:				
Bonds	112,948,506	99,590,409	-	-
Treasury bills	162,709,296	184,159,856	-	-
Promissory Note	7,628,456	-	-	-
Special Treasury Bills - Amortized Cost	560,806,136	-	-	-
HTM Eurobonds	2,222,850	-	-	-
Corporate bond	1,993,274	457,513	-	-
	848,308,518	**284,207,778**	**-**	**-**
12 month ECL on Bonds - Amortised Cost	(691,627)	(181,895)	-	-
12 month ECL on Treasury Bills - Amortised Cost	(653,633)	(425,884)	-	-
12 month ECL on Corporate bond - Amortised Cost	(40,043)	(17,167)	-	-
Total Investment securities at amortised cost	**846,923,215**	**283,582,832**	**-**	**-**
Total investment securities	**1,126,868,863**	**980,228,314**	**-**	**-**
Current	1,031,486,797	898,999,052	-	-
Non-current	95,382,066	81,229,262	-	-

(a) (ii) Equity investment securities is analysed below:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
FVOCI equity instrument				
- GIM UEMOA	11,269	11,459	-	-
- SANEF	50,000	50,000	-	-
- Unified Payment Services Limited[1]	712,725	712,725	-	-
- Nigeria Automated Clearing Systems	776,608	776,608	-	-
- Afrexim	115,216	115,216	-	-
	1,665,818	**1,666,008**	**-**	**-**
FVTPL equity instrument				
- Africa Finance Corporation[1]	3,904,458	3,273,771	-	-
	3,904,458	**3,273,771**	**-**	**-**
	5,570,276	**4,939,779**	**-**	**-**

[1] Unified Payment Services Limited was formerly known as Valucard Nigeria Plc

Except for African Finance Corporation (AFC) designated as FVPL, all other equity investments are designated at FVOCI.
The Company received dividend income of N214,153,000 (Dec 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

12 month ECL on Bonds	280	563	-	-
12 month ECL on Treasury Bills	53,536	56,468	-	-
12 month ECL on Bonds - Amortised Cost	691,627	181,895	-	-
12 month ECL on Treasury Bills - Amortised Cost	653,633	425,884	-	-
12 month ECL on Corporate bond - Amortised Cost	40,043	17,167	-	-
	1,439,119	**681,977**	**-**	**-**

(b) (ii) Movement in Impairment on investment securities

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Opening balance	681,977	469,885	-	-
Addition during the year	757,142	212,092	-	-
Closing balance	**1,439,119**	**681,977**	**-**	**-**

27 Assets pledged as collateral

(a)

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Financial assets at FVPL				
- Treasury bills	79,273,911	62,200,326		-
Total Assets Pledged as Collateral	**79,273,911**	**62,200,326**	**-**	**-**
Current	79,273,911	62,200,326	-	-
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 Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Loans and advances to banks	117,490	186,432	-	-
Less Impairment:				
Stage 1 Loans	(281)	(59,855)	-	-
Stage 2 Loans	-	-	-	-
Stage 3 Loans	(2,195)	(27,534)	-	-
	115,014	**99,043**	**-**	**-**
Current	115,014	84,043	-	-
Non-current	-	15,000	-	-

Reconciliation of allowance accounts for losses on loans and advances to banks

Dec-2021
Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	59,855	-	27,534	87,389
Foreign currency translation and other adjustments	3,015	-	-	3,015
Impairment allowances for the year	(62,589)	-	(25,339)	(87,928)
	281	**-**	**2,195**	**2,476**

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
Impairment allowances for the year	(730)	(5)	19,515	18,780
	59,855	**-**	**27,534**	**87,389**

Reconciliation of allowance accounts for losses on loans and advances to banks

Group

Dec-2021

In thousands of Nigerian Naira	Loans: Impairment on Stage 1 - 12 Months ECL	Loans: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Loans: Impairment on Stage 3 - Non Performing Loans	Loans: Total allowance for impairment	Overdrafts: Impairment on Stage 1 - 12 Months ECL	Overdrafts: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Overdrafts: Impairment on Stage 3 - Non Performing Loans	Overdrafts: Total allowance for impairment	Others: Impairment on Stage 1 - 12 Months ECL	Others: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Others: Impairment on Stage 3 - Non Performing Loans	Others: Total allowance for impairment	Total: Impairment on Stage 1 - 12 Months ECL	Total: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Total: Impairment on Stage 3 - Non Performing Loans	Total: Total allowance for impairment
Balance at 1 January	59,855	-	7,753	67,608	-	-	19,781	19,781	-	-	-	-	59,855	-	27,534	87,389
Foreign currency translation and other adjustments	3,015	-	-	3,015	-	-	-	-	-	-	-	-	3,015	-	-	3,015
Impairment allowances for the year	(62,870)	-	-	(62,870)	281	-	-	281	-	-	-	-	(62,589)	-	-	(62,589)
Transfer between stages	-	-	(6,231)	(6,231)	-	-	(19,108)	(19,108)	-	-	-	-	-	-	(25,339)	(25,339)
Financial assets derecognised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	**-**	**-**	**1,522**	**1,522**	**281**	**-**	**673**	**954**	**-**	**-**	**-**	**-**	**281**	**-**	**2,195**	**2,476**

Group

Dec-2020

In thousands of Nigerian Naira	Loans: Impairment on Stage 1 - 12 Months ECL	Loans: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Loans: Impairment on Stage 3 - Non Performing Loans	Loans: Total allowance for impairment	Overdrafts: Impairment on Stage 1 - 12 Months ECL	Overdrafts: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Overdrafts: Impairment on Stage 3 - Non Performing Loans	Overdrafts: Total allowance for impairment	Others: Impairment on Stage 1 - 12 Months ECL	Others: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Others: Impairment on Stage 3 - Non Performing Loans	Others: Total allowance for impairment	Total: Impairment on Stage 1 - 12 Months ECL	Total: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Total: Impairment on Stage 3 - Non Performing Loans	Total: Total allowance for impairment
Balance at 1 January	60,040	-	1,527	61,567	115	5	6,492	6,612	-	-	-	-	60,155	5	8,019	68,179
Impairment allowances for the year	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**

29 Loans and advances to customers

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Loans to individuals:				
Loans	221,613,629	195,684,943	-	-
Overdrafts	27,401,788	18,758,902	-	-
Others[1]	88,289	84,665	-	-
Gross loans	**249,103,706**	**214,528,510**	**-**	**-**
Loans	(741,327)	(603,008)	-	-
Overdrafts	(466,263)	(174,430)	-	-
Others[1]	-	-	-	-
Impairment on Stage 1 - 12 Months ECL	**(1,207,590)**	**(777,438)**	**-**	**-**
Loans	(14,645)	(37,564)	-	-
Overdrafts	(216,199)	(6,819)	-	-
Others[1]	-	-	-	-
Impairment on Stage 2 - Life Time ECL Not Credit Impaired	**(230,844)**	**(44,383)**	**-**	**-**
Loans	(5,541,566)	(5,008,406)	-	-
Overdrafts	(9,023,896)	(6,123,004)	-	-
Others[1]	-	-	-	-
Impairment on Stage 3 - Non Performing Loans	**(14,565,462)**	**(11,131,410)**	**-**	**-**
Loans	(6,297,538)	(5,648,978)	-	-
Overdrafts	(9,706,358)	(6,304,253)	-	-
Others[1]	-	-	-	-
Total impairment	**(16,003,896)**	**(11,953,231)**	**-**	**-**
Loans	215,316,091	190,035,965	-	-
Overdrafts	17,695,430	12,454,649	-	-
Others[1]	88,289	84,665	-	-
Carrying amount	**233,099,810**	**202,575,279**	**-**	**-**
Loans to Non-individuals:				
Loans	1,435,840,806	1,386,384,237	-	-
Overdrafts	177,525,112	134,100,225	-	-
Others[1]	23,822,332	8,695,891	-	-
Gross loans	**1,637,188,250**	**1,529,180,353**	**-**	**-**
Loans	(3,755,380)	(4,199,404)	-	-
Overdrafts	(2,755,291)	(1,537,332)	-	-
Others[1]	(83,024)	(4,786)	-	-
Impairment on Stage 1 - 12 Months ECL	**(6,593,695)**	**(5,741,522)**	**-**	**-**
Loans	(17,327,334)	(16,073,623)	-	-
Overdrafts	(853,508)	(1,800,462)	-	-
Others[1]	(104)	-	-	-
Impairment on Stage 2 - Life Time ECL Not Credit Impaired	**(18,180,946)**	**(17,874,085)**	**-**	**-**
Loans	(35,008,540)	(37,303,390)	-	-
Overdrafts	(7,917,498)	(8,086,935)	-	-
Others[1]	-	(18,001)	-	-
Impairment on Stage 3 - Non Performing Loans	**(42,926,038)**	**(45,408,326)**	**-**	**-**
Loans	(56,091,254)	(57,576,417)	-	-
Overdrafts	(11,526,297)	(11,424,729)	-	-
Others[1]	(83,128)	(22,787)	-	-
Total impairment	**(67,700,679)**	**(69,023,933)**	**-**	**-**
Loans	1,379,749,552	1,328,807,820	-	-
Overdrafts	165,998,815	122,675,496	-	-
Others[1]	23,739,204	8,673,104	-	-
Carrying amount	**1,569,487,571**	**1,460,156,420**	**-**	**-**
Total carrying amount (individual and non individual)	**1,802,587,381**	**1,662,731,699**	**-**	**-**

[1] Others include Usances and Usances Settlement

Current	1,077,569,145	916,730,036	-	-
Non-current	725,018,236	746,001,663	-	-

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS
Dec-2021
Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	777,438	44,383	11,131,410	11,953,231
Foreign currency translation and other adjustments	25,901	1,050	21,535	48,486
Impairment allowances for the year	404,251	185,411	3,787,963	4,377,625
Recovery	-	-	(163,607)	(163,607)
Transfer between stages	-	-	-	-
Financial assets derecognised	-	-	(211,839)	(211,839)
Balance, end of period	**1,207,590**	**230,844**	**14,565,462**	**16,003,896**

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
Impairment allowances for the year	(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**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS

Dec-2021

Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2021	5,741,522	17,874,085	45,408,326	69,023,933
Foreign currency translation and other adjustments	(199,011)	(1,616,240)	7,272,319	5,457,068
Impairment allowances for the year	1,051,184	1,923,101	1,267,170	4,241,455
Recovery	-	-	(618,147)	(618,147)
Transfer between stages	-	-	-	-
Financial assets derecognised	**-**	**-**	(10,403,630)	(10,403,630)
Balance, end of period	**6,593,695**	**18,180,946**	**42,926,038**	**67,700,679**

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
Impairment allowances for the year	(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**

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS

Group

Dec-2021

In thousands of Nigerian Naira	Loans				Overdrafts				Others				Total			
	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	603,008	37,564	5,008,406	5,648,977	174,430	6,819	6,123,004	6,304,254	-	-	-	-	777,438	44,383	11,131,410	11,953,231
Foreign currency translation and other adjustments	15,900	67	8,193	24,160	10,001	983	13,342	24,326	-	-	-	-	25,901	1,050	21,535	48,486
Impairment allowances for the year	122,419	(22,986)	526,051	625,484	281,832	208,397	3,261,912	3,752,141	-	-	-	-	404,251	185,411	3,787,963	4,377,625
Recovery	-	-	-	-	-	-	(163,607)	(163,607)	-	-	-	-	-	-	(163,607)	(163,607)
Financial assets derecognised	-	-	(1,084)	(1,084)	-	-	(210,755)	(210,755)	-	-	-	-	-	-	(211,839)	(211,839)
Balance, end of year	**741,327**	**14,645**	**5,541,566**	**6,297,537**	**466,263**	**216,199**	**9,023,896**	**9,706,359**	**-**	**-**	**-**	**-**	**1,207,590**	**230,844**	**14,565,462**	**16,003,896**

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
Impairment allowances for the year	(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 to NON - INDIVIDUALS

Group

Dec-2021

In thousands of Nigerian Naira	Loans: Impairment on Stage 1 - 12 Months ECL	Loans: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Loans: Impairment on Stage 3 - Non Performing Loans	Loans: Total allowance for impairment	Overdrafts: Impairment on Stage 1 - 12 Months ECL	Overdrafts: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Overdrafts: Impairment on Stage 3 - Non Performing Loans	Overdrafts: Total allowance for impairment	Others: Impairment on Stage 1 - 12 Months ECL	Others: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Others: Impairment on Stage 3 - Non Performing Loans	Others: Total allowance for impairment	Total: Impairment on Stage 1 - 12 Months ECL	Total: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Total: Impairment on Stage 3 - Non Performing Loans	Total: Total allowance for impairment
Balance at 1 January	4,199,404	16,073,623	37,303,390	57,617,841	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	(113,345)	(1,540,356)	7,331,640	5,677,939	(83,160)	(75,875)	(59,321)	(218,356)	(2,506)	(9)	-	(2,515)	(199,011)	(1,616,240)	7,272,319	5,457,068
Impairment allowances for the year	(330,679)	2,794,067	(6,803,997)	(4,340,609)	1,301,119	(871,079)	8,089,167	8,519,207	80,744	113	(18,001)	62,856	1,051,184	1,923,101	1,267,169	4,241,454
Recovery	-	-	-	-	-	-	(618,147)	(618,147)	-	-	-	-	-	-	(618,147)	(618,147)
Financial assets derecognised	-	-	(2,822,493)	(2,822,493)	-	-	(7,581,137)	(7,581,137)	-	-	-	-	-	-	(10,403,630)	(10,403,630)
Balance, end of year	**3,755,380**	**17,327,334**	**35,008,540**	**56,091,254**	**2,755,291**	**853,508**	**7,917,498**	**11,526,297**	**83,024**	**104**	**-**	**83,128**	**6,593,695**	**18,180,946**	**42,926,038**	**67,700,679**

Group

Dec-2020

In thousands of Nigerian Naira	Loans: Impairment on Stage 1 - 12 Months ECL	Loans: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Loans: Impairment on Stage 3 - Non Performing Loans	Loans: Total allowance for impairment	Overdrafts: Impairment on Stage 1 - 12 Months ECL	Overdrafts: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Overdrafts: Impairment on Stage 3 - Non Performing Loans	Overdrafts: Total allowance for impairment	Others: Impairment on Stage 1 - 12 Months ECL	Others: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Others: Impairment on Stage 3 - Non Performing Loans	Others: Total allowance for impairment	Total: Impairment on Stage 1 - 12 Months ECL	Total: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Total: Impairment on Stage 3 - Non Performing Loans	Total: Total allowance for impairment
Balance at 1 January	4,736,305	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
Impairment allowances for the year	(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**

30 Investment in subsidiaries

(a) (i) Investment in subsidiaries comprises:

	Company Dec-2021 % ownership	Company Dec-2020 % ownership	Company Dec-2021 ₦'000	Company Dec-2020 ₦'000
GTB Nigeria	100.00	0.00	138,186,703	-
Habari Pay (Payment Company)	100.00	0.00	3,624,872	-
			141,811,575	**-**
Non-current			141,811,575	-

GTBank Nigeria Limited has investment in the following subsidiaries:

	Dec-2021 % ownership	Dec-2020 % ownership
GTB Gambia	78	78
GTB Sierra Leone	84	84
GTB Ghana	98	98
GTB UK Limited	100	100
GTB Liberia Limited	99	99
GTB Cote D'Ivoire Limited	100	100
GTB Kenya Limited	70	70
GTB Tanzania	76	76

(a) (ii) The movement in investment in subsidiaries during the year is as follows:

In thousands of Nigerian Naira	Company Dec-2021	Company Dec-2020
Balance, beginning of the Year	-	-
Recognition of investment on transition to Holding Company	138,186,703	-
Investment in Payment Company	3,624,872	-
Balance, end of the year	**141,811,575**	**-**

Please refer to Note 44 for more information on the Group structure

Condensed results of consolidated entities

(b) Condensed results of the consolidated entities as at 31 Dec 2021, are as follows:

Full year profit and loss

Dec-2021		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries	
In thousands of Nigerian Naira	GT Bank Nigeria	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya Group	GT Bank Tanzania	GT Bank UK	Habari Pay Ltd	Staff Investment Trust
Operating income	303,977,853	45,202,650	8,440,763	7,015,884	6,038,172	5,514,503	17,062,256	830,805	4,317,283	-	3,753,722
Operating expenses	(123,767,504)	(11,014,434)	(3,521,285)	(3,952,437)	(2,406,290)	(2,439,816)	(8,056,279)	(1,087,114)	(5,474,946)	-	-
Loan impairment charges	(4,088,901)	(345,812)	(1,379,377)	(412,523)	116,922	(289,942)	(2,110,892)	(20,630)	-	-	-
Profit before tax	**176,121,448**	**33,842,404**	**3,540,101**	**2,650,924**	**3,748,804**	**2,784,745**	**6,895,085**	**(276,939)**	**(1,157,663)**	**-**	**3,753,722**
Taxation	(29,937,381)	(11,844,815)	(885,025)	(662,854)	(1,024,015)	(3,954)	(2,287,723)	(3,910)	(8,513)	-	-
Profit after tax	**146,184,067**	**21,997,589**	**2,655,076**	**1,988,070**	**2,724,789**	**2,780,791**	**4,607,362**	**(280,849)**	**(1,166,176)**	**-**	**3,753,722**

Condensed financial position

Dec-2021		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries	
In thousands of Nigerian Naira	GT Bank Nigeria	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya Group	GT Bank Tanzania	GT Bank UK	Habari Pay Ltd	Staff Investment Trust
Assets											
Cash and bank balances	588,572,038	71,032,403	24,340,450	19,690,275	23,661,006	5,614,176	45,036,392	3,892,604	203,573,820	3,100,000	3,104,475
Loans and advances to banks	115,014	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	1,475,674,160	119,444,663	13,438,382	38,257,571	8,213,027	15,665,519	94,333,936	3,747,006	33,813,118	-	-
Financial assets at fair value through profit or loss	42,643,770	61,753,881	-	-	-	-	-	-	-	-	-
Investment securities:										-	
– Fair Value through other comprehensive Income	162,911,719	-	-	-	36,799,328	11,269	31,958,225	-	48,265,108	-	36,638,655
– Held at amortised cost	651,174,123	68,178,408	30,457,541	9,104,985	12,594,879	46,910,350	27,354,033	1,148,896	-	-	-
Derivative financial assets	24,913,435	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	56,903,032	-	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	68,430,170	10,436,053	-	-	-	-	407,687	-	-	-	-
Restricted deposits and other assets	1,099,888,166	34,075,205	1,443,045	3,907,170	1,201,661	1,130,065	4,156,599	571,778	896,232	-	-
Property and equipment	176,560,154	5,495,506	1,114,719	3,178,716	3,275,903	2,943,186	3,716,190	1,274,522	405,670	524,873	-
Intangible assets	9,247,353	255,094	105,653	149,540	111,279	59,231	846,949	192,516	-	-	-
Deferred tax assets	-	159,002	17,799	-	-	-	2,298,532	-	712,605	-	-
Total assets	**4,357,033,134**	**370,830,215**	**70,917,589**	**74,288,257**	**85,857,083**	**72,333,796**	**210,108,543**	**10,827,322**	**287,666,553**	**3,624,873**	**39,743,130**
Financed by:											
Deposits from banks	658,166	-	191,882	-	-	1,300	977,581	-	171,064,084	-	-
Deposits from customers	3,235,602,200	276,090,345	52,997,387	61,502,475	73,352,577	56,835,804	156,223,786	6,618,079	96,244,033	-	-
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	1,580,971	-	-	-	-	-	-	-	-	-	-
Current income tax liabilities	19,553,720	396,178	858,478	588,205	307,058	-	972,529	-	-	-	-
Other liabilities	200,258,619	6,090,964	2,082,144	3,254,235	2,304,369	2,554,112	4,578,216	560,507	1,735,488	-	8,162,224
Other borrowed funds	146,965,178	-	-	-	-	-	6,932,321	-	-	-	-
Deferred tax liabilities	5,578,697	237,350	-	106,575	52,191	-	212,404	-	71,613	-	-
Total liabilities	**3,610,197,551**	**282,814,837**	**56,129,891**	**65,451,490**	**76,016,195**	**59,391,216**	**169,896,837**	**7,178,586**	**269,115,218**	**-**	**8,162,224**
Equity and reserve	746,835,583	88,015,378	14,787,698	8,836,767	9,840,888	12,942,580	40,211,706	3,648,736	18,551,335	3,624,873	31,580,906
	4,357,033,134	**370,830,215**	**70,917,589**	**74,288,257**	**85,857,083**	**72,333,796**	**210,108,543**	**10,827,322**	**287,666,553**	**3,624,873**	**39,743,130**

Condensed cash flow

Dec-2021		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries	
In thousands of Nigerian Naira	**GT Bank Nigeria**	**GT Bank Ghana**	**GT Bank Sierra Leone**	**GT Bank Liberia**	**GT Bank Gambia**	**GT Bank Cote D'Ivoire**	**GT Bank Kenya Group**	**GT Bank Tanzania**	**GT Bank UK**	**Habari Pay Ltd**	**Staff Investment Trust**
Net cash flow:											
- from operating activities	364,670,769	(13,348,170)	10,806,974	13,586,779	21,067,283	21,075,502	6,692,039	2,067,166	13,935,728	3,624,873	(11,325,265)
- from investing activities	(207,262,743)	48,975,782	(4,538,336)	(8,351,001)	(10,931,136)	(19,287,981)	(2,962,519)	(159,349)	(12,042,082)	(524,873)	11,408,009
- from financing activities	(57,411,809)	(7,191,891)	-	-	(1,172,698)	-	6,499,575	-	-	-	-
Increase in cash and cash equivalents	99,996,217	28,435,721	6,268,638	5,235,778	8,963,449	1,787,521	10,229,095	1,907,817	1,893,646	3,100,000	82,744
Cash balance, beginning of year	465,299,211	42,691,773	19,055,295	13,759,785	13,890,005	3,843,033	34,170,878	1,860,984	192,030,686	-	3,021,731
Effect of exchange difference	2,611,354	667,783	(983,483)	694,711	807,552	(16,378)	630,023	123,804	9,649,487	-	-
Cash balance, end of year	**567,906,782**	**71,795,277**	**24,340,450**	**19,690,274**	**23,661,006**	**5,614,176**	**45,029,996**	**3,892,605**	**203,573,819**	**3,100,000**	**3,104,475**

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 31 Dec 2021, are as follows:

Profit and loss
Dec-2021

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Operating income	9,280,073	2,428,935	5,353,248
Operating expenses	(3,839,767)	(1,643,659)	(2,572,853)
Loan impairment charges	(2,059,312)	(54,687)	3,107
Profit before tax	3,380,994	730,589	2,783,502
Taxation	(1,275,572)	(107,715)	(894,459)
Profit after tax	2,105,422	622,874	1,889,043

Condensed financial position
Dec-2021

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Assets			
Cash and bank balances	8,118,641	16,128,240	20,789,511
Loans and advances to customers	63,865,109	8,664,462	21,804,365
Investment securities:			
– Fair Value through other comprehensive Income	31,958,225	-	-
– Held at amortised cost	9,621,689	4,815,823	12,916,521
Assets pledged as collateral	-	407,687	-
Restricted deposits and other assets	1,804,088	379,809	1,302,037
Investment in subsidiaries	12,950,226	-	-
Property and equipment	1,434,851	712,800	2,044,923
Intangible assets	315,168	202,480	245,632
Deferred tax assets	1,664,640	838,372	-
Total assets	**131,732,637**	**32,149,673**	**59,102,989**
Financed by:			
Deposits from banks	353,684	623,897	-
Deposits from customers	85,600,307	24,858,476	45,765,003
Other liabilities	1,736,820	891,191	1,950,205
Current income tax liabilities	-	-	972,529
Other borrowed funds	6,526,158	-	406,163
Deferred tax liabilities	137,625	-	74,779
Total liabilities	**94,354,594**	**26,373,564**	**49,168,679**
Equity and reserve	37,378,043	5,776,109	9,934,310
	131,732,637	**32,149,673**	**59,102,989**

Condensed results of the consolidated entities as at 31 Dec 2020, are as follows:

Dec-2020		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries	
In thousands of Nigerian Naira	GT Bank Nigeria	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya Group	GT Bank Tanzania	GT Bank UK	Habari Pay	Staff Investment Trust
Condensed profit and loss											
Operating income	330,555,887	38,308,965	7,655,904	5,517,694	4,972,019	3,819,410	13,621,446	579,467	3,549,721	-	1,412,123
Operating expenses	(111,757,987)	(11,402,740)	(3,335,292)	(2,370,999)	(2,560,969)	(2,339,116)	(7,439,490)	(986,367)	(5,166,716)	-	-
Loan impairment charges	(13,667,341)	(550,210)	(1,440,276)	(1,383,128)	(73,835)	(277,305)	(2,172,235)	(8,564)	-	-	-
Profit before tax	**205,130,559**	**26,356,015**	**2,880,336**	**1,763,567**	**2,337,215**	**1,202,989**	**4,009,721**	**(415,464)**	**(1,616,995)**	**-**	**1,412,123**
Taxation	(26,942,161)	(7,917,768)	(744,281)	(431,060)	(631,051)	1,114,735	(1,061,494)	-	(42,050)	-	-
Profit after tax	**178,188,398**	**18,438,247**	**2,136,055**	**1,332,507**	**1,706,164**	**2,317,724**	**2,948,227**	**(415,464)**	**(1,659,045)**	**-**	**1,412,123**

Condensed results of the consolidated entities as at 31 December 2020, are as follows:

Dec-2020		**West Africa Subsidiaries**					**East Africa Subsidiaries**		**United Kingdom**	**Non-Banking Subsidiaries**	
In thousands of Nigerian Naira	**GT Bank Nigeria**	**GT Bank Ghana**	**GT Bank Sierra Leone**	**GT Bank Liberia**	**GT Bank Gambia**	**GT Bank Cote D'Ivoire**	**GT Bank Kenya Group**	**GT Bank Tanzania**	**GT Bank UK**	**Habari Pay**	**Staff Investment Trust**
Condensed financial position											
Assets											
Cash and bank balances	493,209,016	42,691,773	19,055,295	13,759,785	13,890,005	3,843,033	34,170,878	1,860,984	192,030,686	-	3,021,731
Loans and advances to banks	39,749	-	-	-	-	-	-	-	59,294	-	-
Loans and advances to customers	1,410,577,734	75,322,397	13,314,222	29,444,192	7,597,929	15,427,694	80,269,067	2,320,702	28,457,762	-	-
Derivative financial assets	26,448,550	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	36,226,876	31,308,487	-	-	-	-	-	-	-	-	-
Investment securities:	-										
– Fair Value through other comprehensive Income	600,206,211	-	-	-	31,273,315	11,459	30,779,818	-	34,374,681	-	44,292,942
– Held at amortised cost	77,820,332	117,369,066	27,746,226	1,284,493	5,586,715	28,513,367	24,585,959	676,674	-	-	-
Investment in subsidiaries	56,903,032	-	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	61,955,975	-	-	-	-	-	244,351	-	-	-	-
Restricted deposits and other assets	1,160,172,271	19,473,689	294,467	11,065,864	5,671,527	2,352,568	4,324,892	520,980	1,977,207	-	-
Property and equipment	128,689,540	4,178,747	1,271,603	2,829,655	2,145,687	2,913,182	4,611,885	1,354,361	788,291	-	-
Intangible assets	9,294,319	256,719	65,378	99,404	134,705	52,285	1,091,410	272,317	-	-	-
Deferred tax assets	-	156,260	234,509	-	-	1,289,533	2,602,672	2,248	430,931	-	-
Total assets	**4,061,543,605**	**290,757,138**	**61,981,700**	**58,483,393**	**66,299,883**	**54,403,121**	**182,680,932**	**7,008,266**	**258,118,852**	**-**	**47,314,673**
Financed by:											
Deposits from banks	12,733	-	-	-	-	7,269	18,246	-	149,703,992	-	-
Deposits from customers	2,881,686,058	213,336,436	48,043,528	43,514,807	55,451,082	40,211,110	140,900,976	3,016,315	86,234,286	-	-
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	2,758,698	-	-	-	-	-	-	-	-	-	-
Current income tax liabilities	19,719,757	463,462	-	460,300	179,572	-	755,127	-	13,797	-	-
Other liabilities	321,975,804	4,974,196	1,031,075	2,393,497	3,200,664	2,228,300	5,773,700	289,501	3,760,769	-	10,635,307
Other borrowed funds	113,470,753	-	-	-	-	-	424,015	-	-	-	-
Deferred tax liabilities	19,520,277	233,393	-	349,533	60,836	-	338,179	-	96,057	-	-
Total liabilities	**3,359,144,080**	**219,007,487**	**49,074,603**	**46,718,137**	**58,892,154**	**42,446,679**	**148,210,243**	**3,305,816**	**239,808,901**	**-**	**10,635,307**
Equity and reserve	702,399,525	71,749,651	12,907,097	11,765,256	7,407,729	11,956,442	34,470,689	3,702,450	18,309,951	-	36,679,366
	4,061,543,605	**290,757,138**	**61,981,700**	**58,483,393**	**66,299,883**	**54,403,121**	**182,680,932**	**7,008,266**	**258,118,852**	**-**	**47,314,673**

Dec-2020		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries	
In thousands of Nigerian Naira	**GT Bank Nigeria**	**GT Bank Ghana**	**GT Bank Sierra Leone**	**GT Bank Liberia**	**GT Bank Gambia**	**GT Bank Cote D'Ivoire**	**GT Bank Kenya Group**	**GT Bank Tanzania**	**GT Bank UK**	**Habari Pay**	**Staff Investment Trust**
Condensed cash flow											
Net cash flow:											
- from operating activities	327,793,446	20,386,869	18,442,297	6,586,994	8,301,932	10,973,722	18,617,020	1,527,430	27,416,842	-	(30,559,685)
- from investing activities	(173,418,184)	(4,023,410)	(17,671,581)	(381,356)	(7,968,119)	(11,055,071)	(12,647,042)	88,019	6,884,152	-	34,772,483
- from financing activities	(138,172,988)	(3,513,961)	-	(289,636)	(480,229)	-	424,015	-	-	-	(1,427,528)
Increase in cash and cash equivalents	16,202,274	12,849,498	770,716	5,916,002	(146,416)	(81,349)	6,393,993	1,615,449	34,300,994	-	2,785,270
Cash balance, beginning of year	395,077,779	27,912,490	16,975,572	7,214,382	12,963,225	3,516,631	26,743,190	220,248	134,998,215	-	236,461
Effect of exchange difference	54,019,158	1,929,785	1,309,007	629,402	1,073,196	407,751	1,028,620	25,287	22,731,477	-	-
Cash balance, end of Period	**465,299,211**	**42,691,773**	**19,055,295**	**13,759,786**	**13,890,005**	**3,843,033**	**34,165,803**	**1,860,984**	**192,030,686**	**-**	**3,021,731**

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 31 Dec 2020, are as follows:

Profit and loss

Dec-2020

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Operating income	6,856,965	2,172,259	4,433,055
Operating expenses	(3,449,390)	(1,701,442)	(2,288,660)
Loan impairment charges	(1,632,012)	(69,090)	(293,497)
Profit before tax	**1,775,563**	**401,727**	**1,850,898**
Taxation	(532,672)	(75,139)	(555,269)
Profit after tax	**1,242,891**	**326,588**	**1,295,629**

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 and Right of use assets

(a) Group

In thousands of Nigerian Naira	Leasehold improvement and buildings[1]	ROU Assets[3]	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress[2]	Total
Cost							
Balance at 1 January 2021	111,437,779	-	128,672,153	14,733,537	13,349,915	14,368,732	282,562,116
Exchange difference	510,140	-	624,532	89,390	-	9,551	1,233,613
Additions	21,841,455	16,203,031	14,150,753	2,531,011	-	4,704,976	59,431,226
Disposals	(199,267)	-	(1,699,642)	(1,625,677)	-	-	(3,524,586)
Transfers	454,660	-	389,407	172,621	-	(1,016,688)	-
Reclassifications (to) /from other assets	-	27,278,997	-	-	(13,349,915)	(62,469)	13,866,613
Balance at 31 December 2021	**134,044,767**	**43,482,028**	**142,137,203**	**15,900,882**	**-**	**18,004,102**	**353,568,982**
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 December 2021, Leasehold improvement accounts for N29,525,484,000 (25.85%) while Buildings accounts for N84,687,319,000 (74.15%)

[2] Capital work in progess refers to capital expenditure incurred on items of Property and Equipment which are however not ready for use and as such are not being depreciated.

[3] Aircraft is now reported as part of ROU Assets, Other items reported as part of ROU Assets include Land and Prepaid Rent on Land and Building.

Property and equipment and Right of use assets(continued)

Group

Accumulated Depreciation *In thousands of Nigerian Naira*	**Leasehold improvement and buildings**	**ROU Assets**	**Furniture & equipment**	**Motor vehicle**	**Aircraft**	**Capital work-in - progress**	**Total**
Balance at 1 January 2021	22,724,468	-	88,568,619	9,933,454	12,552,740	-	133,779,281
Exchange difference	203,539	-	506,621	73,333	-	-	783,493
Charge for the year	5,432,297	4,834,077	17,238,302	2,274,590	797,175	-	30,576,441
Disposal	(199,267)	-	(1,666,933)	(1,219,418)	-	-	(3,085,618)
Reclassifications (to) /from other assets	-	893,419	-	-	(13,349,915)	-	(12,456,496)
Balance at 31 December 2021	**28,161,037**	**5,727,496**	**104,646,609**	**11,061,959**	**-**	**-**	**149,597,101**
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 year	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 31 December 2021	**105,883,730**	**37,754,532**	**37,490,594**	**4,838,923**	**-**	**18,004,145**	**203,971,924**
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 and Right of use assets(continued)

(b) Company

In thousands of Nigerian Naira	Leasehold improvement and buildings	ROU Assets	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress[1]	Total
Cost							
Balance at 1 January 2021	-	-	-	-	-	-	-
Additions	154,083	-	378,772	-	-	-	532,855
Transfers	-	-	-	-	-	-	-
Balance at 31 December 2021	**154,083**	**-**	**378,772**	**-**	**-**	**-**	**532,855**
Balance at 1 January 2020	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance at 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**

All Property and equipment are non-current.

[1] Capital work in progess refers to capital expenditure incurred on items of Property and Equipment which are however not ready for use and as such are not being depreciated.

Property and equipment and Right of use assets(continued)

Company

Accumulated Depreciation In thousands of Nigerian Naira	**Leasehold improvement and buildings**	**ROU Assets**	**Furniture & equipment**	**Motor vehicle**	**Aircraft**	**Capital work-in - progress**	**Total**
Balance at 1 January 2021	-	-	-	-	-	-	-
Charge for the year	1,861	-	34,025	-	-	-	35,886
Disposal	-	-	-	-	-	-	-
Balance at 31 December 2021	**1,861**	**-**	**34,025**	**-**	**-**	**-**	**35,886**
Balance at 1 January 2020	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Balance at 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Carrying amounts:							
Balance at 31 December 2021	**152,222**	**-**	**344,747**	**-**	**-**	**-**	**496,969**
Balance at 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**

32 Intangible assets

(a) Group

In thousands of Nigerian Naira	Goodwill	Purchased Software	Total
Cost			
Balance at 1 January 2021	8,687,970	30,226,353	38,914,323
Exchange translation differences	1,688	174,652	176,340
Additions	-	4,399,142	4,399,142
Balance at 31 December 2021	**8,689,658**	**34,881,082**	**43,570,740**
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	-	150,747	150,747
Amortisation for the year	-	4,723,656	4,723,656
Balance at 31 December 2021	**-**	**23,997,136**	**23,997,136**
Balance at 1 January 2020	-	14,714,219	14,714,219
Exchange translation differences	-	336,961	336,961
Amortisation for the year	-	3,990,618	3,990,618
Balance at 31 December 2020	**-**	**19,041,798**	**19,041,798**
Carrying amounts:			
Balance at 31 December 2021	**8,689,658**	**10,883,946**	**19,573,604**
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 year ended December 2021 (December 2020: nil).

(c) Impairment testing for cash-generating units containing Goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to each of the cash-generating units or groups of cash-generating units that is expected to benefit from the synergies of the combination.

Goodwill is allocated to the Cash Generating Units (CGUs) as shown below:

In thousands of Nigerian Naira

Cash Generating Units	**Dec-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	6,009,865	5,706,891
- Commercial Banking	561,639	721,405
- Retail Banking	2,053,716	2,196,709
	8,689,656	**8,687,968**

No impairment loss on goodwill was recognised for the year ended 31 December 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; 3.79 per cent and 5.15 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 21.82% derived using CAPM approach. It would require over ₦504million 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 227 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 (%)	14.15%	15.15%	15.65%	9.05%	8.55%	9.15%
Operating Income Growth Rate (%)	15.59%	16.09%	17.59%	11.48%	10.98%	12.98%
Other Operating Costs (₦'Million)	15,620	1,783	6,551	5,209	595	2,185
Capital Expenditure (₦'Million)	2,291	262	961	1,113	127	467
Recoverable Amount (₦'Million)	155,153	17,712	65,071	33,227	3,793	13,935
Long Term Growth Rate (%)	15%- 20%	15%- 20%	15%- 20%	5%- 10%	5%- 10%	5%- 10%
Discount Rate (%)	27.49%	27.49%	27.49%	21.82%	21.82%	21.82%

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

Dec-2021

In thousands of Nigerian Naira	Assets	Liabilities	Net	Income statement	OCI
Property and equipment, and software	3,028,935	-	3,028,935	(241,425)	-
Fair value reserves	-	-	-	-	-
Allowances for loan losses/Fraud loss provision	-	-	-	(83,543)	-
Defined benefit obligation/Actuarial Loss	-	-	-	-	-
Revaluation gain and Other assets	159,002	-	159,002	(1,268,960)	-
Net deferred tax assets/(liabilities)	**3,187,937**	**-**	**3,187,937**	**(1,593,928)**	**-**

In thousands of Nigerian Naira	**Dec-2021**
Deferred tax assets:	
-Deferred tax assets to be recovered within 12 months	159,002
-Deferred tax assets to be recovered after more than 12 months	3,028,935

Group
Deferred tax assets

	Dec-2020				
In thousands of Nigerian Naira	**Assets**	**Liabilities**	**Net**	**Income statement**	**OCI**
Property and equipment, and software	3,270,360	-	3,270,360	1,106,273	-
Fair value reserves	-	-	-	-	-
Allowances for loan losses/Fraud loss provision	83,543	-	83,543	(8,940)	-
Mark to market loss on valuation of securities	-	-	-	-	-
Defined benefit obligation/Actuarial Loss	-	-	-	-	-
Revaluation gain and Other assets	1,362,251	-	1,362,251	1,291,640	-
Net deferred tax assets/(liabilities)	**4,716,154**	**-**	**4,716,154**	**2,388,973**	**-**

In thousands of Nigerian Naira	**Dec-2020**
Deferred tax assets:	
-Deferred tax assets to be recovered within 12 months	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	Dec-2021				
	Assets	**Liabilities**	**Net**	**Income statement**	**OCI**
Property and equipment, and software	-	24,346,640	24,346,640	2,616,850	-
Fair value reserves	(4,746,531)	-	(4,746,531)	(124,134)	(5,718,918)
Allowances for loan losses	(5,944,332)	-	(5,944,332)	(4,686,765)	-
Defined benefit obligation/actuarial loss	(259,506)	-	(259,506)	1,368,421	76,850
Revaluation loss/gain and other assets	(7,137,441)	6,542,036	(595,405)	13,151,869	(1,284,540)
Net deferred tax (assets)/liabilities	**(18,087,810)**	**30,888,676**	**12,800,866**	**12,326,241**	**(6,926,608)**

In thousands of Nigerian Naira	**Dec-2021**
Deferred tax assets:	
-Deferred tax assets to be recovered within 12 months	(18,087,810)
Deferred tax liabilities:	
-Deferred tax liabilities to be recovered within 12 months	719,624
-Deferred tax liabilities to be recovered after more than 12 months	30,169,052

Group
Deferred tax liabilities

In thousands of Nigerian Naira	Dec-2020				
	Assets	**Liabilities**	**Net**	**Income statement**	**OCI**
Property and equipment, and software	-	20,953,401	20,953,401	1,438,037	**-**
Fair value reserves	-	1,096,521	1,096,521	2,869	**652,292**
Allowances for loan losses	(1,257,567)	-	(1,257,567)	1,864,678	**-**
Defined benefit obligation/actuarial loss	(1,704,777)	-	(1,704,777)	714,684	**(582,001)**
Revaluation loss/gain and other assets	-	5,873,194	5,873,194	6,510,259	**3,633,741**
Net deferred tax (assets)/liabilities	**(2,962,344)**	**27,923,116**	**24,960,772**	**10,530,527**	**3,704,032**

In thousands of Nigerian Naira	**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	10,041,258
-Deferred tax liabilities to be recovered after more than 12 months	17,881,858

34 Restricted deposits and other assets

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Repossessed collaterals	16,268	12,048,276	-	-
Prepayments	13,292,947	30,968,891	1,389,277	-
Accounts Receivable	49,183,242	48,918,206	18,183	-
Stocks	2,372,847	2,900,332	-	-
Foreign Banks - cash collateral	63,919,071	37,001,808	-	-
Restricted deposits with central banks (See note 34(i) below)	953,179,297	1,026,634,689	-	-
Contribution to AGSMEIS (See note 34(ii) below)	40,417,726	31,508,326	-	-
Recognised assets for defined benefit obligations (See note 39)	15,442,611	10,381,158	-	-
	1,137,824,009	**1,200,361,686**	**1,407,460**	**-**
Right-Of-Use Assets (See note 34(iii) below)	-	26,385,578	-	-
	1,137,824,009	**1,226,747,264**	**1,407,460**	**-**
Impairment on other financial assets (See note 34(iv) below)	(269,801)	(266,148)	-	-
	1,137,554,208	**1,226,481,116**	**1,407,460**	**-**
Current	1,119,729,929	1,184,694,120	1,407,460	-
Non-current	17,824,279	41,786,996	-	-

(i) Restricted deposits with central banks comprises of restricted deposits with central banks not available for use in the Group's day-to-day operations. The GTBank Nigeria had restricted balances of N953,040,540,000 with the Central Bank of Nigeria (CBN) as at 31 December 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 Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Opening balance	26,385,578	23,580,802	-	-
Additions during the year	-	4,913,421	-	-
Amortisation during the year	-	(2,108,645)	-	-
Reclassified to PPE (Cost)	(27,278,997)	-	-	-
Reclassified to PPE (Accumulated Depreciation)	893,419	-	-	-
Closing balance	**-**	**26,385,578**	**-**	**-**

For the Group and Company, the right-of-use assets relates to Property and leased assets . The depreciation during the year is shown in Note 18.

(iv) Movement in impairment of other financial assets:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Opening Balance	266,148	265,867	-	-
Charge for the year	3,653	281	-	-
Closing Balance	**269,801**	**266,148**	**-**	**-**

The additional impairment during the year is considered immaterial

35 Deposits from banks

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Money market deposits	815,780	279,429	-	-
Other deposits from banks	117,211,796	101,230,121	-	-
	118,027,576	**101,509,550**	**-**	**-**
Current	118,027,576	101,509,550	-	-
Non-current	-	-	-	-

36 Deposits from customers

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Retail customers:				
Term deposits	185,479,003	141,450,983	-	-
Current deposits	647,053,262	552,738,516	-	-
Savings	1,211,207,857	1,144,660,473	-	-
Corporate customers:				
Term deposits	388,507,234	247,704,593	-	-
Current deposits	1,580,058,198	1,422,764,672	-	-
	4,012,305,554	**3,509,319,237**	**-**	**-**
Current	3,994,768,430	3,507,188,681	-	-
Non-current	17,537,124	2,130,556	-	-

38 Other liabilities

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Cash settled share based payment liability (Note 38(c))	8,162,224	10,635,307	-	-
Lease liabilities (Note 38(f))	6,318,114	8,087,113	-	-
Liability for defined contribution obligations (Note 38(a))	450,222	460,348	-	-
Deferred income on financial guarantee contracts	335,522	109,299	-	-
Litigation claims provision (Note 38(d))	267,621	250,995	-	-
Certified cheques	9,267,187	7,507,961	-	-
Customers' deposit for foreign trade (Note 38(b))	87,336,555	53,970,895	-	-
Customers' escrow balances	30,350,319	208,812,745	-	-
Account payables	22,534,180	38,236,362	6,059,930	-
Creditors and agency services	62,996,561	23,744,759	16,125	-
Customers deposit for shares of other Corporates	160,931	721,316	-	-
Impairment on contingents (Note 38(e))	3,339,835	3,685,475	-	-
	231,519,271	**356,222,575**	**6,076,055**	**-**
Current	212,420,104	329,967,416	6,076,055	-
Non-current	19,099,167	26,255,159	-	-

(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 N87,336,555,000 reported, the sum of N64,271,421,000 represents customers cash collateral balances with the corresponding balance included in Foreign Banks - Cash Collateral in other assets. The balance of N23,065,134,000 represents customer's FEM balances.

(c) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Dec-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	25.54	21,582	15.47	28,148
Exercised	27.83	(74,133)	22.79	(13,015)
As at end of the year	**24.88**	**328,036**	**27.94**	**380,587**

The total unit of shares of the scheme stood at 1,409,179,000 as at Dec 2021 (Dec 2020: 1,369,179,000), out of which 328,036,000 (December 2020: 380,587,000) have been granted. Out of the 328,036,000 Share Appreciation Right (SARs) granted as at December 2021 (December 2020: 380,587,000 SARs), 253,383,000 SARs (Dec 2020: 285,455,000) have met the vesting criteria. SARs exercised in 2021 resulted in 74,133,000 shares (Dec 2020:13,015,000) being granted at a weighted average price of N27.83 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 11.68% probability of exits, number of employees years in the scheme and in the organization for non-vested shares.

As at 31st December 2021, the impact of the SAR on the statement of financial position of the Group stood at N8,162,224,000 (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 31st December 2021, the impact of the SAR on the statement of financial position of the Group stood at N8,162,224,000 (2020:N10,635,307,000). Of this amount, the liability on vested but unexercised SARs was N6,587,957,000 (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	Dec-2021	Dec-2020	Dec-2021	Dec-2020
2004-2009	26.00	32.30	2,656,310	3,740,365
2004-2017	25.54	30.76	120,096	138,513
2005-2010	26.00	29.66	223,264	555,807
2005-2013	0.00	31.03	-	729,763
2006-2011	25.61	31.19	141,893	166,601
2006-2014	25.70	31.25	266,214	317,460
2007-2012	25.19	30.29	701,251	851,780
2007-2013	24.60	29.44	99,895	98,912
2007-2014	25.32	30.21	130,927	152,162
2007-2015	25.73	31.39	51,461	62,776
2007-2016	25.76	30.50	116,498	246,981
2008-2013	25.21	29.44	312,177	433,644
2008-2014	24.90	28.41	73,544	78,221
2008-2015	25.08	28.45	89,214	95,376
2008-2017	25.41	29.34	66,820	59,767
2009-2014	26.00	27.64	36,469	108,144
2009-2015	22.91	23.46	25,811	19,746
2008-2026	-	22.26	-	11,382
2010-2015	23.20	26.58	41,910	33,194
2010-2016	26.00	29.19	11,712	93,006
2010-2017	26.00	32.35	26,368	32,808
2010-2018	24.71	26.76	62,610	62,453
2010-2019	26.00	32.35	58,270	72,501
2011-2016	24.66	25.84	484,903	495,421
2011-2017	0.00	28.85	-	47,988
2011-2018	24.59	30.90	61,471	61,807
2011-2019	24.52	24.64	99,424	89,932
2011-2020	24.01	27.29	72,028	62,766
2012-2017	24.42	25.25	58,144	60,104
2012-2018	26.00	31.09	21,057	25,178
2012-2021	0.00	0.00	-	-
2019-2024	30.57	16.84	137,812	32,849
2013-2018	24.08	25.08	385,585	337,482
2014-2019	24.30	24.67	237,408	215,219
2014-2022	22.40	18.33	11,214	9,175
2015-2020	24.16	23.67	227,218	268,507
2015-2022	24.37	26.28	70,679	70,952
2015-2023	22.30	18.76	19,111	13,947
2015-2024	0.00	16.33	-	1,453
2016-2021	23.75	18.31	487,661	492,318
2016-2025	22.67	14.14	38,474	21,107
2017-2022	22.84	17.50	128,775	88,697
2017-2023	22.12	25.31	9,955	5,061
2021-2029	20.57	-	764	-
2021-2026	20.57	-	69,812	-
2018-2026	-	-	-	-
2018-2023	21.89	9.12	135,356	55,233
2020-2025	20.57	5.08	92,660	18,749
			8,162,224	**10,635,308**

(d) Provision for litigation arose from the assessment carried out by the Solicitors of the Bank of all the pending litigations the Bank was involved in as at December 31, 2021. Please see Note 43 for further information on Litigations.

Movement in provision for litigation claims during the year ended is as follows:

	Group	Group	Company	Company
In thousands of Nigerian Naira	**Dec-2021**	**Dec-2020**	**Dec-2021**	**Dec-2020**
Opening Balance	250,995	250,665	-	-
Increase/(reversal) during the year ended	19,803	330	-	-
Write off	(3,177)	-	-	-
Closing Balance	**267,621**	**250,995**	**-**	**-**

This relates to provision on pending cases that the Company is currently involved in. Please refer to Note 43 for more information.
Timing of resulting outflows of economic resources with respect to the provision can not readily be determined.

(e) **Movement in impairment on contingents during the year ended is as follows:**

	Group	Group	Company	Company
In thousands of Nigerian Naira	**Dec-2021**	**Dec-2020**	**Dec-2021**	**Dec-2020**
Opening balance	3,685,475	6,462,312	-	-
Effect of exchange rate fluctuation	(345,640)	335,367	-	-
Charge/(Reversal) for the year ended	-	(3,112,204)	-	-
Write off	-	-	-	-
Closing Balance	**3,339,835**	**3,685,475**	**-**	**-**

(f) The Group leases a number of properties to serve as its branch outlets.
The Group and Company has applied 7.26% as the weighted average incremental borrowing rate to lease liability on transition date.
The present value of finance lease liabilities is as follows:

	Group	Group	Company	Company
In thousands of Nigerian Naira	**Dec-2021**	**Dec-2020**	**Dec-2021**	**Dec-2020**
Less than 3 months	121,218	145,774	-	-
3-6 months	117,821	516,858	-	-
6-12 months	388,264	904,900	-	-
1-5years	894,819	995,325	-	-
More than 5 years	4,795,991	5,524,256	-	-
	6,318,113	**8,087,113**	**-**	**-**

The period of future economic outflows of the lease liabilities is analysed below:

	Group	Group	Company	Company
In thousands of Nigerian Naira	**Dec-2021**	**Dec-2020**	**Dec-2021**	**Dec-2020**
Less than 3 months	122,208	146,867	-	-
3-6 months	119,746	524,611	-	-
6-12 months	400,952	932,047	-	-
1-5years	1,041,017	1,144,624	-	-
More than 5 years	6,363,158	7,181,533	-	-
	8,047,081	**9,929,682**	**-**	**-**

The movement in lease liabilities is shown below:

	Group	Group	Company	Company
In thousands of Nigerian Naira	**Dec-2021**	**Dec-2020**	**Dec-2021**	**Dec-2020**
Opening Balance	8,087,113	5,275,289	-	-
Exchange difference	59,130	430,450	-	-
Finance cost	-	265,934	-	-
Additional liabilities on lease contracts	-	2,115,440	-	-
Payments	(1,828,130)	-	-	-
	6,318,113	**8,087,113**	**-**	**-**

39 Defined benefit obligations

The Company operates a non-contributory, funded lump sum defined benefit gratuity scheme. Employees are automatically admitted into the scheme after completing 10 consecutive years of service with the Bank. Employees' terminal benefits are calculated based on number of years of continuous service, limited to a maximum of 10 years. The defined benefit obligation valuation was carried out by Alexander Forbes Consulting Actuaries with FRC Number: FRC/2012/0000000000504.
The report was sign by Management Partner Wayne van Jaarsveld with FRC Number: FRC/2021/002/00000024507.

(a) The amounts recognised in the statement of financial position are as follows:

In thousands of Nigerian Naira	**Group Dec-2021**	**Group Dec-2020**	**Company Dec-2021**	**Company Dec-2020**
Present value of funded obligations	(865,020)	(5,682,589)	-	-
Total present value of defined benefit obligations	(865,020)	(5,682,589)	-	-
Fair value of plan assets	16,307,631	16,063,747	-	-
Present value of net asset/(obligations)	15,442,611	10,381,158	-	-
Recognized asset/(liability) for defined benefit obligations	**15,442,611**	**10,381,158**	**-**	**-**

The Company has a right to the surplus on its plan assets. The defined benefit scheme is not open to asset ceiling, therefore, there is no need to determine any difference between net defined benefit asset and asset ceiling.
Recognised asset for defined benefit obligations is included within Restricted deposits and other assets in note 34.

(b) Movement in the present value of defined benefit obligations:

In thousands of Nigerian Naira	**Group Dec-2021**	**Group Dec-2020**	**Company Dec-2021**	**Company Dec-2020**
(Deficit)/surplus on defined benefit obligations, beginning of year	10,381,158	10,799,957	-	-
Net (Expense) / Income recognised in Profit and Loss	402,697	1,378,517	-	-
Re-measurements recognised in Other Comprehensive Income	256,165	(1,940,002)	-	-
Contributions paid	4,402,591	142,686	-	-
(Deficit)/surplus for defined benefit obligations, end of year	**15,442,611**	**10,381,158**	**-**	**-**

[1]Net (Expense) / Income recognised in Profit and Loss is analysed below:

In thousands of Nigerian Naira	**Group Dec-2021**	**Group Dec/2020**	**Company Dec-2021**	**Company Dec/2020**
Interest income on Net defined benefit obligation[a]	523,393	1,485,478	-	-
Current service costs	(120,696)	(106,961)	-	-
	402,697	**1,378,517**	**-**	**-**

[a]Interest cost on Net Defined benefit Obligation is analysed below:

In thousands of Nigerian Naira	**Group Dec-2021**	**Group Dec/2020**	**Company Dec-2021**	**Company Dec/2020**
Interest income on assets	674,677	2,046,671	-	-
Interest cost on defined benefit obligation	(151,284)	(561,193)	-	-
	523,393	**1,485,478**	**-**	**-**

[2]Remeasurements recognised in Other Comprehensive income is analysed below:

In thousands of Nigerian Naira	**Group Dec-2021**	**Group Dec/2020**	**Company Dec-2021**	**Company Dec/2020**
Return on plan assets, excluding amounts included in interest expense/income	(430,793)	(813,876)	-	-
Gain/(Loss) due to experience variance	(407,616)	(823,743)	-	-
Loss due to economic assumptions	1,175,135	(302,468)	-	-
Gain from change in demographic assumptions	(80,561)	85	-	-
	256,165	**(1,940,002)**	**-**	**-**

(c) Plan assets consist of the following:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Equity securities:				
- Quoted	2,450,892	3,245,129	-	-
Government securities				
- Quoted	939,714	760,910	-	-
Commercial papers				
- Quoted	179,632	-	-	-
Cash and bank balances				
- Unquoted	12,737,393	12,057,708	-	-
	16,307,631	**16,063,747**	**-**	**-**

Group

In thousands of Nigerian Naira	Dec-2021		Dec-2020	
Equity securities	2,450,892	15%	3,245,129	20%
Government securities	939,714	6%	760,910	5%
Commercial papers	179,632	1%	-	0%
Cash and bank balances	12,737,393	78%	12,057,708	75%
	16,307,631	**100%**	**16,063,747**	**100%**

Company

In thousands of Nigerian Naira	Dec-2021		Dec-2020	
Equity securities	-	0%	-	0%
Government securities	-	0%	-	0%
Cash and bank balances	-	0%	-	0%
	-	**0%**	**-**	**0%**

The defined benefit plan assets are under the management of Pension Fund Custodians - Crusader Sterling Pension Limited

The N2,450,892,000 equity investments of the scheme includes the Group's ordinary shares with a fair value of N2,016,604,000 (Dec 2020: N3,016,604,000). Additionally, out of the cash and bank balances of N12,737,393,000 an amount with a fair value of N12,737,393,000 (Dec 2020:N12,057,708,000) represents deposit with the Group.

Expected contributions to post-employment benefit plans for the year ending 31 December 2022 are N92,544,000 (December 2021: N191,262,000) while gratuity payments are estimated to be N92,544,000 (December 2021: N191,262,000)

(d) Defined benefit cost for the year ended Dec 2022 is expected to be as follows:

	Company Dec-2022	Company Dec-2021
Net Interest on Net benefit assets	2,132,861	-
Current service cost	(33,368)	-
Income/(Expense) recognised in profit or loss	2,099,493	-

Components of net interest on defined benefit liability for the year ended December 2022 is estimated to be as follows:

	Company Dec-2022	Company Dec-2021
Interest income on assets	2,250,453	-
Interest cost on defined benefit obligation	(117,592)	-
Total net interest income	2,132,861	-

Plan assets are valued at current market value. The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the date of the consolidated statement of financial position. Expected returns on equity reflect long-term real rates of return experienced in the respective markets.

(e) Movement in plan assets:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Fair value of plan assets, beginning of the year	16,063,747	14,830,952	-	-
Contributions paid into/(withdrawn from) the plan	4,402,591	142,686	-	-
Benefits paid by the plan	(4,402,591)	(142,686)	-	-
Actuarial loss	(430,793)	(813,876)	-	-
Return on plan assets	674,677	2,046,671	-	-
Fair value of plan assets, end of the year	**16,307,631**	**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 Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Present value of obligation, beginning of the year	5,682,589	4,030,995	-	-
Interest cost	151,284	561,193	-	-
Current service cost	120,696	106,961	-	-
Benefits paid	(4,402,591)	(142,686)	-	-
Actuarial (gain)/ loss on obligation[1]	(686,958)	1,126,126	-	-
Present value of obligation at end of the year	**865,020**	**5,682,589**	**-**	**-**

[1] The actuarial loss on obligation arose from the following:

	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Experience variance	407,616	823,743	-	-
Change in economic assumptions	(1,175,135)	302,468	-	-
Change in demographic assumptions	80,561	(85)	-	-
	(686,958)	**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
Dec-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
Dec-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%	(5,337,195)	6,077,111
Salary increase rate	1.00%	6,087,551	(5,320,654)
Mortality rate	1 year	5,682,132	(5,682,989)

Company
Dec-2021
In thousands of Nigerian Naira except percentages

	Impact on defined benefit obligation		
	Change in assumption	Defined benefit obligation Increase	Decrease
Discount rate	0.00%	-	-
Salary increase rate	0.00%	-	-
Mortality rate	0.00%	-	-

Company
Dec-2020
In thousands of Nigerian Naira except percentages

	Impact on defined benefit obligation		
	Change in assumption	Defined benefit obligation Increase	Decrease
Discount rate	0.00%	-	-
Salary increase rate	0.00%	-	-
Mortality rate	0.00%	-	-

In practice, changing an actuarial assumption while holding other assumptions constant is unlikely to occur as changes in some of the assumptions may be correlated.

(i) Expected maturity analysis of undiscounted pension and post-employment benefits:

In thousands of Nigerian Naira	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Present value of the defined benefit obligation	6,584	-	18,589	9,088,833	9,114,006
	6,584	-	18,589	9,088,833	9,114,006

(j) Defined Benefit Risk Management

The Group's exposure to risks through its defined benefit plan is mitigated through a number of strategies. Most important of them is the asset-liability matching strategy. Thus, fluctuations in macro-economic variables have minimal impact on its exposure to the plan.

Over the years, the Group not only ensures that it has sufficient plan assets to fund its defined benefit obligation but also adopts a robust strategy that ensures that the macro-economic variables affecting the obligations are similar to those of the plan assets.
The significant risks inherent in the Group's defined benefit plan are detailed below:

Asset volatility

Post employment benefit obligations are calculated using a discount rate determined with reference to market yields on high quality bonds. The Group ensures that the plan assets do not underperform this yield. This is achieved through maintaining an efficient portfolio of investments in plan assets significantly made up of high quality equities and government securities. Consequently, the yield on the Group's plan assets has consistently outperformed interest cost on plan obligations. The Group also ensures that as tenured investments in plan assets mature, they are replaced with top quality investments which better match the liabilities.

Overall, the Group's defined benefit investment strategy aims at reducing investment risks while maintaining the right mix of investments in high quality equities, debt and near cash instruments void of impairment threats. The choice of investment in equities stems from the long term nature of the Group's defined benefit plan and expected maturity of the plan's liabilities.

Changes in bond yields

The rate used to discount post-employment benefit obligations is determined with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds are used. The Group is of the opinion that there is no deep market in Corporate Bonds in Nigeria and as such assumptions underlying the determination of discount rate are referenced to the yield on Nigerian Government bonds of medium duration, as compiled by the Debt Management Organisation. A decrease in Nigerian Government Bond yields will increase the plan's liabilities. However, this growth is offset by an increase in the value of the plan assets.

Inflation risk

We believe this is less a material risk given the accretion to the Group's plan assets arising from continuous contribution to the plan and improved yield. Growth in inflation, all other things being equal, should lead to increased basic salaries (which is an important determinant of the Group's defined benefit liability) and consequently higher plan liabilities. This growth in liabilities should be offset with increased plan assets.

40 Other borrowed funds

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Due to IFC (see note (i) below)	18,208,341	30,234,461	-	-
Due to BOI (see note (ii) below)	17,001,727	23,905,694	-	-
Due to FMO	-	-	-	-
Due to CACS (see note (iii) below)	8,046,273	12,178,889	-	-
Due to Proparco (see note (iv) below)	1,993,798	5,636,476	-	-
MSME Development Fund (see note (v) below)	6,726	22,862	-	-
Excess Crude Account -Secured Loans Fund (see note (vi) belo	13,978,609	13,812,844	-	-
RSSF on lending (see note (vii) below)	18,821,743	22,575,144	-	-
SANEF Intervention Fund (see note (viii) below)	980,599	865,752	-	-
NESF Fund (see note (ix) below)	910,975	1,241,570	-	-
Due to Anchor Borrowers' Fund (see note (x) below)	66,827,611	2,997,061	-	-
Economic Recovery Fund (see note (xi) below)	406,163	424,015	-	-
Due to DBN Intervention Fund (see note (xii) below)	5,002,671	-	-	-
Due To P-Aads Loan (see note (xiii) below)	1,712,263	-	-	-
	153,897,499	**113,894,768**	**-**	**-**
Current	102,871,560	50,754,645	-	-
Non-current	51,025,939	63,140,123	-	-

i). The amount of N18,208,341,000 (USD 41,858,000) (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 Company by the International Finance Corporation (IFC). The Tranche 4 facility was disbursed in December 2011(USD 170,000,000) for a period of 8 years and the Tranche 5 was availed in December 2014 (USD 175,000,000) equally for a period of 8 years. The principal amount is repayable semi annually from December 2013 for Tranche 4 and December 2016 for Tranche 5. The pricing of the Tranche 4 facility is 5.5% and Libor plus 4% for the Tranche 5. Interest is paid semi annually on the two tranches.

ii). The amount of N17,001,727,000 (December 2020: N23,905,694,000) represents the outstanding balance on the wholesale funding granted to the Company for the refinancing/restructuring of SME/Manufacturing loan portfolio under the Small and Medium Enterprise Refinancing and Restructuring Fund and to fastrack the development of power projects and aviation sector so as to improve power supply, under the Power and Airline Intervention Fund (PAIF). The SMERRF and PAIF are administered at an all-in interest rate /charge of 7% per annum payable on a quarterly basis. The BOI is entitled to 1% management fee payable quarterly by the Company. The Loans have a maximum life of 15 years and/or working capital facility of one year with the provision for roll over subject to a maximum tenor of 5 years. The tenor of the facilities as at the end of the period range between 5 years to 13 years. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

iii). The amount of N8,046,273,000 (December 2020: N12,178,889,000) represents the outstanding balance on the on-lending facilities granted to the Company by the Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) under the Commercial Agriculture Credit Scheme (CACS). The FGN is represented by the Federal Ministry of Agriculture and Rural Development '(FMARD) who has the aim of providing concessionary funding for agriculture so as to promote commercial agricultural enterprises in Nigeria. The Facility is for a period of 7 years at 2% p.a cost to the Company. The maximum interest rate to the borrowers under the Scheme is 9% p.a inclusive of all charges. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

iv). The amount of N1,993,798,000 (USD 4,583,000) (December 2020: N5,636,476,000 ; USD13,739,000) represents the outstanding balance on the facility granted to the Company 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 N9,235,000 (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 Company. The maximum rate, inclusive of all charges, to the eligible MSMEs is 9% p.a. and the tenor of the facility ranges from 1 to 3 years depending on the type of enterprise. The facility was repriced from 2% to 1% while the loan was repriced from maximum rate of 9% to 5% due to forbearance granted by the CBN as aresult of COVID 19 Pandemic.

vi). The amount of N13,978,609,000 (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 N18,821,743,000 (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.

xii). Due to DBN intervention fund is a scheme in which the Development Bank of Nigeria (DBN) availed the Company a facility to meet the financing need of entrepreneurs in the Micro, Small and Medium Enterprises sector. The facility attracts an interst rate of 9.75 per annum for 1 year tenor with a maturity date of 30th December 2022.

xiii). The amount of N 1,712,263 (December 2020: Nil) represents the outstanding balance on the on-lending facility granted by the Central Bank of Nigeria relative to Private sector led accelerated agriculture development scheme(P-AADS). This is a CBN initiative aimed at empowering 370,000 youths in the agricultural sector.. This was introduced to complement AADS, which was implemented initially to address food security and youth unemployment. The maximum amount per obligor has been affixed at N2billion. The facility will be repaid from economics of production for cultivating on the cleared farm land. Collateral to be pledged will be the cleared farm land and any other acceptable type of collateral under the scheme. Based on the underlying forbearance given by the Apex bank on all intervention funds, Interest rate on the facility will run at 5% from 1st March 2021 until 28th February 2022 and thereafter, the interest rate will revert to 9%. Interest payment to CBN will be at 1%, this will revert to 2% in 2022. The tenor of the facility will range within 5 years.

40b Reconciliation of Financial Liabilities

For the Year ended 31 December 2021

Group

Dec-2021

In thousands of Nigerian Naira	Long term borrowings
Opening Balance	**113,894,768**
Cash inflow - Principal	85,593,303
Cash outflow - Principal	(48,211,998)
Cash outflow - Interest	(1,789,773)
Effect of exchange rate fluctuation	2,179,429
Other non-cash[1]	2,231,770
Closing Balance	**153,897,499**

Group

Dec-2020

In thousands of Nigerian Naira	Long term borrowings
Opening Balance	**162,999,909**
Cash inflow - Principal	5,411,015
Cash outflow - Principal	(61,042,321)
Cash outflow - Interest	(6,251,376)
Effect of exchange rate fluctuation	6,610,458
Other non-cash[1]	6,167,083
Closing Balance	**113,894,768**

[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 Dec-2021	Group Dec-2020	Company Dec-2021	Company 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	-

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company 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	-

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
28,072,069,887 ordinary shares (Non-GDR) of 50k each (31 December 2020: 28,060,599,137)	14,036,035	14,030,300	14,036,035	-
1,359,109,337 ordinary shares (GDR) of 50k each (31 December 2020: 1,370,580,087)	679,555	685,290	679,555	-
	14,715,590	**14,715,590**	**14,715,590**	**-**

The movement on the value of issued and fully paid-up share capital (Non GDR and GDR) account during the year ended was as follows:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Balance, beginning of year	14,715,590	14,715,590	-	-
Increase in the Year	-	-	14,715,590	-
Balance, end of year	**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 of treasury shares	-	-	-	(396,354)
At 31 December 2020	**29,431,180**	**14,715,590**	**123,471,114**	**(6,928,103)**
Purchases of treasury shares	-	-	-	(1,197,895)
At 31 December 2021	**29,431,180**	**14,715,590**	**123,471,114**	**(8,125,998)**

Share premium

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

Other regulatory reserves

The other regulatory reserve includes movements in the statutory reserves, the small and medium enterprises equity investment reserve and Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS).

(i) **Statutory Reserves**: Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. In the current year, the Company appropriated N29,118,444,000 representing 15% of its profit after tax to statutory reserves. Total statutory reserves was N379,415,669,000 at the end of the year.

(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 N8,125,998,000 (31 December 2020:N6,928,103,000) represents the Company's shares held by the Staff Investment Trust as at 31 December 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 Company's total balance in Regulatory Risk Reserve is N87,614,884,000.

(vi) **Retained earnings:** Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

(vii) **Non-controlling interests**

The analysis of non-controlling interest per subsidiary is as shown below:

	Group Dec-2021 %	Group Dec-2020 %	Group Dec-2021 ₦'000	Group Dec-2020 ₦'000
GTB (Gambia) Limited	22.19	22.19	2,123,484	1,658,180
GTB (Sierra Leone) Limited	16.26	16.26	2,442,165	1,855,484
GTB (Ghana) Limited	1.68	1.68	1,483,538	1,206,798
GTB Liberia	0.57	0.57	58,433	65,241
GTB Kenya Limited	30.00	30.00	11,936,207	10,168,194
GTB Tanzania	23.80	23.80	826,388	826,912
			18,870,215	**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	Dec-2021		
In thousands of Nigerian Naira	**Statutory Reserves**	**SMEEIS Reserves**	**AGSMEIS Reserves**	**Total**
Opening Balance	350,297,225	4,232,478	31,526,801	386,056,504
Total comprehensive income for the year:				
Transfers for the Year	29,118,444	-	8,909,400	38,027,844
Total transactions with equity holders	**29,118,444**	**-**	**8,909,400**	**38,027,844**
Balance as at 31 December 2021	**379,415,669**	**4,232,478**	**40,436,201**	**424,084,348**

	Company	Dec-2021		
In thousands of Nigerian Naira	**Statutory Reserves**	**SMEEIS Reserves**	**AGSMEIS Reserves**	**Total**
Opening Balance	-	-	-	-
Total comprehensive income for the year ended:				
Transfers for the year ended	-	-	-	-
Total transactions with equity holders	**-**	**-**	**-**	**-**
Balance as at 31 December 2021	**-**	**-**	**-**	**-**

	Group Dec-2020			
In thousands of Nigerian Naira	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 year	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**

42 **Dividends**

The following dividends were declared and paid by the Group during the year :

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Balance, beginning of year	-	-	-	-
Final dividend declared[1]	79,818,739	74,267,788	-	-
Interim dividend declared	8,829,354	8,829,354	8,829,354	-
Payment during the year	(88,648,093)	(83,097,142)	(8,829,354)	-
Balance, end of year	**-**	**-**	**-**	**-**

[1] This relates to the final dividend declared for the 2020 financial year.

Subsequent to the balance sheet date, the Board of directors proposed a final dividend of 270k per share (Dec 2020: 270k per share) on the issued ordinary shares of 29,431,179,224 of 50k each.

The following dividend per share were declared by the group during the year :

	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Final dividend per share declared	270kobo	270kobo	-	-
Interim dividend per share declared	30kobo	30kobo	30kobo	-
Total Dividend per share	300 kobo	300 kobo	30 kobo	-

Dividend declared by Subsidiaries

The Holding Company has dividend receivable of N79,464,184,000 representing final dividend for 2021 financial year declared and authorised by the Board of Guaranty Trust Bank Limited at its Board meeting held 26th January 2022 for final distribution to shareholders upon receiving the Central Bank of Nigeria and Annual General Meeting approvals respectively. The final dividend of N2.70kobo declared by Guaranty Trust Bank Limited brings the total dividend for 2021 financial year to N3.00kobo.

43 **Contingencies**

Claims and litigation

The Group, in its ordinary course of business, is presently involved in 721 cases as a defendant (31 December 2020: 507) and 442 cases as a plaintiff (31 December 2020: 415). The total amount claimed in the 721 cases against the Group is estimated at N570.08 Billion and $32.82 Million (31 December 2020: N440.83 Billion and $32.60 Million) while the total amount claimed in the 442 cases instituted by the Group is N98.64 Billion (31 December 2020: N180.48 Billion). However, the solicitors of the Group are of the view that the probable liability which may arise from the cases pending against the Group is not likely to exceed N205.38 Million (31 December 2020: N190.20 Million). This probable liability has been fully provided for by the Group (please refer to Note 38).

Contingent liabilities and commitments

In common with other banks, the Group conducts business involving transaction related bonds and indemnities. Contingent liabilities and Commitments comprise guarantees and letters of credit.

Nature of instruments

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

Other contingent liabilities include transaction related customs and performances bond and are, generally, commitments to third parties which are not directly dependent on the customer's creditworthiness. Documentary credits commit the Group to make payments to third parties on production of documents, which is usually reimbursed immediately by customers. The following tables summarise the nominal amount of contingent liabilities and commitments with off-financial position risk.

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

a. These comprise:

In thousands of Nigerian Naira	**Group Dec-2021**	**Group Dec-2020**	**Company Dec-2021**	**Company Dec-2020**
Contingent liabilities:				
Transaction related bonds and guarantees	361,977,858	365,827,380	-	-
	361,977,858	**365,827,380**	**-**	**-**
Commitments:				
Clean line facilities and letters of credit	65,055,611	44,121,453	-	-
Other commitments	5,786,093	8,873,968	-	-
	70,841,704	**52,995,421**	**-**	**-**

44. Group entities

The Group is controlled by Guaranty Trust Holding Company Plc "the ultimate Parent" (incorporated in Nigeria). The controlling interest of Guaranty Trust Holding Company Plc in the Group entities is disclosed in the table below:

	Dec-2021	Dec-2020	Dec-2021	Dec-2020
	% ownership	% ownership	₦'000	₦'000
GTBank Nigeria Limited*	100.00	0.00	138,186,703	0.00
Habari Pay	100.00	0.00	3,624,872	0.00
			141,811,575	**0.00**

*GTBank Nigeria Limited has investment in the following subsidiaries:

		Country of incorporation	Ownership Interest	NCI	Ownership interest	NCI
			Dec-21	Dec-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
			Dec-21	Dec-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 GTBank Nigeria Limited are all involved in banking business only.

(a) GTB Gambia was incorporated in April 2001 and commenced operations in March 2002.

(b) GTB Sierra Leone was incorporated in September 2001 and commenced operations in January 2002.

(c) Guaranty Trust Bank (Ghana) was incorporated in October 2004 and commenced operations in March 2006.

(d) Guaranty Trust Bank (UK) Limited was incorporated in February 2007 and commenced operations in January 2008.

(e) Guaranty Trust Bank (Liberia) Limited was incorporated in September 2008 and commenced operations in March 2009.

(f) Guaranty Trust Bank (Cote D'Ivoire) is Guaranty Trust Bank Plc's first subsidiary in Francophone West Africa. The Bank was licensed by the Central Bank of Cote D'Ivoire to offer banking services to the Ivorian public and commenced operations on April 16, 2012.

(g) The Bank extended its regional presence in Africa in December 2013 by acquiring 70% stake in Fina Bank Limited, a commercial bank incorporated in Kenya with subsidiaries in Uganda and Rwanda. The bank has been re-branded as Guaranty Trust Bank Kenya Limited.

(h) Guaranty Trust Bank (Tanzania) was incorporated in July 14th 2016 and commenced operations in December 2017 to spread its delivery of superior financial services to its East African customers.

(i) Staff Investment Trust (SIT) is the Special Purpose Vehicle (SPV) set up to operate the Share-Based Payment compensation scheme of the Bank.

Non -controlling interest of significant subsidiaries

The following relates to the Company's accumulated non-controlling interest and profit or loss allocated to non-controlling interest for significant subsidiaries for the year ended 31 December 2021:

	Significant subsidiaries	**Principal place of business**	**Accumulated Non-controlling Interest**		**Profit or loss Allocated to Non-controlling Interest**	
	In thousands of Nigerian Naira		**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**
1	Guaranty Trust Bank Gambia Limited	Gambia	2,123,484	1,658,180	604,684	378,632
2	Guaranty Trust Bank Sierra Leone Ltd	Sierra Leone	2,442,165	1,855,484	431,699	347,309
3	Guaranty Trust Bank Ghana Limited	Ghana	1,483,538	1,206,798	370,184	310,286
4	Guaranty Trust Bank Liberia Limited	Liberia	58,433	65,241	11,266	7,551
5	Guaranty Trust Bank Kenya Limited	Kenya	11,936,207	10,168,194	1,378,288	882,599
6	Guaranty Trust Bank Tanzania Limited	Tanzania	826,388	826,912	(64,819)	(95,888)

45. Unconsolidated interests in structured entities

The table below describes the types of structured entities that the Group does not consolidate but in which it holds an interest.

Name of the entity	**3 Peat Investment Ltd**
Percentage holding	70%
Nature of entity	Hotel & Leisure
Purpose of investment	Government-induced investment
Activities of entity	Provision of hospitality services
Line item in SOFP	Investment securities-FVOCI***
Loans granted	N8,483,018,466 (Dec-2020: N7,312,936,867)
****Maximum exposure to loss**	N8,483,018,466 (Dec-2020: N7,312,936,867)
Source of Financing	Equity financing and loans from financial institutions

** Maximum exposure comprises the cost of investment and total facilities granted at arm's length to the entity.
***Fair Value through Other Comprehensive Income.

The Group does not provide financial support to the unconsolidated structured entity and has no plans to provide financial support to the entity in the future. However, the Group extended loans to the entity in the normal course of business at arm’s length.

The Group does not have the rights to direct the entity to enter into, or veto any changes to transactions for the benefit of the Group. In addition, the group does not exercise decision-making rights that gives it the ability to direct the relevant activities of the entity. Furthermore, there is no inter-change of personnel between the Group and the entity. Likewise, the Group does not have any form of control or influence on decision making apparatus of the entity. Accordingly, the account of the entity is not consolidated.

46. Related parties

(a) Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or another party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

(b) Subsidiaries

Transactions between the Company and its subsidiaries also meet the definition of related party transactions. These transactions are eliminated on consolidation; hence, they are not disclosed in the consolidated financial statements.

As at 31 December 2021, GTBank Limited had receivables from its subsidiaries, which is shown below;

	Receivables from Subsidiaries	
In Nigerian Naira	**Dec-21**	**Dec-20**
GTBank Kenya	904,619	420,216
GTBank Sierra Leone	1,639,353	-
GTBank Gambia	368,672	212,565
GTBank Ghana	5,053,359	1,042,258
GTBank UK	1,057,810	-
GTBank Liberia	156,728	474,542
GTBank Rwanda	199,817	-
GTBank Uganda	1,717,500	-
GTBank Tanzania	68,510,932	38,089,635

GTBank Limited also received interest of ₦33,209,812 on its placement with GTBank UK (Dec 2020: ₦146,978,000). The Bank also received dividend in the sum of ₦5,171,724,000 (Dec 2020: ₦3,703,482,000) from GTBank Ghana and ₦932,755 (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 Holding Company Plc and its subsidiaries.

(d) Risk assets outstanding 31 December 2021

During the year the Group granted various credit facilities to companies whose directors are also directors of Company (Director Related) 'or related to a Key Management Personnel (Insider Related) at rates and terms comparable to other facilities in the Bank's portfolio. An aggregate of N6,853,722,000 (31 December 2020:N7,864,207,000) was outstanding on these facilities at the end of the year. The bank earned a sum of N10,258,000 (December 2020: N10,157,000) on insider related facilities during the Year. The outstanding balance and status of performance of each facility is as shown below:

Name of company /individual	**Relationship**	**Facility type**	**Status**	**Nature of Security**	**Group**	**Group**
In thousands of Nigerian Naira					**Dec-2021**	**Dec-2020**
Osot Associates Consulting Engineers	Director related (Bank)	Time Loan	Performing	Cash in pledged Funds	-	2,588
Hassan Ibrahim	Director related (Bank)	Credit Card	Performing	Legal Mortgage	8,125	10,583
Olabode Mubasheer Agusto	Director related (Bank)	Credit Card	Performing	Clean	52,258	-
Hydrodive Nigeria Limited	Director related (Bank)	Term Loan	Performing	Vessel Mortgage	2,286,446	3,390,156
Hydrodive Nigeria Limited	Director related (Bank)	Bonds & Guarantees	Performing	Vessel Mortgage	4,393,324	4,406,104
Echeozo, Catherine Nwakaego	Director related (Holdco)	Overdraft	Performing	Cash	29,988	-
School Kits Limited	Insider Related (Bank)	Time Loan/ Term Loan	Performing	Tripartite Legal Mortgage,Per	-	20,893
Hassan Ibrahim	Director related (Bank)	Term Loan	Performing	Legal Mortgage	89,581	33,883
					6,859,722	**7,864,207**

(e) Director/insiders related deposit liabiilties

Name of company/Individual	**Relationship**	**Type of Deposit**	**Group**	**Group**
In thousands of Nigerian Naira			**Dec-2021**	**Dec-2020**
Hassan Ibrahim	Director related (Bank)	Demand Deposit	17,728	1,745
Jaykay Pharmacy Limited	Director related (Holdco)	Demand Deposit	10	18
Agbaje, Olufemi Augustus	Director related (Holdco)	Demand Deposit	39,686	51,939
Osot Associates Consulting Eng	Director related (Bank)	Demand Deposit	18	-
Hydrodive Nigeria Limited	Director related (Bank)	Demand Deposit	620,214	-
Agusto & Co. Limited	Director related (Bank)	Demand Deposit	125,145	51,904
Alliance Consulting	Director related (Bank)	Demand Deposit	168	168
IBFC Limited	Director related (Bank)	Demand Deposit	50	50
WSTC Financial Services Ltd	Director related (Bank)	Demand/Time Deposits	202,079	369,109
WSTC Nominee Limited	Director related (Bank)	Demand Deposit	431	431
Fcsl Asset Mgt Company Ltd	Director related (Bank)	Demand Deposit	52,987	10,103
Jaykay Pharmaceutical & Chem.	Director related (Holdco)	Demand Deposit	28	-
Comprehensive Project Mgt. Services	Director related (Bank)	Demand Deposit	-	3,946
Cubic Contractors Limited	Director related (Bank)	Demand Deposit	-	2,277
Eterna Plc	Director related (Bank)	Demand Deposit	-	116,846
Kresta Laurel Limited	Director related (Bank)	Demand/Time Deposits	-	109,133
Main One Cable Company Ltd	Director related (Bank)	Demand Deposit	-	24,007
Wstc Securities Limited	Director related (Bank)	Demand Deposit	192,651	337,627
International Travel Express Ltd	Director related (Bank)	Demand Deposit	-	19
Mediabloc Consulting Nigeria Ltd.	Director related (Bank)	Demand Deposit	-	27
Ahukanna Godson Okechukwu	Director related (Bank)	Demand Deposit	-	43
Echeozo, Catherine Nwakaego	Director related (Holdco)	Demand Deposit	90,726	-
Polystyrene Industries Ltd	Director related (Bank)	Demand Deposit	-	16,030
Touchdown Travels Limited	Director related (Bank)	Demand/Time Deposits	-	10,024
Adeola Razack Adeyemi	Director related (Bank)	Demand Deposit	-	18,369
IBFC Alliance	Director related (Bank)	Demand Deposit	10,417	12,173
Ithena Logic Limited	Director related (Bank)	Demand Deposit	-	2
School Kits Limited	Insider Related (Bank)	Demand Deposit	-	5,062
Uzoewulu, Lisa Obiageli	Insider Related (Bank)	Demand Deposit	-	26
Adeola Fola	Director related (Bank)	Demand Deposit	-	1,194,251
Agusto, Olabode Mubasheer	Director related (Bank)	Demand Deposit	1,782	1,665
Downtown Hotel & Cat. Services	Director related (Bank)	Demand Deposit	-	1,154
			1,354,121	**2,338,148**

Interest expense on insider related deposits was N676,000 (Dec 2020: N15,729,000) during the year.

(f) Subsidiaries' deposit account balances

Name of company/Individual In thousands of Nigerian Naira	Relationship	Type of Deposit	Group	Group
GTB Sierra Leone	Subsidiaries	Domicilliary	1,610	1,518
GTB Ghana	Subsidiaries	Demand Deposit	3,462	3,462
GTB Ghana	Subsidiaries	Domicilliary	51,586	48,651
GTB Rwanda	Subsidiaries	Domicilliary	137,069	104,558
			193,727	**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 Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Secured loans	6,859,721	7,864,207	6,859,721	7,864,207

Secured loans

Secured loans In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Total deposits	1,354,121	2,338,148	1,354,121	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 Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Wages and salaries	1,575,044	1,656,273	148,609	-
Post-employment benefits	4,124,562	7,949	-	-
Share-based payments	1,257,667	85,771	-	-
Increase /(decrease) in share appreciation rights	(514,455)	992,637	-	-
	6,442,818	**2,742,630**	**148,609**	**-**

(i) (i) **Directors' remuneration**

Directors' remuneration excluding pension contributions and certain benefits was provided as follows:

In thousands of Nigerian Naira	Group Dec-2021	Group Dec-2020	Company Dec-2021	Company Dec-2020
Fees as directors	335,628	345,478	-	-
Other allowances	593,006	355,163	7,903	-
	928,634	700,641	7,903	-
Executive compensation	757,353	921,358	209,242	-
	1,685,987	**1,621,999**	**217,145**	**-**

(ii) The directors' remuneration shown above includes:

In thousands of Nigerian Naira	Company Dec-2021	Company Dec-2020
Chairman	1,500	-
Highest paid director	171,957	-

(iii) The emoluments of all other directors fell within the following ranges:

	Company Dec-2021	Company Dec-2020
N6,500,001 - N11,000,000	4	-
N13,500,001 - N22,500,000	-	-
Above N22,500,001	2	-
	6	-

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
2020 CBN AML/CFT Risk Based Examination	N4,250,000
E-channel Customers complaints	N2,000,000
Consumer Protection Compliance Claims	N4,000,000
Breach of revised CBN Foreign Exchange Manual.	N100,000,000

48 Subsequent events

Subsequent to the financial year ended December 2021, Guaranty Trust Holding Company completed the acquisition of 100% shares in Investment One Pension Managers Limited and Investment One Funds Management Limited in line with the evolution of the Guaranty Trust brand into becoming a fully-fledged financial services company with the capabilities and drive to deliver end-to-end financial services to every African and African business.

The acquisition was sequel to the transitioning of Guaranty Trust Bank into a Holding Company Structure (Guaranty Trust Holding Company) in June 2021.

It is therefore expected that the acquisition will provide the group the opportunity to be a one-stop shop for financial services and products that will empower our customers through the course of their lives.

Other National disclosures/Other Information

Regulatory Requirements under the IFRS Regime

In addressing the challenges faced by the Nigerian Banking industry which was at the brink of a crisis as a result of spiral effects of the global financial meltdown, the CBN undertook a review of the prudential guidelines. In the revised guidelines, which became effective 1st of July, 2010, the CBN provided for the adaptation of the prudential guidelines to IFRS after it has been adopted in Nigeria. Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

(a) Provisions for loans recognized in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provisions should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserve should be treated as follows:

i. Prudential Provisions is greater than IFRS provisions; transfer the difference from the general reserve to a non-distributable regulatory reserve.

ii. Prudential Provisions is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory reserve account to the general reserve to the extent of the non-distributable reserve previously recognized.

(b) The non-distributable reserve should be classified under Tier 1 as part of core capital.

The Group has fully complied with the requirements of the guidelines.

Provisioning as recommended by Prudential Guideline

Loan provisioning is segregated along two (2) categories as detailed below:

1. **Loans other than Specialized Loans**

   The provisioning policy for 'loans other than specialized loans' covers the following:

   i. Commercial Loans

   ii. Commodities Financing

   iii. Corporate Loans

   iv. Retail & Consumer Credits

   v. Facilities granted to Federal, State and Local governments and their parastatals.

   vi. Facilities not specifically classified as specialized loans by the CBN.

The Group's provisioning benchmark for loans other than specialized loans is highlighted in the table below:

No of Days Overdrawn	Classification	% Provision taken
90 – 180	Substandard	10
180 – 360	Doubtful	50
Over 360	Lost	100

As soon as an account is classified as non-performing, the interest is accounted for on non-accrual basis i.e. interest is not recognized as income but suspended.

Furthermore, if the occurrence of a loss event is certain, appropriate provisions will be made regardless of the fact that such loans does not fall in any of the above categories.

2. Specialized Loans

The provisioning policy for specialized loans covers the following:

i. Agriculture Finance

ii. Mortgage Loan

iii. Margin Loan

iv. Project Finance

v. Object Finance

vi. SME Loan

vii. Real Estate Loan (Commercial and Residential)

The Group's provisioning benchmarks are spelt out below under each of the specialized loan types:

i. Agriculture Finance

a. Agriculture Finance - short term facilities (purchase of seeds, fertilizers, WC, and other Inputs)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 1.5 years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 1.5 to 2 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 2 years	100% of total outstanding balance

b. Agriculture Finance – long term facilities (Farm development finance, purchase of machinery, livestock financing)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 2years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 2 to 3 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 3 years	100% of total outstanding balance

ii. Mortgage Loans

Category	Classification	Days past due	Treatment of Unrealised Markup / Interest income	% provision
1	Watchlist	Markup / Interest or principal Days past due by more than 90 days	Suspend	0% of total outstanding balance
2	Substandard	Markup / interest or principal past due by more than 180days	Suspend	10% of total outstanding balance
3	Doubtful	Markup / interest or principal past due by more than 1year	Suspend	Un-provided balance should not exceed 50% of NRV of security.
4	Lost	Markup / interest or principal past due by more than 2 years	Suspend	100% of total outstanding balance

iii. Margin Loans

The shares backing margin facilities shall be marked to market on a daily basis in order to determine the potential loss in the portfolio. Provisions shall be made periodically for the excess of loan balance over the market value of the underlining shares. Any increase in the mark to market value from the previous valuation shall be recognized to the extent of the previous charge-off made.

iv. Project Finance

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180days to 2years past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 2 to 3 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment overdue by 3 to 4 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 4 years	As above	100% of total outstanding balance

v. Object Finance

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180 to 1year past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 1 to 2 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment over due by 2 to 3 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 3 years	As above	100% of total outstanding balance

vi. SME Loan

a. SME Loan - SME short term facilities (Maturities of 1 year)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 1.5 years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 1.5 to 2 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 2 years	100% of total outstanding balance

b. SME Loan - SME Long term facilities (Maturities of more than 1 year)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 2years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 2 to 3 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 3 years	100% of total outstanding balance

vii. Real Estate Loan (Commercial and Residential)

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180 to 1year past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 1 to 2 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment over due by 2 to 3 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 3 years	As above	100% of total outstanding balance

(e) Statement of Prudential Adjustment

The GTBank Limited's provision level adequately meets the recommended provision by the Regulators. The reassessed CBN recommended provision as at December 31, 2021 amounted to N151,514,820,000. Of the amount recommended by the Central Bank of Nigeria, N46,486,031,000 largely relates to 2% General Loan Loss Provision on performing loans and contingents, while N8,334,388,000 relates to Other Known Losses and N4,151,658,000 for Investment in SMEEIS. The Bank maintained a Regulatory Risk Reserve of N87,504,363,000 at the end of the year. Regulatory risk reserve represents the difference between the Central Bank of Nigeria (CBN) recommended Provision for Loan Losses under the Prudential Guideline and the Loan Impairment allowance determined in accordance with provisions of IFRS.

The Reconciliation between the CBN Recommended provisions and that under IFRS as at December 31, 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)		96,694,401	46,486,031	143,180,432
	Provision for Other Known Losses – CBN recommended				
	- Other known losses		8,334,388	-	8,334,388
	Total recommended provision per CBN (A)		**105,028,789**	**46,486,031**	**151,514,820**
	Impairment allowance per IFRS 9:				
	(Stages 1,2,3)		(66,697,442)	-	(66,697,442)
	Impairment allowance on contingents		(3,237,833)	-	(3,237,833)
	Other assets		(263,001)	-	(263,001)
	SMEEIS provision		(4,151,658)	-	(4,151,658)
	Total IFRS Provision (B)		**(74,349,934)**	**-**	**(74,349,934)**
	Required Amount in Risk Reserve (A-B)				**77,164,886**
	Amount in Regulatory Risk Reserve[1]				**87,504,363**
	Excess over required regulatory provisions.				**10,339,477**

[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 during the year	-	25,186,729	-	25,186,729
Balance, end of the year	**-**	**87,256,158**	**248,205**	**87,504,363**

Operational Risk Management

Guaranty Trust Holding Company defines Operational Risk (OpRisk) as "the direct or indirect risk of loss resulting from inadequate and/or failed internal processes, people, and systems or from external events". These risks originate from the actions of the Company's staff, its processes and systems, activities of interested parties and events that have direct or indirect impact on the Company.

In GTCO, Operational Risk Management involves the review and monitoring of all strategies and initiatives deployed in its people management, process engineering and re-engineering, technology investment and deployment, management of all regulatory responsibilities, engagement of third-party services, and response to major disruptions and external threats.

The Company manages Operational risk by continually using up to date qualitative & quantitative methods in day to day management processes and adopts various risk mitigating strategies. The following practices, tools and methodologies have been deployed across the Group for the purpose of Operational Risk Management implementation:

Loss Incident Reporting

Loss incidents are reported to the Operational Risk Management Group by all business areas in the Group to enable collection of internal OpRisk losses and near misses. All staff are encouraged to report operational risk events as they occur in their respective business spaces (using various channels of communication) whether these risks crystallize into actual losses or not. As a result, the Group maintains a robust OpRisk loss database detailing relevant OpRisk loss data for ten years. Information collated is analyzed for identification of risk concentrations, appropriate OpRisk risk profiling and capital estimation.

Risk and Control Self-Assessment (RCSA)

This is a qualitative risk identification tool deployed across the Group. A risk-based approach has been adopted for the frequency of RCSAs to be conducted by branches, departments, groups and divisions of the Group. All branches and Head-Office teams are required to complete the Risk Self-Assessment process at least once a year. These assessments enable risk profiling and risk mapping of prevalent operational risks across the Group. All branches and head office teams across the Group are assigned individual risk ratings upon completion of the exercise. A detailed risk register cataloguing key risks identified and controls for implementation is also developed and maintained from this process.

Risk Assessments of the Company's key processes, new and existing products, services, branches and vendors/contractors are also carried out. This process identifies inherent operational risks and tests the quality of controls the Company has in place to mitigate likely risks.

Key Risk Indicators (KRI)

These are quantitative parameters defined for the purpose of monitoring operational risk trends across the Group. A comprehensive KRI Dashboard set with thresholds is in place and it is supported by specific KRIs for key departments in the Company. Medium to High risk trends are reported in the Monthly and Quarterly Operational Risk Status reports circulated to Board, Management and key stakeholders.

Fraud Risk Management Initiatives – Causal analysis of key fraud and forgeries incidents (over the counter or cybercrimes) identified in the Group or prevalent in local and global business environments are carried out and reported. Likely and unlikely loss estimations are also determined in the process as input in the OpRisk capital calculation process. The focus in Fraud Risk Management is to ensure that processes for preventing, deterring, detecting fraud and forgeries incidents, and sanctioning offenders are effective.

Business Continuity Management (BCM) in line with ISO 22301 Standards – To ensure the resilience of our business to any disruptive eventuality, the Company has in place a robust Business Continuity Management System (BCMS). This system assures timely resumption of critical business activities with minimal financial losses or reputational damage and continuity of service to the Group’s customers, vendors and regulators. GTBank Limited has remained certified ISO 22301 BC compliant by the globally recognized Professional Evaluation and Certification Board (PECB) for 7 years and continually improving in its BCM maturity, thereby signifying that the Bank has instituted internationally accepted processes, structures and systems that demonstrate its capacity to resume business within a short timeframe in the event of any business disruption.

Part of the BCMS is a Business Continuity Plan (BCP), which is reviewed and updated periodically to ensure reliability and relevance of information contained.

Various BCP testing and exercising programs are conducted across the Group at predetermined and ad-hoc timelines to ensure that recovery coordinators are aware of their roles and responsibilities.

Occupational Health and Safety Procedure Initiatives – In line with ISO 45001 and global best practices, the Company commits to ensuring the health, safety and welfare of all staff, customers and 3rd parties visiting its business premises. Branch Risk Assessments and Fire Risk Assessments are conducted to identify health and safety hazards in order to recommend adequate control measures for identified risks; Branches are mandated to conduct fire drills on a quarterly basis, for areas with high security risks, Table Talk Fire Drills are implemented to ensure staff are apprised of their roles and responsibilities during emergency evacuations. In the last 2 years, the regular and table talk fire drills have been suspended and replaced with virtual / alternative awareness presentations to enlighten the staff on emergency preparedness and response procedures as a result of the COVID-19 pandemic.

Health and Safety related incidents reported to Operational Risk Management are thoroughly investigated for identification of causal factors and implementation of appropriate mitigants to forestall reoccurrence. In addition, awareness on health and safety issues are presented periodically on the intranet and via other forums.

Safety audits are conducted on the Company’s premises by the Federal and various State Safety Commissions on the Company’s occupational Health and safety management system and standards.

Operational Risk Champions & BCM Champions – Members of staff from various teams are selected and undergo intensive Operational Risk Management trainings. They become Operational Risk ambassadors and further enshrine the OpRisk standards, culture and practices in their various departments/ groups. The same is done in selecting Business continuity Champions (BCM).

Strategic and Reputational Risk Monitoring – To ensure a holistic framework is implemented; Operational Risk Management also monitors Strategic and Reputational Risks from a broad perspective.

GTCO considers strategic risk as the risks that not only affect but are created by the Company's strategic decision. It is the possibility that the Company's strategy may be inappropriate to support its long-term corporate goals due to the inadequacy of its strategic planning and/or decision-making process, inadequate implementation of such strategies and strategy failure due to unexpected circumstances.

The Group aligns strategy and risk by identifying, assessing and managing risks and uncertainties, affected by internal and external events or factors, which could inhibit the Group's ability to achieve its strategic objectives. This is done with the ultimate goal of creating and protecting stakeholder value.

A specialized template is deployed for tracking key business activities designed or defined by the Company to measure and monitor performance in the achievement of its strategic intent in the short, medium and long term.

The Company is currently working on its next 5-year strategy (review operating models and business strategy to be adopted).

The Company regards Reputational Risk as the current and prospective adverse impact on earnings and capital arising from negative public opinion. It measures the change in perception of the Company by its stakeholders. It is linked with customers' expectations regarding the Company's ability to conduct business securely and responsibly. A detailed template with internal and external factors that might impact the Company adversely is used to monitor the Group's exposure to reputational risk. All adverse trends identified are reported to relevant stakeholders for timely redress.

Operational Risk Management Philosophy and Principles

Approach to Managing OpRisk – GTCO continually adopts operational risk procedures and practices that are "fit for purpose" this increases the efficiency and effectiveness of the Group's resources, minimize losses and utilize opportunities.

This outlook entrenches OpRisk practices in the Company's day-to-day business activities.

It also aligns the Company's Operational Risk Management framework with sound practices recommended by various local and globally-accepted regulatory agencies such as Basel II & III Accord's "Sound Practices for the Management and Supervision of Operational Risk", Committee of Sponsoring Organizations (COSO) and International Organization for Standardization (ISO).

Operational Risk Capital Calculation – In line with the directive of the regulator, the Company has adopted the Basic Indicator Approach (BIA) under Basel II Pillar 1 for the calculation of its Operational Risk Economic Capital for internal risk monitoring and decision-making. However, the Company has the required OpRisk loss data to migrate to other capital calculation methods i.e. the Standardized Approach, the application of the BIA is in line with the Central Bank of Nigeria's (CBN) recommendation for all banks in Nigeria.

The estimated OpRisk Capital Charge is reported to the Board and Management for guidance in Capital Planning and decision making.

Governance Structure – The Board through its Board Risk Committee (BRC) oversees the operational risk function in the Company and reviews OpRisk reports on a quarterly basis. It ensures that the OpRisk policy is robust and provides an updated framework for the Company's OpRisk profile and limits. It also determines the adequacy and completeness of the Company's risk detection, measurement systems and mitigants whilst ensuring review and approval of the Company's contingency plans for Specific risks. The Board lays down the principles on how operational risk incidents are to be identified, assessed, controlled, monitored and measured.

The Management Risk Committee monitors and ensures the implementation of the guiding OpRisk framework across the Group. It considers and approves key decisions relating to Operational Risk before presentation to the Board. The Committee ensures that all departments in the Company are fully aware of the risks embedded in respective process flows and business activities.

All process owners are responsible for the day-to-day management of OpRisk prevalent in their respective Departments, Groups, Divisions and Regions.

The Internal Audit function conducts independent reviews on the implementation of OpRisk Policies and Procedures across the Group.

TREATMENT OF OPERATIONAL RISKS

GTCO maintains several risk treatment strategies to mitigate identified operational risks. These mitigants are applied to achieve a residual risk level aligned with the Company's risk tolerances. In line with best practices, the cost of risk treatments introduced must not exceed the reward. OpRisk treatment options adopted by the Company include Risk Acceptance / Reduction, Risk Transfer, Risk Sharing and Risk Avoidance.

Operational Risk Reporting – Weekly, Monthly and Quarterly reports are circulated to relevant stakeholders highlighting key operational risks identified for awareness and timely implementation of mitigation strategies. Reports are also generated and circulated on a need-basis.

To ensure timely and comprehensive reporting of prevalent OpRisk exposures across the Group, an OpRisk Management software/application is being used across the Group. This is to aid data collation and information gathering, analysis, escalation and reporting of key OpRisk incidents or emerging trends observed. Current processes are also being automated.

COVID-19 PANDEMIC

The Company's COVID-19 Crisis Management Team meets regularly to deliberate on effective approaches to ensure continuity of business operations as the pandemic evolves worldwide whilst protecting staff and interested parties from being infected with the Covid-19 virus.

Various safety measures have been put in place to ensure the Company remains a safe place, some of these include regular deep cleansing and decontamination of all branches as a precaution, frequent COVID-19 testing (via PCR and rapid test kits) is done across the Group.

The COVID-19 awareness and vaccination drive in conjunction with CACOVID continued in the period under review as the objective to attain herd immunity within the workplace.

Awareness and updates are circulated via internal channels for all staff members to be updated with current events.

Agents and Locations

LIST OF AGENTS AND LOCATIONS		
S/N	NAME	LOCATION
1	DE PRINCE SUPERMARKET	3A ADEJOKUN STREET, ISHERI-MAGODO
2	ETISALAT NIGERIA PLC	PLOT 19 ZONE L BANANA ISLAND IKOYI, LAGOS.
SELECT HUBMART SUPERMARKETS IN LAGOS		
3	HUBMART SUPERMARKET ADEOLA-ODEKU VICTORIA ISLAND	PLOT 1263, ADEOLA-ODEKU STREET, VICTORIA ISLAND LAGOS
SELECT 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 Group, we have implemented stringent fraud control measures to achieve this.

With relentless focus on delivering exceptional service to our customers, we diversified our card portfolio and offered a range of new products and services spanning various retail customer segments – from mass market to premium. Additionally, we increased operational efficiency via process automations and self-service enabled channels which created an improved customer experience.

We continually encourage the usage of our cards both locally and internationally by providing an enabling environment for smooth operations in terms of provision of modern technology, one of which is the contactless payment technology.

Presented below are the highlights of our card transaction volumes for the period ended 31 December 2021. With less stringent restriction on travel, there has been a gradual increase in international spend on our foreign currency cards, when comparing the same period last year. However, we were compelled to restrict our Naira denominated card products on various terminals outside Nigeria including ATMs, to curb round tripping and fraudulent activities.

5.1. Table below shows a summary of Card transactions

Category	No. of Transactions		Value of International Transaction		Value of Local Transactions	
	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20
	'000	'000	₦'mm	₦'mm	₦'mm	₦'mm
Naira denominated debit cards	524,060	390,046	48,590	137,929	4,855,496	3,131,068
Foreign currency credit cards	273	225	58,121	18,993	-	-
Foreign currency debit cards	1,593	1,048	239,760	52,286	-	534

Breakdown of transactions done using Cards (Number of transactions)

	International Transactions				Local Transactions			
	ATM		POS/Web		ATM		POS/Web	
In thousands	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**
Naira MasterCard debit	0	248	4,117	4,674	139,783	150,670	380,160	234,454
Foreign Currency Denominated Cards:								
MasterCard debit	60	81	1,044	561	-	31	-	46
MasterCard credit	5	6	135	104	-	-	-	-
Visa classic debit	25	24	414	286	-	-	-	6
Visa classic credit	5	5	122	102	-	-	-	-
World credit	0.3	0.3	9.1	7	-	-	-	-
Total	**95.3**	**364.3**	**5,841**	**5,734**	**139,783**	**150,701**	**380,160**	**234,506**

Breakdown of transactions done using Cards (Value of Transactions)

	International Transactions				Local Transactions			
In millions of Naira	ATM		POS/Web		ATM		POS/Web	
	Dec-21	**Dec-20**	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**	**Dec-21**	**Dec-20**
Naira MasterCard debit	0	11,423	48,591	126,506	1,414,261	1,317,233	3,441,235	1,813,835
MasterCard debit	24,115	5,136	139,008	29,347	-	-	-	167
MasterCard credit	2,432	1,026	25,184	7,320	-	-	-	-
Visa classic debit	7,236	2,821	62,572	14,982	-	-	-	146
Visa classic credit	1,888	834	24,934	8,675	-	-		
World credit	174	53	4,472	1,085	-	-	-	
Total	**35,845**	**21,293**	**304,761**	**187,915**	**1,414,261**	**1,317,233**	**3,441,235**	**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 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	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.

		on POS/WEB terminals, but value is not received	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 Holding Company Plc** maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

Value Added Statements

For the Year ended 31 December 2021

Group

In thousands of Nigerian Naira	Dec-2021 Continuing operations	Dec-2021 Discontinued operations	Dec-2021 Total	%	Dec-2020 Continuing operations	Dec-2020 Discontinued operations	Dec-2020 Total	%
Gross earnings	447,810,585	-	447,810,585		455,229,759	-	455,229,759	
Interest expense:								
-Local	(28,056,697)	-	(28,056,697)		(31,757,964)	-	(31,757,964)	
- Foreign	(18,224,424)	-	(18,224,424)		(15,311,477)	-	(15,311,477)	
	401,529,464	-	401,529,464		408,160,318	-	408,160,318	
Loan impairment charges / Net impairment loss on financial assets	(9,291,950)	-	(9,291,950)		(16,382,376)	-	(16,382,376)	
	392,237,514	-	392,237,514		391,777,942	-	391,777,942	
Bought in materials and services								
- Local	(99,821,438)	-	(99,821,438)		(84,258,646)	-	(84,258,646)	
- Foreign	(2,188,296)	-	(2,188,296)		(2,771,575)	-	(2,771,575)	
Value added	**290,227,780**	**-**	**290,227,780**	**100**	**304,747,721**	**-**	**304,747,721**	**100**
Distribution								
Employees								
- Wages, salaries, pensions, gratuity and other employee benefits	33,430,007	-	33,430,007	12	37,606,138	-	37,606,138	12
Government								
- Taxation	46,658,189	-	46,658,189	16	36,655,130	-	36,655,130	12
Retained in the Group								
- For replacement of Property and equipment / intangible assets (depreciation and amortisation)	35,300,097	-	35,300,097	12	29,046,513	-	29,046,513	10
-Profit for the year (including non - controlling interest, statutory and regulatory risk reserves)	174,839,487	-	174,839,487	61	201,439,940	-	201,439,940	66
	290,227,780	**-**	**290,227,780**	**100**	**304,747,721**	**-**	**304,747,721**	**100**

Five Year Financial Summary
Statements of financial Position

Group

In thousands of Nigerian Naira	**Dec-2021**	**Dec-2020**	**Dec-2019**	**Dec-2018**	**Dec-2017**
Assets					
Cash and bank balances	933,591,069	745,557,370	593,551,117	676,989,012	641,973,784
Financial assets at fair value through profit or loss	104,397,651	67,535,363	73,486,101	-	-
Financial assets held for trading	-	-	-	11,314,814	23,945,661
Derivative financial assets	24,913,435	26,448,550	26,011,823	3,854,921	2,839,078
Investment securities:					
– Fair Value through profit or loss	3,904,458	3,273,771	33,084,367	2,620,200	-
– Fair Value through other comprehensive Income	276,041,190	693,371,711	585,392,248	-	-
– Available for sale	-	-	-	536,084,955	517,492,733
– Held at amortised cost	846,923,215	283,582,832	145,561,232	-	-
– Held to maturity	-	-	-	98,619,509	96,466,598
Assets pledged as collateral	79,273,911	62,200,326	58,036,855	56,777,170	58,976,175
Loans and advances to banks	115,014	99,043	1,513,310	2,994,642	750,361
Loans and advances to customers	1,802,587,381	1,662,731,699	1,500,572,046	1,259,010,359	1,448,533,430
Restricted deposits and other assets	1,146,798,096	1,226,481,116	577,433,006	508,678,702	444,946,897
Property and equipment	203,971,924	148,782,835	141,774,863	111,825,917	98,669,998
Intangible assets	19,573,604	19,872,523	20,245,232	16,402,621	14,834,954
Deferred tax assets	3,187,937	4,716,154	2,256,570	2,169,819	1,666,990
Total assets	**5,445,278,885**	**4,944,653,293**	**3,758,918,770**	**3,287,342,641**	**3,351,096,659**
Liabilities					
Deposits from banks	118,027,576	101,509,550	107,518,398	82,803,047	85,430,514
Deposits from customers	4,012,305,554	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	-	-	1,615,735	-	-
Financial liabilities held for trading	-	-	-	1,865,419	2,647,469
Derivative financial liabilities	1,580,971	2,758,698	2,315,541	3,752,666	2,606,586
Other liabilities	222,361,520	356,222,575	233,425,713	140,447,508	224,116,829
Current income tax liabilities	22,676,168	21,592,016	20,597,088	22,650,861	24,147,356
Debt securities issued	-	-	-	-	92,131,923
Other borrowed funds	153,897,499	113,894,768	162,999,909	178,566,800	220,491,914
Deferred tax liabilities	31,202,505	24,960,772	10,568,534	7,075,956	17,437,766
Total liabilities	**4,562,051,793**	**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	(8,125,998)	(6,928,103)	(6,531,749)	(5,583,635)	(5,291,245)
Retained earnings	198,358,025	193,921,810	119,247,653	107,248,944	123,257,080
Other components of equity	535,938,145	473,434,457	422,704,836	323,991,767	352,403,527
Capital and reserves attributable to equity holders of the parent entity	**864,356,876**	**798,614,868**	**673,607,444**	**563,843,780**	**608,556,066**
Non-controlling interests in equity	18,870,216	15,780,809	13,730,024	12,433,461	11,482,603
Total equity	**883,227,092**	**814,395,677**	**687,337,468**	**576,277,241**	**620,038,669**
Total equity and liabilities	**5,445,278,885**	**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	Dec-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2017
Interest income	266,893,743	300,737,588	296,204,699	306,963,482	327,333,512
Interest expense	(46,281,121)	(47,069,441)	(64,841,597)	(84,529,681)	(80,670,351)
Net interest income	**220,612,622**	**253,668,147**	**231,363,102**	**222,433,801**	**246,663,161**
Loan impairment charges	(8,531,155)	(19,572,893)	(4,911,666)	(4,906,485)	(7,212,808)
Net interest income after loan impairment charges	**212,081,467**	**234,095,254**	**226,451,436**	**217,527,316**	**239,450,353**
Fee and commission income	74,123,774	53,179,802	62,418,779	52,367,605	42,921,857
Fee and commission expense	(8,472,981)	(6,244,554)	(2,975,272)	(1,897,532)	(2,189,661)
Net fee and commission income	**65,650,793**	**46,935,248**	**59,443,507**	**50,470,073**	**40,732,196**
Net gains on financial instruments classified as held for trading	22,390,669	24,486,177	20,889,849	24,583,974	11,338,819
Other income	84,402,399	76,826,192	55,793,214	50,783,908	37,632,083
Total other income	**106,793,068**	**101,312,369**	**76,683,063**	**75,367,882**	**48,970,902**
Total Operating income	384,525,328	382,342,871	362,578,006	343,365,271	329,153,451
Net impairment reversal / (charge) on other financial assets	(760,795)	3,190,517	100,473	(650,015)	(696,680)
Net operating income after net impairment loss on financial assets	**383,764,533**	**385,533,388**	**362,678,479**	**342,715,256**	**328,456,771**
Personnel expenses	(33,430,007)	(37,606,138)	(37,284,204)	(36,856,121)	(32,832,341)
Right-of-use asset depreciation	-	(2,108,645)	(2,114,007)	(2,085,035)	(1,596,413)
Depreciation and amortisation	(35,300,097)	(29,046,513)	(22,692,637)	(17,629,276)	(15,383,697)
Other operating expenses	(93,536,753)	(78,677,022)	(68,879,797)	(70,558,054)	(76,002,963)
Total expenses	**(162,266,857)**	**(147,438,318)**	**(130,970,645)**	**(127,128,486)**	**(125,815,414)**
Profit before income tax	**221,497,676**	**238,095,070**	**231,707,834**	**215,586,770**	**202,641,357**
Income tax expense	(46,658,189)	(36,655,130)	(16,654,105)	(14,051,037)	(29,772,387)
Profit for the year from continuing operations	**174,839,487**	**201,439,940**	**215,053,729**	**201,535,733**	**172,868,970**
Loss for the year from discontinued operations	-	-	(16,385)	-	-
Profit for the year	**174,839,487**	**201,439,940**	**215,037,344**	**201,535,733**	**172,868,970**

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	6.14	7.11	6.96	6.54	5.94
– Diluted	6.14	7.11	6.96	6.54	5.94

Share Capitalization History

YEAR	AUTHORISED		ISSUED			
	INCREASE	CUMULATIVE	INCREASE	CUMMULATIVE	NO. OF SHARES	CONSIDERATION
1991	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	Cash
1992	35,000,000	60,000,000	NIL	25,000,000	25,000,000	NIL
1993	NIL	60,000,000	25,000,000	50,000,000	50,000,000	Scrip
1994	40,000,000	100,000,000	NIL	50,000,000	50,000,000	NIL
1995	NIL	100,000,000	50,000,000	100,000,000	100,000,000	SCRIP
1996	100,000,000	200,000,000	300,000,000	400,000,000	400,000,000	Cash
1997	300,000,000	500,000,000	600,000,000	1,000,000,000	1,000,000,000	SCRIP
1998	250,000,000	750,000,000	500,000,000	1,500,000,000	1,500,000,000	SCRIP
1999	NIL	750,000,000	NIL	1,500,000,000	1,500,000,000	NIL
2000	NIL	750,000,000	NIL	1,500,000,000	1,500,000,000	NIL
2001	250,000,000	1,000,000,000	500,000,000	2,000,000,000	2,000,000,000	Initial Public Offer
2002	1,000,000,000	2,000,000,000	500,000,000	2,500,000,000	2,500,000,000	SCRIP
2003	NIL	2,000,000,000	500,000,000	3,000,000,000	3,000,000,000	SCRIP
2004	1,000,000,000	3,000,000,000	1,000,000,000	4,000,000,000	4,000,000,000	SCRIP
2004	NIL	3,000,000,000	2,000,000,000	6,000,000,000	6,000,000,000	Public Offer
2005	2,000,000,000	5,000,000,000	NIL	6,000,000,000	6,000,000,000	NIL
2006	NIL	5,000,000,000	2,000,000,000	8,000,000,000	8,000,000,000	SCRIP
2007	2,500,000,000	7,500,000,000	2,000,000,000	10,000,000,000	10,000,000,000	SCRIP
2007	NIL	7,500,000,000	3,679,415,650	13,679,415,650	13,679,415,650	GDR Underlying Shares
2008	7,500,000,000	15,000,000,000	1,243,583,241	14,922,998,890	14,922,998,890	SCRIP
2008	NIL	15,000,000,000	3,730,749,723	18,653,748,613	18,653,748,613	SCRIP
2009	NIL	15,000,000,000	4,663,437,153	23,317,185,766	23,317,185,766	SCRIP
2010	15,000,000,000	30,000,000,000	NIL	23,317,185,766	23,317,185,766	NIL
2010	20,000,000,000	50,000,000,000	5,829,296,442	29,146,482,207	29,146,482,207	SCRIP
2011	NIL	50,000,000,000	284,697,017	29,431,179,224	29,431,179,224	IFC Special Placement
2012	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2013	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2014	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2015	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2016	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2017	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2018	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2019	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2020	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2021	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL

Dividend History

Ten-year dividend and unclaimed dividend history as at December 31, 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%
Payment 58	Interim	27-09-21	8,829,353,767.20	30 kobo	465,874,556.39	5.21%

2021 CSR REPORT

In going beyond banking, we strongly believe that it is essential to give back to the communities where we operate and see Corporate Social Responsibility (CSR) as a critical component for business sustainability. In line with our CSR mandate, we have continued to support several important causes this year; contributing our time, money and resources in ways that make a positive impact.

Pillar	Amount (₦)
Community Development	2,561,063,730
Education	84,788,236
Others	65,000,500
Total	**2,710,852,466**

This report highlights the various ways we are helping to safeguard lives and improve outcomes for people in our communities with the main pillars of our CSR Policy, namely Championing Education for All, Fostering Community Development, Protecting our Environment and Promoting the Arts.

Caring for Our People and Our Communities

Going A Step Further with Vaccines

The COVID-19 pandemic put an overwhelming burden on healthcare systems around the world, hampering business operations, disrupting our ways of life, and driving billions of people into further socio-economic distress. The development of vaccines means that we can dream of a return to normalcy, but the rate of vaccinations globally has lagged new mutations of the virus. For many African countries, access to vaccines is a fundamental problem.

To bridge this gap, we gave the full strength of our support to the Nigerian government's relief efforts and have continued to play 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.

1000 Women Have Beta-Health

For the 2021 International Women's Day (IWD21), we launched #GiveHerBetaHealth to draw attention to the need for essential healthcare coverage, especially for women in the informal sector. Through this 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 post- natal care, accidents and medical emergencies as well as life insurance at a subscription fee of N500 per month.

Swiss Red Cross Partnership
The Swiss Red Cross Ball is an annual humanitarian initiative to raise funds for several welfare initiatives across the globe. Our commitment to this cause is consistent with our resolve to making a difference in maternal and child health.

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 the critical aspects of maternal health, promoting health education and providing preventive and curative maternal and childcare. Over the years, we have also provided medical care to stop mother-to-child HIV transmissions.

Keeping the Ball Rolling
After lockdown restrictions put public gatherings on hold in 2020, 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 soccer 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. In the female category, Lead Forte College 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.

Building an inclusive Society for people with Autism
The annual Autism Conference has become a focal point for parents, caregivers, and children affected by Autism. Through the Orange Ribbon initiative, we continue to lead the advocacy for people living with Autism and other developmental disorders. In the height of the Covid-19 pandemic last year, the Annual Autism Conference was held virtually. In 2021, alongside the livestream option, the 11th edition of the Guaranty Trust Annual Autism Conference themed, "Life beyond the diagnosis," was showcased to a physical audience.

The 2-day conference featured keynote addresses by globally renowned medical experts and panel discussions facilitated by seasoned professionals on the subject. Moreover, persons with the Autism Spectrum Disorder alongside their caregivers had access to free one-on-one consultations.

Orange Heart Initiative
The Orange Heart Initiative started as an outlet for members of staff to channel their resourcefulness and positivity towards impactful activities that would benefit our immediate communities and in keeping with our corporate values as an organisation by modelling selflessness.

Massey Street Children's Hospital is a flagship project under the Orange Heart Initiative. The Pediatric Facility was first rehabilitated by the Bank in 1996. Apart from the various projects undertaken at the facility on an ongoing basis, staff members organize a visit to the hospital to celebrate Christmas with the hospital workers and patients. The Bank was unable to visit the facility physically in 2020 due to Covid-19 restrictions though gift items were sent. However, we were as delighted to share the joys of the 2021 yuletide season together again in-person.

Harnessing Renewable Energy
We continue to keep environmental protection on the front burner given its critical place in the quality of life and living. Beyond incorporating effective environmental and social impact measures in our day-to-day operations and investment decisions, we are constantly seeking ways to improve our chances against the environmental and social risks around us. In 2021, we supported the solar electrification project for residents in Epe, Lagos.

Education for Better Outcomes

Financial Literacy Day
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.

World Savings Day
World Savings Day was celebrated globally on 31st October 2021. CBN requested that all Banks revisit selected 2021 Financial Literacy Day schools to sensitize children and the youth on the importance of saving and financial control. The Company will engage students in 9 schools in 6 states (Niger, Enugu, Plateau, Osun, Yobe and Katsina) in training/mentoring sessions on saving and financial literacy.

Nurturing the Next Generation of Writers
Remarkable stories and the people who tell them inspire us to read. In view of this, we put a literary spin to this year's Children's Day Celebration by hosting 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 where children excitedly spoke with the author, probing into her literary work and personal life. Mrs Mabel, who has authored 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
Enhancing the quality of education and boosting learning opportunities for students extends outside the classroom. During the year, we focused on improving the social wellbeing of students by providing spaces for relaxation and making connections. We provided benches across the campus grounds of six (6) universities in Nigeria, including UNIBEN, UNILAG, LASU, UNIZIK, UNN, and Babcock University. These functional spaces will play a key role in improving the experiences of students while on campus.

An Enduring Passion for Arts and Culture

Preserving a Cultural Monument
Following a landmark approval by the Federal Government of Nigeria, we are actively involved in the National Arts Theatre revamping project. The renovation works would include creative hubs for fashion, music, film and Information Technology (IT). The National Arts Theatre renovation project is being led by the Central Bank of Nigeria with the support of the Bankers' Committee and is aimed at unlocking the enormous potential in the Nigerian creative industry.

GTCO Music Concert
For many years, we have been at the forefront of shaping and channeling contemporary culture in Africa through food, fashion, and entertainment. This year, we hosted one of the largest gathering of music lovers in the vibrant city of Accra, Ghana, to celebrate the best of African music and pop culture.

The GTCO Music Concert was a community engagement event designed to spotlight the best of African entertainment to a global audience. The free concert provided a dynamic platform for music lovers to interact and experience an enjoyable blend of Nigerian and Ghanaian music as part of year end festivities.