Guaranty Trust Bank plc
RC 152321

2020

ANNUAL REPORT

GTBank

Guaranty Trust Bank plc
RC 152321

Introduction

Guaranty Trust Bank's 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 Bank and the Group for the financial year ended 31 December, 2020. The consolidated 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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₦455.23billion	₦238.10billion	₦201.44billion

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View our Annual Report Online
www.gtbank.com

VISION AND MISSION STATEMENT

VISION

We are a team driven to deliver the utmost in customer service.

We are synonymous with innovation, building excellence and superior financial performance and creating role models for society.

MISSION

We are a high quality financial services provider with the urge to be the best at all times whilst adding value to all stakeholders.

DIRECTORS		
1	Mrs. O. A. Demuren	Chairman, Board of Directors
2	Mr. J. K. O. Agbaje	Managing Director/CEO
3	Mr. K. A. Adeola	Non-Executive Director
4	Mr. O. M. Agusto	Non-Executive Director
5	Mr. I. Hassan	Non-Executive Director
6	Mr. H. A. Oyinlola	Non-Executive Director
7	Ms. I. L. Akpofure	Non-Executive (Independent) Director
8	Mr. B. T. Soyoye*	Non-Executive (Independent) Director
9	Mrs. V. O. Adefala	Non-Executive (Independent) Director
10	Mr. A. A. Odeyemi	Executive Director
11	Mr. H. Musa	Executive Director
12	Mr. J. M. Lawal	Executive Director
13	Mrs. M. C. Olusanya	Executive Director
14	Mr. B. G. Okuntola	Executive Director

*Retired from the Board of Directors in July 2020

Company Secretary
Mr. E. E. Obebeduo
FRC/2017/NBA/00000016024

Registered Office
Plot 635, Akin Adesola Street
Victoria Island, Lagos State.

Auditors
PricewaterhouseCoopers
Landmark Towers
5B, Water Corporation Road
Victoria Island, Lagos State.

Registrar & Transfer Office
Datamax Registrars Limited
2c, Gbagada Expressway
Gbagada Phase 1, Lagos State.
Tel: +234 1 7120008-11
Fax: +234 1 7120012
Email: datamax@datamaxregistrars.com

GROSS EARNINGS	PROFIT BEFORE TAX	PROFIT AFTER TAX
₦455.23billion	₦238.10billion	₦201.44billion

	Group Dec-20 ₦'million	Group Dec-19 ₦'million	Increase/ (Decrease) %	Parent Dec-20 ₦'million	Parent Dec-19 ₦'million	Increase/ (Decrease) %
Major Income Statement Items						
Gross earnings	455,230	435,307	4.6	367,058	350,927	4.6
Profit before income tax	238,095	231,708	2.8	205,131	200,178	2.5
Profit after income tax	201,440	196,849	2.3	178,188	175,125	1.7
Earnings per share (Kobo)	711	696	2.2	605	595	1.7
Major Statement of Financial Position Items						
Loans and advances to customers	1,662,732	1,500,572	10.8	1,410,578	1,300,821	8.4
Deposits from customers	3,509,319	2,532,540	38.6	2,881,686	2,086,810	38.1
Total assets	4,944,653	3,758,919	31.5	4,061,544	3,097,248	31.1
Total equity	814,396	687,337	18.5	702,400	605,890	15.9

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-First Annual General Meeting of **GUARANTY TRUST BANK PLC** will hold at the Oriental Hotel, 3, Lekki Road, Victoria Island, Lagos State, on Friday, April 9, 2021, at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended December 31, 2020, and the Reports of the Directors, Auditors and Statutory Audit Committee thereon;
2. To declare a dividend;
3. To re-elect Directors;
4. To appoint Ernst & Young as the External Auditor of the Company in place of PricewaterhouseCoopers, who would be retiring as the Company's Auditor;
5. To authorise Directors to fix the remuneration of the Auditors;
6. To disclose the remuneration of Managers;
7. To elect the Shareholder Representatives of the Statutory Audit Committee.

PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy from the proxies stated in the Notice to attend and vote in his/her/its stead in accordance with the Corporate Affairs Commission guidelines on holding General Meetings using proxies. For the appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Datamax Registrars Limited, No. 2c, Gbagada Express Road, Gbagada Phase 1, Lagos State, not less than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report.

ERHI OBEBEDUO
Company Secretary
FRC/2017/NBA/00000016024
Plot 635, Akin Adesola Street
Victoria Island, Lagos

March 18, 2021

NOTES

1. Attendance and Voting by Proxy

In the interest of public safety and having due regard to the Nigeria Centre for Disease Control (NCDC) COVID-19 Guidance for Safe Mass Gatherings in Nigeria, (and the restrictions on public gatherings by the Lagos State Government) and pursuant to the Corporate Affairs Commission's (CAC) Guidelines on holding Annual General Meetings by Public Companies using Proxies, only persons indicated to be selected proxies on the Proxy Form would attend the Meeting physically. All other Shareholders would be required to attend the Meeting online and to vote at the Meeting through a proxy.

In view of the foregoing, the approval of the CAC was obtained for the Annual General Meeting to be held by proxy.

A proxy may be selected from any of the following individuals (the Selected Proxies):

Mrs. Osaretin Demuren	Chairman, Board of Directors
Mr. Segun Agbaje	Managing Director/Chief Executive Officer
Sir Sunny Nwosu	Shareholder
Chief Timothy Adesiyan	Shareholder
Mr. Tunji Bamidele	Shareholder
Mr. Boniface Okezie	Shareholder
Mr. Gbenga Idowu	Shareholder
Mr. Tunde Badmus	Shareholder
Mrs. Efunyemi Olatunde Shopeju	Shareholder
Mr. Abdullahi Tambari Kabiru	Shareholder
Mr. Lawrence Oguntoye	Shareholder

The Selected Proxies are to attend the Meeting and vote on their own behalf as well as on behalf of the Shareholders who selected them as proxies. The Selected Proxies are encouraged to comply with relevant public health advice in order to protect the health of others. Other Shareholders can attend the meeting and participate in the proceedings online via real-time streaming options which have been provided in this notice.

A Proxy Form would be sent to the registered email address of Shareholders and would also be available online at www.datamaxregistrars.com and www.gtbank.com/investor-relations. It is requested that duly executed Proxy Forms (together with any Power of Attorney or other authority under which it is signed, or a notarised copy of such Power of Attorney or other authority) be lodged at the office of Datamax Registrars Limited, as shown on the Proxy Form, not less than 48 hours before the time appointed for the Meeting.

Shareholders are encouraged to submit the duly completed Proxy Form on or before 12 noon on Wednesday, April 7, 2021. The cost of stamping would be borne by the Bank.

2. Accreditation of Shareholders to attend the Meeting via Electronic Platform

Shareholders who intend to attend the meeting electronically are required to register for the meeting by visiting maxmeeting.datamaxgroup.ng. Kindly be informed that Shareholders will be required to provide their registered email address(es) and phone number(s) in completing the accreditation. A message containing a unique link to be utilized for attending the meeting will be sent to the registered email of Shareholders upon completion of the accreditation process.

3. Dividend

If approved, Dividend will be payable on Friday, April 9, 2021, at the rate of ₦2.70Kobo per every 50 Kobo ordinary share, to shareholders whose names appear in the Register of Members at the close of business on Wednesday, March 31, 2021 (bringing total Dividend paid for the 2020 financial year to ₦3.00). Shareholders who have completed the e-Dividend Mandate Forms will receive a direct credit of the dividend into their bank accounts on the date of the Annual General Meeting. Note however, that holders of the Company's Global Depository Receipts listed on the London Stock Exchange will receive their dividend payments subsequently.

4. E-Dividend Mandate

Shareholders are kindly requested to update their records and advise Datamax Registrars Limited of their updated records and relevant bank accounts for the payment of their Dividends. The forms for e-dividend payment, Unclaimed Dividends and data update can be downloaded from the Bank's website at www.gtbank.com or from Datamax Registrars Limited's website at www.datamaxregistrars.com.

The duly completed forms should be returned to Datamax Registrars Limited, No. 2c, Gbagada Express Road, Gbagada Phase 1, Lagos State, or to the nearest Guaranty Trust Bank plc branch.

5. Unclaimed Dividend

Shareholders are required to revalidate their Unclaimed Dividends and this can be effected during the e-dividend mandate process. The list of all Unclaimed Dividends will be circulated with the Annual Report and Financial Statements. All Shareholders with Unclaimed Dividends are advised to revalidate their Unclaimed Dividends by e-mail or writing to the Registrar, Datamax Registrars Limited, No. 2c, Gbagada Express Road, Gbagada Phase 1, Lagos State, and www.datamaxregistrars.com.

6. E-Annual Report

The electronic version of the Annual report is available at www.gtbank.com. Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Report via email. Furthermore, Shareholders who are interested in receiving the electronic version of the Annual Report are kindly required to request via email to annualreports@datamaxregistrars.com.

7. Closure of Register

The Register of Members will be closed on Thursday, April 1, 2021, to enable the Registrar prepare for payment of dividend.

8. Statutory Audit Committee

In accordance with section 404(6) of the Companies and Allied Matters Act, 2020, any shareholder may nominate a shareholder for appointment to the Statutory Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Code of Corporate Governance issued by the Securities and Exchange Commission (SEC) and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by the Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees.

9. Re-election of Directors

In accordance with the provisions of the Bank's Articles of Association, the Directors to retire by rotation at the 31st Annual General Meeting are Mr. Ibrahim Hassan and Mrs. Victoria Osondu Adefala. The retiring Directors, being eligible, offer themselves for re-election.

The profiles of the Directors retiring by rotation are available in the Annual Report and on the Bank's website at www.gtbank.com.

10. Shareholders' Right to Ask Questions

Shareholders reserve the right to ask questions at the Annual General Meeting. Shareholders may also submit questions prior to the Meeting in writing to the Company, in line with Rule 19.12(c) of the Listing Rules of The Nigerian Stock Exchange. Such questions should be addressed to the Company Secretary and reach the Company at its Head Office or by electronic mail at investorsenquiries@gtbank.com not later than 7 days to the date of the Meeting.

CORPORATE GOVERNANCE

Introduction

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

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

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

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

The Bank's Code of Corporate Governance is continuously reviewed to align with additional legal and regulatory requirements and global best practices, in order to remain a pace setter in the area of good corporate governance practices. In addition to the Code, the Bank aggressively promotes its core values to employees of the Bank through its Code of Professional Conduct; its Ethics Policy as well as Communications Policy, which regulate employee relations with internal and external parties.

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

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

During the 2020 financial year the Bank executed various governance activities which included; the review of the Bank's Corporate Governance Code and Charters of all the Board Committees in order to align same with leading international practices and extant regulations. The Board and its Committees also carried out annual self-assessments to review compliance with the terms of reference as contained in their respective Charters.

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

Conversion into a Financial Holding Company

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

Benefits of the Conversion

The following are expected to be the benefits of the Conversion: (i) Greater strategic flexibility and opportunity for diversification of the Group's revenues; (ii) Better positioning to deal with emerging competition, such as 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 and increase of shareholder value.

Management is appreciative of the shareholders for the overwhelming support given for the conversion process as evidenced by the unanimous adoption of the resolution at the Court Ordered Meeting which held in December 2020. It is expected that the holding company would become operational in the 2021 financial year.

Governance Structure

The Board

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

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

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

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

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

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

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

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

Three (3) of the Non-Executive Directors were "Independent Directors", appointed based on the core values enshrined in the Bank's Code of Corporate Governance and the criteria laid down by the CBN for the appointment of Independent Directors. However in the course of the year one (1) of the Independent Non-Executive Directors retired from the Board. The Independent Directors do not have any significant shareholding interest or any special business relationship with the Bank.

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

The Board met five (5) times during year ended December 31, 2020.

Responsibilities of the Board

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

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

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

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

Roles of the Chairman and Chief Executive

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

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

Director Nomination Process

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

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

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

Induction and Continuous Training

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

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

The Bank attaches great importance to training its Directors and for this purpose, continuously offers training and education from onshore and offshore institutions to its Directors, in order to enhance their performance on the Board and the various committees to which they belong. Due to the impact of Covid-19 and restrictions of movement into most Countries, some of the Bank's Non-Executive Directors attended foreign and/or local courses in the year ended December 31, 2020.

Changes on the Board

In the course of the financial year ended December 31, 2020, Mr. Babatunde Soyoye, retired from the Board having completed his term as an Independent Non-Executive Director.

Retirement by Rotation

In compliance with the provisions of Article 84(b) of the Articles of Association of the Bank which requires one third of the Directors (excluding Executive Directors) or if their number is not a multiple of three, the number nearest to but not greater than one third, to retire from office at each biennial Annual General Meeting, Mr. Ibrahim Hassan and Mrs. Victoria Osondu Adefala will retire at the 31st Annual General Meeting and both being eligible, offer themselves for re-election.

PROFILE OF RETIRING DIRECTORS

Profile of Mr. Ibrahim Hassan

Mr. Ibrahim Hassan is a phenomenal leader, highly experienced Petroleum Geologist, Economic Analyst, Serial Entrepreneur, Community Leader and a Philanthropist with over 27 years of professional experience in the Oil and Gas industry. Mr. Hassan holds an MSc. Degree in Oil and Gas Enterprise Management from the University of Aberdeen, United Kingdom (UK).

Mr. Hassan is the Founder/Executive Chairman of Summit Energy Limited, a foremost integrated energy contracting Company.

Prior to birthing Summit Energy Limited (an indigenous stakeholder in the Nigerian Oil and Gas Sector) in 2002, he worked as a Senior Operations Geologist undertaking Prospects Evaluation, Basin Analysis and Stratigraphic Studies for the Niger Delta onshore, offshore and the then Frontier Deep-Water Hydrocarbon Exploration Campaign.

Mr. Hassan is also an outstanding and experienced Corporate Governance Practitioner and Boardroom player. He is the Chairman of the Boards of Directors of Axis Petroleum Limited, Pathway Exploration and Production Limited and Rosemount Nigeria Limited.

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

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

Mr. Hassan is a philanthropist, with deep commitment towards youth and community empowerment. He holds the revered title of Sarkin Dawaki of the Mubi Emirate of Adamawa State.

Mr. Hassan joined the Board in April 2010. He is the current Chairman of the Board Human Resources and Nominations Committee and a Member of the Board Audit Committee and Board Credit Committee.

Profile of Mrs. Victoria Osondu Adefala

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

Mrs. Adefala is a seasoned professional with over thirty-three (33) years' work experience in diverse industries including Manufacturing, Finance and Transportation as well as the Legal profession, having worked with the African Chamber of Commerce, Houston, Texas, Michelin Nigeria Limited and Alstom Nigeria.

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

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

Mrs. Adefala joined the Board in September 2017, she is a member of the Board Credit Committee, Board Risk Management Committee and the Board Remuneration Committee.

Non-Executive Directors' Remuneration

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

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

Board Committees

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

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

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

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

Board Risk Management Committee

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

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

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

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

The Committee meets quarterly and additional meetings are convened as required. The Committee met four (4) times during the financial year ended December 31, 2020.

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

S/NO	NAME	STATUS	DESIGNATION	Dates of Attendance
1.	Mr. H. A. Oyinlola	Non-Executive Director	Chairman	21-Jan-2020 21-Apr-2020 21-July-2020 20-Oct-2020
2.	Mr. J. K. O. Agbaje	Managing Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 20-Oct-2020
3.	Ms. I. L. Akpofure	Non-Executive (Independent) Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 20-Oct-2020
4.	Mr. B. T. Soyoye*	Non-Executive (Independent) Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020

5.	Mrs. V. O. Adefala	Non-Executive (Independent) Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 20-Oct-2020
6.	Mr. A. A. Odeyemi	Executive Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 20-Oct-2020
7.	Mrs. M. C. Olusanya	Executive Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 20-Oct-2020

*Retired from the Board of Directors in July 2020

Board Credit Committee

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

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

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

The Board Credit Committee meets at least once in each quarter. However, additional meetings are convened as required. The Committee met Four (4) times during the financial year ended December 31, 2020.

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

S/NO	NAME	STATUS	DESIGNATION	Dates of Attendance
1.	Mr. O. M. Agusto	Non-Executive Director	Chairman	21-Jan-2020 21-Apr-2020 21-July-2020 27-Oct-2020
2	Mr. K. A. Adeola	Non-Executive Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 27-Oct-2020
3	Mr. I. Hassan	Non-Executive Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 27-Oct-2020
4	Mrs. V. O. Adefala	Non-Executive (Independent) Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 27-Oct-2020

5	Mr. H. Musa	Executive Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 27-Oct-2020
6	Mr. J. M. Lawal	Executive Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 27-Oct-2020
7	Mr. B. G. Okuntola	Executive Director	Member	21-Jan-2020 21-Apr-2020 21-July-2020 27-Oct-2020

Board Human Resources and Nominations Committee

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

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

The membership of the Committee is as follows:

S/NO	NAME	STATUS	DESIGNATION	Dates of Attendance
1	Mr. I. Hassan	Non-Executive Director	Chairman	20-Jan-2020 20-July-2020 14-Oct-2020 16-Oct-2020 19-Oct-2020
2	Mr. J.K.O. Agbaje	Managing Director	Member	20-Jan-2020 20-July-2020 14-Oct-2020 16-Oct-2020 19-Oct-2020
3	Mr. H.A. Oyinlola	Non-Executive Director	Member	20-Jan-2020 20-July-2020 14-Oct-2020 16-Oct-2020 19-Oct-2020
4	Mr. B. T. Soyoye*	Non-Executive (Independent) Director	Member	20-Jan-2020 20-July-2020
5	Mrs. M. C. Olusanya	Executive Director	Member	20-Jan-2020 20-July-2020 14-Oct-2020 16-Oct-2020 19-Oct-2020

*Retired from the Board of Directors in July 2020

The Committee is required to meet at least once a year, and additional meetings may be convened as the need arises. The Committee met five (5) times during the financial year ended December 31, 2020.

Board Remuneration Committee

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

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

S/No	Name	Status	Designation	Dates of Attendance
1	Mr. O. M. Agusto	Non-Executive Director	Chairman	22-Jan-2020
2	Mr. K. A. Adeola	Non-Executive Director	Member	22-Jan-2020
3	Mrs. V. O. Adefala	Non-Executive (Independent) Director	Member	22-Jan-2020

The Committee is required to meet at least once a year, and additional meetings may be convened as the need arises. The Committee met once during the 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 Bank and the adequacy of controls.

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

- Provide advice on the strategic direction of Information Technology issues in the Bank;
- Inform and advise the Board on important Information Technology issues in the Bank;
- Monitor overall Information Technology performance and practices in the Bank.

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

S/No	Name	Status	Designation	Dates of Attendance
1	Mr. K. A. Adeola	Chairman	Chairman	20-Apr-2020 19-Oct-2020
2	Mr. J. K. O. Agbaje	Managing Director	Member	20-Apr-2020 19-Oct-2020
3	Mr. H. A. Oyinlola	Non-Executive Director	Member	20-Apr-2020 19-Oct-2020
4	Ms. I. L. Akpofure	Non-Executive (Independent) Director	Member	20-Apr-2020 19-Oct-2020
5	Mr. A. A. Odeyemi	Executive Director	Member	20-Apr-2020 19-Oct-2020
6	Mr. J. M. Lawal	Executive Director	Member	20-Apr-2020 19-Oct-2020
7	Mr. H. Musa	Executive Director	Member	20-Apr-2020 19-Oct-2020

The Committee is required to hold its Meetings twice in a year. The Committee met two (2) times in the financial year ended December 31, 2020.

Board Audit Committee

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

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

- Keep the effectiveness of the Bank's system of accounting, reporting and internal control under review and to ensure compliance with legal and agreed ethical requirements;
- Review the activities, findings, conclusions and recommendations of the external auditors relating to the Bank's annual audited financial statements;
- Review the Management Letter of the External Auditor and Management's response thereto;

- Review the appropriateness and completeness of the Bank's statutory accounts and its other published financial statements;
- Oversee the independence of the external auditors;
- Receive a summary of whistle blowing cases reported and the result of the investigation from the Head of Internal Audit;
- Ensure that the Bank's Investment Valuation Policy is updated to take into account changes in International Financial Reporting Standards (IFRS) as issued and/or amended from time to time by the International Accounting Standards Board and/or in valuation techniques as recommended by the European Venture Capital Association and best practices.

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

S/No	Name	Status	Designation	Dates of Attendance
1.	Ms. I. L. Akpofure	Non-Executive (Independent) Director	Chairman	20-Jan-2020 20-Apr-2020 20-July-2020 19-Oct-2020
2.	Mr. O. M. Agusto	Non-Executive Director	Member	20-Jan-2020 20-Apr-2020 20-July-2020 19-Oct-2020
3.	Mr. I. Hassan	Non-Executive Director	Member	20-Jan-2020 20-Apr-2020 20-July-2020 19-Oct-2020

The Committee is required to hold its Meetings once every quarter. The Committee met four (4) times during the year under review.

Statutory Audit Committee of the Bank

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

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

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

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

The Statutory Audit Committee of the Bank met four (4) times during the year. The following members served on the Committee during the year ended December 31,2020:

S/No	Name	Status	Designation	Attendance	Dates of Attendance
1	Mrs. S. O. J. Mbagwu-Fagbemi	Shareholders' Representative	Chairman	4	20-Jan-2020 20-Apr-2020 20-July-2020 19-Oct-2020

2	Alhaji M. O. Usman	Shareholders' Representative	Member	4	20-Jan-2020 20-Apr-2020 20-July-2020 19-Oct-2020
3	Mrs. A. Kuye	Shareholders' Representative	Member	4	20-Jan-2020 20-Apr-2020 20-July-2020 19-Oct-2020
4	Mr. I. Hassan*	Non-Executive Director	Member	4	20-Jan-2020 20-Apr-2020 20-July-2020 19-Oct-2020
5	Mr. O. M. Agusto	Non-Executive Director	Member	4	20-Jan-2020 20-Apr-2020 20-July-2020 19-Oct-2020
6	Ms. I. L. Akpofure	Non-Executive (Independent) Director	Member	4	20-Jan-2020 20-Apr-2020 20-July-2020 19-Oct-2020

*Mr. Hassan has stepped down from the Committee in order to comply with the new provisions of the Companies and Allied Matters Act 2020, which requires the Director representatives to be two (2).

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, 2020.

S/N	Directors	Board	Board Credit Committee	Board Risk Management Committee	Board Human Resources & Nomination Committee	Board Remuneration Committee	Board I.T. Strategy	Board Audit Committee
	Date of Meetings	22-Jan-2020 22-Apr-2020 22-July-2020 29-Oct-2020 03-11-2020	21-Jan-2020 21-Apr-2020 21-July-2020 27-Oct-2020	21-Jan-2020 21-Apr-2020 21-July-2020 20-Oct-2020	20-Jan-2020 20-July-2020 14-Oct-2020 16-Oct-2020 19-Oct-2020	22-Jan-2020	20-Apr-2020 19-Oct-2020	20-Jan-2020 20-Apr-2020 20-July-2020 19-Oct-2020
	Number of Meetings	5	4	4	5	1	2	4
1	Mrs. O. A. Demuren[1]	5	N/A	N/A	N/A	N/A	N/A	N/A
2	Mr. J. K. O Agbaje	5	N/A	4	5	N/A	2	N/A
3	Mr. O. M. Agusto	5	4	N/A	N/A	1	N/A	4
4	Mr. K. A. Adeola	5	4	N/A	N/A	1	2	N/A
5	Mr. I. Hassan	5	4	N/A	5	N/A	N/A	4
6	Mr. H. A. Oyinlola	5	N/A	4	5	N/A	2	N/A
7	Ms. I. Akpofure	5	N/A	4	N/A	N/A	2	4
8	Mr. B. T. Soyoye[2]	3	N/A	3	2	N/A	N/A	N/A
9	Mrs. V. O. Adefala	5	4	4	N/A	N/A	N/A	N/A
10	Mr. A. A. Odeyemi	5	N/A	4	N/A	N/A	2	N/A
11	Mr. H. Musa	5	4	N/A	N/A	N/A	2	N/A
12	Mr. J. M. Lawal	5	4	N/A	N/A	N/A	2	N/A
13	Mrs. M. C. Olusanya	5	N/A	4	5	N/A	N/A	N/A
14	Mr. B. G. Okuntola	5	4	N/A	N/A	N/A	N/A	N/A

[1] The Chairman is not a member of any Committee in compliance with the CBN Code which prohibits the Chairman of the Board from being a member of any Committee;
[2] Retired from the Board of Directors in July 2020

N/A - Not Applicable

Tenure of Directors

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

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

Board Evaluation and Appraisal

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

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

Shareholders

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

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

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

Protection of Shareholders' Rights

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

Communication Policy

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

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

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

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

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

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

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

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

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

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

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

Information Flow

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

The Company Secretary

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

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

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

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

Insider Trading and price sensitive information

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

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

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

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

Management Committees

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

The standing Management Committees in the Bank are:

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

Management Risk Committee

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

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

The mandate of the Committee includes:

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

Management Credit Committee

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

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

Criticized Assets Committee

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

Assets and Liability Management Committee

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

INFORMATION TECHNOLOGY (IT) STEERING COMMITTEE

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

1. Planning, Budgeting and Monitoring

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

2. Ensuring Operational Excellence

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

3. IT Risk Assurance

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

- Ensuring that the Bank complies with relevant laws and regulations.

Information Technology (IT) Risk Management Committee

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

MONITORING COMPLIANCE WITH CORPORATE GOVERNANCE

Chief Compliance Officer

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

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

Whistle Blowing procedures

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

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

Code of Conduct

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

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

Human Resources Policy

The Human Resources policy of the Bank is contained in the Directors' Report on page 66 of this Annual Report.

Employee Share-ownership Scheme

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

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

Internal Management Structure

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

SUBSIDIARY GOVERNANCE

Subsidiary governance

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

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

As at December 31, 2020, the Group had eight (8) International banking subsidiaries and two (2) sub-subsidiaries. The operations and management of these subsidiaries are monitored and controlled by GTBank Plc as described below:

Oversight function

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

Subsidiary Board Representation

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

Subsidiary Board Committees

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

- **Board Audit Committee (BAC)** reviews accounting policies, practices, procedures and controls established by management for compliance with regulatory and financial reporting requirements.

- **Board Risk Management Committee (BRC)** oversees and advises the Board on risk-related matters and risk governance.

- **Board Credit Committee (BCC)** exercises its responsibility to maintain a healthy risk portfolio for the bank, by performing the control actions of approving new credit facilities or extending existing credit facilities within a proposed aggregate exposure limit defined by the Board of Directors.

- **Board Asset and Liability Committee (BALC)** oversees a variety of risks arising from the Subsidiaries' business including market and liquidity risk management, loan to deposit ratio analysis, cost of funds analysis, establishing guidelines for pricing on deposit and credit facilities, exchange rate risks analysis, balance sheet structuring, regulatory considerations and monitoring of the status of implemented 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 GTBank Plc sit on the board/board committees of the subsidiaries. The Board Committees are responsible for defining capital structure, approving appropriate risk management policies necessary for the effective management of subsidiaries, providing advisory and strategic guidance on the direction of the bank as well as suitable technology required to effectively dominate the local markets.

Management of Subsidiaries

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

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

Existence of Group Co-ordination Unit

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

Monthly Management Reporting

Subsidiaries furnish International Banking 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 GTBank Plc to review all operational areas of the offshore banks. This exercise is distinct from the daily operations audit carried out by the respective Internal Audit units within the subsidiaries.

Annual Risk Management Audit

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

Group Compliance Function

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

Group Treasury Function

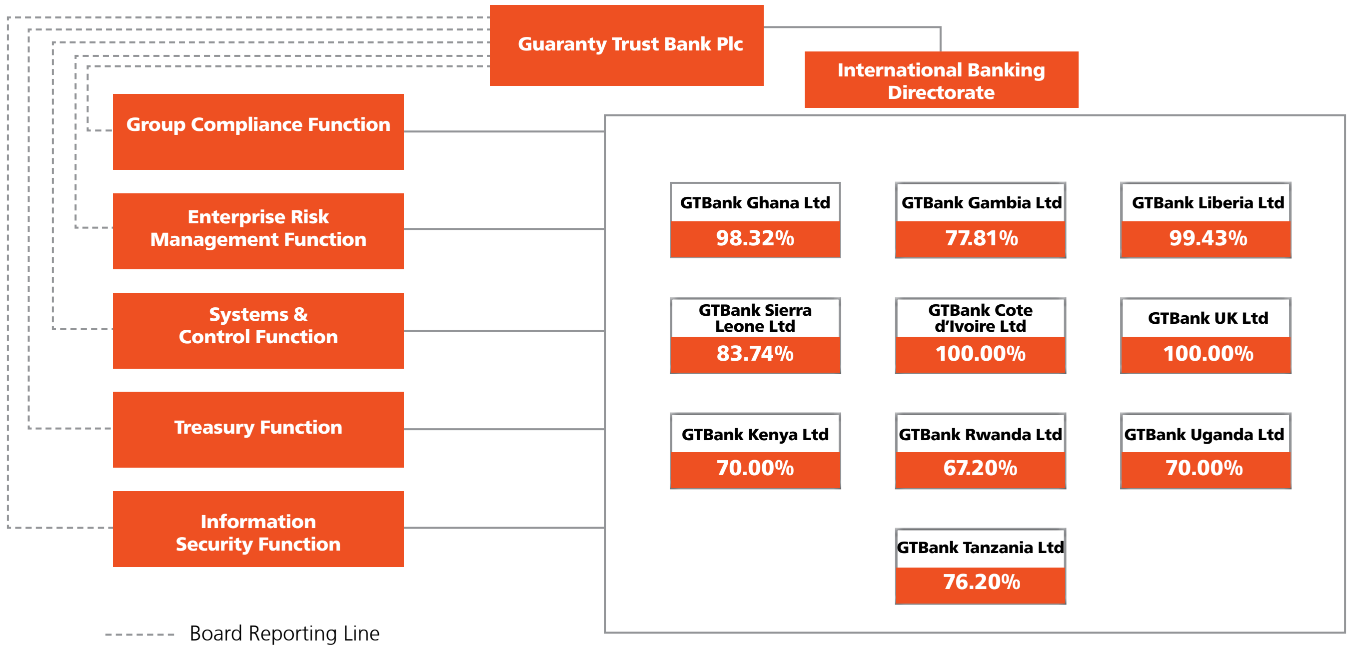
The Group Treasury function is responsible for providing required guidance in optimizing the deployment of resources in the subsidiaries except GTBank UK. The key focus is efficiency of the Balance Sheet. Monthly Assets and Liabilities review meetings are held with the Group treasury team to create synergies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

Group Information Security Assurance

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

External Auditors' Report

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


Guaranty Trust Bank Plc
International Banking Directorate
Group Compliance Function
Enterprise Risk Management Function
Systems & Control Function
Treasury Function
Information Security Function
GTBank Ghana Ltd
98.32%
GTBank Gambia Ltd
77.81%
GTBank Liberia Ltd
99.43%
GTBank Sierra Leone Ltd
83.74%
GTBank Cote d'Ivoire Ltd
100.00%
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 Guaranty Trust Bank, we are aware of the importance of sustainable finance in achieving strong financial returns alongside positive environmental, economic and social impacts. Since our inception, sustainability has been embedded in our business model and strategy. As a sustainable bank, we are not only interested in strong financial performance but also environmental and social protection. We continue to 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).

We continue to devise innovative ways to enhance our environmental, social and economic performance. Our understanding of sustainable banking practices has assisted us in conserving our resources, improving relationships with all our stakeholders (investors, shareholders, customers, employees, suppliers, regulators and communities) and managing/mitigating risks that may hinder our success as a bank. We have taken into consideration the impact of our business operations and activities on people and the environment. We track our environmental and social footprints; and encourage our borrowing customers to do the same.

We remain committed to the Sustainable Development Goals (SDGs) of the United Nations (UN) through the creation of avenue for our communities and stakeholders to flourish. We continue to support the government efforts in achieving the SDGs. We invest in critical sectors of the economy and develop products that meet societal needs. The Bank continue to lead across all key economic parameters in the banking sector and has become one of the most respected financial brands in Africa.

In our attempt at promoting sustainable banking and the UN SDGs, we have formed partnership with several organizations as well as other global bodies. We are a member of the United Nations Environment Programme Finance Initiatives (UNEP-FI) and an organizational stakeholder for Global Reporting Initiative (GRI). We remain development partner with International Finance Corporation (IFC), African Development Bank (AfDB), Development Bank of Nigeria (DBN) and the Central Bank of Nigeria.

This Sustainability Report is a reflection of our journey in the year 2020, highlighting various initiatives undertaken by the bank to ensure that we remain a sustainable bank, even in the midst of COVID-19 pandemic. The scope of our report covers the Marketplace, Community, Environment, Workplace as well as our scorecard in the implementation of the Central Bank of Nigeria's Sustainable Banking Principles and some of the UN SDGs.

Market Place

At GTBank, the advancement of economic growth and sustainable development is at the core of our funding and investment. We provide active funding in critical sectors such as Agriculture, Manufacturing, Real Estate, Infrastructure, Health, Education, Power, Oil and Gas, among others. We continue to allocate capital to where they are most needed especially in supporting the economic diversification efforts of the Nigerian government.

In the year 2020, we screened all the 895 corporate credits approved by the Bank for E&S risks. Our ESRM team categorizes project related transactions into high, medium and low risks. We conducted enhanced due diligence for customers operating in the high-risk sectors; and moderate due diligence for customers in medium risk sectors, as classified by the Central Bank of Nigeria (CBN). We applied exclusion checklist to all credits (High, medium & low). We assess the environmental and social performance of customers in high and medium risk sectors through the review of their documents and their business operations. Through our due diligence assessment, we came up with Environmental and Social Action Plan (ESAP). We require our customers to implement the ESAP, and we monitor progress over time.

As part of our commitment of providing top-notch financial products and services to our customers, Beta Health was launched in March 2020 as a low-cost health financing product that offers instant access to health insurance for every Nigerian. Although, the product is not gender-specific. It is expected to empower more women to access health care for themselves and their families for just ₦500 monthly. This product is the first of its kind in Nigeria. We remain committed as a Bank to developing products that provide first class banking services to all classes of people regardless of gender, age or location.

As part of its Orange Ribbon Initiative, the Bank held its 10th annual Autism conference virtually on July 27 and 28, 2020, so that anyone, regardless of where they are in the world can learn from globally renowned medical experts, caregivers and health practitioners about supporting children and adults living with Autism. The event themed "Autism: Focusing on similarities rather than differences" featured keynote presentations, panel discussions and Q&A sessions facilitated by specialists on Autism, such as Dr. Andy Shih, a Senior Vice President at Autism Speaks, Dr. Pamela Dixon, the Director of Clinical Services and Inclusion at Autism Speaks and Dr. Brooke Ingersoll, Associate Professor and Director of the Autism Lab at Michigan State University, USA, among others. The Bank continues to be at the forefront of advocacy for people living with autism.

In response to the COVID-19 pandemic, the Bank granted a 90-day grace period on all Small and Medium Enterprise (SME) loans such as Food Industry, Fashion Industry, and Quick Credit for Business. The decision was arrived at to reduce the effect of the COVID-19 pandemic on SMEs during the lockdown in April 2020. This was extended to 6 months in June 2020. This is because of our awareness that small businesses are the most affected by this pandemic. As such, we are committed to reducing the effect of the pandemic on small businesses.

In recognition of its pivotal role and swift reaction to the Covid-19 pandemic, the Bank was awarded the Euromoney Excellence in Leadership Africa Award in July 2020. The Bank was also awarded the Nigeria's Best Bank for the tenth time by Euromoney, for the timely address of the impact of the pandemic on its customers and communities. For its forward thinking approach to financial services and customer engagement, the Bank was recently ranked Africa's Most Admired Finance Brand in the 10th anniversary rankings of Brand Africa 100. By this, the Bank is ranked top 100 admired brands in Africa.

The number of our agent banking locations is 60, this is the same from the last reporting period. Through these agent banking locations, we received deposits of about N3.6 Billion in the year 2020. From our partnership with CBN SANEF Initiative, we opened 122,380 new accounts in the year 2020.

The bank is consistently increasing the list of activities that our USSD code, *737# can be used for. With the dial of *737*0# an account can be easily opened and transaction made

immediately. Our USSD code makes banking easier, especially for our customers in remote locations using their mobile phones. Through our Habari platform, our customers can shop for diverse products online, pay bills, watch video, listen to music, among others. We continue to improve the platform to meet and support the lifestyles of everyone.

Community

At GTBank, we put Corporate Social Responsibility (CSR) at the heart of our strategic business objective. We are committed to enriching the lives of the people in the communities we operate in. Of importance to the company's core value is a quest to seek the collective good in our communities of operation. We are always happy to promote best practices even in remote areas and promote community growth on a sustainable basis. Our CSR strategy stand on four pillars namely community development, education, environment and Arts.

In terms of community development, the Bank donated 110-bed isolation centre to the Lagos State Government as part of our response to COVID-19 pandemic to cater for people who may be infected and prevent community spread of the virus. This is in partnership with the African Finance Corporation (AFC) who agreed to pay 50% of the amount spent by the Bank. The centre was fully equipped with all the necessary equipment, including respirators and personnel to treat and care for those that may become affected.

In terms of promoting education, we organized reading event involving 200 students to promote reading culture, took advantage of the Financial Literacy Day on March 27 to sensitize people on savings, amongst others.

In terms of Arts promotion, our free online Art Gallery continue to provide enormous benefits especially in promoting and showcasing the work of artists in Africa. A summary of other CSR projects facilitated by the Bank in the 2020 are listed below:

Area of Focus	Project Description	Beneficiaries
Arts	**Art 635 Virtual Reality Exhibition** – A virtual experience and exhibition of artworks enlisted on Art 635	1,269 artworks exhibited on the virtual reality space
	Art635 Inspire Digital Auction - The Art635 Inspire project is open to artworks from budding and seasoned artists as well as talented creatives who are trying out for the first time.	19 artists, 31 artworks exhibited.
	Art Gallery – A free online Art Gallery created to support the arts in Africa.	Artwork added – Over 1358
Education	**GTcrea8 Scholarship** - GTBank Donates a monetary sum of ₦150,000.00 to 72 different students as a scholarship contribution every year.	72 Undergraduates
	Book N Guage/ Farafina Reads - A monthly Book reading event promoting the reading culture.	200 participants
	GTBank Adopt-a-school project – The GTBank Adopt-a-school project is a child focused programme introduced by the bank in 2004, to improve the quality of public education available to the Nigerian child.	Over 200 participants
	Support for Children with disabilities - A Secondary school initiative that seeks to change the mind-set of inclusion of children living with disabilities into main stream schools.	200 participants
Healthcare	**Isolation Centre** – The Bank in joint partnership with AFC built 110 bed isolation centre as part of her response to COVID-19 pandemic.	Lagos State Government and COVID-19 infected people
	Support for Sickle cell patients - A staff initiative that supports people living with sickle cell	10 people with sickle cell received free health care.
	10th Annual Autism Conference – An initiative dedicated to advocate for children living with ASD, to stop stigmatization and support parents and care givers aWlike.	9,270 registrations, 1,619 participants on zoom, 7,621 participants on YouTube, 23 countries.
	Massey Children's Hospital Yuletide Support - support for children on admission at the Massey Children Hospital	Over 200 Children
Sports/Youth Development	**GTBank Masters Cup** - An annual football tournament for private secondary schools in Lagos State. The bank spent N25,158,640.88 in organizing and hosting the football competition.	1155 players, 34 schools

Environment

As a sustainable bank, we continue to track our Green House Gas (GHG) emission through monitoring of our electricity, fuel, water, solid waste and paper usage. We report our carbon footprint or GHG to the Central Bank of Nigeria through our Nigerian Sustainable Banking Principles (NSBP) report. The tracking of our GHG emission has assisted us to develop strategies to minimize our GHG. We consciously reduce our business travels through the use of Zoom and Microsoft Team for meetings, timely shut down of our branches to reduce electricity or fuel usage, development of electronic approval process for memo to reduce paper usage, among others. In this era of COVID-19 pandemic, we have been able to drastically reduce our Green House emission through the cut down of business travels by 100%, reduction in the number of branches open for business, enhancement of our e-channels for the use of our customers, the Work From Home (WFH) initiatives for staff, among others, as part of our strategies to promote the Health and Safety in our workplace and achieve business sustainability.

The total litres of diesel consumed decreased by 3,258,874.48 Litres between December 2019 to December 2020. The decrease over both reporting periods was as a result of timely shut down of our branches by 6:00 pm and the adoption of energy efficiency practices such as switching off of all unused electrical appliances. To reduce the exposure of our business offices to Covid-19 and safeguard the health and safety of all staff, the bank has implemented weekly rotation of the opening of our branches, we have also implemented work from home strategy and we continue to encourage our customers to migrate to the use of our alternative delivery channels. As such, we have been able to minimize the usage of Fossil Fuels.

The Diesel usage per staff reduced over the corresponding period due to the significant reduction in the total litres of diesel consumed over the period. There was also a reduction in carbon footprint per employee from 0.86 to 0.67 tonnes per employee. Paper consumption bank wide decreased by 35% from 2019 to 2020. This is attributed to the use of electronic means of transmitting information i.e emails, Microsoft Team, Zoom, among others, as a way of promoting Health and Safety in the workplace in response to COVID-19.

The waste generated in the reporting period decreased by 33.4%. The litres of fuel consumed by our fleet cars and the total water consumption reduced by 46.9% and 70.3% respectively. These was mainly associated to our Work from Home strategy and the weekly rotation of the opening of our branches.

The total number of our branches/business offices powered by alternative sources of energy (solar energy) has increased by 6 (From 42 in 2019 to 48 in 2020). The Bank presently has 6 Main Branches, 6 e-branches and 36 offsite locations which are 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. The number of our ATMs powered by alternative sources of energy (solar energy) also increased from 84 in 2019 to 92 in 2020. There were no negative environmental and social impacts issues reported on any of our branches or projects financed in 2020.

Workplace

At GTBank, our workforce remains our most valuable asset in meeting our vision of becoming the leading customer-centric global bank. As such, the health and safety of all our employees, customers, vendors and other stakeholders are of utmost priority to us. Our strategic policy is to continue to make our workplace conducive for all. In short, we continue to strive to create a safer and healthier working environment.

In 2020, the bank E&S Team trained thirty-two (32) account officers/relationship management team on Environmental and Social Risk Management (ESRM) in our Credit School. The E&S team trained the Risk Management team of GTBank Liberia team on Environment and Social Risk Management and they also conducted a training on "CSR and Sustainability Reporting" for 28 members of Corporate Affairs Team. We periodically publish on our intranet E&S Learning Case Studies covering critical E&S issues. Our E&S team and 42 members of staff participated in the webinar session titled "Enhanced Sustainable Banking (ESB) model in the Event of Major Economic and Business Disruptions" organized by Chartered Institute of Bankers of Nigeria (CIBN) in May 2020. 206 employees in the year also participated in the IFC "Sustainability Training and E-learning Programme", successful participants received certificates after the online course. The bank E&S team participated in the quarterly meeting for the Nigerian Sustainable Banking Principles (NSBPs) champions also called sustainability champions.

For our entire staff, we provided training on subject matters ranging from Cyber security, Corporate Governance, Customer Relationship Management, Compliance, Environmental and Social Risk Management, Leadership and Management, First

Aid, CPR and Emergency Care Responses; among others. In February 2020, we commenced the third season of our Orange League Football Competition. The football competition which was aimed at promoting friendly competition among our various business lines was suspended at the Quarter final stage owing to COVID-19.

The Human Resources Group periodically releases 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. This is done weekly. In order to promote the Health and Safety of workers during this COVID-19 era, Operational Risk Management (ORM) Group in conjunction with the HR Group published several awareness slides on Health and Safety in this COVID-19 pandemic.

In line with the Bank's commitment to promote gender equality and empower women, the ratio of women in the employment of the Bank and in senior management position is currently 45% and 37% respectively. In 2020, we maintained the number of women on our Board of Directors (BOD) at 4 (31%), same number as December 2019. Furthermore, to celebrate International Women's Day in March 2020, we provided our female employees a special treatment and organized a seminar to enhance their career growth and development.

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

The bank as a signatory to the CBN's Nigerian Sustainable Banking Principles (NSBP) aligns with relevant international standards. Our business activities and operations are in line with the provisions of the nine (9) principles of NSBP. The table below highlights some of our key achievements in the implementation of CBN's NSBP in the year 2020:

NSBP PRINCIPLES	DEFINITION	PROGRESS UPDATE
Principle 1	**Our Business Activities: Environmental & Social Risk Management.** Integration of environmental and social consideration into our lending activities.	• All our transactions (895) were screened for E&S risk in the period under review. • To date, we have visited/conducted desktop Due Diligence Assessments for 122 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 were able to reduce our carbon footprint during the period under review based on the various initiatives introduced and the strict adherence to the guideline of the presidential taskforce on COVID-19. • We presently have 48 branches powered by alternative power source (ATMs & communication equipment). This has increased the number of our ATMs powered by hybrid energy (blend of solar and conventional power sources) to 92.
Principle 3	**Human Rights:** Respect for the rights of all in Business Operations.	• All 895 transactions booked were assessed for human rights risks such as child labour and forced labour. Assessment comprises of initial screening with the Exclusion Checklist for all customers and Further Due Diligence Assessment for High Risk customers.
Principle 4	**Women's Economic Empowerment:** promote economic empowerment through a gender inclusive workplace culture and provide products and services for women.	• There was a decrease in the number of female employees in the work force (78 female). • The number of women on our board remain the same (4 women). • The bank developed new product called "Beta Health". Although, it is not gender-specific, however, it is expected to provide healthcare access to more females with the payment of ₦500 monthly

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.	• The number of our branches that can easily be accessed by physically challenged increased from 118 to 124 from December 2019 to December 2020. All new branches are provided with ramps for easy access. • Through our agent banking locations, we received deposits of ₦3.6 Billion. • We also partnered with CBN SANEF Initiative. We were able to open 122,380 new accounts in 2020.
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 do monthly and quarterly reports to our management and board on our E&S journey
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 E&S team trained 32 account officers/relationship management team on Environmental and Social Risk Management (ESRM) in Credit School • We also trained 28 members of our Corporate Affairs Team on "CSR and Corporate Social Responsibility". • We published on the intranet E&S Learning Case Studies on critical E&S issues. • 206 employees participated in the IFC "Sustainability Training and E-learning Programme".
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.	• We participated in a Webinar session on "Enhanced Sustainable Banking (ESB) model in the event of major economic and business disruptions" organized by Chartered Institute of Bankers of Nigeria (CIBN). • The 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 also dedicated a chapter on the Bank's sustainability journey in the financials. • We also provide periodic updates to our investors such as IFC on the integration of ESRM in the Bank's framework. • Report on our sustainability journey and Social Key Performance Indicators (KPI) also shared with the Board of Directors on a quarterly basis

The United Nations Sustainable Development Goals (SDGs)

At GTBank, we continue to support the government efforts at achieving Sustainable Development Goals (SDGs) through our lending to the critical sectors, our CSR and product development initiatives. The 17 SDGs represent an ambitious agenda to achieve a sustainable future by 2030. The Bank is directly and indirectly achieving all the 17 interrelated goals, yet we feel our business directly impacts the 8 highlighted goals below:

SDG 1- End poverty in all its forms everywhere

- We continue to contribute to poverty reduction through regular payment of taxes to government, introduction of accessible credits for low-income people such as Quick credit, Fashion Credit, Food Credit, among others. Giving back to the society through our various CSR initiatives such as provision of scholarship to indigent students, among others.

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

- We continue to eradicate hunger through strategic allocation of capital and lending to customers in the agribusiness such as Great Northern, CHI Farms, Life Care Ventures, Olam, Presco 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. The food credit is provided at single digit interest rate.

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

- We continue to promote healthy living through our various health initiatives such as donations to patients with sickle cells and women living with HIV, support for children with Autism, among others. As part of our quest to promote good health and make healthcare accessible to all, we introduced Beta Health in March 2020 to provide cheap and affordable access to healthcare for all with the payment of N500 (Five Hundred Naira) monthly.

Those who subscribed to Beta Health can walk into over 1,000 hospitals nationwide and get attended to for select medical cases, at no out-of-pocket cost. There are, on average, at least 5 healthcare centres in every local government area under the Beta Health coverage, and the plan also allows for subscription on behalf of a third-party; such as relatives, domestic staff, contract workers and employees of small businesses. This offers an efficient solution for access to basic healthcare services for everyone in Nigeria regardless of their status, age or geographical location.

We also provided 110-bed isolation centre at Onikan Stadium in partnership with African Finance Corporation (AFC) and the Lagos State Government. This is part of our response to curbing the spread of COVID-19 pandemic by ensuring that infected people are well treated to save their lives and prevent community spread.

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

- We continue to promote education through our investment and lending to schools. Education is at the heart of our CSR, based on our awareness that education has multiplier effects in terms of reducing poverty, improving health and contributing to economic growth. We also promote education through our various initiatives such as adopt a school programme, donation of reading materials to schools, renovation of schools, Mobile Library, GTcr8 Scholarship, Masters Cup for Secondary schools, among others. We also have School Fees Advance, which is a credit product to ensure our customers are able to conveniently pay the school fees of their wards with ease.

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

- At GTBank, we continue to promote sustainable economic growth and decent work through our lending to businesses especially to meet their working capital requirements. Through this, we are able to indirectly provide jobs 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. In view of the hardship created by the COVID-19 Pandemic, we provided moratorium and interest reduction for SME loans.

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 sensitive and respond to the needs of low-income users, women and other marginalized groups (including persons with disabilities, indigenous persons, racial and ethnic minorities and older persons).

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

At GTBank, we are aware of the impact of climate change on our business activities and operations. As such, we conduct 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

- As part of our quest to promote the UN SDGs, 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), Global Reporting Initiatives (GRI), Nigerian Sustainable Banking Principles Champions, Central Bank of Nigeria (CBN), International Finance Corporation (IFC), African Development Bank (AfDB), Development Bank of Nigeria (DBN), among others.

Summary of our ESG Materiality

At GTBank, the development of innovative approach to meet the needs of all our stakeholders is of critical importance to us. We continue to conduct stakeholders' analysis and develop strategies to meet the expectations of our stakeholders. Our material ESG issues are summarized below:

- **Access and affordability:** At GTBank, we continue to increase access to our services and create affordable services.

In 2020, we have been able to improve the features of our USSD, *737#, Mobile Banking and our other Alternative Delivery Channels to allow for easy opening of accounts, we introduced Beta Health to make healthcare cheap and affordable to everyone, enhance the experience of customers on our Habari platform, among others.

- **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 are aware of the importance of conducting due diligence on our products and services. We have fully integrated environmental and social considerations into all our business activities and operations.

- **Business ethics:** At GTBank, we have a strong business ethics and promote our core values to our employees through our Code of Professional Conduct; our Ethics Policy as well as Communications Policy, which help to regulate employee relations with internal and external parties.

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

COMPLAINTS AND FEEDBACK

Introduction

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

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

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

The Feedback Channels/ Customer Touch points

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

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

Customers' opinion on products, services and processes

The Bank constantly evaluates valuable insights provided by customers and other stakeholders on our products, services and policies in order to improve the business, products and overall customer experience.

The review and evaluation is conducted using various methods including:

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

Complaints Handling and Resolution Structure

The Bank is committed to effective complaint handling and values feedback through complaints if and when they arise. The complaints and feedback structure ensures the prompt resolution of customers' complaints. The Complaints Unit of the Bank is charged with the responsibility for receipt, prompt investigation and 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 endeavour to align our procedures with regulatory requirements and international best practice in a bid to ensure that the complaint handling process is fair and reasonable.

REPORTS TO THE CBN ON CUSTOMER COMPALINTS

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

Below is a breakdown of Complaints received and resolved by the Bank between January and December 2020 pursuant to CBN circular dated August 16, 2011.

	Description	Number		Amount Claimed (₦'000)		Amount Refunded (₦'000)	
		2020	2019	2020	2019	2020	2019
1	Pending Complaints brought forward from prior year	53	87	328,758	329,014	-	-
2	Received Complaints	32,193	49,553	530,674	173,026	-	-
3	Resolved Complaints	32,194	49,587	565,521	173,282	105,000	282,014
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved Complaints pending with the Bank carried forward *	52	53	293,911	328,758	-	-

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

The table below show Complaints received and resolved by the Bank in other currencies for the year ended December 2020 and December 2019 respectively.

RECEIVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed	
		2020	**2019**
1	United States Dollars	$61,269	$44,476
2	Great Britain Pounds	£19,399	£570
3	Euros	€ 5,594	€6,359

RESOLVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed		Amount Refunded	
		2020	**2019**	**2020**	**2019**
1	United States Dollars	$61,269	$44,476	$16,493	$13,109
2	Great Britain Pounds	£19,399	£570	£5,034	£0
3	Euros	€ 5,594	€6,359	€ 5,000	€4,265

UNRESOLVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed	
		2020	**2019**
1	United States Dollars	$34	$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-2020	Dec-2019
Number of Fraud Incidents	17,310	15,461
Amount Involved (₦'000)	1,357,904.52	1,535,564.23
Amount Involved (USD$'000)	298.24	139.17
Actual/Expected Loss (₦'000)	174,402.48	107,445.50
Actual/Expected Loss (USD$'000)	0.00	0.91

AML/CFT FRAMEWORK

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

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

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

Structure of the framework

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

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

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

Scope of the framework

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

(i) Board and Management responsibilities:

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

(ii) Reports to Senior Management and the Board:

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

(iii) Know Your Customer (KYC) procedures:

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

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

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

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

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

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

(iv) Transaction Monitoring:

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

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

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

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

(v) Transaction Reporting:

Regulatory and statutory requirements stipulate that certain reports and returns are made to regulatory bodies. The Nigerian Financial Intelligence Unit (NFIU) is the agency charged with the responsibility in Nigeria of receiving these transaction reports.

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

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

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

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

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

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

(vi) Relationship with Regulators and Law Enforcement Agencies:

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

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

(vii) Sanctions Compliance Management:

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

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

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

(viii) Politically Exposed Persons (PEPs)

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

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

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

(ix) AML/CFT principles for Correspondent Banking:

The Bank only on-boards and maintains correspondent banking relationships with financial institutions that have implemented adequate AML/CFT policies and procedures. The Bank does not enter into any form of relationships with shell banks nor maintain any payable through accounts. The Bank ensures that due diligence, 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 and mitigated.

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

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

(xiii) AML/CFT Training:

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

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

(xiv) AML/CFT Audits:

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

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

(xv) Record Retention:

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

(xvi) Data Protection:

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

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

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

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

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

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

Control Environment

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

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

Risk Assessment

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

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

Periodic Independent Assessment of the Internal Audit Function

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

Control Activities

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

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

Top Management Reviews

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

Activity Control

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

Physical Controls

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

Compliance with Limits

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

Approval and Authorisation Limits

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

Verifications and Reconciliations

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

Whistle Blowing

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

Information and Communication/ Monitoring

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

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

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

CHAIRMAN'S STATEMENT

MRS. OSARETIN DEMUREN

THRIVING THROUGH TRYING TIMES

Our organization will always be measured by how we enrich lives, and in these times when it matters most , I am proud of how we lived up to our values by being there for our people, our customers and the communities in which we operate.

CHAIRMAN, BOARD OF DIRECTORS
Mrs. Osaretin Demuren

Distinguished Shareholders, Members of the Board of Directors, Ladies and Gentlemen, welcome to the 31st Annual General Meeting of our Bank.

In line with the dictates of my office, I will give an overview of the macroeconomic environment and outline how our Bank is making progress on our strategic objectives.

Any report on the past year will be inevitably dominated by the global coronavirus pandemic, which continues to put extraordinary pressure on all of society: straining public healthcare systems and putting millions of jobs and businesses at risk. Our thoughts and prayers remain with the communities and individuals, including healthcare and frontline workers, most deeply hit by this crisis. I would also like to thank the Management of our Bank for their outstanding leadership during these trying times. Our organization will always be measured by how we enrich lives, and in these times when it matters most, I am proud of how we lived up to our values by being there for our people, our customers and the communities in which we operate.

I am equally proud of the tremendous efforts of our employees who have demonstrated resilience in the face of one of the greatest humanitarian challenges of our lifetime. Their timely adjustment to the changes our organization had to make to stay safe and the resolve they put forth daily to serve our customers, has been exemplary. Ultimately, it is thanks to the sum of our parts — a very talented and motivated workforce, an experienced and committed leadership and the efficacy of our customer-centric business strategy — that we are staying successful in a very challenging environment.

2020 MACRO-ECONOMIC REVIEW

The 2020 Financial Year commenced with bright prospects for the Nigerian Economy, as the impact of the Central Bank's expansionary monetary policy (creation of credit via LDR and interest rate reduction) had begun to permeate the domestic economy. However, the outbreak of the novel Corona Virus (Covid-19) impacted the global economy, as the first two quarters of the year were crippled by lockdown measures and international travel restrictions. Consequently, global supply chains were disrupted, manufacturing activities halted, and service sectors slowed down considerably. This sent shocks to financial markets, resulting in a free fall of equity prices as investors looked for safe-haven asset classes. Correspondingly, crude oil prices declined dramatically, as the pandemic-related restrictions took a devastating toll on the demand for crude products. To abate the effect of the pandemic on economic activities, most countries implemented large scale monetary and fiscal stimulus packages to support individuals and businesses, as very few business sectors were spared from the devastating economic effects of the pandemic.

In the 3rd Quarter of the year, as rapid progress was being made in the development of vaccines and therapeutics, countries relaxed lockdown measures to allow for the pickup of economic activities. With the easing of restrictions on movement of people, the Global Economy began a gradual recovery in the 3rd Quarter of the year and, The IMF, which had estimated a 4.9% contraction of the Global Economy at the peak of the pandemic in June, revised its estimates downwards to 3.5%. The positive expectations resulted in a strong rally in crude and equity prices from their pandemic-induced levels. Accordingly, the Global Equities Market (tracked by the MSCI World Index) returned 13.5% at the end of 2020, although lower than the return of 25.2% recorded in 2019. The average Crude Oil price (Brent) declined to $41.69pbl in 2020 from $64.34pbl in 2019, but an improvement from the $18pbl recorded in April 2020. The pickup in crude prices was precipitated by the decision of OPEC+ to reduce members' production quota by 7.7million barrels per day.

In Nigeria, economic growth was impacted significantly by the decline in crude oil prices and production volumes. This was further exacerbated by the lockdown of the major commercial hubs and the administrative capital of the Country. Like the rest of the world, the Nigerian Government rolled out suites of stimulus packages to support Firms and Households, and ultimately output growth. The Central Bank via its Covid-19 Targeted Credit Facility (TCF) for Households and Small Businesses, disbursed over ₦192billion to 426,016 beneficiaries. The Health Care Support Intervention Fund disbursed ₦72.96billion to 26 pharmaceutical projects and 47 Hospitals & Health Care Services in the Country. Furthermore, a one-year moratorium was granted by the Central Bank of Nigeria on existing Intervention Loans and the interest rate on these loans reduced from 9.00% to 5.00% per annum. In addition to this, the Central Bank of Nigeria provided for a ₦1.1trillion intervention fund to stimulate local manufacturing and boost its Import Substitution program.

Despite these stimulus packages and the pickup in the price of crude, the Nigerian Economy entered a recession by the 3rd quarter of the year, following two consecutive quarterly GDP contractions of 6.10% in Q2-2020 and 3.62% in Q3-2020. Ultimately, the Country exited the recession in the final quarter of 2020, recording a quarterly growth rate of 0.11%. On an annual basis, Real Output contracted by 1.92% in 2020 from a growth of 2.27% in the preceding year. The Oil sector contracted by 8.89% in 2020, compared with a 4.59% growth in 2019. This was as a result of the combination of weak crude oil prices and lower production volumes, as the Country complied with the prescribed OPEC's production quota. Similarly, the Non-Oil sectors contracted by 1.25% in 2020, compared with a growth of 2.06% in 2019. However, the contraction of the Non-Oil sectors was not as steep as that of the oil sector, because the Agricultural, Telecommunication and Financial Institutions sectors moderated the bleak economic situation. Whilst the Telecommunication Sector benefited from the "work from home" policy, Financial Institutions benefitted from increased private sector credit and deposits. Conversely, the sectors that were most sensitive to the imposition of a lockdown (Transportation, Accommodation, Real Estate & Education) contracted at double-digit rates. Furthermore, the Real Sectors of the economy, particularly the Manufacturing and Trade sectors, remained in contraction as a result of depressed consumption, arising from sharp decline in consumer purchasing power as a result of the sharp rise in unemployment rate.

The average rate of inflation increased to 13.21% in 2020 (closing at 15.75%), from 11.39% in 2019. This increase was largely a result of the rise in the price of food, which was fuelled by the incessant farmer-herder conflict, escalating security challenges in many parts of the Country and the incidences of flood in some food producing states. Food inflation was also impacted by supply bottlenecks following the closure of borders, aimed at checking smuggling activities from neighbouring countries. On the other hand, core inflation (which excludes agricultural produce) was driven by the deregulation of the downstream sector of the Oil & Gas Industry, and the attendant rise in the price of Premium Motor Spirit (PMS) and ultimately, transportation cost. Furthermore, the downward adjustment of the Exchange Rate put upward pressure on general price levels as significant proportion of goods and services consumed domestically are imported.

The Exchange Rate came under immense pressure due to dwindling Oil Revenues, the slowdown in Capital Inflows and declining Diaspora Remittances. These factors also impacted the External Reserves, which dropped to $35.3billion at the end of 2020 from $38.5billion at the end of 2019. The Exchange Rate at the Investors' and Exporters' window depreciated to ₦410.25/$ at the end of 2020 from ₦365.70/$ in 2019. The Central Bank prevented the Naira from further fall by continuing its intervention sales in the FX market, with the aim of boosting the liquidity of the FX market. The Apex Bank also stepped up efforts in unifying the multiple exchange rates prevailing in the Nigerian FX market by adjusting the Official Exchange Rate to track other Market-Based Exchange Rates. However, the increased monetary accommodation, via stimulus, forbearances, palliatives and lower interest rates, was counteractive to attaining exchange rate stability as this resulted in increased demand for FX.

Interest rates continued to trend downwards during the year, with yields on treasury bills falling to unprecedented levels. Consequently, Financial Institutions reduced the interest rates on Corporate, SME and Individual loans. Net Domestic Credit grew by 17.6% from ₦36.2trillon in December 2019 to ₦42.6trillion in December 2020. Despite the large credit growth, the Banking System reported a marginal decline in the level of non-performing loans (NPLs), which dropped to 6.01% in December 2020, from 6.1% in December 2019. The moderation in the NPL ratio was due to the forbearance granted by the Central Bank on Specific Facilities, complemented by close monitoring of Loans, through its oversight function, and various incentives to businesses and households, that were aimed at cushioning the impact of the pandemic on the economy.

The fiscal policy was not as accommodative as the monetary policy because the Government was constrained by dwindling revenues, which was reflective of lower oil exports and tax collections, as Income and Profits declined substantially across the board. The revenue shortfall led to a downward revision of the initial ₦8.42trillion revenue projection in the 2020 budget to ₦5.43trillion, however, the planned expenditure was retained at ₦10.51trillion. With the wider fiscal deficit, the IMF disbursed $3.4billion in Emergency Financial Assistance, under the Rapid Financing Instrument, to support the Government's efforts in addressing the severe economic impact of the COVID-19 shock and the sharp fall in oil prices. The Total Public Debt of Nigeria increased to ₦32.2trillion in September 2020 from ₦27.4trillion in December 2019.

Overall, the Nigerian Economy, as with every economy in the world, was significantly impacted by the Covid-19 pandemic, but the extensive use of expansionary monetary and fiscal policies moderated the impact on Nigerians.

PROTECTING OUR PEOPLE

Our employees are the driving force behind our strong response to the pandemic, and in every decision we continue to make, we put their health and well-being first. One of such decisions was instituting a rotational system that allowed for half of our staff to work from home at every given time. For those whose vital roles required them to be on-site, our in-office guidelines ensured that they did so in full observance of all health and safety protocols. Our people stayed connected whilst working apart, thanks to our investments in technology and collaborative tools that facilitated a smooth transition despite the unprecedented circumstances.

Leadership was particularly impressive with balancing the mental wellbeing and wellness of our people with the challenges of adapting to new ways of serving customers. The Bank created several wellness resources for staff, championed mental health awareness, regularly checked in with staff via surveys and leveraged interactive digital tools to drive engagement activities that helped everyone stay active and involved. Our Technology and Operations teams deserve a special mention as they worked tirelessly to create stable, secure and flexible systems that allowed all employees to stay safe and productive regardless of if they were working from home or on-site.

A major source of anxiety globally was job security. We made sure our people did not have to worry about their employment status as the Leadership of the Bank immediately took a decision to do everything possible to guarantee the employment of every staff of the Bank; constantly reassuring staff of its commitment to protecting livelihoods within our organization. Ultimately, maintaining an extremely talented and highly driven workforce has been one of the fundamental strengths of our organization over the years, and keeping them motivated and productive is a major reason we were able to deliver for our customers, communities and shareholders in 2020.

HELPING OUR CUSTOMERS THRIVE

The disruptions caused by the pandemic reinforced why consistency and an innovation mindset is essential to keeping an organization up and running every single day. Thanks to the investments we have consistently made in the automation and digitization of our banking processes over the years, we were able to quickly adapt to the new normal dictated by the pandemic and the measures put in place to curb the spread of the pandemic. Whilst the abrupt and unprecedented lockdowns made it impossible to be there for customers in the ways some were already used to, the wide range of our digital offerings and service channels kept us close to our customers, cushioning any inconvenience that they would have experienced as a result of the measures to curb the outbreak. Our customers were also very adaptable, as our Mobile Banking Apps were downloaded at a faster rate than in preceding years and we saw increased usage across our digital channels. We also had teams working round the clock to optimize other existing self-service solutions, such as our online Help Centre, and create new ones, like GTAssistant, an automated email service that allows customers get instant answers to enquiries about their accounts and our services.

We can only be there for our customers if they, as well as our staff, are safe. For the most part of the year, our branch openings were alternated on a weekly basis, to allow for a backup option to every branch open to serve customers; this way, we were able to consistently serve customers even when we experienced outbreak of the Covid-19 virus in one branch. Customers were kept up to date on the branches open every week, and we followed social distancing and mask measures across all our branches. A growing number of our customers are also taking to our iRequire service that allows customers schedule their branch visits according to their convenience, and this, coupled with the migration of our customers to digital platforms, is helping to reduce footfall in our branches.

Ultimately, I see our Bank doing more for our customers outside of our brick-and-mortar infrastructures. Whether it is allowing customers access all of our products and services from the safety of their homes, helping businesses with the resources to get back on their feet or enabling the right conversations at this pivotal moment for so many families, we will only be able to continue enriching lives if we continue to drive up our digital capabilities.

SUPPORTING OUR COMMUNITIES

Our actions in response to the Covid-19 pandemic, particularly how quickly we stepped in to help vulnerable citizens and communities in distress, will be remembered for years to come. Your Bank contributed more than ₦1.87 billion to support people and communities most at risk during the pandemic, including direct contributions to the Private Sector Coalition against Covid-19, CACOVID, setting up a 110-bed care facility with the Lagos State Government and private institutions, and championing initiatives throughout the year to support the most vulnerable groups. A detailed summary of how we led from the frontlines in combatting the pandemic throughout the year is contained in the CSR section of this annual report.

DELIVERING FOR SHAREHOLDERS

Last year, we scored a new first in the industry, carrying out our 30th Annual General Meeting seamlessly via Livestream. Building on the success of the first, we also held the Court-Ordered Meeting of the holders of the fully paid ordinary shares of GTBank in a similar fashion. Underpinning this innovative approach is the commitment of the board and management of your Bank to delivering the returns that you deserve. So too our planned transition to a Holding Company Structure. Following a decade of birthing innovative ideas and nurturing them into businesses, this transition will enable us unleash the power within, in ways that allow us thrive in spaces banks were excluded, build out the full value of the innovations we have nurtured over the years and deepen, and extend, the value we can create for you, our shareholders.

Across the continent, our African franchise remains strong. In the 2020 financial year, we recorded a 6% growth in our subsidiaries' performance and they, together, contributed 15.3% (₦36.5billion) to the Group's Profit Before Tax (PBT), compared to 14.9% (₦34.5billion) in 2019. Our subsidiaries also continued to demonstrate relevance in their respective countries of operation despite the unprecedented challenges of the coronavirus pandemic on the global economy.

I am excited by the potential of our bold moves, and, powered by the focused leadership of our executive team, hard work and dedication of our talented employees as well as your overwhelming support, I strongly believe that we will create new pathways for Africa's progress and our long-term growth.

2021 MACRO-ECONOMIC OUTLOOK

In 2021, we expect lockdown and other social distancing measures to subside considerably as Countries ramp up the rate of vaccination against COVID-19. We also expect the continuation of monetary accommodation and fiscal stimulus across the world, which propels investment spending and consumption. The IMF projects that the Global Economy will rebound in 2021, with a growth rate of 5.5%.

With regards to the domestic economy, we expect that growth will be supported by the expected increase in Crude Oil Prices and Production Volumes, as global demand expands, and OPEC increases its members' production quota (likely from the second half of the year). Furthermore, we expect that growth will be supported further by the continued expansionary stance of the Monetary and Fiscal authorities. This stance is expected to bolster business investment and discretionary consumer spending and pull the critical Manufacturing and Trade sectors out of contraction. However, the ability of the Central Bank to maintain a liquid and stable FX market as well as keeping inflation in check, will dictate the direction of the performance of these critical sectors of the economy.

We expect a more stable exchange rate, with minimal devaluation, as crude export revenue ramps up, foreign investment flows strengthen, and diaspora remittances increases. This expectation is projected to have a positive impact on inflation, which we expect will trend downwards, given that the land borders have been reopened and the Central Bank is likely to increase interest rates to curb excess liquidity and shore up foreign investments.

Given our expectation of improvements in key macroeconomic indicators, the Bank will position itself to fully take advantage of the opportunities that will be presented in 2021. The Bank will grow its earnings, improve profitability and asset quality and deliver competitive returns to our esteemed shareholders.

Thank you.

Osaretin Demuren
Chairman

MANAGING DIRECTOR'S STATEMENT

SEGUN AGBAJE

MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER

Focusing on what Matters Most

In unprecedented times, great institutions focus on what matters most; in 2020, we sought to live out the full extent of our values; safeguarding lives and livelihoods in our organization, for our customers and across the communities where we operate.

Segun Agbaje
MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Dear Shareholders,

Welcome to the 31st Annual General Meeting of Guaranty Trust Bank Plc. It is always an honour to present your bank's scorecard for the financial year to you, and although this has been a challenging year, I am pleased to report that we stayed the course in our commitment to helping our customers thrive and creating the value that you deserve. Today, you have a strong institution and a resilient franchise that is well positioned to continue to lead the financial services industry well into the future.

2020 was arguably the most challenging year that many people, communities and economies around the world have faced in generations. The global Covid-19 pandemic brought about entirely new realities for many families and businesses at home and abroad, putting millions of lives and livelihoods at risk. In such tough and trying times, great institutions focus on what matters most—being there for people, and I am immensely proud of the vital positive role that the private sector around the world is playing to help individuals and businesses pull through this unprecedented crisis.

I am also proud that GTBank has been at the forefront of safeguarding lives and livelihoods at home. We continue to receive positive and goodwill messages for the role we played at the height of the pandemic; especially for putting together very timely, a 110-bed Isolation Centre, with an intensive care unit, in partnership with the Lagos State Government. As a leading member of the Private Sector Coalition against Covid-19, CACOVID, we are also equipping medical facilities across the country to strengthen our public health sector. Unexpectedly, the renowned Euromoney Magazine created a new award category to spotlight private institutions at the forefront of tackling the pandemic and recognized our organization with the Excellence in Leadership in Africa Award for our efforts. We were also named Nigeria's Best Bank by the Euromoney Magazine for a record tenth time, reflecting our passion for excellence and commitment to adding value to customers' lives.

Whilst no one could have predicted the nature or extent of the challenges we faced in 2020, we were on solid footing operationally and financially going into the year. The strength, scale and liquidity of our balance sheet, coupled with the quality of our past decisions and the efficacy of our digital-first customer-centric strategy gave us the resilience and flexibility to navigate the economic shocks and market volatility that followed. A review of the results shows a resilient performance across all financial indices, reaffirming the Bank's position as one of the best managed financial institutions in Africa. Profit before tax stood at ₦238.1billion, representing a growth of 2.8% over ₦231.7billion recorded in the corresponding year ended December 2019. The Bank's Loan Book grew by 10.7% from ₦1.502trillion in December 2019 to ₦1.663trillion in December 2020, while customers' deposits increased by 38.6% to ₦3.509trillion from ₦2.533trillion in December 2019.

The Bank maintained a well-structured and diversified balance sheet with Total assets and Shareholders' Funds closing at ₦4.945trillion and N814.4Billion respectively. Full Impact Capital Adequacy Ratio (CAR) remained very strong, closing at 21.9%. Overall, asset quality remains stable with NPL ratio improving marginally to 6.4% in December 2020 from 6.5% in December 2019 while the Bank maintained adequate Loan Loss coverage of 128.7% for Lifetime Credit Impaired Loans (NPLs) compared to 126.6% recorded in December 2019. The Bank is proposing a final dividend of ₦2.70k per unit of ordinary share held by shareholders in addition to interim dividend of 30k per unit of ordinary share bringing the total dividend for 2020 financial year to ₦3.00k per unit of ordinary share.

Where our financial performance in 2020 showed the strength and long-term sustainability of our franchise, our actions throughout the year demonstrated the fundamental role we are playing in the lives of our customers and communities. With public health precautions limiting people's ability to move about, we ramped up our digital banking channels so that our retail customers could easily and securely access our services from the safety of their various locations. Our 737 USSD platform and Mobile Banking Applications served, more than ever, as critical tools in this new normal. Not only could our customers access their accounts anywhere, and use our services anytime, our APIs also kept our customers connected to hundreds of third-party service providers, making it possible for customers to keep all essential services running without interruption. At the end of the year, our 737 USSD platform accounted for more than ₦3.8 trillion in transaction volume and was used over 776 million times, whilst our online banking channels processed more than 202 million retail transactions. We were deliberate about keeping our straight-through QuickCredit loan product accessible to retail customers and we deployed over ₦88 billion during the year to salary earners and self-employed retail customers.

Small Businesses are the heartbeat of our communities, and when the pandemic threatened to shut many of them down, we cushioned its effect for our SME customers by granting them a 90-day grace period on repayment of their loans and we further extended the grace period on principal repayments of the loan by another three months to get our customers on a firm path to recovery. As lockdowns persisted and selling online became the only way to generate sales for most businesses, we enabled thousands of small businesses set up online storefronts at no cost through HabariShop, our e-commerce platform. Understanding that despite the universal impact of the pandemic, the needs of small businesses vary widely, we also constantly engage with our SME customers, via one-on-one virtual meetings, to offer expert advice on how to navigate their current realities and grow their businesses.

Providing uninterrupted service to our customers and supporting communities hit hard by the pandemic would have been impossible without the resilience and commitment of our staff in the face of one of the greatest humanitarian challenges of our lifetime. At GTBank, our people are our most valuable asset and throughout the year, keeping them safe was our utmost priority. Early in the year, we instituted a dynamic work regimen that ensured our staff could work productively at home, and under the highest safety standards when in the office. Our branches also operated under a weekly rotational system throughout the year in order to significantly reduce any risk of exposure for our people and the customers we serve. Aware that the uncertainties during the year may leave a toll on the mental wellbeing of our people, we continued to drive virtual engagement activities that helped everyone stay in touch. A series of employee wellbeing surveys also provided valuable insights and is helping us create new programs and resources to support our people through these times and beyond.

Dear Shareholders, I know that many will remember the year 2020 as one filled with unimaginable obstacles. At GTBank, we choose to remember it for how we responded to these challenges and what we did to build for the years ahead. Times of crisis are when the best companies build for the future, and we are focused on taking advantage of the opportunities that play to our competitive strengths. During the Court-Ordered Meeting of the holders of the fully paid ordinary shares of GTBank in December, you ratified our decision to transition into a Holding Company Structure. This will see a new corporate entity, Guaranty Trust Holding Plc, take the place of Guaranty Trust Bank Plc on the London and Nigeria Stock Exchanges in a 1:1 share transfer and serve as the parent company and corporate centre for GTBank Nigeria, all GTBank African subsidiaries and all other new businesses that will be created following the transition.

Our transition into a Holding Company Structure is a necessary step to future-proofing our leadership position, sustainably growing our earnings and achieving our long-term goal of becoming one of the top 5 financial institutions in Africa. It is also a critical part of our response to the seismic shifts in customer expectations and changes in business models.

As a Holding Company, we will compete more effectively with non-banks in the new competitive landscape; pairing our strength in financial services with an aggressive focus on creating value in every aspect of our customer's lives. We will create a new payments business to deliver the innovative solutions that will deepen and extend digital financial services across Africa. We also believe that we are in a better position to drive an Asset Management business and a Pension Fund business, given our strong retail base and digital-first approach to financial services, which we have honed over the past decade. Taken together, our entry into these new growth areas will allow us maximize our potential in a way that banks were restricted from and enhance the value we create as a platform for enriching lives.

As we make these bold plans for the future, we are not oblivious of the many challenges before us. The Covid-19 Pandemic, despite global and local efforts, rages on, and it has exacerbated many pre-existing underlying economic and health challenges. However, as ardent believers in Africa's growth potential, we see light at the end of the tunnel. Our world is increasingly digital, and we see it opening new and exciting opportunities for empowering our people and uplifting our communities. We enter 2021 well-positioned to lead this new world. Our customer relationships and intense focus on delivering innovative financial solutions will enable us to continue to deliver the sustainable growth that you, our shareholders, deserve.

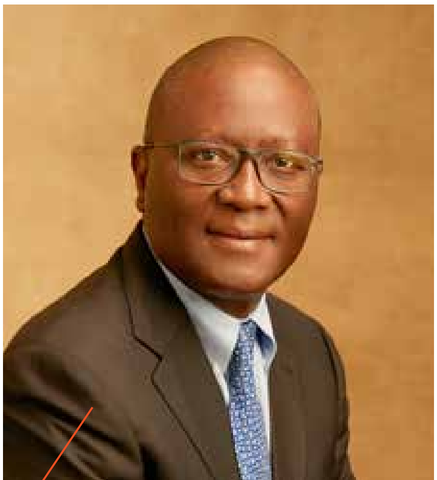
I would like to thank you all for your trust and assure you of our commitment to building a Proudly African and Truly International institution.

Segun Agbaje

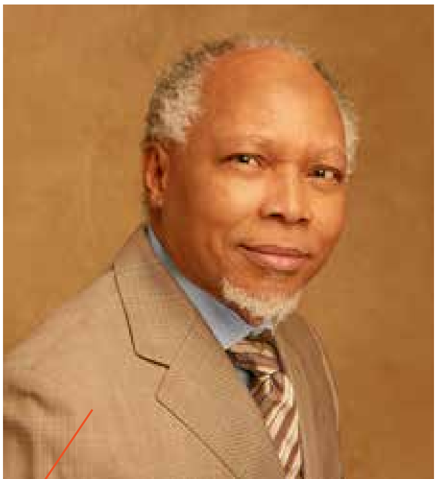
DIRECTORS' REPORT

Mrs. O. A. Demuren
CHAIRMAN, BOARD OF DIRECTORS

Mr. J.K.O. Agbaje
MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER

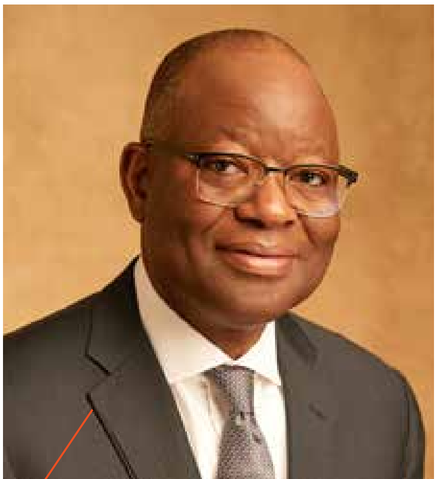


Mr. O.M. Agusto
NON-EXECUTIVE DIRECTOR



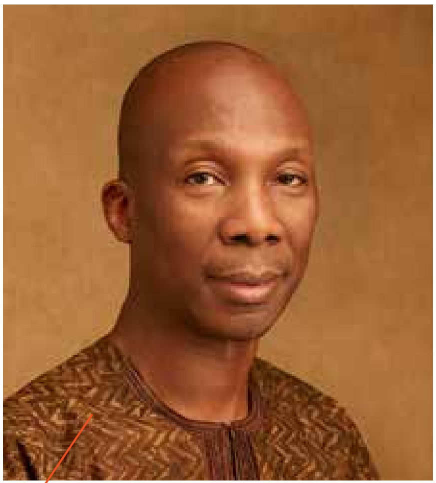
Mr. K.A Adeola
NON-EXECUTIVE DIRECTOR

Mr. I. Hassan
NON-EXECUTIVE DIRECTOR



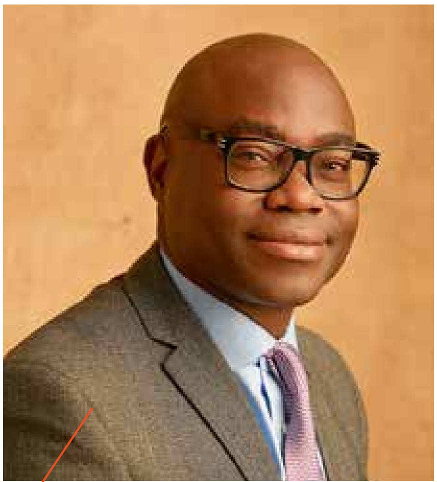
Mr. H.A. Oyinlola
NON-EXECUTIVE DIRECTOR

Ms. I. L. Akpofure
NON-EXECUTIVE
(INDEPENDENT) DIRECTOR



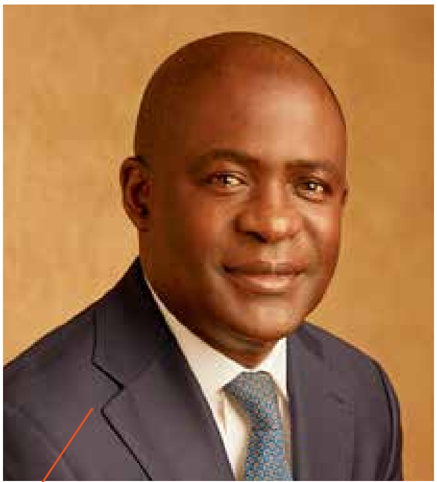
Mr. B. T. Soyoye*
NON-EXECUTIVE
(INDEPENDENT) DIRECTOR
*Retired from the Board of Directors in July 2020

Mrs. V.O. Adefala
NON-EXECUTIVE
(INDEPENDENT) DIRECTOR



Mr. A. A. Odeyemi
EXECUTIVE DIRECTOR

Mr. H. Musa
EXECUTIVE DIRECTOR



Mr. J. M. Lawal
EXECUTIVE DIRECTOR

Mrs. M. C. Olusanya
EXECUTIVE DIRECTOR

Mr. B. G. Okuntola
EXECUTIVE DIRECTOR

Mr. E. E. Obebeduo
COMPANY SECRETARY

For the financial year ended December 31, 2020

The Directors of Guaranty Trust Bank Plc ("the Bank") are pleased to present their report on the affairs of the Bank and its subsidiaries ("the Group"), together with the Group audited financial statements and the auditor's report for the financial year ended December 31, 2020.

Legal form and principal activity

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

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

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

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

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

Operating results

The snapshot of the Group's operating results for the year ended December 31, 2020, are shown below:

	Group Dec-20 ₦'000	**Group Dec-19 ₦'000**	**Parent Dec-20 ₦'000**	**Parent Dec-19 ₦'000**
Gross Earnings	455,229,759	435,306,541	367,058,335	350,926,907
Profit before income tax	238,095,070	231,707,834	205,130,559	200,177,890
Income tax expense	(36,655,130)	(34,842,168)	(26,942,161)	(25,052,609)
Profit for the year from continuing operation	201,439,940	196,865,666	178,188,398	175,125,281
Loss for the year from discontinuing operation	-	(16,385)	-	-
Profit for the year	201,439,940	196,849,281	178,188,398	175,125,281
Profit attributable to:				
Equity holders of the parent entity	199,609,450	195,382,285	178,188,398	175,125,281
Non-controlling interests	1,830,490	1,466,996	-	-
Earnings Per Share (Kobo) - Basic	711	696	605	595
Earnings Per Share (Kobo) - Diluted	711	696	605	595

Dividends

During the 2020 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, 2020. Withholding tax was deducted at the time of payment.

There was no income tax consequence on the Bank as a result of the dividend pay-out, as the Bank 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 ₦2.70k (Two Naira, Seventy Kobo Only) per ordinary share of 50 Kobo (bringing the total dividend for the financial year ended December 31, 2020 to ₦3.00k (2019: ₦2.80K per share). 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 Stock Exchange is noted below:

	Names	Direct Holding December 2020	*Indirect Holding December 2020	Direct Holding December 2019	*Indirect Holding December2019
		Shares of 50k each		Shares of 50k each	
1	Mrs. O. A. Demuren	868,295	-	868,295	-
2	Mr. Olusegun Agbaje	32,146,651	9,481,3501	32,146,651	9,481,3501
3	Mr. Adebayo Adeola	2,681,640	-	2,681,640	-
4	Mr. Ibrahim Hassan	630,838	-	630,838	-
5	Mr. Olabode Agusto	200,000	-	200,000	-
6	Mr. H. A. Oyinlola	-	352,900	-	-
7	Ms. Imoni Akpofure	-	-	-	-
8	Mr. B. T. Soyoye**	-	-	-	-
9	Mrs. V. O. Adefala	160,000	-	160,000	-
10	Mr. Demola Odeyemi	7,661,601	1,688,5501	7,661,601	1,688,5501
11	Mr. Haruna Musa	102,875	12,5001	102,875	12,5001
12	Mr. Bolaji Lawal	137,382	116,4001	137,382	116,4001
13	Mrs. Miriam Olusanya	247,866	234,3501	247,866	234,3501
14	Mr. Babajide Okuntola	-	-	-	-

* Indirect shareholding includes underlying shares of GDRs (Global Depository Receipts)

** Retired from the Board of Directors in July 2020

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

Directors' Remuneration

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

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

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

Changes on the Board

In the course of the financial year ended December 31, 2020, Mr. Babatunde Soyoye, retired from the Board having completed his term as an Independent Non-Executive Director.

Retirement by Rotation

In compliance with the provisions of Article 84(b) of the Articles of Association of the Bank which requires one third of the Directors (excluding Executive Directors) or if their number is not a multiple of three, the number nearest to but not greater than one third, to retire from office at each biennial Annual General Meeting, Mr. Ibrahim Hassan and Mrs. Victoria Osondu Adefala will retire at the 31st Annual General Meeting and both being eligible, offer themselves for re-election.

PROFILE OF RETIRING DIRECTORS

Profile of Mr. Ibrahim Hassan

Mr. Ibrahim Hassan is a phenomenal leader, highly experienced Petroleum Geologist, Economic Analyst, Serial Entrepreneur, Community Leader and a Philanthropist with over 27 years of professional experience in the Oil and Gas industry. Mr. Hassan holds an MSc. Degree in Oil and Gas Enterprise Management from the University of Aberdeen, United Kingdom (UK).

Mr. Hassan is the Founder/Executive Chairman of Summit Energy Limited, a foremost integrated energy contracting Company.

Prior to birthing Summit Energy Limited (an indigenous stakeholder in the Nigerian Oil and Gas Sector) in 2002, he worked as a Senior Operations Geologist undertaking Prospects Evaluation, Basin Analysis and Stratigraphic Studies for the Niger Delta onshore, offshore and the then Frontier Deep-Water Hydrocarbon Exploration Campaign.

Mr. Hassan is also an outstanding and experienced Corporate Governance Practitioner and Boardroom player. He is the Chairman of the Boards of Directors of Axis Petroleum Limited, Pathway Exploration and Production Limited and Rosemount Nigeria Limited.

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

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

Mr. Hassan is a philanthropist, with deep commitment towards youth and community empowerment. He holds the revered title of Sarkin Dawaki of the Mubi Emirate of Adamawa State.

Mr. Hassan joined the Board in April 2010. He is the current Chairman of the Board Human Resources and Nominations Committee and a Member of the Board Audit Committee and Board Credit Committee.

Profile of Mrs. Victoria Osondu Adefala

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

Mrs. Adefala is a seasoned professional with over thirty-three (33) years' work experience in diverse industries including Manufacturing, Finance and Transportation as well as the Legal profession, having worked with the African Chamber of Commerce, Houston, Texas, Michelin Nigeria Limited and Alstom Nigeria.

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

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

Mrs. Adefala joined the Board in September 2017, she is a member of the Board Credit Committee, Board Risk Management Committee and the Board Remuneration Committee.

Shareholding analysis

The analysis of the distribution of the shares of the Bank as at December 31, 2020, is as follows:

Share Range			Number of Shareholders	% of Shareholder	Number of Holdings	% Shareholding
1	-	10,000	252,059	76.9834	749,061,832	2.5451
10,001	-	50,000	56,595	17.2851	1,220,976,942	4.1486
50,001	-	100,000	8,910	2.7213	628,216,254	2.1345
100,001	-	500,000	7,625	2.3288	1,567,017,820	5.3243
500,001	-	1,000,000	967	0.2953	674,154,601	2.2906
1,000,001	-	5,000,000	932	0.2846	1,909,240,205	6.4871
5,000,001	-	10,000,000	125	0.0382	829,128,656	2.8172
10,000,001	-	50,000,000	135	0.0412	3,008,232,125	10.2212
50,000,001	-	100,000,000	33	0.0101	2,399,888,385	8.1542
100,000,001	-	500,000,000	31	0.0095	6,668,550,193	22.6581
500,000,001	-	1,000,000,000	3	0.0009	2,402,412,402	8.1628
1,000,000,001	-	2,000,000,000	4	0.0012	6,003,719,722	20.3992
SUB TOTAL :-			327,419	99.9997	28,060,599,137	95.3431
GTBANK GDR UNDERLYING SHARES			1	0.0003	1,370,580,087	4.66
TOTAL			**327,420**	**100.00**	**29,431,179,224**	**100.0000**

According to the Register of Members as at December 31, 2020, no individual shareholder held more than 5% of the issued share capital of the Bank except for the following:

SHAREHOLDER	NUMBER OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
Stanbic Nominees Nigeria Limited	6,464,323,302	21.96

Stanbic Nominees Nigeria Limited ("Stanbic") held 21.96% of the Bank's shares largely in trading accounts on behalf of various investors. Stanbic does not exercise personal voting rights on the said shares.

Donations and charitable gifts

In order to identify with the aspirations of various sections of the society, the Group donated a total sum of ₦1,870,906,230 (December 31, 2019: ₦505,365,414) as charitable contributions during the year. It comprises contributions to Educational organizations, Art and Cultural organizations amongst others.

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

SECTOR	BENEFICIARY/PROJECT	AMOUNT (₦)
Arts	Art 635 - Virtual Art Auction	20,271,795
Community Development	COVID-19 Support	1,778,011,557
	Orange Ribbon – Support for people living with Autism	8,802,623
	Others	1,118,850
Education	Masters Cup	28,820,410
	Financial Literacy Project	18,779,580
	Adopt-a-School	13,550,400
	You Read Initiative	1,076,015
	Others	475,000
Grand Total		**1,870,906,230**

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, 2020 and profit attributable to equity holders on the date other than as disclosed in the financial statements.

Research and development

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

Gender Analysis

The average number and percentage of males and females employed during the year ended December 31, 2020 vis-a-vis total work-force is as follows:

	Male	Female	Total	Male	Female
	Number			Percentage	
Employees	1,814	1,509	3,323	55%	45%

Gender analysis in average terms of Board and Top Management as at December 31, 2020 is as follows:

	Male	Female	Total	Male	Female
	Number			Percentage	
Board	9	4	13	69%	31%
Top Management (AGM - GM)	32	21	53	60%	40%
Total	**41**	**25**	**66**	**62%**	**38%**

Detailed Gender analysis in average terms of Board and Top Management as at December 31, 2020 is as follows:

	Male	Female	Total	Male	Female
	Number			Percentage	
Assistant General Manager	13	11	24	54%	46%
Deputy General Manager	10	8	18	56%	44%
General Manager	9	2	11	82%	18%
Executive Director	4	1	5	80%	20%
Managing Director	1	0	1	100%	0%
Non-Executive Directors	4	3	7	57%	43%
Total	**41**	**25**	**66**	**62%**	**38%**

HUMAN RESOURCES POLICY

(1) Recruitment

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

(2) Diversity and Inclusion

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

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

(3) Employment of Physically Challenged Persons

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

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

(4) Employee Involvement and Training

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

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

(5) Health, Safety and Welfare of Employees

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

The Bank has in place a number of training programmes, workshops and enlightenment programmes/publications designed to equip staff members with basic health management tips, First Aid, fire prevention and other occupational safety skills.Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

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

BY ORDER OF THE BOARD

Erhi Obebeduo
CompanySecretary
FRC/2017/NBA/00000016024
Plot 635, Akin Adesola Street, Victoria Island, Lagos
February 22, 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

The Directors accept responsibility for the preparation of the financial statements set out from pages 77 – 312 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:

HARUNA MUSA
FRC/2017/CIBN/00000016515
22 February, 2021

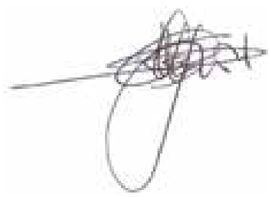
SEGUN AGBAJE
FRC/2013/CIBN/00000001782
22 February, 2021

For the year ended December 31, 2020

To the members of Guaranty Trust Bank Plc

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

- We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act, 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Bank and Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended December 31, 2020, were satisfactory and reinforce the Group's internal control systems.
- We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February, 2004 on "Disclosure of directors' related credits in the financial statements of banks", and hereby confirm that an aggregate amount of ₦67,947,000 (31 December, 2019: ₦155,615,000) was outstanding as at 31 December, 2020. 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 Bank's system of accounting and internal control.



Mrs. Sandra Mbagwu-Fagbemi
Chairman, Audit Committee
February 22, 2021
FRC/2020/002/00000020305

Members of the Audit Committee are:

1. Mrs. Sandra Mbagwu-Fagbemi - Chairman
2. Alhaji M.A. Usman - Shareholder's Representatives
3. Mrs. A. Kuye
4. Mr. Bode Agusto
5. Ibrahim Hassan *
6. Ms. Imoni Akpofure

*Mr. Hassan has stepped down from the Committee in order to comply with the new provisions of the Companies and Allied Matters Act 2020, which requires the Director representatives to be two (2).

CORPORATE RESPONSIBILITY FOR FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

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

Financial Information

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

II. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of and for the period ended 31st December 2020.

Effective Internal Controls

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

II. The effectiveness of the Group's Internal controls have been evaluated within 90 days prior to 31st December 2020.

III. The Group's Internal Controls are effective as at 31st December 2020.

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
BANJI ADENIYI
FRC/2013/ICAN/00000004318
22 February, 2021

GROUP MANAGING DIRECTOR
SEGUN AGBAJE
FRC/2013/CIBN/00000001782
22 February, 2021

Ernst & Young
UBA House, 10th Floor
57 Marina, Lagos

Tel: (234 -1) 4630479, 4630480
Fax: (234 -1) 4630481
E-mail: services@ng.ey.com

Report of External Consultants on the Board Evaluation/Appraisal of Guaranty Trust Bank Plc

We have performed the evaluation of the Board of Guaranty Trust Bank Plc for the year ended 31st December, 2020 in accordance with the guidelines of the Central Bank of Nigeria (CBN) Revised Code of Corporate Governance (CCG) 2014, the FRC Nigerian Code of Corporate Governance 2018 (FRC NCCG 2018), and the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria (SEC CCG 2013).

The Central Bank of Nigeria (CBN) Revised Code of Corporate Governance (CCG) 2014 mandates an annual evaluation of the Board and individual directors of Financial Institutions with specific focus on the Board structure and composition, responsibilities, processes, relationships, individual director's competences and respective roles in the performance of the Board. Subsection 2.8.2 of the code requires each board to "identify and adopt in the light of the company's future strategy, critical success factors or key strategic objectives" while subsection 2.8.3 requires that such evaluation should be conducted by an independent consultant.

Our approach included the review of Guaranty Trust Bank Plc's Corporate Governance framework, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the directors and key personnel of the Company.

The evaluation is limited in nature, and as such may not necessarily disclose all significant matters about the company or reveal irregularities in the underlying information.

On the basis of our work, and as noted below, the Board of Guaranty Trust Bank Plc has complied with the requirements of Section 2.8.3 of the Central Bank of Nigeria (CBN) Revised Code of Corporate Governance (CCG) 2014, the FRC Nigerian Code of Corporate Governance 2018 (FRC NCCG 2018), and the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria (SEC CCG 2013). during the year ended 31st December, 2020.

Specific recommendations for the further improvement of Guaranty Trust Bank Plc's Corporate Governance practices have been articulated and included in our detailed report to the Board.

For: Ernst & Young

Benson Uwheru
Partner, Risk Consulting Services
FRC/2013/CIBN/00000001554

pwc

Independent auditor's report

To the Members of Guaranty Trust Bank Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Guaranty Trust Bank Plc ("the bank") and its subsidiaries (together "the group") as at 31 December 2020, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Guaranty Trust Bank Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers (N80.98billion - Group; N62.92billion - Bank)	We understood and evaluated relevant controls supporting management's estimates.
The impairment of loans and advances to customers is considered to be a key audit matter because of the size of gross loans and advances (N1.74 trillion for the group and N1.47 trillion for the bank) and also because of the high level of significant judgement applied in determining the timing and amount recognised. IFRS 9 expected credit loss (ECL) model requires significant judgement and complex assumptions in determining the impairment allowance of loans and advances. Key areas of judgement include: • Determination of the default definition in accordance with IFRS 9; • Assessment of significant increase in credit risk (SICR); • Incorporation of forward-looking macro-economic information into the ECL parameters and the probability weightings applied to the different scenarios; • Determination of the 12 month and Lifetime probability of default (PD) used in the ECL model; • Determination of the Exposure at Default (EAD) as well as assessing the Credit Conversion Factor (CCF) for off-balance sheet facilities; and • Estimation of the Loss Given Default (LGD). See notes 3(b(j)), 4(f), 6, 11, 29 to the consolidated and separate financial statements. This is considered a key audit matter in the consolidated and separate financial statements	We assessed management's determination of default and criteria applied by management in assessing for significant increase in credit risk. We applied a risk-based testing approach by reviewing related customer files and account statements in order to evaluate management's conclusions on SICR and default. With the assistance of our credit modelling experts, we: • checked historical and forecast macro-economic variables to publicly available sources. We tested the calculation of probability weights and compared to Industry average. • examined the appropriateness of the probability of default (PD) by verifying inputs to the different sources. We also performed independent computations to check the accuracy of the PD outcomes. • checked the reasonableness of LGD assumptions and tested the accuracy of LGD computations. • checked the accuracy of the Exposure at Default (EAD) computation by performing independent computation on a sample of facilities. For the off-balance sheet exposures, we assessed the accuracy of the credit conversion factor applied in the model. We reviewed the IFRS 9 disclosures for reasonableness.

Other information

The directors are responsible for the other information. The other information comprises Corporate governance, Subsidiary governance, Sustainability report, Complaints and feedback, Anti-money laundering and combating terrorist financing framework, Internal control and risk management systems, Directors' report, Statement of Directors' responsibilities, Report of the audit committee, Regulatory requirements under the IFRS regime, Statement of prudential adjustment, Operational risk management, Agents and agents' locations, Activities of cards operations, Value added statements, Five-year financial summary, Share Capitalization and Dividend History and Corporate social responsibility (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Guaranty Trust Bank Plc 2020 Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above 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 that we 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.

When we read the other sections of the Guaranty Trust Bank Plc 2020 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institutions Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 misstatement, 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 judgment and maintain professional scepticism 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.

- 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 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'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 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 those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, 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.

pwc

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. 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 purposes of our audit;

ii) the bank has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) the bank's statement of financial position, the income statements and statement of other comprehensive income for the year then ended are in agreement with the books of account and returns;

iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 46 to the consolidated and separate financial statements; and

v) as disclosed in Note 47 to the consolidated and separate financial statements, the bank paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2020.

Obioma Ubah

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

25 February 2021

Engagement Partner: Obioma Ubah
FRC/2013/ICAN/00000002002

FINANCIALS

Consolidated and separate statements of financial position

As at 31 December 2020

		Group	Group	Parent	Parent
In thousands of Nigerian Naira	**Notes**	**Dec-2020**	**Dec-2019**	**Dec-2020**	**Dec-2019**
Assets					
Cash and bank balances	23	745,557,370	593,551,117	493,209,016	396,915,777
Financial assets at fair value through profit or loss	24	67,535,363	73,486,101	36,226,876	44,717,688
Derivative financial assets	25	26,448,550	26,011,823	26,448,550	26,011,823
Investment securities:					
– Fair value through profit or loss	26	3,273,771	33,084,367	3,273,771	33,084,367
– Fair value through other comprehensive income	26	693,371,711	585,392,248	596,932,440	495,731,932
– Held at amortised cost	26	283,582,832	145,561,232	77,820,332	2,003,583
Assets pledged as collateral	27	62,200,326	58,036,855	61,955,975	57,790,749
Loans and advances to banks	28	99,043	1,513,310	39,749	72,451
Loans and advances to customers	29	1,662,731,699	1,500,572,046	1,410,577,734	1,300,820,647
Restricted deposits and other assets	34	1,226,481,116	577,433,006	1,160,172,271	552,105,755
Investment in subsidiaries	30	-	-	56,903,032	55,814,032
Property and equipment	31	148,782,835	141,774,863	128,689,540	122,633,438
Intangible assets	32	19,872,523	20,245,232	9,294,319	9,546,253
Deferred tax assets	33	4,716,154	2,256,570	-	-
Total assets		**4,944,653,293**	**3,758,918,770**	**4,061,543,605**	**3,097,248,495**
Liabilities					
Deposits from banks	35	101,509,550	107,518,398	12,733	15,200
Deposits from customers	36	3,509,319,237	2,532,540,384	2,881,686,058	2,086,810,070
Financial liabilities at fair value through profit or loss	37	-	1,615,735	-	1,615,735
Derivative financial liabilities	25	2,758,698	2,315,541	2,758,698	2,315,541
Other liabilities	38	356,222,575	233,425,713	321,975,804	205,817,828
Current income tax liabilities	21	21,592,016	20,597,088	19,719,757	19,748,074
Other borrowed funds	40	113,894,768	162,999,909	113,470,753	162,742,565
Deferred tax liabilities	33	24,960,772	10,568,534	19,520,277	12,293,886
Total liabilities		**4,130,257,616**	**3,071,581,302**	**3,359,144,080**	**2,491,358,899**

Consolidated and separate statements of financial position (Continued)

In thousands of Nigerian Naira	Notes	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Capital and reserves	**41**				
Share capital		14,715,590	14,715,590	14,715,590	14,715,590
Share premium		123,471,114	123,471,114	123,471,114	123,471,114
Treasury shares		(6,928,103)	(6,531,749)	-	-
Retained earnings		193,921,810	119,247,653	137,049,475	78,110,906
Other components of equity		473,434,457	422,704,836	427,163,346	389,591,986
Capital and reserves attributable to equity holders of the parent entity		**798,614,868**	**673,607,444**	**702,399,525**	**605,889,596**
Non-controlling interests in equity		15,780,809	13,730,024	-	-
Total equity		**814,395,677**	**687,337,468**	**702,399,525**	**605,889,596**
Total equity and liabilities		**4,944,653,293**	**3,758,918,770**	**4,061,543,605**	**3,097,248,495**

Approved by the Board of Directors on 22 February 2021:

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

Executive Director
Haruna Musa
FRC/2017/CIBN/00000016515

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

The accompanying notes are an integral part of these financial statements

Consolidated and separate income statements

For the year ended 31 December 2020

		Group	Group	Parent	Parent
In thousands of Nigerian Naira	Notes	Dec-2020	Dec-2019	Dec-2020	Dec-2019
Interest income calculated using effective interest rate	9	288,278,670	291,658,237	233,029,563	238,302,860
Interest income on financial assets at fair value through profit or loss	9	12,458,918	4,546,462	10,543,590	2,874,753
Interest expense	10	(47,069,441)	(64,841,597)	(34,640,650)	(51,859,584)
Net interest income		**253,668,147**	**231,363,102**	**208,932,503**	**189,318,029**
Loan impairment charges	11	(19,572,893)	(4,911,666)	(13,667,341)	(2,221,501)
Net interest income after loan impairment charges		**234,095,254**	**226,451,436**	**195,265,162**	**187,096,528**
Fee and commission income	12	53,179,802	62,418,779	33,716,241	44,919,113
Fee and commission expense	13	(6,244,554)	(2,975,272)	(4,973,672)	(1,788,175)
Net fee and commission income		**46,935,248**	**59,443,507**	**28,742,569**	**43,130,938**
Net gains on financial instruments held at fair value through profit or loss	14	24,486,177	20,889,849	13,987,611	9,971,086
Other income	15	76,826,192	55,793,214	75,781,330	54,859,095
Net impairment reversal on other financial assets	16	3,190,517	100,473	3,111,874	362,254
Personnel expenses	17	(37,606,138)	(37,284,204)	(24,054,462)	(23,330,656)
Right-of-use asset amortisation	18	(2,108,645)	(2,114,007)	(819,949)	(921,610)
Depreciation and amortisation	19	(29,046,513)	(22,692,637)	(24,954,796)	(18,640,546)
Other operating expenses	20	(78,677,022)	(68,879,797)	(61,928,780)	(52,349,199)
Profit before income tax		**238,095,070**	**231,707,834**	**205,130,559**	**200,177,890**
Income tax expense	21	(36,655,130)	(34,842,168)	(26,942,161)	(25,052,609)
Profit for the year from continuing operations		201,439,940	196,865,666	178,188,398	175,125,281
Loss for the year from discontinued operations	34(b)	-	(16,385)	-	-
Profit for the year		**201,439,940**	**196,849,281**	**178,188,398**	**175,125,281**
Profit attributable to:					
Equity holders of the parent entity		199,609,450	195,382,285	178,188,398	175,125,281
Non-controlling interests		1,830,490	1,466,996	-	-
		201,439,940	**196,849,281**	**178,188,398**	**175,125,281**

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	22	7.11	6.96	6.05	5.95
– Diluted	22	7.11	6.96	6.05	5.95

The accompanying notes are an integral part of these financial statements

Consolidated and separate statements of other comprehensive income

For the year ended 31 December 2020

		Group	Group	Parent	Parent
In thousands of Nigerian Naira	Notes	Dec-2020	Dec-2019	Dec-2020	Dec-2019
Profit for the year		**201,439,940**	**196,849,281**	**178,188,398**	**175,125,281**
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	54,313	469,023	54,313
		469,023	54,313	469,023	54,313
Remeasurements of post-employment benefit obligations		(1,940,001)	(2,093,871)	(1,940,001)	(2,093,871)
Income tax relating to remeasurements of post-employment benefit obligations		582,000	628,161	582,000	628,161
		(1,358,001)	(1,465,710)	(1,358,001)	(1,465,710)
Other comprehensive income to be reclassified to profit or loss in subsequent years:					
Foreign currency translation differences for foreign operations		12,112,470	(7,322,939)	-	-
Income tax relating to foreign currency translation differences for foreign operations	21	(3,633,741)	2,196,882	-	-
Net change in fair value of other financial assets FVOCI		2,174,306	4,795,881	2,311,161	4,257,580
Income tax relating to change in fair value of other financial assets FVOCI	21	(652,292)	(1,438,764)	(693,348)	(1,277,274)
		10,000,743	(1,768,940)	1,617,813	2,980,306
Other comprehensive income for the year, net of tax		9,111,765	(3,180,337)	728,835	1,568,909
Total comprehensive income for the year		**210,551,705**	**193,668,944**	**178,917,233**	**176,694,190**
Profit attributable to:					
Equity holders of the parent entity		**207,811,082**	**192,301,083**	**178,917,233**	**176,694,190**
– Total comprehensive income for the year from continuing operations		207,811,082	192,317,468	178,917,233	176,694,190
– Total comprehensive loss for the year from discontinued operations		-	(16,385)	-	-
Non-controlling interests		**2,740,623**	**1,367,861**	**-**	**-**
– Total comprehensive income for the year from continuing operations		2,740,623	1,367,861	-	-
Total comprehensive income for the year		**210,551,705**	**193,668,944**	**178,917,233**	**176,694,190**

The accompanying notes are 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	**-**	**-**	**-**	**-**	**-**	**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	-	-	-	-	(396,354)	-	-	-	(396,354)	-	(396,354)
Dividend to equity holders	-	-	-	-	-	-	-	(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**

Consolidated Statement of Changes in Equity

31 December 2019

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 2019	**14,715,590**	**123,471,114**	**4,429,116**	**302,556,994**	**(5,583,635)**	**(1,262,254)**	**18,267,911**	**107,248,944**	**563,843,780**	**12,433,461**	**576,277,241**
Opening Adjustment	-	-	-	-	-	-	-	(653,562)	(653,562)	-	(653,562)
Restated balance as at 1 January 2019	**14,715,590**	**123,471,114**	**4,429,116**	**302,556,994**	**(5,583,635)**	**(1,262,254)**	**18,267,911**	**106,595,382**	**563,190,218**	**12,433,461**	**575,623,679**
Total comprehensive income for the year:											
Profit for the year	-	-	-	-	-	-	-	195,382,285	195,382,285	1,466,996	196,849,281
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	(4,857,461)	-	(4,857,461)	(268,596)	(5,126,057)
Actuarial loss	-	-	-	-	-	-	-	(1,465,710)	(1,465,710)	-	(1,465,710)
Fair value adjustment	-	-	-	-	-	3,241,969	-	-	3,241,969	169,461	3,411,430
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**3,241,969**	**(4,857,461)**	**(1,465,710)**	**(3,081,202)**	**(99,135)**	**(3,180,337)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**3,241,969**	**(4,857,461)**	**193,916,575**	**192,301,083**	**1,367,861**	**193,668,944**
Transactions with equity holders, recorded directly in equity:											
Transfers for the year	-	-	57,999,039	42,329,522	-	-	-	(100,328,561)	-	-	-
(Acquisition)/disposal of own shares	-	-	-	-	(948,114)	-	-	-	(948,114)	-	(948,114)
Dividend to equity holders	-	-	-	-	-	-	-	(80,935,743)	(80,935,743)	(71,298)	(81,007,041)
	-	**-**	**57,999,039**	**42,329,522**	**(948,114)**	**-**	**-**	**(181,264,304)**	**(81,883,857)**	**(71,298)**	**(81,955,155)**
Balance at 31 December 2019	**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**

Statement of Changes in Equity

31 December 2020

Parent

In thousands of Nigerian Naira	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves[1]	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2020	**14,715,590**	**123,471,114**	**62,317,634**	**325,862,375**	**1,411,977**	**78,110,906**	**605,889,596**
Total comprehensive income for the year:							
Profit for the year	-	-	-	-	-	178,188,398	178,188,398
Other comprehensive income, net of tax							
Actuarial loss	-	-	-	-	-	(1,358,001)	(1,358,001)
Fair value adjustment	-	-	-	-	2,086,836	-	2,086,836
Total other comprehensive income	**-**	**-**	**-**	**-**	**2,086,836**	**(1,358,001)**	**728,835**
Total comprehensive income	**-**	**-**	**-**	**-**	**2,086,836**	**176,830,397**	**178,917,233**
Transactions with equity holders, recorded directly in equity:							
Transfers for the year	-	-	-	35,484,524	-	(35,484,524)	-
Dividend to equity holders	-	-	-	-	-	(82,407,304)	(82,407,304)
	-	**-**	**-**	**35,484,524**	**-**	**(117,891,828)**	**(82,407,304)**
Balance at 31 December 2020	**14,715,590**	**123,471,114**	**62,317,634**	**361,346,899**	**3,498,813**	**137,049,475**	**702,399,525**

[1] Please refer to Note 41

Statement of Changes in Equity

31 December 2019

Parent

In thousands of Nigerian Naira	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2019	**14,715,590**	**123,471,114**	**4,361,913**	**291,247,595**	**(1,622,642)**	**78,012,269**	**510,185,839**
Opening Adjustment	-	-	-	-	-	(54,690)	(54,690)
Restated balance as at 1 January 2019	**14,715,590**	**123,471,114**	**4,361,913**	**291,247,595**	**(1,622,642)**	**77,957,579**	**510,131,149**
Total comprehensive income for the year:							
Profit for the year	-	-	-	-	-	175,125,281	175,125,281
Other comprehensive income, net of tax							
Actuarial loss	-	-	-	-	-	(1,465,710)	(1,465,710)
Fair value adjustment	-	-	-	-	3,034,619	-	3,034,619
Total other comprehensive income	**-**	**-**	**-**	**-**	**3,034,619**	**(1,465,710)**	**1,568,909**
Total comprehensive income	**-**	**-**	**-**	**-**	**3,034,619**	**173,659,571**	**176,694,190**
Transactions with equity holders, recorded directly in equity:							
Transfers for the year	-	-	57,955,721	34,614,780	-	(92,570,501)	-
Dividend to equity holders	-	-	-	-	-	(80,935,743)	(80,935,743)
	-	**-**	**57,955,721**	**34,614,780**	**-**	**(173,506,244)**	**(80,935,743)**
Balance at 31 December 2019	**14,715,590**	**123,471,114**	**62,317,634**	**325,862,375**	**1,411,977**	**78,110,906**	**605,889,596**

Consolidated and separate statements of cash flows

For the year ended 31 December 2020

In thousands of Nigerian Naira	Notes	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Cash flows from operating activities					
Profit for the year		201,439,940	196,849,281	178,188,398	175,125,281
Adjustments for:					
Depreciation of property and equipment	19	25,055,895	19,831,807	21,577,828	16,340,414
Amortisation of Intangibles	19	3,990,618	2,860,830	3,376,968	2,300,132
Right-of-use asset amortisation	18	2,108,645	2,114,007	819,949	921,610
Gain on disposal of property and equipment		(26,809)	(112,647)	(2,701)	(82,057)
Gain on repossessed collateral		(804,728)	-	(804,728)	-
Impairment on financial assets		16,382,376	4,811,193	10,555,467	1,859,247
Net interest income		(253,668,147)	(231,363,102)	(208,932,503)	(189,318,029)
Foreign exchange gains	15	(56,636,964)	(17,065,559)	(52,505,524)	(15,229,721)
Fair value changes for assets at FVTPL		(4,574,164)	(3,304,284)	(4,569,089)	(3,304,284)
Dividend income		(162,220)	(246,948)	(3,715,093)	(3,257,195)
Income tax expense	21	36,655,130	34,842,168	26,942,161	25,052,609
Other non-cash items		142,864	(671,670)	142,864	(671,670)
		(30,097,564)	8,545,076	(28,926,003)	9,736,337
Net changes in:					
Financial assets at fair value through profit or loss		12,861,696	(59,142,598)	13,059,901	(32,493,251)
Assets pledged as collateral		(4,152,129)	(1,251,336)	(4,165,226)	(1,499,010)
Loans and advances to banks and placements with banks		(23,869,163)	54,845,300	(25,764,540)	47,897,811
Loans and advances to customers		(39,525,743)	(234,714,918)	(37,318)	(220,908,991)
Restricted deposits and other assets		(661,081,510)	(73,354,682)	(625,431,915)	(62,654,969)
Deposits from banks		(27,553,959)	18,532,417	(2,467)	(720,729)
Deposits from customers		856,221,098	264,392,988	717,567,140	212,967,526
Financial liabilities at fair value through profit or loss		(1,615,735)	(249,684)	(1,615,735)	(249,684)
Other liabilities		124,136,739	92,801,268	118,976,505	83,247,310
		235,421,294	61,858,755	192,586,345	25,586,013
Interest received		277,149,534	293,128,840	219,985,098	238,101,755
Interest paid		(48,425,349)	(65,226,334)	(35,996,558)	(52,244,321)
		228,724,185	227,902,506	183,988,540	185,857,434
		434,047,915	298,306,337	347,648,882	221,179,784
Income tax paid		(27,886,269)	(31,178,390)	(19,855,436)	(23,326,117)
Net cash provided by operating activities		**406,161,646**	**267,127,947**	**327,793,446**	**197,853,667**

Consolidated and separate statements of cash flows

For the year ended 31 December 2020

In thousands of Nigerian Naira	Notes	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Cash flows from investing activities					
Redemption of investment securities		817,456,535	675,242,356	793,335,391	695,568,182
Purchase of investment securities		(1,008,032,903)	(804,052,239)	(937,761,538)	(757,041,339)
Dividends received		162,220	246,948	3,715,093	3,257,195
Purchase of property and equipment	31	(31,247,964)	(64,709,366)	(28,498,535)	(56,010,194)
Proceeds from the sale of property and equipment		24,954	470,129	5,439	124,951
Purchase of intangible assets	32	(3,499,756)	(6,692,435)	(3,125,034)	(6,210,780)
Additional investment in subsidiary	30	-	-	(1,089,000)	-
Net cash used in investing activities		**(225,136,914)**	**(199,494,607)**	**(173,418,184)**	**(120,311,985)**
Cash flows from financing activities					
Repayment of long term borrowings		(61,042,321)	(48,447,620)	(60,752,684)	(47,539,163)
Proceeds from long term borrowings		5,411,015	31,780,731	4,987,000	31,780,731
Purchase of treasury shares		(396,354)	(948,114)	-	-
Dividends paid to owners	42	(82,407,304)	(80,935,743)	(82,407,304)	(80,935,743)
Dividends paid to non-controlling interest	42	(689,838)	(71,298)	-	-
Net cash used in financing activities		**(139,124,802)**	**(98,622,044)**	**(138,172,988)**	**(96,694,175)**
Net increase/(decrease) in cash and cash equivalents		**41,899,930**	**(30,988,704)**	**16,202,274**	**(19,152,493)**
Cash and cash equivalents at beginning of the year		585,156,021	614,963,180	395,077,779	407,468,242
Effect of exchange rate fluctuations on cash held		84,373,468	1,181,545	54,019,158	6,762,030
Cash and cash equivalents at end of the year	**23(b)**	**711,429,419**	**585,156,021**	**465,299,211**	**395,077,779**

The accompanying notes are an integral part of these financial statements

ACCOUNTING POLICIES

NOTE TO THE FINANCIAL STATEMENTS

1. Reporting entity

Guaranty Trust Bank Plc ("the Bank" or "the Parent") is a company incorporated in Nigeria. The address of the Bank's registered office is Plot 635, Akin Adesola Street, Victoria Island, Lagos. These separate and consolidated financial statements, for the year ended 31 December 2020, are prepared for the Parent and the Group (Bank and its subsidiaries, separately referred to as "Group entities") respectively. The Parent and the Group are primarily involved in investment, corporate, commercial and retail banking.

2. Basis of preparation

The consolidated and separate financial statements of the parent and the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB), the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

The Consolidated and Separate Financial Statements were authorized for issue by the directors on 22nd February 2021.

3. (a) Significant Accounting Policies

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

(a) Functional and presentation currency

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

(b) Basis of measurement

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

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

(c) Use of Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Changes to accounting policies

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period.

Standards and interpretations effective during the reporting period

Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2020. 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 3 (Business Combination)

IFRS 3 (Business Combinations) outlines the accounting when an acquirer obtains control of a business (e.g. An acquisition or merger). In October 2018, after the post implementation review of IFRS 3, the IASB issued an amendment to IFRS 3 which became effective for annual periods beginning on or after 1 January 2020. The amendment centers on the definition of a Business.

They include:

- That to be considered a business, an acquired set of activities and assets must include, at minimum, an input and a substantive process that together significantly contribute to the ability to create outputs:
- Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.
- Add guidance and illustrative examples to help entities as-

sess whether a substantive process has been acquired.

- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs: and
- Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

This amendment does not have any impact on the Group.

Amendment to IAS 1 and IAS 8

In October 2018, the IASB issued the definition of 'material'. The amendments which became effective in the annual reporting periods starting from 1 January 2020 are intended to clarify, modify and ensure that the definition of 'material' is consistent across all IFRS. In IAS 1 (Presentation of Financial Statements) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the revised definition of 'material' is quoted below:

"An information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make based on those financial statements, which provide financial information about a specific reporting entity"

The amendments laid emphasis on five (5) ways material information can be obscured. These include:

- If the language regarding a material item, transaction or other event is vague or unclear;
- If information regarding a material item, transaction or other event is scattered in different places in the financial statements;
- If dissimilar items, transactions or other events are inappropriately aggregated;
- If similar items, transactions or other events are inappropriately disaggregated; and
- If material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The Group has taken into consideration the new definition in the preparation of its financial statement.

Amendment to IFRS 7, IFRS 9 and IAS 39

In September 2019, the IASB issued amendments to IFRS 7, IFRS 9 and IAS 39, which represents the completion of the first-phase to address the effects of Interest rate benchmark reform on financial reporting.

The amendments which became effective for annual periods beginning on or after 1 January 2020 provide temporary exemptions which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (RFRs). The reliefs relate to hedge accounting and have the effect that Interbank Offered Rates (IBOR) reform should not cause termination of hedge accounting on qualified financial instruments.

The amendments that are mandatory include a number of reliefs which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The amendments have no impact on the Group.

Amendment to IFRS 16

In May 2020, the IASB issued amendment to IFRS 16 on Leases to address the accounting and reporting issues arising from Covid 19-Related Rent Concessions such as rent holidays, temporary rent reductions and rent waivers granted to Lessees. The amendment applies to annual reporting periods beginning on or after 1 June 2020 with earlier application permitted.

The amendment provide relief to lessee in accounting for rent concessions arising as direct consequence of the Covid-19 pandemic. A lessee that applies the optional practical expedient may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. The Practical expedient will only be applied if the following conditions are met:

- The revised consideration is substantially the same or less than the original consideration.
- The reduction in lease payments relates to payments originally due on or before 30 June 2021.
- There is no substantive changes to other terms and conditions of the lease.

No practical expedient is provided for Lessors. Lessors are required to apply the existing requirements of IFRS 16. This amendment has no impact on the Group.

Standards and interpretations issued/amended but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2020:

Standard	Content	Effective Date
IAS 16	Amendment to IAS 16 Property, Plant and Equipment	1-Jan-22
IAS 37	Amendment to IAS 37 Provisions, Contingent liabilities and Contingent assets	1-Jan-22
IAS 1	Amendment to IAS 1 Presentation of Financial Statements	1-Jan-23
IFRS 17	Insurance Contracts	1-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 prohibit the deduction from the cost to an item of property, plant and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognize the sale proceeds and related production cost of those items in Profit or loss. The amendment is not expected to have any impact on the Group.

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

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

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

IFRS 17 – Insurance Contracts

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

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

Amendment to IAS 1 – Presentation of Financial Statements

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 mant 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.

3. (b) Other Accounting Policies

Other accounting policies that have been applied are:

a. Consolidation

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

(i) Subsidiaries

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

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

Acquisition of subsidiaries

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

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

(ii) Structured entity

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

(iii) Accounting method of consolidation

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

(iv) Transactions eliminated on consolidation

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

(v) Non-controlling interest

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

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

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

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

(iii) Group Entities

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

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

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

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

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

(c) Interest

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

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

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

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

Interest income and expense presented in the Income statement include:

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

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

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

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

(d) Fees and commission

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

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

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

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

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

Net income from other financial instruments at fair value through profit or loss relates to derivatives held for risk management purposes that do not form part of qualifying hedge relationships.

Fair value changes on other derivatives held for risk management purposes, and other financial assets and liabilities carried at fair value through profit or loss, are presented in Other Income – Mark to market gain/(loss) on trading investments in the Income statement.

(g) Dividend income

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

(h) Leases

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

(i) The Group is the lessee

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 Group subsequently measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

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

(ii) The Group is the lessor

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

(I) Income Tax

i Current income tax

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

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

Where the Group has tax losses that can be relieved only by carrying it forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position.

The Group evaluates positions stated in tax returns; ensuring information disclosed are in agreement with the underlying tax liability, which has been adequately provided for in the financial statements. The Group had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets

ii Deferred income tax

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

However, the deferred income tax is not recognised for:

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

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

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

(j) Financial assets and liabilities

i. Recognition

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

ii. Classification and Measurement

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

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

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

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

Business Model Assessment

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

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

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

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

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

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

Cash flow characteristics assessment

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

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

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

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money.

a) Financial assets measured at amortised cost

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

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 Statement of Income. 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 Statement of Income. Dividends received are recorded in other income in the Consolidated Statement of Income. 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 Statement of Income 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 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 Statement of Income 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 assessment 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. More information around rebuttal is presented under Financial Risk Management on page 145.

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:

- 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, plant and equipment at the time the cost is incurred. These costs include costs incurred initially to acquire or construct an item of property, plant 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, Plant and Equipment	Estimated Useful Life
Leasehold improvements and buildings:	
Leasehold improvements	Over the shorter of the useful life of the item or lease term
Buildings	50 years
Leasehold Land	Over the remaining life of the lease
Furniture and equipment:	
Furniture and fittings	5years
Machine and equipment	5years
Computer hardware	3years
Motor vehicles	4years
Aircraft	10years

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

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

iv De-recognition

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

(p) Intangible assets

i Goodwill

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

Subsequent measurement

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

ii Software

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

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

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

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

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

(q) Impairment of Non financial assets

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

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

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

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

(r) Deposits, debt securities issued

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

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

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

(s) Provisions

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

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. The Group recognizes no provision for future operating losses.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(t) Financial guarantees and loan commitments

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

a) The amount of the loss allowance, and

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

Financial guarantees, principally consisting of letters of credit are included within other liabilities.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. The Group recognises a provision in accordance with IAS 37 if the contract was considered to be onerous.

(u) Employee benefits

i Defined contribution plans

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

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

ii Defined benefit plans

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

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

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

iii Termination Benefits

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

iv Short-term employee benefits

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

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

v Share-based payment transactions

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

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

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

(v) Discontinued operations

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

(a) Represents a separate major line of business or geographical area of operations;

(b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) Is a subsidiary acquired exclusively with a view to resale

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

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

(w) Share capital and reserves

i Share issue costs

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

ii Dividend on the Bank's ordinary shares

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

iii Treasury shares

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

(x) Earnings per share

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

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

(y) Segment reporting

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

(z) Levies

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

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

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

(aa) Stocks

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

FINANCIAL RISK MANAGEMENT

(a) Introduction and overview

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

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

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

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

(b) Risk Management Philosophy

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

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

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

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

Risk Appetite

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

Risk Appetite Statement

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

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

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

Risk Tolerance

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

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

The risk tolerance limits are monitored periodically using a dashboard which estimates the status of each risk factor. The result of the dashboard is made available to the Management and

Board of Directors for informed decision(s).

(c) Risk Management Framework

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

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

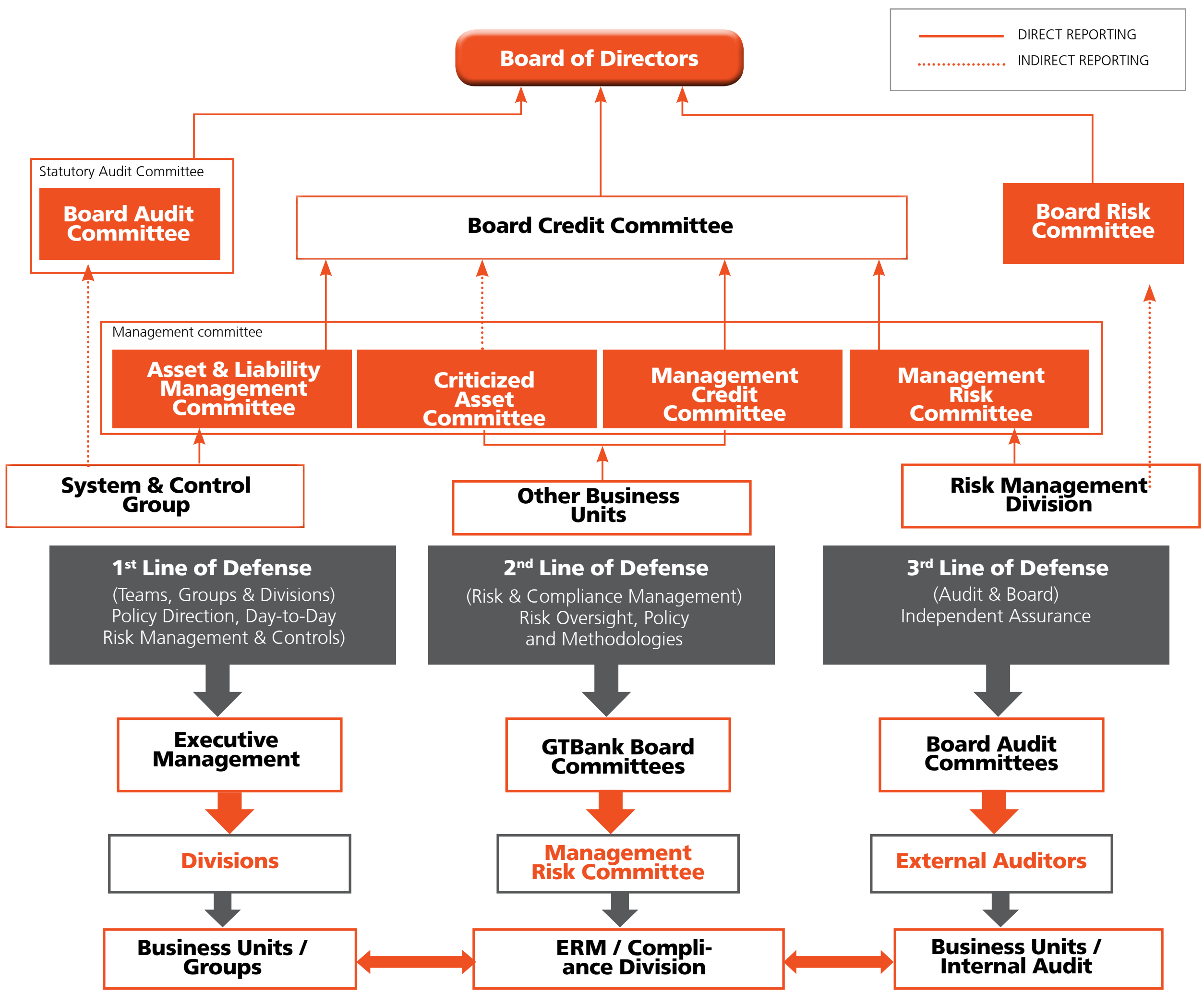
The Board of Directors has overall responsibility for the establishment of the Bank's Risk Management framework and exercises its oversight function over all the Bank's prevalent risks via its various committees; Board Risk Committee, Board Credit Committee, and Board Audit Committee. These committees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

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

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

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

The Risk Governance Structure of the Group



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

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

FIRST LINE OF DEFENSE:

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

SECOND LINE OF DEFENSE:

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

THIRD LINE OF DEFENSE:

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

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

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

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

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

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

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

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

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

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

(d) Risk Management Methodology

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

- ERM Policy
- Credit Policy Guide

- Human Resources Policy Manual
- Quality Manual
- Standard Operating Procedures
- IT Policy

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

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

(e) Risk Management Overview

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

(i) Inherent Risk Groups – Credit, Market, Operational, Liquidity and Information Security.

(ii) Other Risk Areas – Reputational and Strategic Risk

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

(f) Credit risk

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

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

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

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

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

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

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

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

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

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

(i) Management of Credit Risk

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

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

- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit heads. Larger facilities require approval by the Deputy Managing Director, Managing Director, Management Credit Committee, and the Board Credit Committee/ Board of Directors as appropriate.
- Reviewing and assessing credit risk. Management Credit Committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Developing and maintaining the Bank's risk rating in order to categorise exposures according to the degree of risk of financial loss faced and to attention management on the attendant risks. The current risk rating framework consists of ten grades reflecting varying degrees of risk of default with rating "1" as the best and "10" as lost. The risk ratings are subject to regular reviews by Credit Risk Management Group.
- Reviewing compliance of business units with agreed exposure limits. Regular review and reports are provided by the Risk Management Group on the credit quality and appropriate corrective actions are taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.

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

(ii) Credit Risk Measurement

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

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

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

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

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

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

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

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

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

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

1. Probability of Default (PD)

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

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

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

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

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

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

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

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

1. Investments in securities issued by Sovereign
2. Investments in securities issued by State Government
3. Interbank Placements

2. Exposure at Default (EAD)

This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest , and expected drawdown on committed facilities.

EAD measures the utilised exposure at default. For on-balance sheet exposures, the gross value of the exposure is taken into account, and off-balance sheet exposures a credit conversion factor (CCF) is used to estimate future utilisation. The off balance sheet exposures are considered when performing staging and ECL calculations.

The modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms. This expected changes includes:

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

This cash-flow model further reflects movements in the EAD in the months before default. Interest payments receivable on the account as at the reporting date is included in the EAD to reflect an expectation that these interest payments could be missed in the eventuality/occurrence of a default.

The inputs into the EAD model are reviewed to assess their suitability for IFRS 9 and adjusted, where required, to ensure an unbiased, probability-weighted ECL calculation reflecting current expectations and forward-looking information.

3. Loss Given Default (LGD)

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

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

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

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

4. Discount Rate

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

iii Risk Limit Control and Mitigation Policies

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

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

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

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

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

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

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

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

Designation	Limit
Board of Directors	Up to the single obligor limit as advised by the regulatory authorities from time to time but currently put at 20% of shareholders' funds (total equity)
Management Credit Committee	Up to ₦2 Billion
Managing Director	Up to ₦500 Million
Deputy Managing Director	Up to ₦300 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 (e.g netting agreements that do not qualify for off-set in accordance with IAS 32). This disclosure is presented below for the Bank and Group as at 31 December 2020 and 31 December 2019.

Credit risk exposure relating to On-Balance Sheet

In thousands of Nigerian Naira	Maximum exposure Group		Maximum exposure Parent	
Classification	**Dec-2020**	**Dec-2019**	**Dec-2020**	**Dec-2019**
Cash and bank balances:				
- Unrestricted balances with central banks	215,435,972	131,090,460	183,482,104	87,429,812
- Balances held with other banks	267,211,047	212,812,153	111,100,025	87,974,144
- Money market placements	170,512,774	189,374,679	152,854,998	182,861,861
Loans and advances to banks	99,043	1,513,310	39,749	72,451
Loans and advances to customers[1]:				
- Loans to individuals	202,575,279	197,560,417	150,507,037	148,997,894
- Loans to non-individuals	1,460,156,420	1,303,011,629	1,260,070,697	1,151,822,753
Financial assets at fair value through profit or loss:				
- Debt securities	67,535,363	73,486,101	36,226,876	44,717,688
- Derivative financial instruments	26,448,550	26,011,823	26,448,550	26,011,823
Investment securities:				
- Debt securities	975,288,535	759,592,990	673,098,223	526,384,355
Assets pledged as collateral:				
- Debt securities	62,200,326	58,036,855	61,955,975	57,790,749
Restricted deposits and other assets[2]	1,155,845,157	507,475,557	1,103,006,050	497,181,604
Total	**4,603,308,466**	**3,459,965,974**	**3,758,790,284**	**2,811,245,134**
Loans exposure to total exposure	36%	43%	38%	46%
Debt securities exposure to total exposure	24%	26%	21%	22%
Other exposures to total exposure	40%	31%	41%	32%

As shown above, 36% (Parent: 38%) of the total maximum exposures is derived from loans and advances to banks and customers (2019: 43% ; Parent: 46%); while 24% (Parent: 21%) represents exposure to investments in debt securities (2019: 26% ; Parent: 22%). 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 have been excluded.

Credit risk exposure relating to Off-Balance Sheet

In thousands of Nigerian Naira	Maximum exposure Group		Maximum exposure Parent	
	Dec-2020	**Dec-2019**	**Dec-2020**	**Dec-2019**
Financial guarantees	365,827,380	351,764,791	305,107,662	320,056,325
Other contingents	52,995,421	61,576,798	11,130,745	22,753,615
Total	**418,822,801**	**413,341,589**	**316,238,407**	**342,809,940**

Contingencies are disclosed on Note 43

Classification of Maximum Exposure on Loans to Customers by Product

Loans and advances have been classified into Overdraft, Loans and Others throughout the Financials Statement.

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

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

	Group		Parent	
	Dec-2020	**Dec-2019**	**Dec-2020**	**Dec-2019**
Loans to individuals:				
Overdraft	12,454,649	11,854,656	10,887,376	10,683,684
Loans	190,035,965	185,636,521	139,619,661	138,314,210
Others	84,665	69,240	-	-
	202,575,279	**197,560,417**	**150,507,037**	**148,997,894**
Loans to non-individuals:				
Overdraft	122,675,496	94,888,966	64,740,198	51,492,269
Loans	1,328,807,820	1,171,580,625	1,187,862,661	1,064,290,318
Others	8,673,104	36,542,038	7,467,838	36,040,166
	1,460,156,420	**1,303,011,629**	**1,260,070,697**	**1,151,822,753**

Credit quality of Financial Assets

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

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

Unrestricted balances with central banks

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

	Credit quality Group		**Credit quality Parent**	
In thousands of Nigerian Naira	**Dec-2020**	**Dec-2019**	**Dec-2020**	**Dec-2019**
Sovereign Ratings				
Nigeria (B-) S&P	183,482,104	87,429,812	183,482,104	87,429,812
Fitch:				
B+	15,154,337	7,795,597	-	-
B	13,174,571	23,426,424	-	-
unrated	3,624,960	12,438,627	-	-
	215,435,972	**131,090,460**	**183,482,104**	**87,429,812**

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 counter-party default rates.

	Credit quality Group		Credit quality Parent	
In thousands of Nigerian Naira	**Dec-2020**	**Dec-2019**	**Dec-2020**	**Dec-2019**
Counterparties with external credit rating (S&P)				
AAA	-	12,695,167	-	-
AA+	51,149,418	359,155	-	437,412
AA	41,780	36,990,905	41,780	-
AA-	-	5,945,878	-	37,122
A+	144,506,536	84,371,341	90,059,420	70,616,217
A	27,894,635	23,219,149	1,672,871	998,982
A-	11,646,994	25,929,422	-	3,609,757
BBB+	10,051,441	1,047,992	3,372,755	-
BBB	-	7,425,018	-	2,526,391
BBB-	-	8,123,002	-	-
BB+	-	1,369,174	-	928
BB	-	-	-	-
BB-	904,366	-	904,366	-
B+	-	497,366	-	-
B	1,622,212	520,592	-	-
Unrated	19,393,667	4,317,992	15,048,833	9,747,335
	267,211,047	**212,812,153**	**111,100,025**	**87,974,144**

Money Market placements

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

	Credit quality Group		Credit quality Parent	
In thousands of Nigerian Naira	Dec-2020	Dec-2019	Dec-2020	Dec-2019
Counterparties with external credit rating (S&P)				
A-1+	2,204,355	1,825,841	-	1,825,841
A-1	144,817,085	107,225,738	141,442,318	107,225,738
A-	-	1,093,530	-	-
A-2	2,694,373	61,117,517	410,258	61,117,517
A-3	-	-	-	-
BBB+	-	2,167,193	-	-
BB+	-	2,554,517	-	-
B+	343,147	255,157	-	-
B-	-	-	-	-
B	14,378,807	6,953,335	-	-
	164,437,767	**183,192,828**	**141,852,576**	**170,169,096**
Sovereign Ratings				
Nigeria (B-) S&P	2,000,246	2,000,466	2,000,246	2,000,466
	2,000,246	**2,000,466**	**2,000,246**	**2,000,466**
Counterparties without external credit rating				
Unrated	4,074,761	4,181,385	-	-
Foreign Subsidiaries	-	-	9,002,176	10,692,299
	4,074,761	**4,181,385**	**9,002,176**	**10,692,299**
	170,512,774	**189,374,679**	**152,854,998**	**182,861,861**

Financial Assets at Fair value through profit or loss

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

	Group		Parent	
In thousands of Nigerian Naira	Dec-2020	Dec-2019	Dec-2020	Dec-2019
Sovereign Ratings				
Other Sovereign (B) S&P	31,308,487	28,768,413	-	-
Nigeria (B-) S&P	36,226,876	44,717,688	36,226,876	44,717,688
	67,535,363	**73,486,101**	**36,226,876**	**44,717,688**

Investment Securities

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

	Credit quality Group		Credit quality Parent	
In thousands of Nigerian Naira	**Dec-2020**	**Dec-2019**	**Dec-2020**	**Dec-2019**
Sovereign Ratings:				
AA	34,374,681	35,265,886	-	-
B+	55,365,777	56,035,752	-	-
Nigeria (B-) S&P	671,483,063	494,546,406	671,483,063	494,546,406
Other Sovereign Rating (B) S&P	117,369,066	104,830,946	-	-
Counterparties with external credit rating (S&P):				
A-1	-	29,834,367	-	29,834,367
unrated	66,567,422	37,076,051	-	-
Counterparties with external credit rating (Fitch):				
B+	28,513,367	-	-	-
Counterparties with external credit rating (Agusto):				
Aa-	1,615,160	2,003,582	1,615,160	2,003,582
	975,288,535	**759,592,990**	**673,098,223**	**526,384,355**

Of the Parent's Investment Securities of ₦673,098,223,000 (Dec 2019: ₦526,384,355,000) the sum of ₦671,483,063,000 (2019: ₦494,546,406,000) relates to investment in treasury bills and bond issued by the Federal Government of Nigeria and bears the sovereign risk of the Federal Government of Nigeria. The Federal Republic of Nigeria currently has a foreign long term issuer credit rating of B- (S&P).

Assets pledged as collateral

The credit quality of Assets pledged as collateral are assessed by reference to external credit ratings information about counterparty default rates.

	Group		Parent	
In thousands of Nigerian Naira	**Dec-2020**	**Dec-2019**	**Dec-2020**	**Dec-2019**
Sovereign Ratings				
Nigeria (B-) S&P	61,955,975	57,790,749	61,955,975	57,790,749
B+	244,351	246,106	-	-
	62,200,326	**58,036,855**	**61,955,975**	**57,790,749**

Restricted deposits and other assets

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

	Group		Parent	
In thousands of Nigerian Naira	**Dec-2020**	**Dec-2019**	**Dec-2020**	**Dec-2019**
Sovereign Ratings				
Other Sovereign Rating (B+) S&P	52,839,107	10,293,953	-	-
Nigeria (B-) S&P	1,040,256,377	466,389,023	1,040,256,377	466,389,023
Counterparties with external credit rating (S&P)				
A-1	15,442,840	7,481,723	15,442,840	7,481,723
A-1+	34,422	4,016,660	34,422	4,016,660
A-2	1,788,937	2,444,354	1,788,937	2,444,354
B	13,267,221	-	13,267,221	-
Unrated	32,216,253	16,849,844	32,216,253	16,849,844
	1,155,845,157	**507,475,557**	**1,103,006,050**	**497,181,604**

Rating Legend:

External credit rating (S&P)	**External credit rating (S&P)**	**External credit rating (Agusto):**
AA+:Very Strong Capacity to Repay	BB+:Moderate Capacity to Repay	A- : Strong capacity to meet obligations
AA:Very Strong Capacity to Repay	BB: Speculative credit rating	B: Weak Financial condition but obligations are still being met as and when they fall due
AA-:Very Strong Capacity to Repay	B+: Highly Speculative Credit Rating	
A+: Strong Capacity to Repay	B: Highly Speculative Credit Rating	**External credit rating (Fitch)**
A: Strong Capacity to Repay	B-: Highly Speculative Credit Rating	AA-: High grade
A-: Strong Capacity to Repay	C: Speculative Credit Rating	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-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, 13% relates to exposures in United States of America, 86% 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 & advances across geographical region 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#	7,467,838	1,205,266	-	8,673,104
	1,260,070,697	**200,085,723**	**-**	**1,460,156,420**

Others include Usances and Usance Settlement.

Credit risk exposure relating to On-Balance Sheet

Group Dec-2019				
In thousands of Nigerian Naira				
Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Cash and bank balances:				
- Unrestricted balances with central banks	87,429,812	43,660,648	-	131,090,460
- Balances held with other banks	1,027,617	15,708,340	196,076,196	212,812,153
- Money market placements	11,624,524	19,407,447	158,342,708	189,374,679
Loans and advances to banks	72,451	1,224,333	216,526	1,513,310
Loans and advances to customers[1]:				
- Loans to individuals	148,997,894	18,232,653	30,329,870	197,560,417
- Loans to non-individuals	1,151,822,816	151,188,813	-	1,303,011,629
Financial assets at fair value through profit or loss:				
- Debt securities	44,717,688	28,768,413	-	73,486,101
- Derivative financial instruments	26,011,823	-	-	26,011,823
Investment securities:				
- Debt securities	526,384,355	197,943,123	35,265,512	759,592,990
Assets pledged as collateral:				
- Debt securities	57,790,749	246,106	-	58,036,855
Restricted deposits and other assets[2]	477,631,321	17,866,738	11,977,498	507,475,557
	2,533,511,050	**494,246,614**	**432,208,310**	**3,459,965,974**

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-2019				
In thousands of Nigerian Naira	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Financial guarantees	320,056,325	29,174,871	2,533,595	351,764,791
Other contingents	22,753,615	32,506,559	6,316,624	61,576,798
	342,809,940	**61,681,430**	**8,850,219**	**413,341,589**

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-2019** In thousands of Nigerian Naira				
Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Loans to individuals:				
Overdraft	10,683,684	1,152,558	18,414	11,854,656
Loans	138,314,210	17,071,299	30,251,012	185,636,521
Others	-	8,796	60,444	69,240
	148,997,894	**18,232,653**	**30,329,870**	**197,560,417**
Loans to non-individuals:				
Overdraft	51,492,332	43,396,634	-	94,888,966
Loans	1,064,290,318	107,290,307	-	1,171,580,625
Others[1]	36,040,166	501,872	-	36,542,038
	1,151,822,816	**151,188,813**	**-**	**1,303,011,629**

[1] Others include Usances and Usance Settlement.

Credit risk exposure relating to On-Balance Sheet

Parent **Dec-2020**				
In thousands of Nigerian Naira				
Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Cash and bank balances:				
- Unrestricted balances with central banks	183,482,104	-	-	183,482,104
- Balances held with other banks	440,606	904,366	109,755,053	111,100,025
- Money market placements	1,917,102	-	150,937,896	152,854,998
Loans and advances to banks	39,749	-	-	39,749
Loans and advances to customers[1]:				
- Loans to individuals	150,507,037	-	-	150,507,037
- Loans to non-individuals	1,260,070,697	-	-	1,260,070,697
Financial assets at fair value through profit or loss:				
- Debt securities	36,226,876	-	-	36,226,876
- Derivative financial instruments	26,448,550	-	-	26,448,550
Investment securities:				
- Debt securities	673,098,223	-	-	673,098,223
Assets pledged as collateral:				
- Debt securities	61,955,975	-	-	61,955,975
Restricted deposits and other assets[2]	1,068,221,142	13,267,221	21,517,687	1,103,006,050
	3,462,408,061	**14,171,587**	**282,210,636**	**3,758,790,284**

Of the Parent's Credit risk exposure outside Africa relating to On-balance sheet, 22% relates to exposures in United States of America, 77% relates to exposures in United Kingdom and 1% relates to exposures in other countries.

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

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

Credit risk exposure relating to Off-Balance Sheet

Parent				
Dec-2020				
In thousands of Nigerian Naira	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Financial guarantees	305,107,662	-	-	305,107,662
Other contingents	11,130,745	-	-	11,130,745
	316,238,407	**-**	**-**	**316,238,407**

Contingencies are disclosed on Note 43

Classification of Credit Concentration on Loans to Customers by Product

The maximum credit exposure of loans and advances across geographical regions and product lines is shown below

Parent **Dec-2020**				
In thousands of Nigerian Naira				
Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Loans to individuals:				
Overdraft	10,887,376	-	-	10,887,376
Loans	139,619,661	-	-	139,619,661
	150,507,037	**-**	**-**	**150,507,037**
Loans to non-individuals:				
Overdraft	64,740,198	-	-	64,740,198
Loans	1,187,862,661	-	-	1,187,862,661
Others[1]	7,467,838	-	-	7,467,838
	1,260,070,697	**-**	**-**	**1,260,070,697**

[1] Others include Usances and Usance Settlement.

Credit risk exposure relating to On-Balance Sheet

Parent Dec-2019 In thousands of Nigerian Naira				
Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Cash and bank balances:				
- Unrestricted balances with central banks	87,429,812	-	-	87,429,812
- Balances held with other banks	791,158	438,340	86,744,646	87,974,144
- Money market placements	11,624,524	1,825,841	169,411,496	182,861,861
Loans and advances to banks	72,451	-	-	72,451
Loans and advances to customers[1]:				
- Loans to individuals	148,997,894	-	-	148,997,894
- Loans to non-individuals	1,151,822,753	-	-	1,151,822,753
Financial assets at fair value through profit or loss:				
- Debt securities	44,717,688	-	-	44,717,688
- Derivative financial instruments	26,011,823	-	-	26,011,823
Investment securities:				
- Debt securities	526,384,355	-	-	526,384,355
Assets pledged as collateral:				
- Debt securities	57,790,749	-	-	57,790,749
Restricted deposits and other assets[2]	481,264,731	3,939,375	11,977,498	497,181,604
	2,536,907,938	**6,203,556**	**268,133,640**	**2,811,245,134**

Of the Parent's Credit risk exposure outside Africa relating to On-balance sheet, 24% relates to exposures in United States of America, 74% relates to exposures in United Kingdom and 2% relates to exposures in other countries.

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

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

Credit risk exposure relating to Off-Balance Sheet

Credit Risk Exposure relating to off-balance sheet items are as follows:

Parent Dec-2019				
In thousands of Nigerian Naira	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Financial guarantees	320,056,325	-	-	320,056,325
Other contingents	22,753,615	-	-	22,753,615
	342,809,940	**-**	**-**	**342,809,940**

Contingencies are disclosed on Note 43

Classification of Credit Concentration on Loans to Customers by Product

The maximum credit exposure of loans and advances across geographical regions and product lines is shown below

Parent Dec-2019 In thousands of Nigerian Naira				
Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Loans to individuals:				
Overdraft	10,683,684	-	-	10,683,684
Loans	138,314,210	-	-	138,314,210
	148,997,894	**-**	**-**	**148,997,894**
Loans to non-individuals:				
Overdraft	51,492,269	-	-	51,492,269
Loans	1,064,290,318	-	-	1,064,290,318
Others[1]	36,040,166	-	-	36,040,166
	1,151,822,753	**-**	**-**	**1,151,822,753**

[1] Others include Usances and Usance Settlement.

(ii) Industry sectors

The following table breaks down the Group's credit exposure at gross amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Group's counterparties.

Credit Risk Exposure to on-balance sheet items

Group
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.

Credit Risk Exposure to on-balance sheet items

Group
Dec-2019

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	-	-	-	-	-	131,090,460	-	-	-	-	-	131,090,460
- Balances held with other banks	-	212,812,153	-	-	-	-	-	-	-	-	-	212,812,153
- Money market placements	-	187,374,213	-	-	-	2,000,466	-	-	-	-	-	189,374,679
Loans and advances to banks	-	1,513,310	-	-	-	-	-	-	-	-	-	1,513,310
Loans and advances to customers[3]:												
- Loans to individuals	-	-	-	-	-	-	-	-	-	197,560,417	-	197,560,417
- Loans to non-individuals	19,591,230	47,847,203	36,345,826	8,284,634	87,044,319	72,077,669	280,022,708	606,738,500	79,144,496	-	65,915,044	1,303,011,629
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	73,486,101	-	-	-	-	-	73,486,101
- Derivative financial instruments	-	25,759,520	-	-	5,021	-	110,802	-	136,480	-	-	26,011,823
Investment securities:												
- Debt securities	-	29,834,367	-	-	-	729,758,623	-	-	-	-	-	759,592,990
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	58,036,855	-	-	-	-	-	58,036,855
Restricted deposits and other assets[4]	-	-	-	-	-	466,404,945	-	-	-	-	41,070,612	507,475,557
	19,591,230	**505,140,766**	**36,345,826**	**8,284,634**	**87,049,340**	**1,532,855,119**	**280,133,510**	**606,738,500**	**79,280,976**	**197,560,417**	**106,985,656**	**3,459,965,974**

[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-2019

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	410	9,947,806	237,879,119	-	17,597,120	10,431	14,365,314	49,223,615	3,570,489	1,967,054	17,203,433	351,764,791
Other contingents	29,890	14,548,101	109,122	-	8,203,600	179,844	17,698,234	7,071,063	1,272,575	1,558,389	10,905,980	61,576,798
Total	**30,300**	**24,495,907**	**237,988,241**	**-**	**25,800,720**	**190,275**	**32,063,548**	**56,294,678**	**4,843,064**	**3,525,443**	**28,109,413**	**413,341,589**

[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-2019

In thousands of Nigerian Naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info. Telecoms & Transport.[2]	Individual	Others [1]	Total
Loans to individuals:												
Overdraft	-	-	-	-	-	-	-	-	-	11,854,656	-	11,854,656
Loans	-	-	-	-	-	-	-	-	-	185,636,521	-	185,636,521
Others	-	-	-	-	-	-	-	-	-	69,240	-	69,240
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**197,560,417**	**-**	**197,560,417**
Loans to non-individuals:												
Overdraft	3,432,881	1,777,331	10,899,226	206,024	24,854,926	341,398	14,075,137	19,387,055	10,476,594	-	9,438,394	94,888,966
Loans	15,384,923	46,069,872	25,309,930	8,078,610	56,040,112	71,736,271	239,025,457	587,343,352	68,582,893	-	54,009,205	1,171,580,625
Others	773,426	-	136,670	-	6,149,281	-	26,922,114	8,093	85,009	-	2,467,445	36,542,038
	19,591,230	**47,847,203**	**36,345,826**	**8,284,634**	**87,044,319**	**72,077,669**	**280,022,708**	**606,738,500**	**79,144,496**	**-**	**65,915,044**	**1,303,011,629**

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

The following table breaks down the Parent's credit exposure at gross amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Parent's counterparties.

Credit Risk Exposure to on-balance sheet items

Parent
Dec-2020
In thousands of Nigerian Naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info. Telecoms & Transport.[2]	Individual	Others [1]	Total
Cash and bank balances:												
- Unrestricted balances with central banks	-	-	-	-	-	183,482,104	-	-	-	-	-	183,482,104
- Balances held with other banks	-	111,100,025	-	-	-	-	-	-	-	-	-	111,100,025
- Money market placements	-	150,854,752	-	-	-	2,000,246	-	-	-	-	-	152,854,998
Loans and advances to banks	-	39,749	-	-	-	-	-	-	-	-	-	39,749
Loans and advances to customers[3]:												
- Loans to individuals	-	-	-	-	-	-	-	-	-	150,507,037	-	150,507,037
- Loans to non-individuals	14,354,045	52,060,650	28,343,542	7,292,897	33,609,389	80,648,285	267,048,563	637,544,041	102,911,375	-	36,257,910	1,260,070,697
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	36,226,876	-	-	-	-	-	36,226,876
- Derivative financial instruments	-	26,367,025	-	-	-	-	7,831	-	73,694	-	-	26,448,550
Investment securities:												
- Debt securities	-	-	-	-	-	673,098,223	-	-	-	-	-	673,098,223
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	61,955,975	-	-	-	-	-	61,955,975
Restricted deposits and other assets[4]	-	-	-	-	-	1,040,256,377	-	-	-	-	62,749,673	1,103,006,050
	14,354,045	**340,422,201**	**28,343,542**	**7,292,897**	**33,609,389**	**2,077,668,086**	**267,056,394**	**637,544,041**	**102,985,069**	**150,507,037**	**99,007,583**	**3,758,790,284**

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

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

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

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

Credit Risk Exposure to off-balance sheet items

Parent
Dec-2020

In thousands of Nigerian Naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info. Telecoms & Transport.[2]	Individual	Others [1]	Total
Financial guarantees	-	3,328,536	206,951,780	-	8,748,604	-	10,383,412	61,476,801	4,590,036	-	9,628,493	305,107,662
Other contingents	-	-	-	-	436,655	-	3,132,115	2,749,576	121,202	-	4,691,197	11,130,745
Total	**-**	**3,328,536**	**206,951,780**	**-**	**9,185,259**	**-**	**13,515,527**	**64,226,377**	**4,711,238**	**-**	**14,319,690**	**316,238,407**

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

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

Classification of Sectorial Credit Concentration on Loans to Customers by Product

Parent
Dec-2020

In thousands of Nigerian Naira

Classification	Agriculture	Capital market & Financial institution	Construc-tion/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info. Telecoms & Transport.[2]	Individual	Others [1]	Total
Loans to individuals:												
Overdraft	-	-	-	-	-	-	-	-	-	10,887,376	-	10,887,376
Loans	-	-	-	-	-	-	-	-	-	139,619,661	-	139,619,661
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**150,507,037**	**-**	**150,507,037**
Loans to non-individuals:												
Overdraft	1,068,975	81,639	4,636,723	352,843	4,258,160	1,716,414	7,882,193	33,189,745	7,159,000	-	4,394,506	64,740,198
Loans	13,231,661	51,979,011	23,400,207	6,940,054	28,786,882	78,931,871	254,713,665	602,989,754	95,752,374	-	31,137,182	1,187,862,661
Others	53,409	-	306,612	-	564,347	-	4,452,705	1,364,542	1	-	726,222	7,467,838
	14,354,045	**52,060,650**	**28,343,542**	**7,292,897**	**33,609,389**	**80,648,285**	**267,048,563**	**637,544,041**	**102,911,375**	**-**	**36,257,910**	**1,260,070,697**

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

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

Credit Risk Exposure to on-balance sheet items

Parent
Dec-2019

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	-	-	-	-	-	87,429,812	-	-	-	-	-	87,429,812
- Balances held with other banks	-	87,974,144	-	-	-	-	-	-	-	-	-	87,974,144
- Money market placements	-	180,861,395	-	-	-	2,000,466	-	-	-	-	-	182,861,861
Loans and advances to banks	-	72,451	-	-	-	-	-	-	-	-	-	72,451
Loans and advances to customers[3]:												
- Loans to individuals	-	-	-	-	-	-	-	-	-	148,997,894	-	148,997,894
- Loans to non-individuals	12,247,505	45,302,418	24,263,945	6,174,264	37,258,771	68,918,889	251,156,700	599,014,528	66,881,646	-	40,604,087	1,151,822,753
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	44,717,688	-	-	-	-	-	44,717,688
- Derivative financial instruments	-	25,759,520	-	-	5,021	-	110,802	-	136,480	-	-	26,011,823
Investment securities:												
- Debt securities	-	29,834,367	-	-	-	496,549,988	-	-	-	-	-	526,384,355
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	57,790,749	-	-	-	-	-	57,790,749
Restricted deposits and other assets[4]	-	-	-	-	-	466,389,023	-	-	-	-	30,792,581	497,181,604
	12,247,505	**369,804,295**	**24,263,945**	**6,174,264**	**37,263,792**	**1,223,796,615**	**251,267,502**	**599,014,528**	**67,018,126**	**148,997,894**	**71,396,668**	**2,811,245,134**

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

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

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

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

Credit Risk Exposure to off-balance sheet items

Parent
Dec-2019

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	-	6,770,334	226,121,039	-	14,848,501	-	10,078,515	47,677,632	1,820,805	-	12,739,499	320,056,325
Other contingents	29,890	-	-	-	1,710,148	-	11,563,083	1,161,760	-	-	8,288,734	22,753,615
Total	**29,890**	**6,770,334**	**226,121,039**	**-**	**16,558,649**	**-**	**21,641,598**	**48,839,392**	**1,820,805**	**-**	**21,028,233**	**342,809,940**

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

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

Classification of Sectorial Credit Concentration on Loans to Customers by Product

Parent
Dec-2019

In thousands of Nigerian Naira

Classification	Agriculture	Capital market & Financial institution	Construction/ Real estate	Education	General Commerce	Government	Manufacturing	Oil & gas	Info. Telecoms & Transport.[2]	Individual	Others [1]	Total
Loans and advances to customers:												
Loans to individuals:												
Overdraft	-	-	-	-	-	-	-	-	-	10,683,684	-	10,683,684
Loans	-	-	-	-	-	-	-	-	-	138,314,210	-	138,314,210
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**148,997,894**	**-**	**148,997,894**
Loans to non-individuals:												
Overdraft	2,048,212	2,277,192	5,500,443	198,790	7,734,015	213,280	6,299,684	16,899,459	6,574,801	-	3,746,393	51,492,269
Loans	9,425,867	43,025,226	18,763,502	5,975,474	23,643,710	68,705,609	217,943,741	582,114,988	60,221,836	-	34,470,365	1,064,290,318
Others	773,426	-	-	-	5,881,046	-	26,913,275	81	85,009	-	2,387,329	36,040,166
	12,247,505	**45,302,418**	**24,263,945**	**6,174,264**	**37,258,771**	**68,918,889**	**251,156,700**	**599,014,528**	**66,881,646**	**-**	**40,604,087**	**1,151,822,753**

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

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

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

Maximum exposure to credit risk - Loans and advances

Group
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**

Group
Dec-2019

In thousands of Nigerian Naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	75,678,792	-	-	75,678,792
Very Strong Capacity	540,699,506	-	-	540,699,506
Strong Repayment Capacity	496,305,953	-	-	496,305,953
Acceptable Risk	103,928,534	-	-	103,928,534
Significant Increase in Credit Risk	-	250,273,008	-	250,273,008
Default	-	-	102,453,227	102,453,227
Total	**1,216,612,785**	**250,273,008**	**102,453,227**	**1,569,339,020**

Parent
Dec-2020

In thousands of Nigerian Naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	73,573,072	-	-	73,573,072
Very Strong Capacity	605,615,045	-	-	605,615,045
Strong Repayment Capacity	340,503,278	-	-	340,503,278
Acceptable Risk	96,979,889	-	-	96,979,889
Significant Increase in Credit Risk	-	270,319,004	-	270,319,004
Default	-	-	86,575,351	86,575,351
Total	**1,116,671,284**	**270,319,004**	**86,575,351**	**1,473,565,639**

Parent Dec-2019 In thousands of Nigerian Naira				
Rating	**Stage 1**	**Stage 2**	**Stage 3**	**Grand Total**
Exceptional Capacity	41,347,011	-	-	41,347,011
Very Strong Capacity	507,014,683	-	-	507,014,683
Strong Repayment Capacity	400,649,155	-	-	400,649,155
Acceptable Risk	88,934,067	-	-	88,934,067
Significant Increase in Credit Risk	-	235,704,282	-	235,704,282
Default	-	-	83,498,253	83,498,253
Total	**1,037,944,916**	**235,704,282**	**83,498,253**	**1,357,147,451**

Maximum exposure to credit risk - Money Market Placements

Group Dec-2020 In thousands of Nigerian Naira				
Rating	**Stage 1**	**Stage 2**	**Stage 3**	**Grand Total**
Exceptional Capacity	170,650,475	-	-	170,650,475
Group **Dec-2019** In thousands of Nigerian Naira				
Rating	**Stage 1**	**Stage 2**	**Stage 3**	**Grand Total**
Exceptional Capacity	189,803,396	-	-	189,803,396

Parent Dec-2020 In thousands of Nigerian Naira				
Rating	**Stage 1**	**Stage 2**	**Stage 3**	**Grand Total**
Exceptional Capacity	152,938,142	-	-	152,938,142
Parent **Dec-2019** In thousands of Nigerian Naira				
Rating	**Stage 1**	**Stage 2**	**Stage 3**	**Grand Total**
Exceptional Capacity	183,238,350	-	-	183,238,350

Maximum exposure to credit risk - Investment securities

Group
Dec-2020

In thousands of Nigerian Naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	980,910,291	-	-	980,910,291

Group
Dec-2019

In thousands of Nigerian Naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	764,507,732	-	-	764,507,732

Parent
Dec-2020

In thousands of Nigerian Naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	678,082,671	-	-	678,082,671

Parent
Dec-2019

In thousands of Nigerian Naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	530,876,010	-	-	530,876,010

Maximum exposure to credit risk - Other assets

Group
Dec-2020

In thousands of Nigerian Naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,155,845,157	-	-	1,155,845,157

Group
Dec-2019

In thousands of Nigerian Naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	507,475,557	-	-	507,475,557

Parent Dec-2020 In thousands of Nigerian Naira				
Rating	**Stage 1**	**Stage 2**	**Stage 3**	**Grand Total**
Exceptional Capacity	1,103,006,050	-	-	1,103,006,050

Parent Dec-2019 In thousands of Nigerian Naira				
Rating	**Stage 1**	**Stage 2**	**Stage 3**	**Grand Total**
Exceptional Capacity	479,181,604	-	-	479,181,604

Maximum exposure to credit risk - off balance sheet

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

Group Dec-2019 In thousands of Nigerian Naira				
Rating	**Stage 1**	**Stage 2**	**Stage 3**	**Grand Total**
Exceptional Capacity	413,341,589	-	-	413,341,589

Parent Dec-2020 In thousands of Nigerian Naira				
Rating	**Stage 1**	**Stage 2**	**Stage 3**	**Grand Total**
Exceptional Capacity	316,238,407	-	-	316,238,407

Parent Dec-2019 In thousands of Nigerian Naira				
Rating	**Stage 1**	**Stage 2**	**Stage 3**	**Grand Total**
Exceptional Capacity	342,809,940	-	-	342,809,940

Disclosures of various factors that impact the ECL Model as at 31 December 2020.

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 - 27%; normal - 37%; and downturn - 36%.

The following macro-economic forecasts under the different scenarios were adopted for individual customers:

Macro-Economic variable assumptions:

	Scenario	Year 1	Year 2	Year 3
Exchange rate (₦/USD)	Upturn	371.96	406.52	444.55
	Normal	431.64	469.09	510.46
	Downturn	491.32	531.66	576.37
Inflation rate (%)	Upturn	10.35	9.45	9.63
	Normal	11.95	10.94	11.02
	Downturn	13.55	12.43	12.41
Unemployment (%)	Upturn	27.46	27.69	27.54
	Normal	32.50	33.00	33.00
	Downturn	37.54	38.31	37.90
GDP growth rate (%)	Upturn	4.30	4.55	4.24
	Normal	2.30	2.70	2.51
	Downturn	-0.30	-0.85	-0.78

The following macro-economic forecasts under the different scenarios were adopted for corporate customers:

Macro-Economic variable assumptions:

	Scenario	Year 1	Year 2	Year 3
Exchange rate (₦/USD)	Upturn	371.96	406.52	444.55
	Normal	431.64	469.09	510.46
	Downturn	491.32	531.66	576.37
Inflation rate (%)	Upturn	10.35	9.45	9.63
	Normal	11.95	10.94	11.02
	Downturn	13.55	12.43	12.41
Crude oil prices (USD/barrel)	Upturn	61.65	66.76	67.99
	Normal	47.00	53.00	55.00
	Downturn	32.44	39.24	42.01
Crude oil Production (barrel)	Upturn	2,000,000	2,220,000	2,510,000
	Normal	1,860,000	2,090,000	2,380,000
	Downturn	1,720,000	1,960,000	2,250,000
GDP growth rate (%)	Upturn	4.30	4.55	4.24
	Normal	2.30	2.70	2.51
	Downturn	-0.30	-0.85	-0.78

Disclosures of various factors that impact the Subsidiaries ECL Model as at 31 December 2020.

The following macro-economic forecasts under the different scenarios were adopted in the stated jurisdictions:

Macro-Economic variable assumptions for individual customers:

Scenario	Macroeconomic Variable	United Kingdom	Ghana	Kenya	Serria-Leone	Gambia
Normal	Exchange rate (Per US$)	1.41	6.20	110.00	10,860.00	51.60
	inflation rate	1.50%	8.20%	5.60%	13.00%	7.60%
	unemployment rate	6.80%	7.10%	10.00%	4.80%	9.06%
	Residential Property Prices	4.00%	n/a	n/a	n/a	n/a
	GDP	4.20%	4.20%	5.20%	2.70%	-1.50%
Upturn	Exchange rate (Per US$)	1.52	6.25	105.00	10,000.00	52.00
	inflation rate	1.20%	10.00%	4.00%	9.00%	7.00%
	unemployment rate	6.30%	7.15%	6.70%	2.80%	9.00%
	Residential Property Prices	5.00%	n/a	n/a	n/a	n/a
	GDP	5.00%	4.40%	7.00%	4.50%	2.00%
Downturn	Exchange rate (Per US$)	1.30	6.15	115.00	11,250.00	52.50
	inflation rate	2.00%	8.00%	7.50%	16.00%	8.00%
	unemployment rate	7.50%	7.05%	12.20%	4.80%	10.00%
	Residential Property Prices	-8.00%	n/a	n/a	n/a	n/a
	GDP	-13.00%	1.40%	4.50%	2.50%	-2.50%

Macro-Economic variable assumptions for corporate customers:

Scenario	Macroeconomic Variable	United Kingdom	Ghana	Kenya	Serria-Leone	Gambia
Normal	Exchange rate (Per US$)	1.41	6.20	110.00	10,860.00	51.60
	inflation rate	1.50%	8.20%	5.60%	13.00%	7.60%
	GDP	4.20%	4.20%	5.20%	2.70%	-1.50%
	Crude($)	n/a	53.00	n/a	n/a	n/a
Upturn	Exchange rate (Per US$)	1.52	6.25	105.00	10,000.00	52.00
	inflation rate	1.20%	10.00%	4.00%	9.00%	7.00%
	GDP	5.00%	4.40%	7.00%	4.50%	2.00%
	Crude($)	n/a	56.00	n/a	n/a	n/a
Downturn	Exchange rate (Per US$)	1.30	6.15	115.00	11,250.00	52.50
	inflation	2.00%	8.00%	7.50%	16.00%	8.00%
	GDP	-13.00%	1.40%	4.50%	2.50%	-2.50%
	Crude($)	n/a	50.00	n/a	n/a	n/a

(vii) Impairment and provisioning policies

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

(1) Loan Categorization

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

- **Stage 1 Loans and Advances:**

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

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

- **Stage 2 Loans and Advances:**

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

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

- **Stage 3 Loans and Advances:**

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

(2) Allowances for impairment

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

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

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

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

Realizable collaterals are important component of cash flows.

(3) Loans with renegotiated terms

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

(4) Governance structure around the ECL model:

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

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

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

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

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

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

(5) Policy around rebuttal:

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

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

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

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

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

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

Categorization of Loans and advances

The table below analyses the Group's Loans and advances based on the categorization by Performance of the Loans and the allowances taken on them.

Dec-2020

	Group Dec-2020				Parent Dec-2020			
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	193,267,082	1,157,386,812	119,149	1,350,773,043	142,599,239	974,072,045	-	1,116,671,284
Stage 2 - Life Time ECL Not Credit Impaired	1,434,432	280,224,182	-	281,658,614	966,250	269,352,754	-	270,319,004
Stage 3 - Non Performing Loans	19,826,996	91,569,359	67,283	111,463,638	17,279,715	69,228,353	67,283	86,575,351
Gross Loans and Advances	**214,528,510**	**1,529,180,353**	**186,432**	**1,743,895,295**	**160,845,204**	**1,312,653,152**	**67,283**	**1,473,565,639**
Less allowances for impairment:								
Stage 1 - 12 months ECL	777,438	5,741,522	59,855	6,578,815	196,659	2,661,895	-	2,858,554
Stage 2 - Life Time ECL Not Credit Impaired	44,383	17,874,085	-	17,918,468	6,931	15,109,122	-	15,116,053
Stage 3 - Non Performing Loans	11,131,410	45,408,326	27,534	56,567,270	10,134,577	34,811,438	27,534	44,973,549
Total allowance	**11,953,231**	**69,023,933**	**87,389**	**81,064,553**	**10,338,167**	**52,582,455**	**27,534**	**62,948,156**
Net Loans and Advances	**202,575,279**	**1,460,156,420**	**99,043**	**1,662,830,742**	**150,507,037**	**1,260,070,697**	**39,749**	**1,410,617,483**

Dec-2019

	Group Dec-2019				Parent Dec-2019			
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	192,292,451	1,022,758,344	1,561,990	1,216,612,785	145,626,166	892,257,044	61,706	1,037,944,916
Stage 2 - Life Time ECL Not Credit Impaired	3,118,035	247,154,814	159	250,273,008	2,161,630	233,542,493	159	235,704,282
Stage 3 - Non Performing Loans	9,955,760	92,478,127	19,340	102,453,227	7,590,207	75,888,706	19,340	83,498,253
Gross Loans and Advances	**205,366,246**	**1,362,391,285**	**1,581,489**	**1,569,339,020**	**155,378,003**	**1,201,688,243**	**81,205**	**1,357,147,451**
Less allowances for impairment:								
Stage 1 - 12 months ECL	1,528,023	6,947,952	60,155	8,536,130	635,783	4,548,066	730	5,184,579
Stage 2 - Life Time ECL Not Credit Impaired	154,980	6,673,755	5	6,828,740	53,963	5,503,826	5	5,557,794
Stage 3 - Non Performing Loans	6,122,826	45,757,949	8,019	51,888,794	5,690,363	39,813,598	8,019	45,511,980
Total allowance	**7,805,829**	**59,379,656**	**68,179**	**67,253,664**	**6,380,109**	**49,865,490**	**8,754**	**56,254,353**
Net Loans and Advances	**197,560,417**	**1,303,011,629**	**1,513,310**	**1,502,085,356**	**148,997,894**	**1,151,822,753**	**72,451**	**1,300,893,098**

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

Dec-2020

	Group Dec-2020				Parent Dec-2020			
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	184,950,412	1,049,088,514	115,237	1,234,154,163	135,793,414	919,111,186	-	1,054,904,600
Overdrafts	8,232,005	99,698,293	3,912	107,934,210	6,805,825	47,488,314	-	54,294,139
Others	84,665	8,600,005	-	8,684,670	-	7,472,545	-	7,472,545
Stage 1 - 12 Months ECL	**193,267,082**	**1,157,386,812**	**119,149**	**1,350,773,043**	**142,599,239**	**974,072,045**	**-**	**1,116,671,284**
Loans	1,077,188	262,463,801	-	263,540,989	720,125	256,954,257	-	257,674,382
Overdrafts	357,244	17,711,098	-	18,068,342	246,125	12,398,497	-	12,644,622
Others	-	49,283	-	49,283	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	**1,434,432**	**280,224,182**	**-**	**281,658,614**	**966,250**	**269,352,754**	**-**	**270,319,004**
Loans	9,657,343	74,831,922	34,409	84,523,674	7,250,296	57,987,432	34,409	65,272,137
Overdrafts	10,169,653	16,690,834	32,874	26,893,361	10,029,419	11,239,902	32,874	21,302,195
Others	-	46,603	-	46,603	-	1,019	-	1,019
Stage 3 - Non Performing Loans	**19,826,996**	**91,569,359**	**67,283**	**111,463,638**	**17,279,715**	**69,228,353**	**67,283**	**86,575,351**
Total Loans and Advances	**214,528,510**	**1,529,180,353**	**186,432**	**1,743,895,295**	**160,845,204**	**1,312,653,152**	**67,283**	**1,473,565,639**

The impairment allowance on loans is further analysed as follows:

	Group Dec-2020				Parent Dec-2020			
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								
Loans	603,008	4,199,404	59,855	4,862,267	106,857	2,138,219	-	2,245,076
Overdrafts	174,430	1,537,332	-	1,711,762	89,802	518,890	-	608,692
Others	-	4,786	-	4,786	-	4,786	-	4,786
	777,438	**5,741,522**	**59,855**	**6,578,815**	**196,659**	**2,661,895**	**-**	**2,858,554**
Stage 2: Life Time ECL Not Credit Impaired								
Loans	37,564	16,073,623	-	16,111,187	1,811	14,999,590	-	15,001,401
Overdrafts	6,819	1,800,462	-	1,807,281	5,120	109,532	-	114,652
Others	-	-	-	-	-	-	-	-
	44,383	**17,874,085**	**-**	**17,918,468**	**6,931**	**15,109,122**	**-**	**15,116,053**
Stage 3: Non Performing Loans								
Loans	5,008,406	37,303,390	7,753	42,319,549	4,035,506	29,052,405	7,753	33,095,664
Overdrafts	6,123,004	8,086,935	19,781	14,229,720	6,099,071	5,758,093	19,781	11,876,945
Others	-	18,001	-	18,001	-	940	-	940
	11,131,410	**45,408,326**	**27,534**	**56,567,270**	**10,134,577**	**34,811,438**	**27,534**	**44,973,549**
Total allowance	**11,953,231**	**69,023,933**	**87,389**	**81,064,553**	**10,338,167**	**52,582,455**	**27,534**	**62,948,156**

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

Dec-2019

	Group Dec-2019				Parent Dec-2019			
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	182,533,112	917,896,274	1,449,485	1,101,878,871	137,310,149	824,606,842	55,791	961,972,782
Overdrafts	9,699,113	69,497,843	112,505	79,309,461	8,316,017	32,293,332	5,915	40,615,264
Others	60,226	35,364,227	-	35,424,453	-	35,356,870	-	35,356,870
Stage 1 - 12 Months ECL	**192,292,451**	**1,022,758,344**	**1,561,990**	**1,216,612,785**	**145,626,166**	**892,257,044**	**61,706**	**1,037,944,916**
Loans	998,559	227,614,815	-	228,613,374	161,698	220,010,040	-	220,171,738
Overdrafts	2,119,476	18,726,678	159	20,846,313	1,999,932	12,719,132	159	14,719,223
Others	-	813,321	-	813,321	-	813,321	-	813,321
Stage 2 - Life Time ECL Not Credit Impaired	**3,118,035**	**247,154,814**	**159**	**250,273,008**	**2,161,630**	**233,542,493**	**159**	**235,704,282**
Loans	6,429,264	62,277,528	2,241	68,709,033	4,182,279	50,369,618	2,241	54,554,138
Overdrafts	3,516,358	29,593,638	17,099	33,127,095	3,407,928	25,518,286	17,099	28,943,313
Others	10,138	606,961	-	617,099	-	802	-	802
Stage 3 - Non Performing Loans	**9,955,760**	**92,478,127**	**19,340**	**102,453,227**	**7,590,207**	**75,888,706**	**19,340**	**83,498,253**
Total Loans and Advances	**205,366,246**	**1,362,391,285**	**1,581,489**	**1,569,339,020**	**155,378,003**	**1,201,688,243**	**81,205**	**1,357,147,451**

The impairment allowance on loans is further analysed as follows:

	Group Dec-2019				Parent Dec-2019			
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								
Loans	1,044,129	4,736,305	60,040	5,840,474	516,377	3,907,089	615	4,424,081
Overdrafts	483,894	2,122,903	115	2,606,912	119,406	552,233	115	671,754
Others	-	88,744	-	88,744	-	88,744	-	88,744
	1,528,023	**6,947,952**	**60,155**	**8,536,130**	**635,783**	**4,548,066**	**730**	**5,184,579**
Stage 2: Life Time ECL Not Credit Impaired								
Loans	46,233	5,994,255	-	6,040,488	1,726	5,328,688	-	5,330,414
Overdrafts	108,747	638,076	5	746,828	52,237	133,714	5	185,956
Others	-	41,424	-	41,424	-	41,424	-	41,424
	154,980	**6,673,755**	**5**	**6,828,740**	**53,963**	**5,503,826**	**5**	**5,557,794**
Stage 3: Non Performing Loans								
Loans	3,234,052	25,477,432	1,527	28,713,011	2,821,813	21,460,405	1,527	24,283,745
Overdrafts	2,887,650	20,168,214	6,492	23,062,356	2,868,550	18,352,534	6,492	21,227,576
Others	1,124	112,303	-	113,427	-	659	-	659
	6,122,826	**45,757,949**	**8,019**	**51,888,794**	**5,690,363**	**39,813,598**	**8,019**	**45,511,980**
Total allowance	**7,805,829**	**59,379,656**	**68,179**	**67,253,664**	**6,380,109**	**49,865,490**	**8,754**	**56,254,353**

(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-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**

Group
Dec-2019

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	35,429	29,154,570	60,444	3,760,605	42,390,626	1,336	106,380	169,402	75,678,792
Very strong capacity	457,568	5,522,491	-	16,757,016	510,092,201	6,645,728	1,224,502	-	540,699,506
Strong repayment capacity	8,290,563	144,763,467	-	35,111,201	281,784,555	26,345,244	773	10,150	496,305,953
Acceptable risk	914,972	3,092,947	-	13,026,589	84,471,325	2,371,918	5,142	45,641	103,928,534
Total	**9,698,532**	**182,533,475**	**60,444**	**68,655,411**	**918,738,707**	**35,364,226**	**1,336,797**	**225,193**	**1,216,612,785**

The credit quality of Stage 1 Loans and advances for the Parent is discussed below:

Parent
Dec-2020

In thousands of Nigerian Naira

	Loans and advances to customers						Loans and advances to banks		
	Individuals			Non-individuals					
Rating	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Others**	**Overdraft**	**Loans**	**Total**
Exceptional capacity	-	-	-	18,183,606	54,664,376	725,090	-	-	73,573,072
Very strong capacity	29,190	10,176	-	15,082,764	588,007,166	2,485,749	-	-	605,615,045
Strong repayment capacity	6,573,826	135,331,711	-	8,461,229	186,839,718	3,296,794	-	-	340,503,278
Acceptable risk	202,811	451,525	-	5,760,714	89,599,928	964,911	-	-	96,979,889
Total	**6,805,827**	**135,793,412**	**-**	**47,488,313**	**919,111,188**	**7,472,544**	**-**	**-**	**1,116,671,284**

Parent
Dec-2019

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	-	-	-	845,975	40,501,036	-	-	-	41,347,011
Very strong capacity	27,979	54,283	-	7,688,259	492,599,466	6,644,696	-	-	507,014,683
Strong repayment capacity	8,079,597	136,461,277	-	15,282,199	214,471,890	26,343,269	773	10,150	400,649,155
Acceptable risk	208,441	794,589	-	8,476,899	77,034,450	2,368,905	5,142	45,641	88,934,067
Total	**8,316,017**	**137,310,149**	**-**	**32,293,332**	**824,606,842**	**35,356,870**	**5,915**	**55,791**	**1,037,944,916**

(ii) Stage 2 Loans and Advances to Customers

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:				
Others	-	-	-	-
	-	**-**	**-**	**-**
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.

Group
Dec-2019

In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	998,559	227,614,815	-	228,613,374
Overdraft	2,119,476	18,726,678	159	20,846,313
Others	-	813,321	-	813,321
	3,118,035	**247,154,814**	**159**	**250,273,008**
Impairment:				
Loans	46,233	5,994,255	-	6,040,488
Overdraft	108,747	638,076	5	746,828
Others	-	41,424	-	41,424
	154,980	**6,673,755**	**5**	**6,828,740**
Net Amount:				
Loans	952,326	221,620,560	-	222,572,886
Overdraft	2,010,729	18,088,602	154	20,099,485
Others	-	771,897	-	771,897
	2,963,055	**240,481,059**	**154**	**243,444,268**
FV of collateral[1]:				
Loans	26,367,204	5,956,822,536	-	5,983,189,740
Overdraft	55,965,301	568,489,648	-	624,454,949
Others	-	873,342	-	873,342
	82,332,505	**6,526,185,526**	**-**	**6,608,518,031**
Amount of undercollateralisation:				
Overdraft	-	-	159	-
	-	**-**	**159**	**-**
Net Loans	**2,963,055**	**240,481,059**	**154**	**243,444,268**
Amount of undercollateralisation on net loans	-	-	154	-

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

Stage 2 Loans and Advances to Customers (Cont'd)

Parent
Dec-2020

In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	720,125	256,954,257	-	257,674,382
Overdraft	246,125	12,398,497	-	12,644,622
Others	-	-	-	-
	966,250	**269,352,754**	**-**	**270,319,004**

Impairment:				
Loans	1,811	14,999,590	-	15,001,401
Overdraft	5,120	109,532	-	114,652
Others	-	-	-	-
	6,931	**15,109,122**	**-**	**15,116,053**

Net Amount:				
Loans	718,314	241,954,667	-	242,672,981
Overdraft	241,005	12,288,965	-	12,529,970
Others	-	-	-	-
	959,319	**254,243,632**	**-**	**255,202,951**

FV of collateral[1]:				
Loans	714,411	4,406,340,933	-	4,407,055,344
Overdraft	1,759,531	86,637,572	-	88,397,103
Others	-	-	-	-
	2,473,942	**4,492,978,505**	**-**	**4,495,452,447**

Amount of undercollateralisation:				
Loans	5,714	-	-	-
Overdraft	-	-	-	-
Others	-	-	-	-
	-	**-**	**-**	**-**
Net Loans	**959,319**	**254,243,632**	**-**	**255,202,951**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

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

Parent
Dec-2019

In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	161,698	220,010,040	-	220,171,738
Overdraft	1,999,932	12,719,132	159	14,719,223
Others	-	813,321	-	813,321
	2,161,630	**233,542,493**	**159**	**235,704,282**
Impairment:				
Loans	1,726	5,328,688	-	5,330,414
Overdraft	52,237	133,714	5	185,956
Others	-	41,424	-	41,424
	53,963	**5,503,826**	**5**	**5,557,794**
Net Amount:				
Loans	159,972	214,681,352	-	214,841,324
Overdraft	1,947,695	12,585,418	154	14,533,267
Others	-	771,897	-	771,897
	2,107,667	**228,038,667**	**154**	**230,146,488**
FV of collateral[1]:				
Loans	161,538	5,952,590,350	-	5,952,751,888
Overdraft	1,371	606,595,262	-	606,596,633
Others	-	873,342	-	873,342
	162,909	**6,560,058,954**	**-**	**6,560,221,863**
Amount of undercollateralisation:				
Loans	160	-	-	-
Overdraft	1,998,561	-	159	-
	1,998,721	**-**	**159**	**-**
Net Loans	**2,107,667**	**228,038,667**	**154**	**230,146,488**
Amount of undercollateralisation on net loans	**1,944,758**	**-**	**154**	**-**

[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-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.

Group **Dec-2019** In thousands of Nigerian Naira	**Loans to Individual**	**Loans to Non-individual**	**Loans to Banks**	**Total**
Gross Loans:				
Loans	6,429,264	62,277,528	2,241	68,709,033
Overdraft	3,516,358	29,593,638	17,099	33,127,095
Others	10,138	606,961	-	617,099
	9,955,760	**92,478,127**	**19,340**	**102,453,227**
Impairment:				
Loans	3,234,052	25,477,432	1,527	28,713,011
Overdraft	2,887,650	20,168,214	6,492	23,062,356
Others	1,124	112,303	-	113,427
	6,122,826	**45,757,949**	**8,019**	**51,888,794**
Net Amount:				
Loans	3,195,212	36,800,096	714	39,996,022
Overdraft	628,708	9,425,424	10,607	10,064,739
Others	9,014	494,658	-	503,672
	3,832,934	**46,720,178**	**11,321**	**50,564,433**
FV of collateral[1]:				
Loans	5,617,180	131,273,637	2,236	136,893,053
Overdraft	1,380,072	46,510,316	43,646	47,934,034
Others	3,979	342,777	-	346,756
FV of collateral	**7,001,231**	**178,126,730**	**45,882**	**185,173,843**
Amount of undercollateralisation:				
Loans	812,084	-	5	-
Overdraft	2,136,286	-	-	-
Others	6,159	264,184	-	270,343
	2,954,529	**-**	**-**	**-**
Net Loans	**3,832,934**	**46,720,178**	**11,321**	**50,564,433**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

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

Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is assessed by reference to market price or indexes of similar assets.

Stage 3 Loans and Advances to Customers (Cont'd)

Parent
Dec-2020

In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	7,250,296	57,987,432	34,409	65,272,137
Overdraft	10,029,419	11,239,902	32,874	21,302,195
Others	-	1,019	-	1,019
	17,279,715	**69,228,353**	**67,283**	**86,575,351**
Impairment:				
Loans	4,035,506	29,052,405	7,753	33,095,664
Overdraft	6,099,071	5,758,093	19,781	11,876,945
Others	-	940	-	940
	10,134,577	**34,811,438**	**27,534**	**44,973,549**
Net Amount:				
Loans	3,214,790	28,935,027	26,656	32,176,473
Overdraft	3,930,348	5,481,809	13,093	9,425,250
Others	-	79	-	79
	7,145,138	**34,416,915**	**39,749**	**41,601,802**
FV of collateral[1]:				
Loans	8,543,436	107,128,357	34,919	115,706,712
Overdraft	38,946,740	24,645,173	32,498	63,624,411
Others	-	1,935,205	-	1,935,205
FV of collateral	**47,490,176**	**133,708,735**	**67,417**	**181,266,328**
Amount of undercollateralisation:				
Loans	-	-	-	-
Overdraft	-	-	376	-
	-	**-**	**-**	**-**
Net Loans	**7,145,138**	**34,416,915**	**39,749**	**41,601,802**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

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

Parent Dec-2019 In thousands of Nigerian Naira				
	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	4,182,279	50,369,618	2,241	54,554,138
Overdraft	3,407,928	25,518,286	17,099	28,943,313
Others	-	802	-	802
	7,590,207	**75,888,706**	**19,340**	**83,498,253**

Impairment:				
Loans	2,821,813	21,460,405	1,527	24,283,745
Overdraft	2,868,550	18,352,534	6,492	21,227,576
Others	-	659	-	659
	5,690,363	**39,813,598**	**8,019**	**45,511,980**

Net Amount:				
Loans	1,360,466	28,909,213	714	30,270,393
Overdraft	539,378	7,165,752	10,607	7,715,737
Others	-	143	-	143
	1,899,844	**36,075,108**	**11,321**	**37,986,273**

FV of collateral[1]:				
Loans	5,617,180	97,013,713	2,236	102,633,129
Overdraft	3,069,576	34,923,317	43,646	38,036,539
Others	-	334,218	-	334,218
FV of collateral	**8,686,756**	**132,271,248**	**45,882**	**141,003,886**

Amount of undercollateralisation:				
Loans	-	-	5	-
Overdraft	338,352	-	-	-
	-	**-**	**-**	**-**
Net Loans	**1,899,844**	**36,075,108**	**11,321**	**37,986,273**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

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

(v) Credit collateral

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

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

All collateral offered must have the following attributes:

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

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

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

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

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

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

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-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**

Group Dec-2019				
	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	1,215,050,795	22,358,744,157	1,561,990	40,200
Against Stage 2 Loans and Advances	250,272,849	6,608,518,031	159	-
Against Stage 3 Loans and Advances	102,433,887	185,127,961	19,340	45,882
Total	**1,567,757,531**	**29,152,390,149**	**1,581,489**	**86,082**

Parent Dec-2020				
	Loans and advances to customers		Loans and advances to Banks	
In thousands of Nigerian Naira	**Gross Loans**	**Collateral**	**Gross Loans**	**Collateral**
Against Stage 1 Loans and Advances	1,116,671,284	14,945,633,929	-	-
Against Stage 2 Loans and Advances	270,319,004	4,495,452,447	-	-
Against Stage 3 Loans and Advances	86,508,068	181,198,911	67,283	67,417
Total	**1,473,498,356**	**19,622,285,287**	**67,283**	**67,417**

Parent Dec-2019				
	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	1,037,883,210	21,983,739,240	61,706	40,200
Against Stage 2 Loans and Advances	235,704,123	6,560,221,863	159	-
Against Stage 3 Loans and Advances	83,478,913	140,958,004	19,340	45,882
Total	**1,357,066,246**	**28,684,919,107**	**81,205**	**86,082**

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	-
Others #	4,331,303,705	-
Total	**4,522,553,432**	**-**
Against Stage 3 Loans and Advances:		
Property	112,444,337	63,081
Equities	613,139	-
Treasury bills	5,500	-
Cash	8,677,888	-
Guarantees	7,359,528	-
ATC*, stock hypothecation and ISPO*	1,166,606	-
Others #	99,089,073	4,336
Total	**229,356,071**	**67,417**
Grand total	**20,041,383,500**	**67,417**

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

Parent		
In thousands of Nigerian Naira	Loans and advances to customers Dec-2020	Loans and advances to banks Dec-2020
Against Stage 1 Loans and Advances:		
Property	1,511,010,235	-
Equities	33,228,643	-
Treasury bills	7,620,178	-
Cash	21,592,175	-
Guarantees	114,594,433	-
ATC*, stock hypothecation and ISPO*	823,172,609	-
Others #	12,434,415,656	-
Total	**14,945,633,929**	**-**
Against Stage 2 Loans and Advances:		
Property	115,233,396	-
Equities	28,922,470	-
Cash	4,538	-
Guarantees	20,250,832	-
Others #	4,331,041,211	-
Total	**4,495,452,447**	**-**
Against Stage 3 Loans and Advances:		
Property	66,568,366	63,081
Equities	613,139	-
Treasury bills	5,500	-
Cash	8,634,612	-
Guarantees	7,359,528	-
ATC*, stock hypothecation and ISPO*	1,166,606	-
Others #	96,851,160	4,336
Total	**181,198,911**	**67,417**
Grand total	**19,622,285,287**	**67,417**

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

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-2019**	**Loans and advances to banks Dec-2019**
Against Stage 1 Loans and Advances:		
Property	1,886,181,539	40,200
Equities	33,022,360	-
Treasury bills	1,802,139	-
Cash	263,346,283	-
Guarantees	60,277,840	-
Negative pledge	13,699,968	-
ATC*, stock hypothecation and ISPO*	20,487,432	-
Others #	20,079,926,596	-
Total	**22,358,744,157**	**40,200**
Against Stage 2 Loans and Advances:		
Property	49,404,468	-
Equities	31,728,760	-
Cash	3,053,196	-
Guarantees	359,514	-
Negative pledge	11,617,857	-
Others #	6,512,354,236	-
Total	**6,608,518,031**	**-**
Against Stage 3 Loans and Advances:		
Property	114,181,497	42,000
Equities	775,392	-
Treasury bills	55,500	-
Cash	7,891,034	-
Guarantees	2,766,380	-
ATC*, stock hypothecation and ISPO*	511,340	-
Others #	58,946,818	3,882
Total	**185,127,961**	**45,882**
Grand total	**29,152,390,149**	**86,082**

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

Parent		
In thousands of Nigerian Naira	**Loans and advances to customers Dec-2019**	**Loans and advances to banks Dec-2019**
Against Stage 1 Loans and Advances:		
Property	1,577,466,453	40,200
Equities	32,986,674	-
Treasury bills	1,802,139	-
Cash	253,037,908	-
Guarantees	58,738,647	-
Negative pledge	12,501,655	-
ATC*, stock hypothecation and ISPO*	20,487,432	-
Others #	20,026,718,332	-
Total	**21,983,739,240**	**40,200**
Against Stage 2 Loans and Advances:		
Property	2,572,255	-
Equities	31,728,760	-
Cash	3,012,000	-
Guarantees	350,000	-
Negative pledge	11,617,857	-
Others #	6,510,940,991	-
Total	**6,560,221,863**	**-**
Against Stage 3 Loans and Advances:		
Property	70,823,971	42,000
Equities	775,392	-
Treasury bills	55,500	-
Cash	7,602,972	-
Guarantees	2,766,380	-
ATC*, stock hypothecation and ISPO*	511,340	-
Others #	58,422,449	3,882
Total	**140,958,004**	**45,882**
Grand total	**28,684,919,107**	**86,082**

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

Summary of collaterals pledged by customers against loans and advances

Analysis of credit collateral is further shown below:

Group Dec-2020	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	1,059,047,141	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	-	-	-	-
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

Parent Dec-2020	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	889,780,010	77,259,026	543,971,199	1,511,010,235	-	-	-	-
Equities	33,071,265	65,094	92,284	33,228,643	-	-	-	-
Cash	1,226,669	1,582,143	18,783,363	21,592,175	-	-	-	-
Guarantees	46,989,620	7,755,380	59,849,433	114,594,433	-	-	-	-
Treasury bills	7,620,178	-	-	7,620,178	-	-	-	-
ATC*, stock hypothecation and ISPO*	822,527,066	603,660	41,883	823,172,609	-	-	-	-
Others #	12,246,160,721	169,772,657	18,482,278	12,434,415,656	-	-	-	-
Total	**14,047,375,529**	**257,037,960**	**641,220,440**	**14,945,633,929**	**-**	**-**	**-**	**-**
Against Stage 2 Loans and Advances:								
Property	104,694,855	10,538,541	-	115,233,396	-	-	-	-
Equities	28,922,470	-	-	28,922,470	-	-	-	-
Cash	-	4,538	-	4,538	-	-	-	-
Guarantees	20,024,985	225,847	-	20,250,832	-	-	-	-
Others #	4,253,413,036	77,628,175	-	4,331,041,211	-	-	-	-
Total	**4,407,055,346**	**88,397,101**	**-**	**4,495,452,447**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	55,491,118	10,742,163	335,085	66,568,366	30,585	32,496	-	63,081
Equities	198,569	414,570	-	613,139	-	-	-	-
Treasury bills	5,500	-	-	5,500	-	-	-	-
Cash	7,475,873	1,158,739	-	8,634,612	-	-	-	-
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 #	47,430,854	49,420,306	-	96,851,160	4,334	2	-	4,336
Total	**115,671,793**	**63,591,913**	**1,935,205**	**181,198,911**	**34,919**	**32,498**	**-**	**67,417**
Grand total	**18,570,102,668**	**409,026,974**	**643,155,645**	**19,622,285,287**	**34,919**	**32,498**	**-**	**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-2019								
	Loans and advances to customers				**Loans and advances to banks**			
In thousands of Nigerian Naira	**Term Loans**	**Overdrafts**	**Others**	**Total**	**Term Loans**	**Overdrafts**	**Others**	**Total**
Against Stage 1 Loans and Advances:								
Property	1,126,347,180	235,874,921	523,959,438	1,886,181,539	36,129	4,071	-	40,200
Equities	32,897,686	124,674	-	33,022,360	-	-	-	-
Cash	238,236,025	5,861,378	19,248,880	263,346,283	-	-	-	-
Guarantees	10,548,664	19,624,165	30,105,011	60,277,840	-	-	-	-
Negative Pledge	2,452,489	6,589,552	4,657,927	13,699,968	-	-	-	-
Treasury Bills	1,791,955	10,184	-	1,802,139	-	-	-	-
ATC*, stock hypothecation and ISPO*	20,209,780	277,652	-	20,487,432	-	-	-	-
Others #	19,983,265,630	49,246,957	47,414,009	20,079,926,596	-	-	-	-
Total	**21,415,749,409**	**317,609,483**	**625,385,265**	**22,358,744,157**	**36,129**	**4,071**	**-**	**40,200**
Against Stage 2 Loans and Advances:								
Property	31,144,669	17,386,457	873,342	49,404,468	-	-	-	-
Equities	31,728,760	-	-	31,728,760	-	-	-	-
Cash	16,686	3,036,510	-	3,053,196	-	-	-	-
Guarantees	259,796	99,718	-	359,514	-	-	-	-
Negative pledge	11,515,767	102,090	-	11,617,857	-	-	-	-
Others #	5,908,524,062	603,830,174	-	6,512,354,236	-	-	-	-
Total	**5,983,189,740**	**624,454,949**	**873,342**	**6,608,518,031**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	92,764,321	21,070,529	346,647	114,181,497	-	42,000	-	42,000
Equities	769,206	6,186	-	775,392	-	-	-	-
Treasury bills	50,000	5,500	-	55,500	-	-	-	-
Cash	7,863,492	27,542	-	7,891,034	-	-	-	-
Guarantees	2,333,822	432,449	109	2,766,380	-	-	-	-
ATC*, stock hypothecation and ISPO*	431,571	79,769	-	511,340	-	-	-	-
Others #	32,678,405	26,268,413	-	58,946,818	2,236	1,646	-	3,882
Total	**136,890,817**	**47,890,388**	**346,756**	**185,127,961**	**2,236**	**43,646**	**-**	**45,882**
Grand total	**27,535,829,966**	**989,954,820**	**626,605,363**	**29,152,390,149**	**38,365**	**47,717**	**-**	**86,082**

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

Parent
Dec-2019

	Loans and advances to customers				Loans and advances to banks			
In thousands of Nigerian Naira	**Term Loans**	**Overdrafts**	**Others**	**Total**	**Term Loans**	**Overdrafts**	**Others**	**Total**
Against Stage 1 Loans and Advances:								
Property	968,737,918	84,933,602	523,794,933	1,577,466,453	36,129	4,071	-	40,200
Equities	32,862,000	124,674	-	32,986,674	-	-	-	-
Cash	230,531,389	3,257,639	19,248,880	253,037,908	-	-	-	-
Guarantees	10,023,259	18,610,377	30,105,011	58,738,647	-	-	-	-
Negative pledge	2,452,489	5,391,239	4,657,927	12,501,655	-	-	-	-
Treasury bills	1,791,955	10,184	-	1,802,139	-	-	-	-
ATC*, stock hypothecation and ISPO*	20,209,780	277,652	-	20,487,432	-	-	-	-
Others #	19,936,593,748	42,710,575	47,414,009	20,026,718,332	-	-	-	-
Total	**21,203,202,538**	**155,315,942**	**625,220,760**	**21,983,739,240**	**36,129**	**4,071**	**-**	**40,200**
Against Stage 2 Loans and Advances:								
Property	1,410,222	288,691	873,342	2,572,255	-	-	-	-
Equities	31,728,760	-	-	31,728,760	-	-	-	-
Cash	-	3,012,000	-	3,012,000	-	-	-	-
Guarantees	253,977	96,023	-	350,000	-	-	-	-
Negative pledge	11,515,767	102,090	-	11,617,857	-	-	-	-
Others #	5,907,843,162	603,097,829	-	6,510,940,991	-	-	-	-
Total	**5,952,751,888**	**606,596,633**	**873,342**	**6,560,221,863**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	59,059,732	11,430,130	334,109	70,823,971	-	42,000	-	42,000
Equities	769,206	6,186	-	775,392	-	-	-	-
Treasury bills	50,000	5,500	-	55,500	-	-	-	-
Cash	7,579,300	23,672	-	7,602,972	-	-	-	-
Guarantees	2,333,822	432,449	109	2,766,380	-	-	-	-
ATC*, stock hypothecation and ISPO*	431,571	79,769	-	511,340	-	-	-	-
Others #	32,407,262	26,015,187	-	58,422,449	2,236	1,646	-	3,882
Total	**102,630,893**	**37,992,893**	**334,218**	**140,958,004**	**2,236**	**43,646**	**-**	**45,882**
Grand total	**27,258,585,319**	**799,905,468**	**626,428,320**	**28,684,919,107**	**38,365**	**47,717**	**-**	**86,082**

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

(b) Credit risk (continued)

Debt securities

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

Group 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
Treasury bills	35,097,781	446,690,837	62,200,326	543,988,944
Special Bills	-	411,079,805	-	411,079,805
Corporate bonds	-	440,346	-	440,346
Promissory Notes	2,809,929	-	-	2,809,929
	67,535,363	**975,288,535**	**62,200,326**	**1,105,024,224**

The Group's investment in risk-free Government securities constitutes 99.8% of debt instruments portfolio (December 2019: 96.4%). Investment in Corporate and State Government bonds accounts for the outstanding 0.2% (December 2019: 3.6%).

Group Dec-2019 In thousands of Nigerian Naira	**Financial assets at fair value through profit or loss**	**Investment securities**	**Assets pledged as collateral**	**Total**
Federal government bonds	16,543,481	53,996,278	-	70,539,759
State government bonds	-	2,003,583	-	2,003,583
FVPL Notes	-	29,834,367	-	29,834,367
Treasury bills	56,942,620	673,758,762	58,036,855	788,738,237
	73,486,101	**759,592,990**	**58,036,855**	**891,115,946**

Parent Dec-2020 In thousands of Nigerian Naira	**Financial assets at fair value through profit or loss**	**Investment securities**	**Assets pledged as collateral**	**Total**
Federal government bonds	2,354,643	15,387,024	-	17,741,667
State government bonds	-	1,615,161	-	1,615,161
Treasury bills	31,062,304	245,016,233	61,955,975	338,034,512
Special Bills	-	411,079,805	-	411,079,805
Promissory Notes	2,809,929	-	-	2,809,929
	36,226,876	**673,098,223**	**61,955,975**	**771,281,074**

The Bank's investment in risk-free Government securities constitutes 99.8% of debt instruments portfolio (December 2019: 94.9%). Investment in Corporate and State Government bonds accounts for the outstanding 0.2% (December 2019: 5.1%).

Parent Dec-2019				
In thousands of Nigerian Naira	Financial assets at fair value through profit or loss	Investment securities	Assets pledged as collateral	Total
Federal government bonds	835,307	12,083,313	-	12,918,620
State government bonds	-	2,003,583	-	2,003,583
FVPL Notes	-	29,834,367	-	29,834,367
Treasury bills	43,882,381	482,463,092	57,790,749	584,136,222
	44,717,688	**526,384,355**	**57,790,749**	**628,892,792**

(g) Liquidity Risk

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

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

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

1. Control of liquidity risk by the setting of dynamic limits on metrics such as liquidity ratio, reserve ratio, asset and liability gap measures, amongst others. Internal limits are typically more stringent than regulatory limits across all jurisdictions of the Group's operation.
2. The limits are monitored regularly with exceptions reported to the Management Risk Committee (MRC) and the Board.
3. Based on its judgement of financial market trends, the Group actively adjusts its business strategies to manage liquidity risk.
4. Periodic cash flow projections considering its impact on internal and regulatory limits.
5. Control of non-earning assets proportion to manage its impact on the Group's overall financial position.
6. Conduct regular liquidity stress tests including testing of contingency plans.
7. Monitor diversification of funding sources in order to control concentration risk and ensure a satisfactorily funding mix.
8. Monitoring the level of undrawn commitments.
9. Maintain an updated liquidity and contingency funding plan. These plans will identify stress indicators and prescribe actions to be taken in event of firm specific or market based crises.
10. Regular conduct of the Asset and Liability Management Committee (ALMAC) meetings.

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

1. Establishing policies and tolerance levels, from both risk and return perspectives, for liquidity, interest rate and balance sheet valuation management.
2. Manage the intra-day liquidity position to ensure that payment and settlement obligations are met on a timely basis.
3. Strategic financial position planning from both risk and return perspective.
4. Strategically coordinate the management of the Bank's financial position in consideration of changing economic conditions.

(i) Funding approach

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

1. Consistently grow customer deposits from diverse sources particularly along geographical and sectorial categories. The objective is to eliminate depositor concentration or undue reliance on individual depositors.
2. Generate funding at the most appropriate pricing in light of market realities.
3. Maintain an appropriate funding structure that enables the Group to operate under a variety of adverse circumstance, including potential firm-specific and/or market liquidity events.
4. Maintain appropriate capital to support the Group's risk level and strategic intent.

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

(ii) Exposure to Liquidity Risk

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

	Dec-2020	Dec-2019
At end of year	38.91%	49.33%
Average for the year	40.70%	44.43%
Maximum for the year	49.03%	49.86%
Minimum for the year	28.54%	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.

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-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 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
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	220,082,161	3,265,695	12,970,430	1,238,959
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**	**253,437,521**	**147,489,552**	**56,776,891**	**22,761,422**
Gap (asset - liabilities)				(538,350,046)	(20,783,634)	371,224,007	917,409,589	205,533,813
Cumulative liquidity gap				(538,350,046)	(559,133,680)	(187,909,673)	729,499,916	935,033,729

1 Includes balances with no specific contractual maturities
2 Equity securities have been excluded under Gross Nominal consideration.
3 Excludes Prepayments
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

Gross nominal (undiscounted) maturities of financial assets and liabilities

Group Dec-2019 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	593,551,117	594,157,021	585,758,882	4,975,902	3,422,237	-	-
Financial assets at fair value through profit or loss	24	73,486,101	80,259,988	15,352,542	14,697,379	32,072,137	5,518,539	12,619,391
Derivative financial assets	25	26,011,823	11,444,197	1,582,659	760,600	9,100,938	-	-
Investment securities:								
– Fair value through profit or loss[2]	26	29,834,367	54,162,361	-	27,061,690	27,100,671	-	-
– Fair Value through other comprehensive Income[2]	26	584,197,391	657,125,370	111,420,972	30,193,298	482,160,078	2,098,288	31,252,734
– Held at amortised cost	26	145,561,232	146,879,392	41,013,043	62,455,991	16,256,066	24,765,425	2,388,867
Assets pledged as collateral	27	58,036,855	59,940,106	28,346,106	31,594,000	-	-	-
Loans and advances to banks	28	1,513,310	1,528,308	1,466,304	8,600	16,640	36,764	-
Loans and advances to customers	29	1,500,572,046	1,823,891,111	480,150,559	176,570,835	213,173,056	782,602,782	171,393,879
Restricted deposits and other assets[3]	34	518,275,514	518,625,364	498,529,028	5,340,773	2,700,034	11,705,599	349,930
		3,531,039,756	**3,948,013,218**	**1,763,620,095**	**353,659,068**	**786,001,857**	**826,727,397**	**218,004,801**
Financial liabilities								
Deposits from banks	35	107,518,398	107,518,529	97,576,014	723,941	9,218,574	-	-
Deposits from customers	36	2,532,540,384	2,533,573,490	2,484,880,462	16,535,559	30,828,373	1,214,418	114,678
Financial liabilities at fair value through profit or loss	37	1,615,735	1,671,409	759,055	476,707	435,647	-	-
Derivative financial liabilities	25	2,315,541	1,377,975	1,377,975	-	-	-	-
Other liabilities[4]	38	226,621,182	226,621,147	87,079,709	126,346,034	1,903,373	11,292,031	-
Other borrowed funds	40	162,999,909	168,463,141	12,758,150	16,174,959	20,029,944	98,550,423	20,949,665
		3,033,611,149	**3,039,225,691**	**2,684,431,365**	**160,257,200**	**62,415,911**	**111,056,872**	**21,064,343**
Gap (asset - liabilities)				(920,811,270)	193,401,868	723,585,946	715,670,525	196,940,458
Cumulative liquidity gap				(920,811,270)	(727,409,402)	(3,823,456)	711,847,069	908,787,527

1 Includes balances with no specific contractual maturities
2 Equity securities have been excluded under Gross Nominal consideration.
3 Excludes Prepayments
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

Gross nominal (undiscounted) maturities of financial assets and liabilities

Parent Dec-2020 In thousands of Nigerian Naira	Note	Carrying amount	Gross nominal inflow/outflow	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets								
Cash and bank balances	23	493,209,016	493,290,551	465,368,703	27,921,848	-	-	-
Financial assets at fair value through profit or loss	24	36,226,876	37,989,818	233,799	3,081,488	28,821,495	2,552,827	3,300,209
Derivative financial assets	25	26,448,550	26,639,486	2,275,471	657,094	10,765,221	12,941,700	-
Investment securities:								
– Fair Value through other comprehensive Income[2]	26	595,277,891	610,845,918	548,803,803	20,697,815	11,395,131	-	29,949,169
– Held at amortised cost	26	77,820,332	87,514,087	-	-	85,104,450	2,409,637	-
Assets pledged as collateral	27	61,955,975	63,064,000	-	-	63,064,000	-	-
Loans and advances to banks	28	39,749	46,055	14,536	5,059	9,594	16,866	-
Loans and advances to customers	29	1,410,577,734	1,692,085,466	422,657,680	107,234,506	180,873,415	826,157,565	155,162,300
Restricted deposits and other assets[3]	34	1,113,387,208	1,113,387,208	1,092,805,989	9,789,415	410,646	10,381,158	-
		3,814,943,331	**4,124,862,589**	**2,532,159,981**	**169,387,225**	**380,443,952**	**854,459,753**	**188,411,678**
Financial liabilities								
Deposits from banks	35	12,733	12,733	12,733	-	-	-	-
Deposits from customers	36	2,881,686,058	2,881,852,901	2,877,236,637	1,836,191	2,776,387	3,686	-
Derivative financial liabilities	25	2,758,698	2,760,127	2,120,560	639,567	-	-	-
Other liabilities[4]	38	318,520,502	318,520,501	98,667,071	219,665,529	-	187,901	-
Other borrowed funds	40	113,470,753	115,253,805	15,211,136	17,521,197	19,747,222	41,298,792	21,475,458
		3,316,448,744	**3,318,400,067**	**2,993,248,137**	**239,662,484**	**22,523,609**	**41,490,379**	**21,475,458**
Gap (asset - liabilities)				(461,088,156)	(70,275,259)	357,920,343	812,969,374	166,936,220
Cumulative liquidity gap				(461,088,156)	(531,363,415)	(173,443,072)	639,526,302	806,462,522

1 Includes balances with no specific contractual maturities
2 Equity securities have been excluded under Gross Nominal consideration.
3 Excludes Prepayments
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

Gross nominal (undiscounted) maturities of financial assets and liabilities

Parent Dec-2019 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	396,915,777	397,521,708	395,680,668	-	1,841,040	-	-
Financial assets at fair value through profit or loss	24	44,717,688	51,491,580	7,203,136	11,947,907	28,518,116	-	3,822,421
Derivative financial assets	25	26,011,823	11,444,197	1,582,659	760,600	9,100,938	-	-
Investment securities:								
– Fair value through profit or loss[2]	26	29,834,367	54,162,361	-	27,061,690	27,100,671	-	-
– Fair Value through other comprehensive Income[2]	26	494,546,405	567,474,857	67,691,519	18,632,780	449,897,824	-	31,252,734
– Held at amortised cost	26	2,003,583	3,321,808	-	-	-	3,321,808	-
Assets pledged as collateral	27	57,790,749	59,694,000	28,100,000	31,594,000	-	-	-
Loans and advances to banks	28	72,451	87,449	25,445	8,600	16,640	36,764	-
Loans and advances to customers	29	1,300,820,647	1,624,139,883	422,079,282	151,962,581	153,431,283	735,878,382	160,788,355
Restricted deposits and other assets[3]	34	507,981,561	507,981,560	488,692,658	5,290,933	2,652,479	11,345,490	-
		2,860,695,051	**3,277,319,403**	**1,411,055,367**	**247,259,091**	**672,558,991**	**750,582,444**	**195,863,510**
Financial liabilities								
Deposits from banks	35	15,200	15,200	15,200	-	-	-	-
Deposits from customers	36	2,086,810,070	2,087,843,197	2,080,649,660	3,667,667	3,515,412	10,458	-
Financial liabilities at fair value through profit or loss	37	1,615,735	1,671,409	759,055	476,707	435,647	-	-
Derivative financial liabilities	25	2,315,541	2,341,154	1,377,975	753,365	209,814	-	-
Other liabilities[4]	38	199,536,392	199,536,393	73,652,106	125,674,078	-	210,209	-
Other borrowed funds	40	162,742,565	168,205,757	12,758,150	15,917,575	20,029,944	98,550,423	20,949,665
		2,453,035,503	**2,459,613,110**	**2,169,212,146**	**146,489,392**	**24,190,817**	**98,771,090**	**20,949,665**
Gap (asset - liabilities)				(758,156,779)	100,769,699	648,368,174	651,811,354	174,913,845
Cumulative liquidity gap				(758,156,779)	(657,387,080)	(9,018,906)	642,792,448	817,706,293

1 Includes balances with no specific contractual maturities
2 Equity securities have been excluded under Gross Nominal consideration.
3 Excludes Prepayments
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

(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-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 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
Derivative financial liabilities	25	2,758,698	2,119,895	638,803	-	-	-
Other liabilities[4]	38	352,176,806	114,619,560	218,577,115	4,770,741	12,970,431	1,238,959
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**	**251,906,058**	**148,391,399**	**56,718,647**	**22,761,422**
Gap (asset - liabilities)			(431,870,050)	(32,655,191)	308,030,480	665,152,168	117,770,735
Cumulative liquidity gap			(431,870,050)	(464,525,241)	(156,494,761)	508,657,407	626,428,142

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under liquidity consideration.
[3] Excludes prepayments
[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

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[1]	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

Group Dec-2019							
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	593,551,117	585,156,020	4,975,902	3,419,195	-	-
Financial assets at fair value through profit or loss	24	73,486,101	15,286,065	14,116,876	28,932,344	5,518,539	9,632,277
Derivative financial assets	25	26,011,823	17,217,431	746,839	8,047,553	-	-
Investment securities:							
– Fair value through profit or loss[2]	26	29,834,367	-	29,834,367	-	-	-
– Fair Value through other comprehensive Income[2]	26	584,197,391	110,808,481	29,229,544	429,977,764	2,098,288	12,083,314
– Held at amortised cost	26	145,561,232	41,013,109	62,455,991	16,256,066	23,447,199	2,388,867
Assets pledged as collateral	27	58,036,855	28,183,311	29,853,544	-	-	-
Loans and advances to banks	28	1,513,310	1,513,310	-	-	-	-
Loans and advances to customers	29	1,500,572,046	527,331,872	205,595,724	158,995,266	539,626,869	69,022,315
Restricted deposits and other assets[3]	34	518,275,514	498,529,108	5,340,773	2,700,034	11,705,599	-
		3,531,039,756	**1,825,038,707**	**382,149,560**	**648,328,222**	**582,396,494**	**93,126,773**
Financial liabilities							
Deposits from banks	35	107,518,398	97,575,883	723,941	9,218,574	-	-
Deposits from customers	36	2,532,540,384	2,484,025,932	16,485,793	30,701,312	1,212,669	114,678
Financial liabilities at fair value through profit or loss	37	1,615,735	755,530	456,131	404,074	-	-
Derivative financial liabilities	25	2,315,541	1,371,044	739,732	204,765	-	-
Other liabilities[4]	38	226,621,182	87,079,744	126,346,034	1,903,373	11,292,031	-
Other borrowed funds	40	162,999,909	12,160,290	14,634,054	18,600,494	96,655,406	20,949,665
		3,033,611,149	**2,682,968,423**	**159,385,685**	**61,032,592**	**109,160,106**	**21,064,343**
Gap (asset - liabilities)			(857,929,716)	222,763,875	587,295,630	473,236,388	72,062,430
Cumulative liquidity gap			(857,929,716)	(635,165,841)	(47,870,211)	425,366,177	497,428,607

[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

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-2019							
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	351,764,791	27,132,555	24,691,452	26,284,683	46,266,825	227,389,276
Clean line facilities and letters of credit	43	57,673,046	47,342,163	3,898,662	6,432,221	-	-
Other commitments	43	3,903,752	3,518,177	302,937	82,638	-	-
		413,341,589	**77,992,895**	**28,893,051**	**32,799,542**	**46,266,825**	**227,389,276**

[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 Bank's financial assets and liabilities and represents actual and in some cases assumed obligation expected for the assets or liability to be recovered or settled. These figures do not include elements of future incomes or costs.

Parent Dec-2020 In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets							
Cash and bank balances	23	493,209,016	465,299,211	27,909,805	-	-	-
Financial assets at fair value through profit or loss	24	36,226,876	233,565	3,076,661	28,307,845	2,254,523	2,354,282
Derivative financial assets	25	26,448,550	2,274,768	656,308	10,708,606	12,808,868	-
Investment securities:							
– Fair Value through other comprehensive Income[2]	26	595,277,891	548,454,759	20,491,802	10,944,306	-	15,387,024
– Held at amortised cost	26	77,820,332	-	-	76,205,171	1,615,161	-
Assets pledged as collateral	27	61,955,975	-	-	61,955,975	-	-
Loans and advances to banks	28	39,749	13,499	3,750	7,500	15,000	-
Loans and advances to customers	29	1,410,577,734	528,932,374	94,056,465	129,612,223	575,069,378	82,907,294
Restricted deposits and other assets[3]	34	1,113,387,208	1,092,805,989	9,789,415	410,646	10,381,158	-
		3,814,943,331	**2,638,014,165**	**155,984,206**	**318,152,272**	**602,144,088**	**100,648,600**
Financial liabilities							
Deposits from banks	35	12,733	12,733	-	-	-	-
Deposits from customers	36	2,881,686,058	2,877,100,898	1,832,177	2,749,401	3,582	-
Derivative financial liabilities	25	2,758,698	2,119,895	638,803	-	-	-
Other liabilities[4]	38	318,520,502	98,667,072	218,160,483	1,505,046	187,901	-
Other borrowed funds	40	113,470,753	14,723,646	16,859,990	19,171,008	41,240,651	21,475,458
		3,316,448,744	**2,992,624,244**	**237,491,453**	**23,425,455**	**41,432,134**	**21,475,458**
Gap (asset - liabilities)			(354,610,079)	(81,507,247)	294,726,817	560,711,954	79,173,142
Cumulative liquidity gap			(354,610,079)	(436,117,326)	(141,390,509)	419,321,445	498,494,587

[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

Residual contractual maturities of contingencies

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

Parent **Dec-2020** In thousands of Nigerian Naira	**Note**	**Carrying amount**	**Less than 3 months**[1]	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Transaction related bonds and guarantees	43	305,107,662	17,609,194	28,826,142	16,231,578	31,504,401	210,936,347
Clean line facilities and letters of credit	43	11,130,745	8,874,992	819,878	1,435,875	-	-
		316,238,407	**26,484,186**	**29,646,020**	**17,667,453**	**31,504,401**	**210,936,347**

[1] Includes balances with no specific contractual maturities

Residual contractual maturities of financial assets and liabilities

Parent Dec-2019 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	396,915,777	395,077,779	-	1,837,998	-	-
Financial assets at fair value through profit or loss	24	44,717,688	7,136,654	11,367,404	25,378,323	-	835,307
Derivative financial assets	25	26,011,823	17,217,431	746,839	8,047,553	-	-
Investment securities:							
– Fair value through profit or loss[2]	26	29,834,367	-	29,834,367	-	-	-
– Fair Value through other comprehensive Income[2]	26	494,546,405	67,078,555	17,669,026	397,715,510	-	12,083,314
– Held at amortised cost	26	2,003,583	-	-	-	2,003,583	-
Assets pledged as collateral	27	57,790,749	27,937,205	29,853,544	-	-	-
Loans and advances to banks	28	72,451	72,451	-	-	-	-
Loans and advances to customers	29	1,300,820,647	469,260,424	180,987,470	99,253,493	492,902,469	58,416,791
Restricted deposits and other assets[3]	34	507,981,561	488,692,659	5,290,933	2,652,479	11,345,490	-
		2,860,695,051	**1,472,473,158**	**275,749,583**	**534,885,356**	**506,251,542**	**71,335,412**
Financial liabilities							
Deposits from banks	35	15,200	15,200	-	-	-	-
Deposits from customers	36	2,086,810,070	2,079,795,112	3,617,900	3,388,350	8,708	-
Financial liabilities at fair value through profit or loss	37	1,615,735	755,530	456,131	404,074	-	-
Derivative financial liabilities	25	2,315,541	1,371,044	739,732	204,765	-	-
Other liabilities[4]	38	199,536,392	73,652,105	125,674,078	-	210,209	-
Other borrowed funds	40	162,742,565	12,160,330	14,376,670	18,600,494	96,655,406	20,949,665
		2,453,035,503	**2,167,749,321**	**144,864,511**	**22,597,683**	**96,874,323**	**20,949,665**
Gap (asset - liabilities)			(695,276,163)	130,885,072	512,287,673	409,377,219	50,385,747
Cumulative liquidity gap			(695,276,163)	(564,391,091)	(52,103,418)	357,273,801	407,659,548

[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

Residual contractual maturities of contingencies

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

Parent Dec-2019							
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	320,056,325	14,475,219	18,059,035	19,418,714	40,938,810	227,164,547
Clean line facilities and letters of credit	43	22,753,615	15,191,721	2,544,716	5,017,178	-	-
		342,809,940	**29,666,940**	**20,603,751**	**24,435,892**	**40,938,810**	**227,164,547**

[1] Includes balances with no specific contractual maturities

(ii) Repricing period of financial assets and liabilities

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

Group 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 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
Derivative financial liabilities	25	2,758,698	2,119,895	638,803	-	-	-
Other liabilities[3]	39	352,176,806	114,619,560	218,577,115	4,770,741	12,970,431	1,238,959
Other borrowed funds	41	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**	**251,906,058**	**148,391,399**	**56,718,647**	**22,761,422**
		626,428,142	**157,051,707**	**20,629,449**	**192,296,146**	**167,146,160**	**89,304,680**

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

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-2019							
In thousands of Nigerian Naira	**Note**	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	23	593,551,117	585,156,020	4,975,902	3,419,195	-	-
Financial assets at fair value through profit or loss	24	73,486,101	15,286,065	14,116,876	28,932,344	5,518,539	9,632,277
Derivative financial assets	25	26,011,823	17,217,431	746,839	8,047,553	-	-
Investment securities:							
– Fair value through profit or loss[1]	26	29,834,367	-	29,834,367	-	-	-
– Fair Value through other comprehensive Income[1]	26	584,197,391	110,808,481	29,229,544	429,977,764	2,098,288	12,083,314
– Held at amortised cost	26	145,561,232	41,013,109	62,455,991	16,256,066	23,447,199	2,388,867
Assets pledged as collateral	27	58,036,855	28,183,311	29,853,544	-	-	-
Loans and advances to banks	28	1,513,310	1,513,310	-	-	-	-
Loans and advances to customers	29	1,500,572,046	1,167,823,097	135,523,039	68,981,773	98,593,403	29,650,734
Restricted deposits and other assets[2]	34	518,275,514	498,529,108	5,340,773	2,700,034	11,705,599	-
		3,531,039,756	**2,465,529,932**	**312,076,875**	**558,314,729**	**141,363,028**	**53,755,192**
Financial liabilities							
Deposits from banks	35	107,518,398	97,575,883	723,941	9,218,574	-	-
Deposits from customers	36	2,532,540,384	2,484,025,932	16,485,793	30,701,312	1,212,669	114,678
Financial liabilities at fair value through profit or loss	37	1,615,735	755,530	456,131	404,074	-	-
Derivative financial liabilities	25	2,315,541	1,371,044	739,732	204,765	-	-
Other liabilities[3]	38	226,621,182	87,079,744	126,346,034	1,903,373	11,292,031	-
Other borrowed funds	40	162,999,909	12,160,290	14,634,054	18,600,494	96,655,406	20,949,665
		3,033,611,149	**2,682,968,423**	**159,385,685**	**61,032,592**	**109,160,106**	**21,064,343**
		497,428,607	**(217,438,491)**	**152,691,190**	**497,282,137**	**32,202,922**	**32,690,849**

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

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 Bank can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Bank 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.

Parent Dec-2020 In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months[1]	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets							
Cash and bank balances	23	493,209,016	465,299,211	27,909,805	-	-	-
Financial assets at fair value through profit or loss	24	36,226,876	233,565	3,076,661	28,307,845	2,254,523	2,354,282
Derivative financial assets	25	26,448,550	2,274,768	656,308	10,708,606	12,808,868	-
Investment securities:							
– Fair Value through other comprehensive Income[1]	26	595,277,891	548,454,759	20,491,802	10,944,306	-	15,387,024
– Held at amortised cost	26	77,820,332	-	-	76,205,171	1,615,161	-
Assets pledged as collateral	27	61,955,975	-	-	61,955,975	-	-
Loans and advances to banks	28	39,749	39,749	-	-	-	-
Loans and advances to customers	29	1,410,577,734	1,117,827,881	147,344,855	13,885,389	77,078,370	54,441,239
Restricted deposits and other assets[2]	34	1,113,387,208	1,092,805,989	9,789,415	410,646	10,381,158	-
		3,814,943,331	**3,226,935,922**	**209,268,846**	**202,417,938**	**104,138,080**	**72,182,545**
Financial liabilities							
Deposits from banks	35	12,733	12,733	-	-	-	-
Deposits from customers	36	2,881,686,058	2,877,100,898	1,832,177	2,749,401	3,582	-
Derivative financial liabilities	25	2,758,698	2,119,895	638,803	-	-	-
Other liabilities[3]	38	318,520,502	98,667,072	218,160,483	1,505,046	187,901	-
Other borrowed funds	40	113,470,753	14,723,646	16,859,990	19,171,008	41,240,651	21,475,458
		3,316,448,744	**2,992,624,244**	**237,491,453**	**23,425,455**	**41,432,134**	**21,475,458**
		498,494,587	**234,311,678**	**(28,222,607)**	**178,992,483**	**62,705,946**	**50,707,087**

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

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.

Parent Dec-2019							
In thousands of Nigerian Naira	**Note**	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	23	396,915,777	395,077,779	-	1,837,998	-	-
Financial assets at fair value through profit or loss	24	44,717,688	7,136,654	11,367,404	25,378,323	-	835,307
Derivative financial assets	25	26,011,823	17,217,431	746,839	8,047,553	-	-
Investment securities:							
– Fair value through profit or loss[1]	26	29,834,367	-	29,834,367	-	-	-
– Fair Value through other comprehensive Income[1]	26	494,546,405	67,078,555	17,669,026	397,715,510	-	12,083,314
– Held at amortised cost	26	2,003,583	-	-	-	2,003,583	-
Assets pledged as collateral	27	57,790,749	27,937,205	29,853,544	-	-	-
Loans and advances to banks	28	72,451	72,451	-	-	-	-
Loans and advances to customers	29	1,300,820,647	1,109,751,649	110,914,785	9,240,000	51,869,003	19,045,210
Restricted deposits and other assets[2]	34	507,981,561	488,692,659	5,290,933	2,652,479	11,345,490	-
		2,860,695,051	**2,112,964,383**	**205,676,898**	**444,871,863**	**65,218,076**	**31,963,831**
Financial liabilities							
Deposits from banks	35	15,200	15,200	-	-	-	-
Deposits from customers	36	2,086,810,070	2,079,795,112	3,617,900	3,388,350	8,708	-
Financial liabilities at fair value through profit or loss	37	1,615,735	755,530	456,131	404,074	-	-
Derivative financial liabilities	25	2,315,541	1,371,044	739,732	204,765	-	-
Other liabilities[3]	38	199,536,392	73,652,105	125,674,078	-	210,209	-
Other borrowed funds	40	162,742,565	12,160,330	14,376,670	18,600,494	96,655,406	20,949,665
		2,453,035,503	**2,167,749,321**	**144,864,511**	**22,597,683**	**96,874,323**	**20,949,665**
		407,659,548	**(54,784,938)**	**60,812,387**	**422,274,180**	**(31,656,247)**	**11,014,166**

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

(h) Settlement Risk

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

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

(i) Market Risk

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

(i) Management of Market Risk

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

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

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

(ii) Exposure to Market Risks – Trading Book

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

The Bank traded in the following financial instruments in the course of the year;

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

(iii) Exposure to Interest Rate Risk – Banking Book

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

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

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

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

Value-at-Risk (VaR)

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

GTBank uses the analytical variance-covariance method to estimate VaR, which takes cognizance of factor sensitivities of the trading portfolio, the volatilities and correlations of market risk factor. The model is employed across the Group and applies observable historical rates, yields and prices for the previous 12months to its current positions. It assumes that historical changes in market values are representative of the distribution of potential outcome in the immediate future. The Group's VaR is calculated assuming a one-day holding period and an expected tail loss methodology which approximates a 99% confidence level.

VaR statistics can be materially different across firms due to differences in portfolio composition, differences in VaR methodologies, and differences in model parameters. As a result, GTBank believes VaR statistics can be used more effectively as indicators of trends in risk-taking within a firm, rather than as a basis for inferring differences in risk-taking across firms.

The Bank trades on foreign currencies, Bonds and Treasury bills instruments, while its subsidiaries trade mainly in bills and bonds and an insignificant amount of foreign currencies. The resultant risk exposures are interest and foreign exchange risks.

The table below presents, risk by category, average VaR and end of period-end VaR as well as the high and low VaR for the period.

Group VaR by risk type		**Dec-2020**		
In thousands of Nigerian 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**

Group VaR by risk type		**Dec-2019**		
In thousands of Nigerian Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	155,544	549,851	52	2,157
Interest rate risk	213,071	1,192,788	13,103	601,397
Total	**368,615**	**1,742,639**	**13,155**	**603,553**

Bank VaR by risk type		**Dec-2020**		
In thousands of Nigerian Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	22,715	61,062	127	756
Interest rate risk	1,021,810	2,849,006	49,166	176,910
Total	**1,044,524**	**2,910,068**	**49,293**	**177,666**

Bank VaR by risk type		**Dec-2019**		
In thousands of Nigerian Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	97,402	344,318	33	1,351
Interest rate risk	133,426	746,928	8,205	563,672
Total	**230,828**	**1,091,246**	**8,238**	**565,023**

(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 2020, 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 2019 – 100 basis points) with all other variables held constant, resulted in the impact on profit or loss as set out in the table on pages 193 - 194.
- 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 11.31% and 15.65% over the period, a change of about 100 basis points is therefore probable.
- The discount rate on various maturities of treasury bills ranged between 1.10% and 6.54% 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-20 Pre-tax	Dec-20 Post-tax	Dec-19 Pre-tax	Dec-19 Post-tax
Decrease	**(17,833,572)**	**(15,058,668)**	**(13,055,321)**	**(11,149,244)**
Asset	(27,769,414)	(23,448,493)	(22,088,231)	(18,863,349)
Liabilities	9,935,843	8,389,826	9,032,910	7,714,105
Increase	**17,833,572**	**15,058,668**	**13,055,321**	**11,149,244**
Asset	27,769,414	23,448,493	22,088,231	18,863,349
Liabilities	(9,935,843)	(8,389,826)	(9,032,910)	(7,714,105)

Parent

In thousands of Nigerian Naira	Dec-20 Pre-tax	Dec-20 Post-tax	Dec-19 Pre-tax	Dec-19 Post-tax
Decrease	**(13,270,786)**	**(11,501,789)**	**(12,813,861)**	**(11,239,038)**
Asset	(21,734,924)	(18,837,658)	(20,407,791)	(17,899,674)
Liabilities	8,464,138	7,335,869	7,593,930	6,660,636
Increase	**13,270,786**	**11,501,789**	**12,813,861**	**11,239,038**
Asset	21,734,924	18,837,658	20,407,791	17,899,674
Liabilities	(8,464,138)	(7,335,869)	(7,593,930)	(6,660,636)

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-20 Pre-tax	Dec-20 Post-tax	Dec-19 Pre-tax	Dec-19 Post-tax
Decrease				
Assets				
Cash and bank balances	(1,531,264)	(1,292,999)	(3,596,382)	(3,071,310)
Loans and advances to banks	(13,543)	(11,436)	(15,109)	(12,903)
Loans and advances to customers	(16,443,582)	(13,884,961)	(11,737,256)	(10,023,617)
Financial assets held for trading	(1,150,488)	(971,472)	(495,791)	(423,405)
Investment securities	(8,052,570)	(6,799,590)	(6,240,656)	(5,329,520)
Assets pledged as collateral	(577,968)	(488,036)	(3,037)	(2,593)
	(27,769,414)	**(23,448,493)**	**(22,088,231)**	**(18,863,349)**
Liabilities				
Deposits from banks	51,082	43,134	54,359	46,423
Deposits from customers	8,364,341	7,062,849	7,027,781	6,001,725
Financial liabilities held for trading	22,653	19,129	119,064	101,680
Other borrowed funds	1,490,873	1,258,894	1,831,707	1,564,277
	9,928,950	**8,384,005**	**9,032,910**	**7,714,105**
Total	**(17,840,465)**	**(15,064,488)**	**(13,055,321)**	**(11,149,244)**
Increase				
Assets				
Cash and bank balances	1,531,264	1,292,999	3,596,382	3,071,310
Loans and advances to banks	13,543	11,436	15,109	12,903
Loans and advances to customers	16,443,582	13,884,961	11,737,256	10,023,617
Financial assets held for trading	1,150,488	971,472	495,791	423,405
Investment securities	8,052,570	6,799,590	6,240,656	5,329,520
Assets pledged as collateral	577,968	488,036	3,037	2,593
	27,769,414	**23,448,493**	**22,088,231**	**18,863,349**
Liabilities				
Deposits from banks	(51,082)	(43,134)	(54,359)	(46,423)
Deposits from customers	(8,364,341)	(7,062,849)	(7,027,781)	(6,001,725)
Financial liabilities held for trading	(22,653)	(19,129)	(119,064)	(101,680)
Other borrowed funds	(1,490,873)	(1,258,894)	(1,831,707)	(1,564,277)
	(9,928,950)	**(8,384,005)**	**(9,032,910)**	**(7,714,105)**
Total	**17,840,465**	**15,064,488**	**13,055,321**	**11,149,244**

Parent In thousands of Nigerian Naira	**Dec-20 Pre-tax**	**Dec-20 Post-tax**	**Dec-19 Pre-tax**	**Dec-19 Post-tax**
Decrease				
Assets				
Cash and bank balances	(1,366,877)	(1,184,672)	(3,530,732)	(3,096,805)
Loans and advances to banks	(666)	(577)	(700)	(614)
Loans and advances to customers	(13,919,854)	(12,064,338)	(11,722,848)	(10,282,110)
Financial assets held for trading	(837,403)	(725,777)	(208,107)	(182,530)
Investment securities	(5,034,599)	(4,363,487)	(4,944,829)	(4,337,110)
Assets pledged as collateral	(575,524)	(498,807)	(576)	(505)
	(21,734,924)	**(18,837,658)**	**(20,407,791)**	**(17,899,674)**
Liabilities				
Deposits from banks	334	290	12,794	11,222
Deposits from customers	6,954,518	6,027,481	5,632,939	4,940,651
Financial liabilities held for trading	22,653	19,634	119,064	104,431
Other borrowed funds	1,486,633	1,288,465	1,829,133	1,604,333
	8,464,139	**7,335,869**	**7,593,930**	**6,660,636**
Total	**(13,270,785)**	**(11,501,789)**	**(12,813,861)**	**(11,239,038)**
Increase				
Assets				
Cash and bank balances	1,366,877	1,184,672	3,530,732	3,096,805
Loans and advances to banks	666	577	700	614
Loans and advances to customers	13,919,854	12,064,338	11,722,848	10,282,110
Financial assets held for trading	837,403	725,777	208,107	182,530
Investment securities	5,034,599	4,363,487	4,944,829	4,337,110
Assets pledged as collateral	575,524	498,807	576	505
	21,734,924	**18,837,658**	**20,407,791**	**17,899,674**
Liabilities				
Deposits from banks	(334)	(290)	(12,794)	(11,222)
Deposits from customers	(6,954,518)	(6,027,481)	(5,632,939)	(4,940,651)
Financial liabilities held for trading	(22,653)	(19,634)	(119,064)	(104,431)
Other borrowed funds	(1,486,633)	(1,288,465)	(1,829,133)	(1,604,333)
	(8,464,139)	**(7,335,869)**	**(7,593,930)**	**(6,660,636)**
Total	**13,270,785**	**11,501,789**	**12,813,861**	**11,239,038**

As for Cash flow interest rate risk, this risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates.

At 31 December 2020, 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-20 Pre-tax**	**Dec-20 Post-tax**	**Dec-19 Pre-tax**	**Dec-19 Post-tax**
Decrease	1,490,873	1,258,894	1,831,707	1,564,277
Increase	(1,490,873)	(1,258,894)	(1,831,707)	(1,564,277)

Parent In thousands of Nigerian Naira	Dec-20 Pre-tax	Dec-20 Post-tax	Dec-19 Pre-tax	Dec-19 Post-tax
Decrease	1,486,633	1,288,465	1,829,133	1,604,333
Increase	(1,486,633)	(1,288,465)	(1,829,133)	(1,604,333)

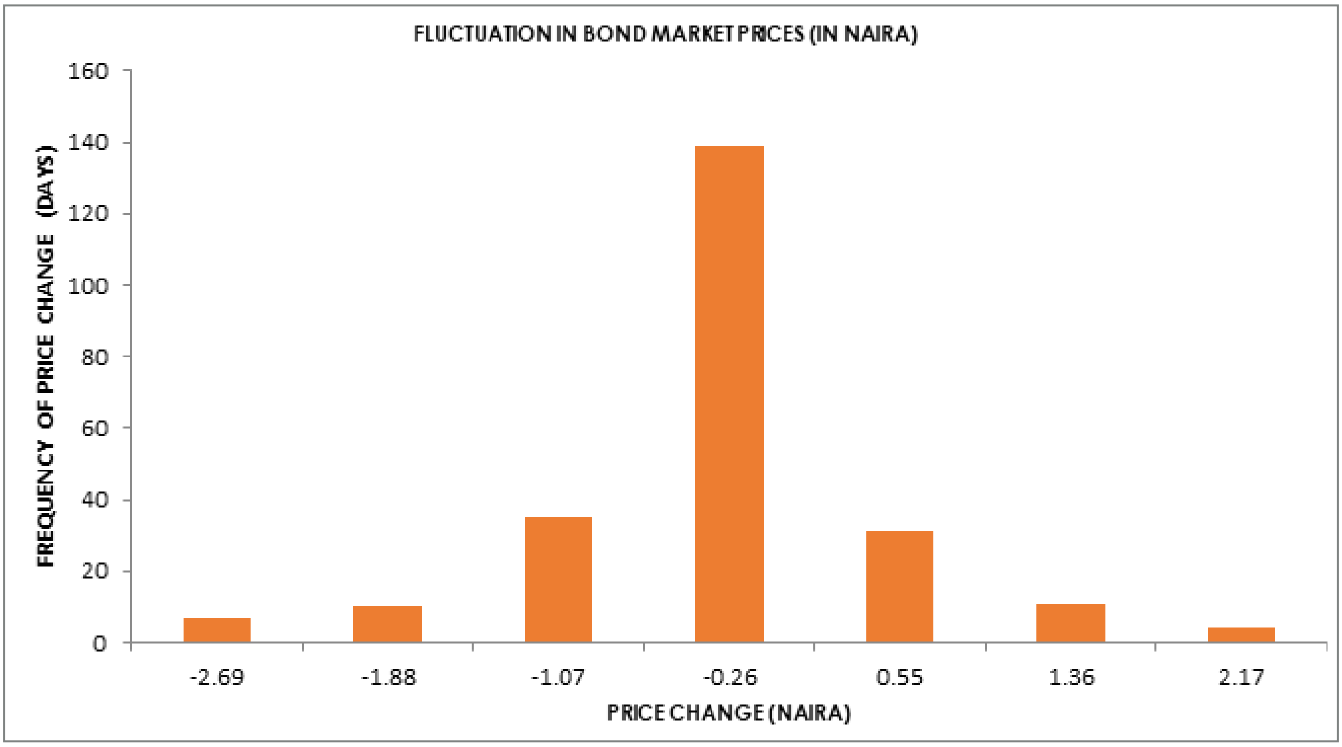
(v) Sensitivity Analysis of Fair Value Through Other Comprehensive Income Portfolio to Price

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 2020 and the comparative period in 2019. 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 (-2.69/+2.17) 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 (-2.69/+2.17) Naira.
- The chosen reasonable change in market prices was then applied to the Bank's holding of bonds designated as FVOCI as at end of the year.



The result of the price sensitivity i.e. impact on other comprehensive income as at 31 December 2020, 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:

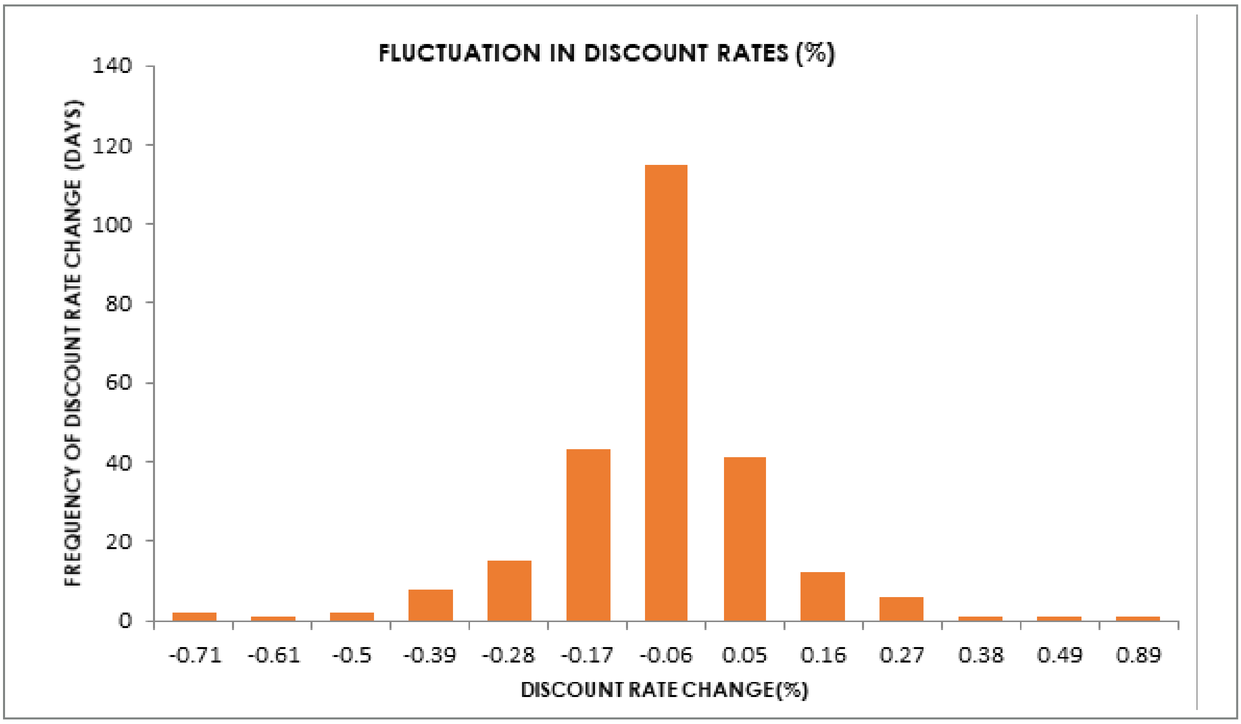
Group In thousands of Nigerian Naira	Dec-20 Pre-tax	Dec-20 Post-tax	Dec-19 Pre-tax	Dec-19 Post-tax
Decrease	(102,252)	(88,468)	(136,612)	(116,666)
Increase	144,486	125,010	218,858	186,905

Parent In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	(132,103)	(110,837)	(101,140)	(88,710)
Increase	174,337	146,269	183,387	160,848

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 (-0.71/+0.89) 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 (-0.71/+0.89).
- The chosen reasonable change in market discount rates was then applied to the Bank's holding of Fair value through other comprehensive income treasury bills at end of the year.



The result of the price sensitivity i.e. impacts on other comprehensive income as at 31 December 2020, if discount rates of treasury bills designated as FVOCI, converted to prices, increased or reduced by (-0.71/+0.89) with all other variables held constant, would have been as set out in the tables below:

Group In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	2,061,237	1,729,378	5,505,987	4,702,113
Increase	(1,753,950)	(1,471,564)	(4,338,467)	(3,705,051)

Parent In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	1,251,098	1,082,450	4,753,477	4,169,275
Increase	(943,811)	(816,585)	(3,585,956)	(3,145,242)

(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-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	196,570	164,922	140,850	120,286
Increase	(162,868)	(136,646)	(90,702)	(77,460)

Parent In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	185,111	160,158	140,756	123,457
Increase	(151,409)	(130,999)	(90,609)	(79,473)

Impact on Income statement

Group In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	355,609	298,356	467,959	399,637
Increase	(293,640)	(246,364)	(291,649)	(249,068)

Parent In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	355,609	307,673	467,959	410,447
Increase	(293,640)	(254,057)	(291,649)	(255,805)

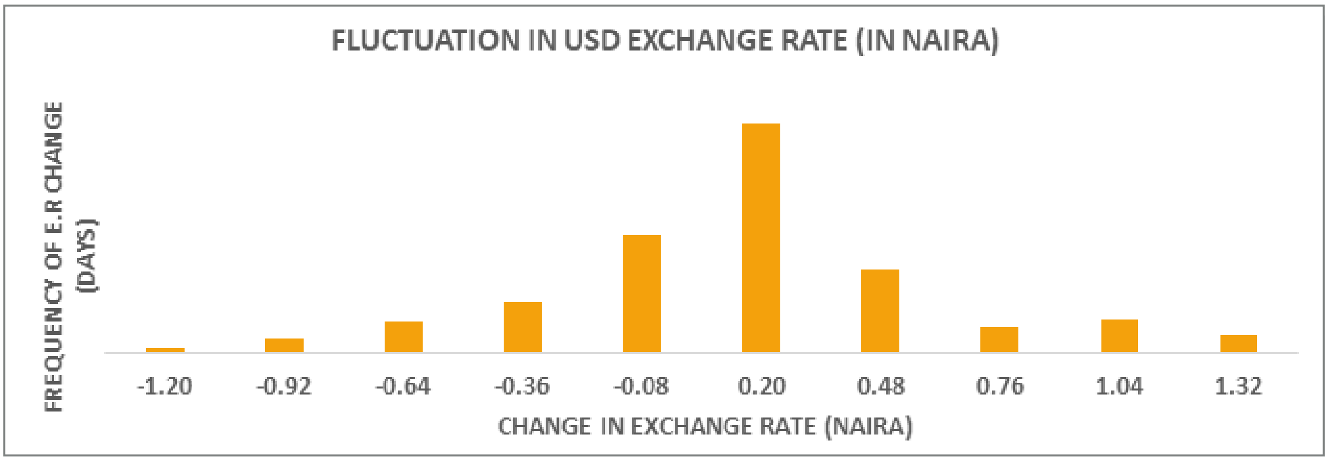
(iv) Exposure to foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollar, UK pound and Euro. Foreign exchange risk represents exposures to changes in the values of current holdings and future cash flows denominated in other currencies. The types of instruments exposed to this risk include investments in foreign subsidiaries, foreign currency-denominated loans and securities, future cash flows in foreign currencies arising from foreign exchange transactions, foreign currency denominated debt amongst others. The value of these instruments fluctuates with changes in the level or volatility of currency exchange rates or foreign interest rates. The Group deploys foreign derivative instruments whose values hedges currency debts to foreign currency loans and advances to eliminate exchange exposures on such borrowings.

Foreign exchange profit or loss (Dollars)

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in exchange rate of dollars:

- Daily dollar exchange rates were obtained for one year and trended
- A reasonably possible change of -1.20/1.32 (Dec 2019: -0.67/0.65) 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 -1.20/1.32 (Dec 2019: -0.67/0.65)
- The chosen reasonable change in exchange rates was then applied to the Bank's dollar position at the end of the year.



At 31 December 2020, if the Naira had strengthened/weakened by -1.20/1.32 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

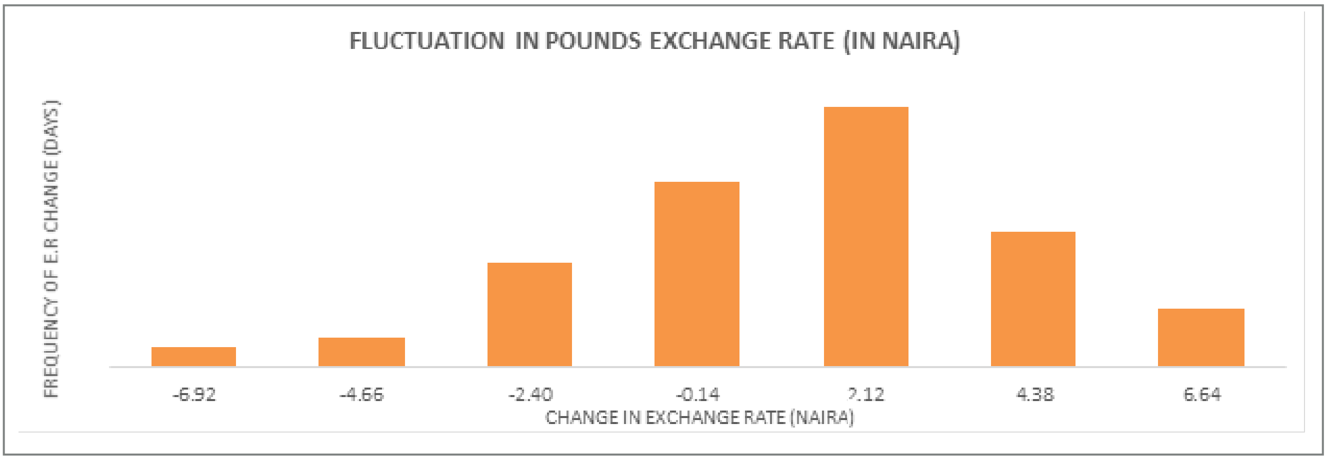
Group In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	(1,087,849)	(918,580)	(724,147)	(618,422)
Increase	1,196,634	1,010,438	702,531	599,962

Parent In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	(1,085,425)	(940,738)	(721,029)	(632,415)
Increase	1,193,967	1,034,811	699,506	613,537

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 -6.92/6.64 (Dec 2019: -4.65/4.15) 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 -6.92/6.64 (Dec 2019: -4.65/4.15)
- The chosen reasonable change in exchange rates was then applied to the bank's position as at end of the year.



At 31 Dec 2020, if the Naira had weakened/strengthened by -6.92/6.64 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.

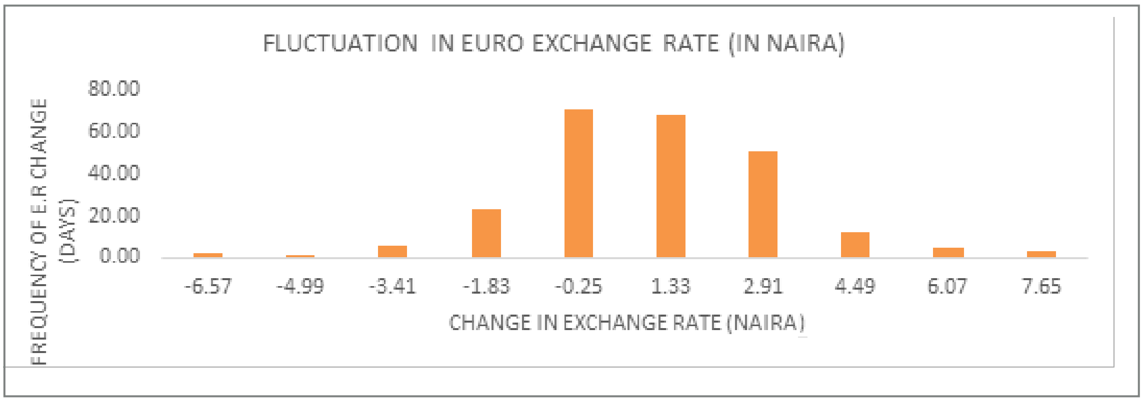
Group In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	(93,515)	(78,964)	(52,416)	(44,763)
Increase	89,732	75,769	46,780	39,950

Parent In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	(92,433)	(80,112)	(56,872)	(49,882)
Increase	88,693	76,870	50,757	44,519

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 -6.57/7.65 (Dec 2019: -2.84/2.55) 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 -6.57/7.65 (Dec 2019: -2.84/2.55).
- The chosen reasonable change in exchange rates was then applied to the Bank's Euro position as at end of the year.



At 31 December 2020, if the Naira had weakened/strengthened by -6.57/7.65 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-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	(42,067)	(35,522)	(13,262)	(11,326)
Increase	48,983	41,361	11,908	10,169

Group In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	(25,535)	(22,131)	(10,864)	(9,529)
Increase	29,733	25,769	9,755	8,556

Foreign Exchange Profit or Loss (Other Currencies)

At 31 December 2020, if Naira had weakened/strengthened by 5.20/-4.90 (Dec 2019: 0.67/0.65) against the other currencies with all other variables held constant the pre-tax and post-tax profit for the year, the impact of possible fluctuations in exchange rates on the overall foreign exchange revaluation profit of the Bank is as shown below:

Group In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	(10,608)	(8,957)	(10,918)	(9,324)
Increase	11,272	9,518	9,834	8,398

Parent In thousands of Nigerian Naira	**Dec-20** **Pre-tax**	**Dec-20** **Post-tax**	**Dec-19** **Pre-tax**	**Dec-19** **Post-tax**
Decrease	(9,403)	(8,150)	(5,052)	(4,431)
Increase	9,992	8,660	4,550	3,991

(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 and 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 2019: ±₦0.5) depreciation of the Nigerian Naira and ±₦0.5 (Dec 2019: ±₦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, 2020 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 2019: ±₦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 ₦543,177,000 and (₦543,177,000) respectively.

Group **Dec-2020** **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	351,818,425	26,448,550	Asset	426,813	(426,813)	360,401	(360,401)
Derivative Liabilities	95,598,778	(2,758,698)	Liability	116,363	(116,363)	98,257	(98,257)

Group **Dec-2019** **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	188,589,544	26,011,823	Asset	249,769	(249,769)	213,303	(213,303)
Derivative Liabilities	29,758,011	(2,315,541)	Liability	40,519	(40,519)	34,603	(34,603)

Please refer to Note 25 for components of the Derivative assets/liabilities.

Parent **Dec-2020** **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	351,818,425	26,448,550	Asset	426,813	(426,813)	369,919	(369,919)
Derivative Liabilities	95,598,778	(2,758,698)	Liability	116,363	(116,363)	100,852	(100,852)

Parent **Dec-2019** **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	188,589,544	26,011,823	Asset	249,769	(249,769)	219,073	(219,073)
Derivative Liabilities	29,758,011	(2,315,541)	Liability	40,519	(40,519)	35,539	(35,539)

Please refer to Note 25 for components of the Derivative assets/liabilities.

Sensitivity analysis on ECL Model

The following are the most significant assumption affecting the ECL allowance:

Corporate Portfolios

I. Crude Oil Prices, given the significant impact on the performance of companies in the oil and gas sector.

II. Exchange rate, given the significant impact on companies' ability to meet contractual payments denominated in foreign currency.

III. Inflation, given its significant impact on collateral valuations.

IV. GDP, given its impact on companies' performance and collateral valuations.

V. Interest rate, given its impact on the ability of companies to meet contractual cashflows on both local and foreign currency denominated obligations.

Retail Portfolios

I. Unemployment, given the impact it has on individual borrowers' ability to meet contractual payment.

II. Inflation, given its significant impact on purchasing power of individual borrowers and ultimately, the capacity to repay obligations.

III. Interest rate, given its impact on the ability of individual borrowers to meet contractual cashflows on both local and foreign currency denominated obligations.

In sensitising the variables above to determine their impact on Expected Credit Losses (ECL), the Group adjusted its Forward-Looking Information forecast as follows

- 500 basis points Increase / Decrease in GDP growth rate over forecasted GDP growth rate
- 500 basis points Decrease / Increase in inflation rate over Inflation rate forecast
- 300 basis points Decrease / Increase in interest rate over Interest rate forecast
- Decrease / Increase in USD/NGN exchange rate by ₦20 over forecasted exchange rate
- Increase / Decrease in Crude Oil Price by $10pbl over forecasted Crude Oil Price

Set out below are the changes to the ECL as at 31 December 2020 and 31 December 2019 that would result from the possible changes in these parameters from the actual assumptions used in the Group's economic variables assumption.

Group **Dec-2020** In thousands of Nigerian Naira	**Improvement**		**Worsening**	
	Pre-Tax	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(10,868,554)	(7,607,988)	7,671,060	5,369,742
CORPORATE	(3,245,975)	(2,272,183)	8,131,569	5,692,098
PUBLIC SECTOR	(56,803)	(39,762)	99,527	69,669
RETAIL	(1,584,138)	(1,108,896)	2,016,110	1,411,277
SME	(318,019)	(222,613)	405,435	283,805
	(16,073,488)	**(11,251,442)**	**18,323,701**	**12,826,591**

Parent **Dec-2020** In thousands of Nigerian Naira	**Improvement**		**Worsening**	
	Pre-Tax	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(10,351,004)	(7,245,702)	7,305,772	5,114,040
CORPORATE	(3,062,241)	(2,143,569)	7,671,291	5,369,904
PUBLIC SECTOR	(54,618)	(38,233)	95,699	66,989
RETAIL	(1,480,502)	(1,036,352)	1,884,215	1,318,950
SME	(302,875)	(212,013)	386,129	270,290
	(15,251,240)	**(10,675,868)**	**17,343,105**	**12,140,174**

Group **Dec-2019** In thousands of Nigerian Naira	**Improvement**		**Worsening**	
	Pre-Tax	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(9,384,161)	(6,568,913)	6,730,714	4,711,500
CORPORATE	(6,284,351)	(4,399,046)	7,844,773	5,491,341
PUBLIC SECTOR	(198,276)	(138,793)	65,867	46,107
RETAIL	(682,033)	(477,423)	658,102	460,672
SME	(129,848)	(90,894)	123,459	86,422
	(16,678,669)	**(11,675,069)**	**15,422,915**	**10,796,041**

Parent **Dec-2019** In thousands of Nigerian Naira	**Improvement**		**Worsening**	
	Pre-Tax	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(8,937,296)	(6,256,107)	6,410,204	4,487,143
CORPORATE	(6,042,645)	(4,229,852)	7,543,051	5,280,135
PUBLIC SECTOR	(187,053)	(130,937)	62,139	43,497
RETAIL	(662,168)	(463,518)	638,934	447,254
SME	(125,457)	(87,820)	119,284	83,499
	(15,954,620)	**(11,168,234)**	**14,773,612**	**10,341,528**

The table below summaries the Group's financial instruments at carrying amount, categorised by currency:

Group

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 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
Derivative financial liabilities	25	2,758,698	2,758,698	-	-	-	-
Other liabilities[2]	38	352,176,806	203,870,776	125,052,730	3,682,371	3,225,698	16,345,231
Other borrowed funds	40	113,894,768	77,599,816	35,870,937	-	-	424,015
		4,079,659,059	**2,586,419,309**	**983,941,095**	**86,038,885**	**40,095,036**	**383,164,734**
Financial Instrument Gap		**626,428,142**	**33,265,915**	**394,517,874**	**27,118,433**	**5,073,359**	**166,452,561**

[1] Excludes prepayments

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Group

Dec-2019

Financial instruments by currency

In thousands of Nigerian Naira	Note	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	23	593,551,117	88,173,156	371,955,025	53,303,748	30,160,906	49,958,282
Financial assets at fair value through profit or loss	24	73,486,101	44,717,688	-	-	-	28,768,413
Derivative financial assets	25	26,011,823	26,011,823	-	-	-	-
Investment securities:							
– Fair value through profit or loss	26	29,834,367	-	29,834,367	-	-	-
– Fair Value through other comprehensive Income	26	584,197,391	494,546,405	26,663,932	8,601,440	-	54,385,614
– Held at amortised cost	26	145,561,232	2,003,583	6,499,818	-	-	137,057,831
Assets pledged as collateral	27	58,036,855	57,790,749	-	-	-	246,106
Loans and advances to banks	28	1,513,310	71,735	364,355	-	-	1,077,220
Loans and advances to customers	29	1,500,572,047	507,570,994	843,584,781	30,467,481	1,956,103	116,992,688
Restricted deposits and other assets[1]	34	518,275,514	489,135,624	17,397,067	15,338	3,381,304	8,346,181
		3,531,039,757	**1,710,021,757**	**1,296,299,345**	**92,388,007**	**35,498,313**	**396,832,335**
Deposits from banks	35	107,518,398	15,200	76,565,896	8,438,293	5,861,038	16,637,971
Deposits from customers	36	2,532,540,384	1,539,297,430	656,145,050	61,558,226	19,909,375	255,630,303
Financial liabilities at fair value through profit or loss	37	1,615,735	1,615,735	-	-	-	-
Derivative financial liabilities	25	2,315,541	2,315,541	-	-	-	-
Other liabilities[2]	38	226,621,182	176,540,798	31,932,062	1,321,368	3,515,903	13,311,051
Other borrowed funds	40	162,999,909	110,485,069	52,514,840	-	-	-
		3,033,611,149	**1,830,269,773**	**817,157,848**	**71,317,887**	**29,286,316**	**285,579,325**
Financial Instrument Gap		**497,428,608**	**(120,248,016)**	**479,141,497**	**21,070,120**	**6,211,997**	**111,253,010**

[1] Excludes prepayments

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Parent

Dec-2020

Financial instruments by currency

In thousands of Nigerian Naira	Note	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	23	493,209,016	117,112,424	322,945,060	33,350,831	18,933,562	867,139
Financial assets at fair value through profit or loss	24	36,226,876	36,226,876	-	-	-	-
Derivative financial assets	25	26,448,550	26,448,550	-	-	-	-
Investment securities:							
– Fair Value through other comprehensive Income	26	595,277,891	595,277,891	-	-	-	-
– Held at amortised cost	26	77,820,332	77,820,332	-	-	-	-
Assets pledged as collateral	27	61,955,975	61,955,975	-	-	-	-
Loans and advances to banks	28	39,749	39,749	-	-	-	-
Loans and advances to customers	29	1,410,577,734	618,083,944	791,253,485	-	1,240,305	-
Restricted deposits and other assets[1]	34	1,113,387,208	1,063,026,116	47,226,998	16,256	3,117,838	-
		3,814,943,331	**2,595,991,857**	**1,161,425,543**	**33,367,087**	**23,291,705**	**867,139**
Deposits from banks	35	12,733	12,733	-	-	-	-
Deposits from customers	36	2,881,686,058	2,302,177,286	537,105,572	25,803,815	16,598,314	1,071
Derivative financial liabilities	25	2,758,698	2,758,698	-	-	-	-
Other liabilities[2]	38	318,520,502	193,275,709	121,979,192	89,955	3,167,738	7,908
Other borrowed funds	40	113,470,753	77,599,816	35,870,937	-	-	-
		3,316,448,744	**2,575,824,242**	**694,955,701**	**25,893,770**	**19,766,052**	**8,979**
Financial Instrument Gap		**498,494,587**	**20,167,615**	**466,469,842**	**7,473,317**	**3,525,653**	**858,160**

[1] Excludes prepayments

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Parent

Dec-2019

Financial instruments by currency

In thousands of Nigerian Naira	Note	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	23	396,915,777	87,932,568	265,986,561	27,411,396	14,874,552	710,700
Financial assets at fair value through profit or loss	24	44,717,688	44,717,688	-	-	-	-
Derivative financial assets	25	26,011,823	26,011,823	-	-	-	-
Investment securities:							
– Fair value through profit or loss	26	29,834,367	-	29,834,367	-	-	-
– Fair Value through other comprehensive Income	26	494,546,405	494,546,405	-	-	-	-
– Held at amortised cost	26	2,003,583	2,003,583	-	-	-	-
Assets pledged as collateral	27	57,790,749	57,790,749	-	-	-	-
Loans and advances to banks	28	72,451	71,735	716	-	-	-
Loans and advances to customers	29	1,300,820,648	507,570,994	793,176,200	12	73,442	-
Restricted deposits and other assets[1]	34	507,981,561	489,135,624	15,421,125	15,338	3,366,295	43,179
		2,860,695,052	**1,709,781,169**	**1,104,418,969**	**27,426,746**	**18,314,289**	**753,879**
Deposits from banks	35	15,200	15,200	-	-	-	-
Deposits from customers	36	2,086,810,070	1,539,297,430	512,505,507	21,497,728	13,508,401	1,004
Financial liabilities at fair value through profit or loss	36	1,615,735	1,615,735	-	-	-	-
Derivative financial liabilities	25	2,315,541	2,315,541	-	-	-	-
Other liabilities[2]	38	199,536,392	165,467,836	30,553,107	75,463	3,393,259	46,727
Other borrowed funds	40	162,742,565	110,485,069	52,257,496	-	-	-
		2,453,035,503	**1,819,196,811**	**595,316,110**	**21,573,191**	**16,901,660**	**47,731**
Financial Instrument Gap		**407,659,549**	**(109,415,642)**	**509,102,859**	**5,853,555**	**1,412,629**	**706,148**

[1] Excludes prepayments

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

OTHER NOTES TO THE FINANCIAL STATEMENTS

5. Capital management and other risks

(a) Regulatory capital

The Bank's lead regulator, the Central Bank of Nigeria (CBN), sets and monitors capital requirements for the Bank. The parent company and individual banking operations are directly supervised by the Central Bank of Nigeria (CBN) and the respective regulatory authorities in the countries in which the subsidiary banking operations are domiciled.

The Bank's Capital Adequacy Ratio have been computed in line with the CBN's guidance on Regulatory capital, Credit risk, Market risk and Operational risk under the Basel II Framework. With effect from July 1, 2017, the CBN requires that Banks designated as Domestic Systemically Important Banks (D-SIBs) maintain additional Higher Loss Absorbency (HLA) of 1% in respect of their capital, which will require that D-SIBs maintain a minimum capital adequacy ratio of 16%.

(b) Capital Adequacy Position in line with Basel II Accord

The International Convergence of Capital Measurement and Capital Standards: a Revised Framework, popularly known as the Basel II Framework was introduced in 2004 as a new set of international standards and best practices that define the minimum capital requirements for internationally active Banks. The Basel II framework stipulates a minimum level of capital that Banks must maintain to ensure that they can meet their obligations, cover unexpected losses; and can, very importantly, promote public confidence.

Basel II is a three-pronged approach relying on three Pillars -Minimum Capital Requirements (Pillar 1), Supervisory Review Process (Pillar 2) and Market Discipline (Pillar 3).

Pillar 1 Minimum Capital Requirements: It prescribes the capital allocation methodology against the core traditional credit, market and operational risks to ensure these are adequately measured and that Banks have adequate capital to mitigate these risks.

Pillar 2 Supervisory Review: It requires Banks to establish a risk management framework to identify, assess and manage major risks inherent in the institution and allocate adequate capital against those risks. It emphasizes that supervisors should be able to evaluate the soundness of these assessments.

Pillar 3 Market Discipline: It sets out to encourage market discipline by requiring a number of disclosure requirements in respect of a Bank's risk exposures, risk assessment process and capital adequacy.

The CBN specifies approaches for quantifying the risk weighted assets for credit, market and operational risk for the purpose of determining regulatory capital. Although the computations are consistent with the requirements of Pillar 1 Basel II Accord, certain sections have been adjusted to reflect the peculiarities of the Nigerian environment. In compliance with CBN, the Bank adopted the Standardized Approach (SA) in determining capital charge for Credit Risk and Market Risk while capital charge for Operational Risk was determined using the Basic Indicator Approach (BIA).

Pillar 1 focuses mainly on CAR, also known as Capital to Risk (Weighted) Assets Ratio (CRAR). This is the ratio of a Bank's capital to its risk. CBN requires the minimum requirement of 10% or 15% of Capital to risk weighted assets be maintained by Nigerian Banks or banking groups with regional/national license and international banking license respectively. CAR is measured as:

$$\frac{\text{Total Capital}}{\text{(Credit Risk Weighted Assets + Market Risk Weighted Assets + Operational Risk Weighted Assets)}}$$

The Bank's regulatory capital is analysed into two tiers:

Tier 1 capital includes ordinary share capital, share premium, retained earnings, statutory reserves, and other reserves excluding regulatory reserves. Intangible assets and investments in subsidiaries were also deducted from Tier I capital for capital adequacy purposes.

Tier 2 capital comprises Fair Value Reserves.

The Bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank's management of capital during the year.

Year under review

A fundamental part of the Bank's overall business strategy is its sound capital management practices. It adopts a capital planning process that ensures that regulatory capital remains within approved ranges or above target levels across economic and business cycles. The Bank is appropriately capitalized under normal and severe scenarios as well as a range of stress events.

Stress-testing models are used to gauge vulnerability of the Bank to exceptional yet possible events. The result of stress-testing reveals the minimum capital requirements of the Bank in the event that unforeseen negative events crystallize. The critical objective underpinning the stress-testing exercise is to identify as early as possible, any shortfall in capital requirements of the Bank and take corrective actions which may be direct or indirect.

The Bank throughout the review period, operated above its targeted capitalization range and well over the CBN-mandated regulatory minimum of 16% for Domestic Systemically Important. As at December 31 2020, the Bank's capital adequacy ratio was 19.55% (December 31, 2019- 20.66%). Group capital stood at 21.89% (December 2019 – 22.51%).

The Capital Adequacy Ratio (CAR) for December 2020 has been computed using June 2020 Capital in line with the CBN's directive. Upon certification of our December 31, 2020 closing capital, post year end by CBN, CAR will close at 25.90% (Bank- 23.73%) under the Full Impact Assessment and 28.19% (Bank - 26.45%) under the Transitional Arrangement.

The following table shows the composition of regulatory capital and risk weighted assets for the Bank:

Capital adequacy ratio

	Group				Bank			
	Transitional Arrangement Impact **	Transitional Arrangement Impact	Full Impact **	Full Impact	Transitional Arrangement Impact**	Transitional Arrangement Impact	Full Impact **	Full Impact
In thousands of Nigerian Naira	Dec-2020	Dec-2019	Dec-2020	Dec-2019	Dec-2020	Dec-2019	Dec-2020	Dec-2019
Tier 1 capital								
Share capital	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590
Share premium	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114
Retained profits	172,620,435	136,247,653	172,620,435	136,247,653	120,354,941	95,110,906	120,354,941	95,110,906
Statutory Reserve	331,954,277	318,116,976	331,954,277	318,116,976	310,863,168	298,877,835	310,863,168	298,877,835
SMEEIS and AGSMEIS Reserves	35,759,279	27,003,016	35,759,279	27,003,016	35,740,804	26,984,540	35,740,804	26,984,540
IFRS 9 Transitional Adjustment	34,555,266	34,555,266	-	-	33,359,963	33,359,963	-	-
RRR applied for IFRS 9 Impact	-	-	(65,490,719)	(65,490,719)	-	-	(65,490,719)	(65,490,719)
Non-Controlling Interest	14,621,039	13,730,024	14,621,039	13,730,024	-	-	-	-
Tier 1 Sub-Total	**727,697,000**	**667,839,639**	**627,651,015**	**567,793,654**	**638,505,580**	**592,519,948**	**539,654,898**	**493,669,266**
Less Regulatory deductions :								
Other intangible assets	(11,184,555)	(11,560,876)	(11,184,555)	(11,560,876)	(9,294,319)	(9,546,253)	(9,294,319)	(9,546,253)
Goodwill	(8,687,968)	(8,684,356)	(8,687,968)	(8,684,356)	-	-	-	-
Deferred Tax	(4,716,154)	(2,256,570)	(4,716,154)	(2,256,570)	-	-	-	-
Treasury Shares	(6,928,103)	(6,531,749)	(6,928,103)	(6,531,749)	-	-	-	-
100% of investments in unconsolidated Banking and financial subsidiary/associate companies	-	-	-	-	(56,903,032)	(55,814,032)	(56,903,032)	(55,814,032)
Unsecured Lending to subsidiaries within the same Group	-	-	-	-	(9,085,320)	(11,068,788)	(9,085,320)	(11,068,788)
Net Total Tier 1 Capital (A)	**696,180,220**	**638,806,088**	**596,134,235**	**538,760,103**	**563,222,908**	**516,090,875**	**464,372,227**	**417,240,193**
Tier 2 capital								
Foreign Exchange Adjustments	14,581,377	13,410,450	14,581,377	13,410,450	-	-	-	-
Fair Value Reserves	4,016,558	1,979,715	4,016,558	1,979,715	3,498,813	1,411,977	3,498,813	1,411,977
Net Total Tier 2 Capital (B)	**18,597,935**	**15,390,165**	**18,597,935**	**15,390,165**	**3,498,813**	**1,411,977**	**3,498,813**	**1,411,977**
Total Qualifying Capital (C= A+B)	**714,778,155**	**654,196,253**	**614,732,170**	**554,150,268**	**566,721,721**	**517,502,852**	**467,871,040**	**418,652,170**
Composition of Risk-Weighted Assets								
Credit Risk	2,272,856,649	1,979,577,948	2,207,365,930	1,914,087,229	1,966,557,567	1,631,274,034	1,901,066,848	1,565,783,315
Operational Risk	589,711,798	539,463,656	589,711,798	539,463,656	485,248,749	454,625,285	485,248,749	454,625,285
Market Risk	10,998,110	8,522,112	10,998,110	8,522,112	6,886,653	5,993,961	6,886,653	5,993,961
Aggregate	**2,873,566,556**	**2,527,563,716**	**2,808,075,837**	**2,462,072,997**	**2,458,692,969**	**2,091,893,281**	**2,393,202,250**	**2,026,402,562**
Total Risk-Weighted Capital Ratio	**24.87%**	**25.88%**	**21.89%**	**22.51%**	**23.05%**	**24.74%**	**19.55%**	**20.66%**
Tier 1 Risk-Based Capital Ratio	**24.23%**	**25.27%**	**21.23%**	**21.88%**	**22.91%**	**24.67%**	**19.40%**	**20.59%**

**The Capital Adequacy Ratio (CAR) for December 2020 has been computed using June 2020 Capital in line with the CBN's directive. Upon certification of our December 31, 2020 closing capital, post year end by CBN, CAR will close at 25.90% (Bank- 23.73%) under the Full Impact Assessment and 28.19% (Bank - 26.45%)

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 211.

(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 and Expoters FX Window (I&E FX Window) rate quoted on FMDQ.

Defined benefits plan

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations.

The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

Impairment of Goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy in note 3(q). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of estimates. Goodwill and Goodwill Impairment testing are shown in note 32(c) below.

IFRIC 23 - Uncertain Tax Position

The tax legislation in relation to the treatment of expected credit loss on stage 2 loans is unclear with respect to whether the stage 2 impairment should be treated as specific or collective in the assessment of deferred tax.

The Group has opted to treat these stage 2 expected credit loss balances as specific in the determination and computation of deferred taxes because they are assessed as having a significant increase in credit risk and their computation was based on lifetime expected credit losses in accordance with IFRS 9.

This treatment does not give rise to any deductible temporary difference. If the Group had treated the stage 2 impairment as being a collective provision within the context of deferred tax assessment, a deferred tax asset of N4.1bn would have been recognised.

Valuation of equity financial instruments

The Group's accounting policy on fair value measurements is discussed under note 3b (j)(iid).

The Group measures fair values using the following hierarchy of methods.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

All fair values are on a recurring basis. The sensitivity of investments and derivatives to fluctuation in market prices and yields are disclosed in note 4(i) under market risk above.

Group
Dec-2020
In thousands of Nigerian Naira

	Note	Level 1	Level 2	Level 3	Total
Assets					
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
-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					
Derivative financial liabilities	25	-	2,758,698	-	2,758,698
Total liabilities		**-**	**2,758,698**	**-**	**2,758,698**

Group
Dec-2019
In thousands of Nigerian Naira

	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets held for trading:					
-Debt securities	24	73,486,101	-	-	73,486,101
Derivative financial assets	25	-	26,011,823	-	26,011,823
Investment securities:					
-Debt securities at FVOCI	26	584,197,391	-	-	584,197,391
-Equity securities at FVOCI	26	-	-	1,194,857	1,194,857
-Investment securities - FVPL Notes	26	-	29,834,367	-	29,834,367
-Equity securities FVTPL	26	-	-	3,250,000	3,250,000
Assets pledged as collateral	27	58,036,855	-	-	58,036,855
Total assets		**715,720,347**	**55,846,190**	**4,444,857**	**776,011,394**
Liabilities					
Financial liabilities at fair value through profit or loss	37	1,615,735	-	-	1,615,735
Derivative financial liabilities	25	-	2,315,541	-	2,315,541
Total liabilities		**1,615,735**	**2,315,541**	**-**	**3,931,276**

Parent
Dec-2020
In thousands of Nigerian Naira

	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at fair value through profit or loss:					
-Debt securities	24	36,226,876	-	-	36,226,876
Derivative financial assets	25	-	26,448,550	-	26,448,550
Investment securities:					
-Debt securities at FVOCI	26	184,198,086	411,079,805	-	595,277,891
-Equity securities at FVOCI	26	-	-	1,654,549	1,654,549
-Equity securities FVTPL	26	-	-	3,273,771	3,273,771
Assets pledged as collateral	27	61,955,975	-	-	61,955,975
Total assets		**282,380,937**	**437,528,355**	**4,928,320**	**724,837,612**
Liabilities					
Derivative financial liabilities	25	-	2,758,698	-	2,758,698
Total liabilities		**-**	**2,758,698**	**-**	**2,758,698**

Parent
Dec-2019
In thousands of Nigerian Naira

	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets held for trading:					
-Debt securities	24	44,717,688	-	-	44,717,688
Derivative financial assets	25	-	26,011,823	-	26,011,823
Investment securities:					
-Debt securities at FVOCI	26	494,546,405	-	-	494,546,405
-Equity securities at FVOCI	26	-	-	1,185,527	1,185,527
-Investment securities - FVPL Notes	26	-	29,834,367	-	29,834,367
-Equity securities FVTPL	26	-	-	3,250,000	3,250,000
Assets pledged as collateral	27	57,790,749	-	-	57,790,749
Total assets		**597,054,842**	**55,846,190**	**4,435,527**	**657,336,559**
Liabilities					
Financial liabilities at fair value through profit or loss	37	1,615,735	-	-	1,615,735
Derivative financial liabilities	25	-	2,315,541	-	2,315,541
Total liabilities		**1,615,735**	**2,315,541**	**-**	**3,931,276**

There were no transfers between levels or changes in valuation techniques during the year.

Reconciliation of Level 3 Items
-Investment Securities (unquoted equity securities)

In thousands of Nigerian Naira	**Group Dec-2020**	**Group Dec-2019**	**Parent Dec-2020**	**Parent Dec-2019**
Opening balance	4,444,857	3,710,796	4,435,527	3,701,416
Effect of exchange rate fluctuations	2,129	(50)	-	-
Total unrealised gains or (losses) in Profit and Loss	23,771	629,800	23,771	629,800
Total unrealised gains or (losses) in OCI	469,022	54,311	469,022	54,311
Additional investment during the year	-	50,000	-	50,000
	4,939,779	**4,444,857**	**4,928,320**	**4,435,527**

(e) Disclosure Requirement for Level 2 and 3 Financial Instruments

Valuation control framework

The key elements of the control framework for the valuation of financial instruments include model validation, product implementation review and independent price verification. These functions are carried out by an appropriately skilled finance team, independent of the business area responsible for the products.

Model validation covers both qualitative and quantitative elements relating to new models. In respect of new products, model validation examines the explanatory power of the implemented model, actively monitoring model parameters and comparing in-house pricing to external sources.

Independent price verification procedures cover financial instruments carried at fair value. The frequency of the review is matched to the availability of independent data, monthly being the minimum. Valuation differences in breach of established thresholds are escalated to senior management. The results from independent pricing and valuation reserves are reviewed monthly by senior management.

Valuation technique and Input used in Level 2 Fair Value Measurement

Where there is limited trading activity in financial instruments, the Group uses valuation models, consensus pricing information from third party pricing services and quotes to determine an appropriate valuation.

Disclosure Requirements for Level 3 Financial Instruments

Valuation Technique:

The investment valuation policy (IVP) of the Group provides the framework for accounting for the Group's investment in unquoted equity securities while also providing a broad valuation guideline to be adopted in valuing them. Furthermore, the IVP details how the group decides its valuation policies and procedures and analyses changes in fair value measurements from period to period.

IFRS 13 - Fair Value Measurement outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in each of the unquoted equity securities at the end of the financial year using the income approach.

The Discounted Cash flow (DCF) technique of the income approach was adopted in valuing each of these equity investments taken into cognizance the suitability of the model to each equity investment and the available financial information.

Description of Valuation Methodology and inputs:

Discounted Cash flow Technique (DCF)

The fair value of the other unquoted equity securities were derived using the Discounted Cash Flow technique. The steps involved in estimating the fair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

Step 1: A five-year forecast of the Free Cash Flow to the Firm (FCFF) for each of the equity investments was made (see (a) below for the definition, explanation and derivation of FCFF).

Step 2: The yearly FCFF forecasts were discounted to present value using the company's WACC. (See (b) below for the definition, explanation and derivation of WACC).

Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFF by the capitalization rate (please see (c) below).

Step 4: The terminal value was discounted to present value using the company's WACC.

Step 5: The firm value was obtained by adding the present value of the five-year FCFF obtained in step (2) above to the present value of terminal value obtained in step (4) above.

Step 6: The equity value of the firm was obtained by deducting the value of the debt of the company from the firm value obtained in step (5) above (i.e. Firm value minus market value of debt = Equity value).

Step 7: The equity value per share was obtained by dividing the Equity value obtained in step (6) above by the number of shares outstanding in the company.

Step 8: The fair value of the group's investment in each of the relevant unquoted equity securities was derived by multiplying the number of the Groups' shares in the investee by the value per share obtained in step (7) above.

a. Free Cash flow to the Firm (FCFF):

A measure of financial performance that expresses the net amount of cash that is generated for the firm, consisting of expenses, taxes and changes in net working capital and investments. Free cash flow to the firm is the cash available to all investors, both equity and debt holders.

FCFF = NI + NCC + [Int x (1-tax rate)] – Changes in FCInv – Changes in WCInv

Where:
NI = Net Income
NCC = Non- Cash Charges
Int = Interest
T= tax rate
FCI = Fixed Capital Investment
WCI = Working Capital Investment

b. Weighted average Cost of Capital (WACC):

This is the average cost of both equity and debt capital used in financing a business.
WACC= {(D/D+E) x Kd(1-T)} + {(E/D+E) x Ke }

Where:
D = Value of Debt
E = Equity value
Ke = Cost of equity
Kd = Cost of debt
T = Tax rate

c. Capitalization Rate= WACC – g

Terminal value = (FCFF/$_5$ *(1+g))/ (WACC – g)

Where:
FCFF = Year5 FCFF
g = Growth rate
WACC = Weighted average Cost of Capital

Valuation Assumptions – Discounted Cash flow

1. The Bank applies Capital Asset Pricing Model in determining the cost of equities for its various unquoted equities which were fair valued at the reporting period.
2. The risk-free rate was determined using the yield on the 10-year Nigerian Government bond (for unquoted securities denominated in Naira) of 7.26% and the yield on the 10-year US Government bond (for unquoted securities denominated in US $) of 0.916%.
3. Market premium of 5.23% 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 year and prior period.

Summary of carrying amounts of equity Securities at fair value through OCI

In thousands of Nigerian Naira	Dec-2020	Dec-2019
Historical cost	201,831	201,831
Cumulative Unrealized Fair Value Gain recognized in Equity (OCI)	1,452,718	983,695
Fair value	**1,654,549**	**1,185,526**

The movement in equity securities at fair value through OCI during the year is as follows:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	1,194,857	1,090,596	1,185,526	1,081,215
Effect of exchange rate fluctuation	2,128	(50)	-	-
Addition investment during the year	-	50,000	-	50,000
Fair value movement recognised in OCI	469,023	54,311	469,023	54,311
Balance, end of the year	**1,666,008**	**1,194,857**	**1,654,549**	**1,185,526**

The movement in equity securities fair value through profit and loss during the year is as follows:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	3,250,000	2,620,200	3,250,000	2,620,200
Fair value movement recognised in profit	23,771	629,800	23,771	629,800
Balance, end of the year	**3,273,771**	**3,250,000**	**3,273,771**	**3,250,000**

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 2020 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-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)**

Group
Dec-2019

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)	41,622,010	(14,657,848)	26,964,162	-	-	26,964,162
Other Assets (b)	15,800,229	-	15,800,229	-	15,800,229	-
	57,422,239	**(14,657,848)**	**42,764,391**	**-**	**15,800,229**	**26,964,162**
Financial liabilities						
Other Liabilities (b)	15,800,229	-	15,800,229	15,800,229	-	-
	15,800,229	**-**	**15,800,229**	**15,800,229**	**-**	**-**

Parent
Dec-2020

In thousands of Nigerian Naira	Gross amounts of Financial Assets/liabilities	Gross amounts set off on the SOFP	Net amounts presented on the SOFP	Related amount not set off in the SOFP	Cash collateral	Net amount
Financial assets						
Cash and bank balances (a)	90,316,715	(11,387,297)	78,929,418	-	-	78,929,418
Other Assets (b)	34,784,908	-	34,784,908	-	34,783,391	1,517
	125,101,623	**(11,387,297)**	**113,714,326**	**-**	**34,783,391**	**78,930,935**
Financial liabilities						
Other Liabilities (b)	34,783,391	-	34,783,391	34,784,908	-	(1,517)
	34,783,391	**-**	**34,783,391**	**34,784,908**	**-**	**(1,517)**

Parent
Dec-2019

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)	41,622,010	(14,657,848)	26,964,162	-	-	26,964,162
Other Assets (b)	15,800,229	-	15,800,229	-	15,800,229	-
	57,422,239	**(14,657,848)**	**42,764,391**	**-**	**15,800,229**	**26,964,162**
Financial liabilities						
Other Liabilities (b)	15,800,229	-	15,800,229	15,800,229	-	-
	15,800,229	**-**	**15,800,229**	**15,800,229**	**-**	**-**

(a) Standard terms of clearing in Nigeria include provisions allowing net settlements of payments in the normal course of business.
(b) Certain customers provide monies to the Bank to serve as cash collateral for their LC transactions. The Bank simultaneously increases its balances with the correspondent banks to reflect this. As such, the Bank intends to realise the asset and settle the liability simultaneously.

7. Operating segments

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer varied products and services and are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Executive Management Committee reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- **Corporate banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products offered to very large corporate customers and blue chips.
- **Commercial banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for mid-size and fledgling corporate customers.
- **Retail banking** – Incorporates private banking services, private customer current accounts, savings deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- **SME banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for small and medium-size enterprises and ventures.
- **Public Sector** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for Government Ministries, Departments and Agencies.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

No single external customer accounts for 10% or more of the Group's revenue.

The measurement policies the Group uses for segment reporting are the same as those used in its financial statements, except that activities of Staff Investment Trust have not been consolidated in arriving at the operating profit, assets and liabilities of the operating segment (see note 30(b)). There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

Operating segments (Continued)
Information about operating segments

Group
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**
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**
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
Other	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

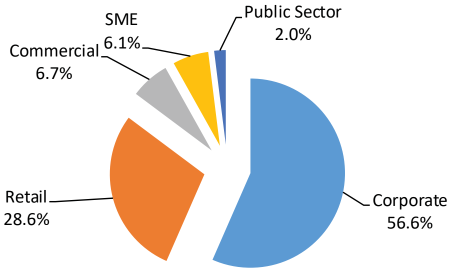
Group
Dec-2019

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	265,369,567	107,238,133	33,552,212	18,380,883	9,453,935	433,994,730	56	433,994,786
Derived from other business segments	(25,377,444)	17,631,924	2,389,530	4,715,575	640,415	-	-	-
Total revenue	**239,992,123**	**124,870,057**	**35,941,742**	**23,096,458**	**10,094,350**	**433,994,730**	**56**	**433,994,786**
Interest expenses	(48,198,772)	(8,069,372)	(3,965,900)	(2,252,242)	(2,355,311)	(64,841,597)	(16,441)	(64,858,038)
Fee and commission expenses	(755,261)	(1,824,885)	(230,154)	(143,204)	(21,768)	(2,975,272)	-	(2,975,272)
Net operating income	**191,038,090**	**114,975,800**	**31,745,688**	**20,701,012**	**7,717,271**	**366,177,861**	**(16,385)**	**366,161,476**
Expense:								
Operating expenses	(20,590,365)	(47,501,129)	(19,675,754)	(16,030,013)	(4,480,747)	(108,278,008)	-	(108,278,008)
Net impairment loss on financial assets	(2,564,321)	(1,089,876)	(784,237)	(368,811)	(3,948)	(4,811,193)	-	(4,811,193)
Depreciation and amortisation	(5,325,160)	(8,420,191)	(4,361,531)	(3,884,437)	(701,318)	(22,692,637)	-	(22,692,637)
Total cost	**(28,479,846)**	**(57,011,196)**	**(24,821,522)**	**(20,283,261)**	**(5,186,013)**	**(135,781,838)**	**-**	**(135,781,838)**
Profit before income tax from reportable segments	**162,558,244**	**57,964,604**	**6,924,166**	**417,751**	**2,531,258**	**230,396,023**	**(16,385)**	**230,379,638**
Tax	(24,583,244)	(8,765,831)	(1,047,123)	(63,175)	(382,795)	(34,842,168)	-	(34,842,168)
Profit after income tax from reportable segments	**137,975,000**	**49,198,773**	**5,877,043**	**354,576**	**2,148,463**	**195,553,855**	**(16,385)**	**195,537,470**
Assets and liabilities:								
Total assets	2,410,338,566	766,112,333	275,678,247	189,396,649	118,234,955	3,759,760,750	-	3,759,760,750
Total liabilities	(1,056,310,518)	(1,356,668,143)	(300,328,094)	(306,998,102)	(40,194,623)	(3,060,499,480)	-	(3,060,499,480)
Net assets/ (liabilities)	**1,354,028,048**	**(590,555,810)**	**(24,649,847)**	**(117,601,453)**	**78,040,332**	**699,261,270**	**-**	**699,261,270**
Additions to Non-Current Assets	**5,582,082**	**13,788,522**	**6,008,457**	**5,699,757**	**1,005,609**	**32,084,427**	**-**	**32,084,427**
Assets:								
Loans and advances to banks	1,513,310	-	-	-	-	1,513,310	-	1,513,310
Loans and advances to customers	1,122,611,651	153,667,857	112,439,002	31,454,492	80,399,044	1,500,572,046	-	1,500,572,046
Others	1,286,213,605	612,444,476	163,239,245	157,942,157	37,835,911	2,257,675,394	-	2,257,675,394
	2,410,338,566	**766,112,333**	**275,678,247**	**189,396,649**	**118,234,955**	**3,759,760,750**	**-**	**3,759,760,750**
Liabilities:								
Deposits from banks	107,518,398	-	-	-	-	107,518,398	-	107,518,398
Deposits from customers	596,930,676	1,340,627,049	266,293,611	302,760,652	25,928,396	2,532,540,384	-	2,532,540,384
Others	351,861,444	16,041,094	34,034,483	4,237,450	14,266,227	420,440,698	-	420,440,698
	1,056,310,518	**1,356,668,143**	**300,328,094**	**306,998,102**	**40,194,623**	**3,060,499,480**	**-**	**3,060,499,480**

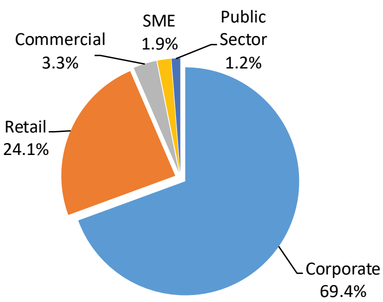
Operating segments (Continued)
Information about operating segments

Group Dec-2020

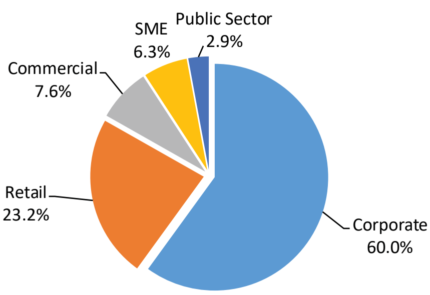
Revenue



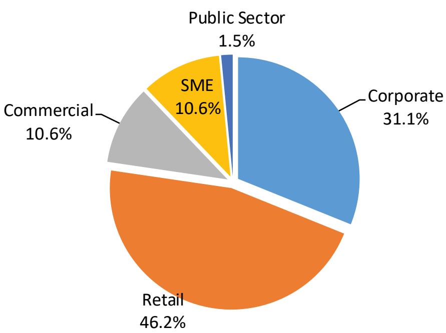
Profit before tax



Assets

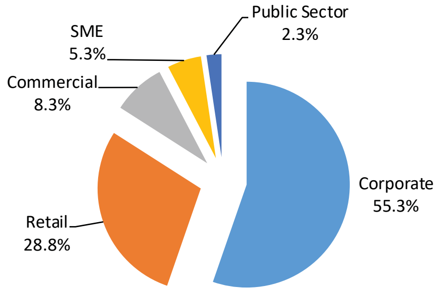


Liabilities

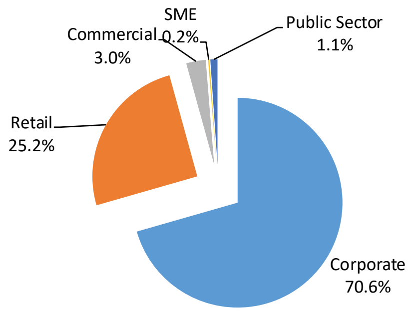


Group Dec-2019

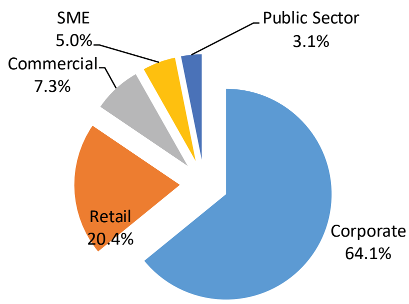
Revenue



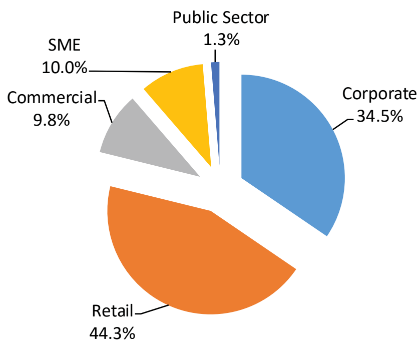
Profit before tax



Assets



Liabilities



Operating segments (Continued)
Information about operating segments

Parent

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	205,819,256	103,290,904	24,658,897	22,412,760	7,158,724	363,340,541	-	363,340,541
Derived from other business segments	4,077,562	(2,731,449)	(565,338)	(705,615)	(75,160)	-	-	-
Total revenue	**209,896,818**	**100,559,455**	**24,093,559**	**21,707,145**	**7,083,564**	**363,340,541**	**-**	**363,340,541**
Interest expenses	(27,547,782)	(3,550,182)	(1,724,641)	(781,057)	(1,036,988)	(34,640,650)	-	(34,640,650)
Fee and commission expenses	(1,289,512)	(2,745,850)	(526,371)	(364,511)	(47,428)	(4,973,672)	-	(4,973,672)
Net operating income	**181,059,524**	**94,263,423**	**21,842,547**	**20,561,577**	**5,999,148**	**323,726,219**	**-**	**323,726,219**
Expense:								
Operating expenses	(23,416,026)	(35,484,524)	(13,991,958)	(11,275,617)	(2,635,066)	(86,803,191)	-	(86,803,191)
Net impairment loss on financial assets	(10,332,156)	(2,866,673)	3,426,499	(748,693)	(34,444)	(10,555,467)	-	(10,555,467)
Depreciation and amortisation	(5,460,457)	(9,538,272)	(4,752,570)	(4,402,163)	(801,334)	(24,954,796)	-	(24,954,796)
Total cost	**(39,208,639)**	**(47,889,469)**	**(15,318,029)**	**(16,426,473)**	**(3,470,844)**	**(122,313,454)**	**-**	**(122,313,454)**
Profit before income tax from reportable segments	**141,850,885**	**46,373,954**	**6,524,518**	**4,135,104**	**2,528,304**	**201,412,765**	**-**	**201,412,765**
Tax	(18,974,812)	(6,203,254)	(872,758)	(553,136)	(338,201)	(26,942,161)	-	(26,942,161)
Profit after income tax from reportable segments	**122,876,073**	**40,170,700**	**5,651,760**	**3,581,968**	**2,190,103**	**174,470,604**	**-**	**174,470,604**
Assets and liabilities:								
Total assets	2,436,507,823	943,016,155	309,107,465	254,820,771	118,091,391	4,061,543,605	-	4,061,543,605
Total liabilities	(1,045,148,105)	(1,552,112,305)	(354,727,877)	(355,980,226)	(51,175,567)	(3,359,144,080)	-	(3,359,144,080)
Net assets/ (liabilities)	**1,391,359,718**	**(609,096,150)**	**(45,620,412)**	**(101,159,455)**	**66,915,824**	**702,399,525**	**-**	**702,399,525**
Additions to Non-Current Assets	**6,919,677**	**12,087,224**	**6,022,619**	**5,578,571**	**1,015,478**	**31,623,569**	**-**	**31,623,569**
Assets:								
Loans and advances to banks	39,749	-	-	-	-	39,749	-	39,749
Loans and advances to customers	1,070,823,442	141,144,638	90,007,324	24,226,318	84,376,012	1,410,577,734	-	1,410,577,734
Others	1,365,644,632	801,871,517	219,100,141	230,594,453	33,715,379	2,650,926,122	-	2,650,926,122
	2,436,507,823	**943,016,155**	**309,107,465**	**254,820,771**	**118,091,391**	**4,061,543,605**	**-**	**4,061,543,605**
Liabilities:								
Deposits from banks	12,733	-	-	-	-	12,733	-	12,733
Deposits from customers	649,429,005	1,526,970,204	336,744,162	355,157,394	13,385,293	2,881,686,058	-	2,881,686,058
Others	395,706,367	25,142,101	17,983,715	822,832	37,790,274	477,445,289	-	477,445,289
	1,045,148,105	**1,552,112,305**	**354,727,877**	**355,980,226**	**51,175,567**	**3,359,144,080**	**-**	**3,359,144,080**

Operating segments (Continued)
Information about operating segments

Parent
Dec-2019

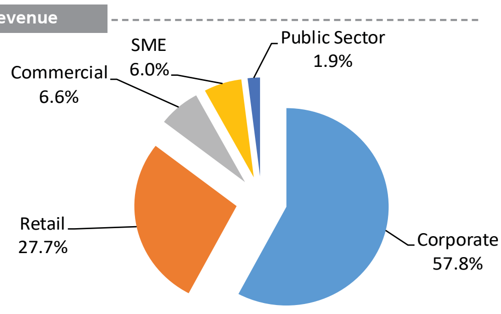
In thousands of Nigerian Naira	Corporate Banking	Retail Banking	Commercial Banking	SME Banking	Public Sector Banking	Total Continuing Operations	Discontinued Operations	Total
Revenue:								
Derived from external customers	203,030,100	91,497,846	28,466,672	16,650,019	7,943,018	347,587,655	-	347,587,655
Derived from other business segments	(12,688,724)	8,815,963	1,194,765	2,357,788	320,208	-	-	-
Total revenue	**190,341,376**	**100,313,809**	**29,661,437**	**19,007,807**	**8,263,226**	**347,587,655**	**-**	**347,587,655**
Interest expenses	(38,548,839)	(6,453,793)	(3,171,883)	(1,801,318)	(1,883,751)	(51,859,584)	-	(51,859,584)
Fee and commission expenses	(561,550)	(932,842)	(171,123)	(106,475)	(16,185)	(1,788,175)	-	(1,788,175)
Net operating income	**151,230,987**	**92,927,174**	**26,318,431**	**17,100,014**	**6,363,290**	**293,939,896**	**-**	**293,939,896**
Expense:								
Operating expenses	(14,439,146)	(33,939,878)	(13,777,593)	(11,254,181)	(3,190,667)	(76,601,465)	-	(76,601,465)
Net impairment loss on financial assets	(990,961)	(421,174)	(303,062)	(142,524)	(1,526)	(1,859,247)	-	(1,859,247)
Depreciation and amortisation	(4,374,278)	(6,916,647)	(3,582,718)	(3,190,816)	(576,087)	(18,640,546)	-	(18,640,546)
Total cost	**(19,804,385)**	**(41,277,699)**	**(17,663,373)**	**(14,587,521)**	**(3,768,280)**	**(97,101,258)**	**-**	**(97,101,258)**
Profit before income tax from reportable segments	**131,426,602**	**51,649,475**	**8,655,058**	**2,512,493**	**2,595,010**	**196,838,638**	**-**	**196,838,638**
Tax	(16,727,303)	(6,573,679)	(1,101,571)	(319,777)	(330,279)	(25,052,609)	-	(25,052,609)
Profit after income tax from reportable segments	**114,699,299**	**45,075,796**	**7,553,487**	**2,192,716**	**2,264,731**	**171,786,029**	**-**	**171,786,029**
Assets and liabilities:								
Total assets	1,985,360,720	631,256,064	227,151,501	156,057,771	97,422,439	3,097,248,495	-	3,097,248,495
Total liabilities	(859,875,531)	(1,104,377,658)	(244,478,090)	(249,907,722)	(32,719,898)	(2,491,358,899)	-	(2,491,358,899)
Net assets/ (liabilities)	**1,125,485,189**	**(473,121,594)**	**(17,326,589)**	**(93,849,951)**	**64,702,541**	**605,889,596**	**-**	**605,889,596**
Additions to Non-Current Assets	**1,457,451**	**2,304,534**	**1,193,714**	**1,063,137**	**191,945**	**6,210,781**	**-**	**6,210,781**
Assets:								
Loans and advances to banks	72,451	-	-	-	-	72,451	-	72,451
Loans and advances to customers	973,173,146	133,212,078	97,471,478	27,267,370	69,696,575	1,300,820,647	-	1,300,820,647
Others	1,012,115,123	498,043,986	129,680,023	128,790,401	27,725,864	1,796,355,397	-	1,796,355,397
	1,985,360,720	**631,256,064**	**227,151,501**	**156,057,771**	**97,422,439**	**3,097,248,495**	**-**	**3,097,248,495**
Liabilities:								
Deposits from banks	15,200	-	-	-	-	15,200	-	15,200
Deposits from customers	502,304,174	1,083,806,890	229,859,647	249,474,394	21,364,965	2,086,810,070	-	2,086,810,070
Others	357,556,157	20,570,768	14,618,443	433,328	11,354,933	404,533,629	-	404,533,629
	859,875,531	**1,104,377,658**	**244,478,090**	**249,907,722**	**32,719,898**	**2,491,358,899**	**-**	**2,491,358,899**

Operating segments (Continued)
Information about operating segments

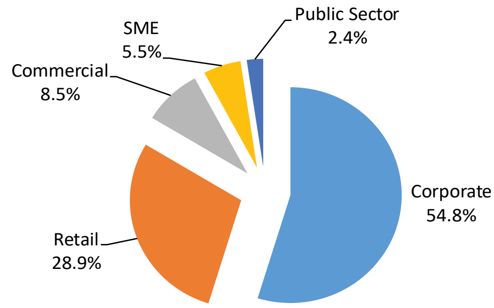
Parent Dec-2020

Parent Dec-2019

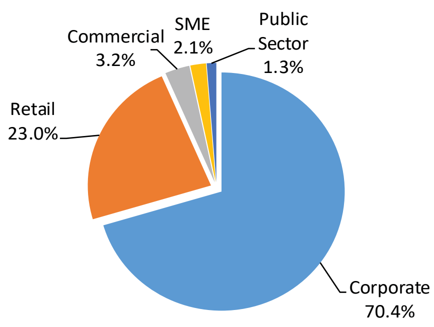
Revenue



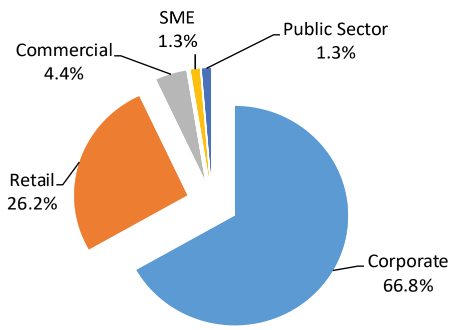
Revenue



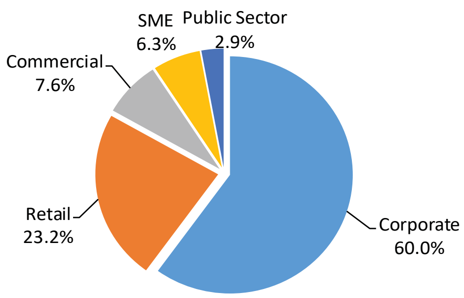
Profit before tax



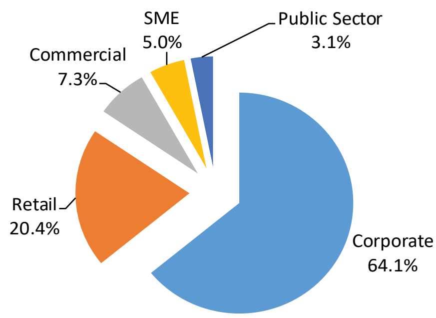
Profit before tax



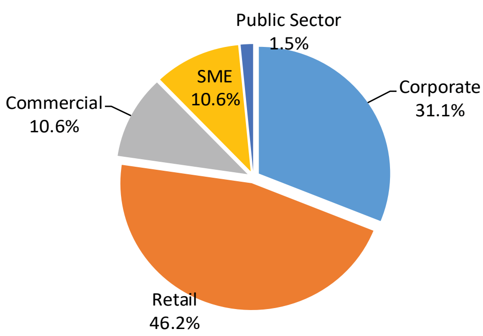
Assets



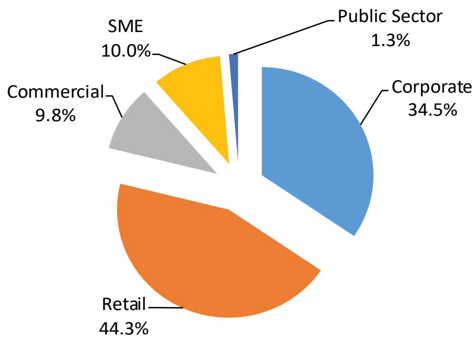
Assets



Liabilities



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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Bonds	4,382,763	3,284,851	3,533,885	2,648,117
Placements	12,583,545	17,827,733	10,146,294	14,372,013
Treasury Bills	106,715,052	111,946,333	86,045,887	90,246,704
Loans	252,793,636	285,641,501	203,831,159	230,272,876
Contingents	78,754,763	16,606,123	63,501,110	13,387,197
	455,229,759	**435,306,541**	**367,058,335**	**350,926,907**

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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Continuing Operations:				
Total revenue from reportable segments	453,628,607	433,994,730	363,340,541	347,587,655
Consolidation and adjustments:				
- Other operating income	1,412,123	952,216	-	-
Revenue from continuing operations	**455,040,730**	**434,946,946**	**363,340,541**	**347,587,655**

Revenue from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Interest income	300,737,588	296,204,699	243,573,153	241,177,613
Fee and commission income	53,179,802	62,418,779	33,716,241	44,919,113
Net gains on financial instruments classified as held for trading	24,486,177	20,889,849	13,987,611	9,971,086
Other operating income	76,826,192	55,793,214	75,781,330	54,859,095
Revenue and gains from continuing operations	**455,229,759**	**435,306,541**	**367,058,335**	**350,926,907**
Less gains:				
- Gain on disposal of fixed assets	(26,809)	(112,647)	(2,701)	(82,057)
- Dividends income	(162,220)	(246,948)	(3,715,093)	(3,257,195)
Revenue from continuing operations	**455,040,730**	**434,946,946**	**363,340,541**	**347,587,655**

Reconciliation of operating expenses

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Continuing Operations:				
Total operating expense from reportable segments	118,391,805	108,278,008	86,803,191	76,601,465
Operating expense from continuing operations	**118,391,805**	**108,278,008**	**86,803,191**	**76,601,465**

Operating expense from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Personnel expenses (See Note17)	37,606,138	37,284,204	24,054,462	23,330,656
Operating lease expenses	2,108,645	2,114,007	819,949	921,610
Other operating expenses (See Note20)	78,677,022	68,879,797	61,928,780	52,349,199
	118,391,805	**108,278,008**	**86,803,191**	**76,601,465**

Reconciliation of profit or loss

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Continuing Operations:				
Total profit or loss for reportable segments	236,493,918	230,396,023	201,412,765	196,838,638
Consolidation and adjustments:				
- Other operating income	1,412,123	952,216	-	-
Gains:				
- Gain on disposal of fixed assets	26,809	112,647	2,701	82,057
- Dividends income	162,220	246,948	3,715,093	3,257,195
Profit before income tax from continuing operations	**238,095,070**	**231,707,834**	**205,130,559**	**200,177,890**

Reconciliation of assets

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Continuing Operations:				
Total assets for reportable segments	4,944,653,293	3,759,760,750	4,061,543,605	3,097,248,495
Consolidation and adjustments	-	(841,980)	-	-
Total assets	**4,944,653,293**	**3,758,918,770**	**4,061,543,605**	**3,097,248,495**

Reconciliation of liabilities

In thousands of Nigeria Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Continuing Operations:				
Total liabilities for reportable segments	4,119,622,309	3,060,499,480	3,359,144,080	2,491,358,899
Consolidation and adjustments	10,635,307	11,081,822	-	-
Total liabilities	**4,130,257,616**	**3,071,581,302**	**3,359,144,080**	**2,491,358,899**

Geographical segments

The Group operates in four geographic regions, being:

- Nigeria
- Rest of West Africa (comprising Ghana, Gambia, Sierra Leone, Liberia, Cote D'Ivoire)
- East Africa (comprising Kenya, Uganda, Rwanda and Tanzania)
- Europe (UK and the Netherlands)

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**
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**

Dec-2019

In thousands of Nigerian Naira	Nigeria	Rest of West Africa	East Africa	Europe	Total Continuing Operations	Discontinued Operations	Total
Derived from external customers	347,582,173	62,748,857	16,709,336	8,266,175	435,306,541	56	435,306,597
Derived from other segments	-	-	-	-	-	-	-
Total Revenue	**347,582,173**	**62,748,857**	**16,709,336**	**8,266,175**	**435,306,541**	**56**	**435,306,597**
Interest expense	(51,776,999)	(7,939,946)	(3,726,441)	(1,398,211)	(64,841,597)	(16,441)	(64,858,038)
Fee and commission expenses	(1,788,171)	(439,307)	(747,794)	-	(2,975,272)	-	(2,975,272)
Net interest margin	**294,017,003**	**54,369,604**	**12,235,101**	**6,867,964**	**367,489,672**	**(16,385)**	**367,473,287**
Profit before income tax	**196,736,352**	**31,155,527**	**2,399,179**	**1,416,776**	**231,707,834**	**(16,385)**	**231,691,449**
Assets and liabilities:							
Total assets	3,021,583,996	378,947,780	166,810,795	191,576,199	3,758,918,770	-	3,758,918,770
Total liabilities	(2,502,392,684)	(281,538,856)	(125,833,263)	(161,816,499)	(3,071,581,302)	-	(3,071,581,302)
Net assets/(liabilities)	**519,191,312**	**97,408,924**	**40,977,532**	**29,759,700**	**687,337,468**	**-**	**687,337,468**

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-2020

		Carrying amount					Fair Value			
In thousands of Nigerian Naira	Note	Fair value through profit or loss	Held at ammortised cost	Fair value through other comprehensive income	Other financial assets / liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total Fair value
Loans and advances to banks	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
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	**2,829,057,057**	**693,371,711**	**-**	**3,681,886,778**	**410,361,587**	**3,090,960,315**	**200,416,016**	**3,701,737,918**
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
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

Group

Dec-2019

		Carrying amount					Fair Value			
In thousands of Nigerian Naira	Note	Fair value through profit or loss	Held at ammortised cost	Fair value through other comprehen-sive income	Other financial assets / liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total Fair value
Loans and advances to banks	28	-	1,513,310	-	-	1,513,310	-	2,737,535	-	2,737,535
Loans and advances to customers	29	-	1,500,572,046	-	-	1,500,572,046	-	1,318,064,389	191,781,174	1,509,845,563
Financial assets at fair value through profit or loss	24	73,486,101	-	-	-	73,486,101	73,486,101	-	-	73,486,101
Derivative financial assets	25	26,011,823	-	-	-	26,011,823	-	26,011,823	-	26,011,823
Assets pledged as collateral	27	246,106	-	57,790,749	-	58,036,855	58,036,855	-	-	58,036,855
Investment securities:										
– Fair value through profit or loss	26	33,084,367	-	-	-	33,084,367	-	29,834,367	3,250,000	33,084,367
– Fair Value through other comprehensive Income	26	-	-	585,392,248	-	585,392,248	584,197,391	-	1,194,857	585,392,248
Restricted deposits and other assets[1]	34	-	518,275,514	-	-	518,275,514	-	518,275,514	-	518,275,514
		132,828,397	**2,020,360,870**	**643,182,997**	**-**	**2,796,372,264**	**715,720,347**	**1,894,923,628**	**196,226,031**	**2,806,870,006**
Deposits from banks	35	-	-	-	107,518,398	107,518,398	-	107,453,803	-	107,453,803
Deposits from customers	36	-	-	-	2,532,540,384	2,532,540,384	-	2,525,357,187	-	2,525,357,187
Financial liabilities at fair value through profit or loss	37	1,615,735	-	-	-	1,615,735	1,615,735	-	-	1,615,735
Derivative financial liabilities	25	2,315,541	-	-	-	2,315,541	-	2,315,541	-	2,315,541
Other borrowed funds	40	-	-	-	162,999,909	162,999,909	-	162,157,928	-	162,157,928
Other liabilities[2]	38	-	-	-	226,621,182	226,621,182	-	226,621,182	-	226,621,182
		3,931,276	**-**	**-**	**3,029,679,873**	**3,033,611,149**	**1,615,735**	**3,023,905,641**	**-**	**3,025,521,376**

[1]Excludes Prepayment

[2]Excludes Deferred Income and Provision for Litigations

Parent

Dec-2020

		Carrying amount					Fair Value			
In thousands of Nigerian Naira	Note	Fair value through profit or loss	Held at ammortised cost	Fair value through other comprehensive income	Other financial assets / liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total Fair value
Loans and advances to banks	28	-	39,749	-	-	39,749	-	39,749	-	39,749
Loans and advances to customers	29	-	1,410,577,734	-	-	1,410,577,734	-	1,280,714,071	141,792,931	1,422,507,002
Financial assets at fair value through profit or loss	24	36,226,876	-	-	-	36,226,876	36,226,876	-	-	36,226,876
Derivative financial assets	25	26,448,550	-	-	-	26,448,550	-	26,448,550	-	26,448,550
Assets pledged as collateral	27	61,955,975	-	-	-	61,955,975	61,955,975	-	-	61,955,975
Investment securities:										
– Fair value through profit or loss	26	3,273,771	-	-	-	3,273,771	-	-	3,273,771	3,273,771
– Fair Value through other comprehensive Income	26	-	-	596,932,440	-	596,932,440	184,198,086	411,079,805	1,654,549	596,932,440
Restricted deposits and other assets[1]	34	-	1,113,387,208	-	-	1,113,387,208	-	1,113,387,208	-	1,113,387,208
		127,905,172	**2,524,004,691**	**596,932,440**	**-**	**3,248,842,303**	**282,380,937**	**2,831,669,383**	**146,721,251**	**3,260,771,571**
Deposits from banks	35	-	-	-	12,733	12,733	-	12,733	-	12,733
Deposits from customers	36	-	-	-	2,881,686,058	2,881,686,058	-	2,880,447,412	-	2,880,447,412
Derivative financial liabilities	25	2,758,698	-	-	-	2,758,698	-	2,758,698	-	2,758,698
Other borrowed funds	40	-	-	-	113,470,753	113,470,753	-	113,470,753	-	113,470,753
Other liabilities[2]	38	-	-	-	318,520,502	318,520,502	-	318,520,502	-	318,520,502
		2,758,698	**-**	**-**	**3,313,690,046**	**3,316,448,744**	**-**	**3,315,210,098**	**-**	**3,315,210,098**

[1]Excludes prepayments

[2] Excludes Deferred Income and Provision for Litigations

Parent

Dec-2019

		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
Loans and advances to banks	28	-	72,451	-	-	72,451	-	78,363	-	78,363
Loans and advances to customers	29	-	1,300,820,647	-	-	1,300,820,647	-	1,166,601,342	141,792,931	1,308,394,273
Financial assets at fair value through profit or loss	24	44,717,688	-	-	-	44,717,688	44,717,688	-	-	44,717,688
Derivative financial assets	25	26,011,823	-	-	-	26,011,823	-	26,011,823	-	26,011,823
Assets pledged as collateral	27	-	-	57,790,749	-	57,790,749	57,790,749	-	-	57,790,749
Investment securities:										
– Fair value through profit or loss	26	33,084,367	-	-	-	33,084,367	-	29,834,367	3,250,000	33,084,367
Fair Value through comprehensive income	26	-	-	495,731,932	-	495,731,932	494,546,405	-	1,185,527	495,731,932
Restricted deposits and other assets[1]	34	-	507,981,561	-	-	507,981,561	-	507,981,561	-	507,981,561
		103,813,878	**1,808,874,659**	**553,522,681**	**-**	**2,466,211,218**	**597,054,842**	**1,730,507,456**	**146,228,458**	**2,473,790,756**
Deposits from banks	35	-	-	-	15,200	15,200	-	15,200	-	15,200
Deposits from customers	36	-	-	-	2,086,810,070	2,086,810,070	-	2,084,427,531	-	2,084,427,531
Financial liabilities at fair value through profit or loss	37	1,615,735	-	-	-	1,615,735	1,615,735	-	-	1,615,735
Derivative financial liabilities	25	2,315,541	-	-	-	2,315,541	-	2,315,541	-	2,315,541
Other borrowed fund	40	-	-	-	162,742,565	162,742,565	-	162,742,564	-	162,742,564
Other liabilities[2]	38	-	-	-	199,536,392	199,536,392	-	199,536,392	-	199,536,392
		3,931,276	**-**	**-**	**2,449,104,227**	**2,453,035,503**	**1,615,735**	**2,449,037,228**	**-**	**2,450,652,963**

[1]Excludes prepayments

[2] Excludes Deferred Income and Provision for Litigations

Fair value of loans and advances
The fair values of non retail loans have been determined based on observable market data (transactions) (level 2) whilst those of retail loans have been 'estimated using Discounted Cash Flow (DCF) valuation models (level 3).

Inputs into this valuation technique include: expected cash flows, expected losses, tenor and interest rates, risk premium between interest rate on the loan and risk free rate in the economy.

The expected cash flows (estimated recoverable amount from receivables, collateral and otherwise) are thus discounted to obtain the fair value of the retail loans. To improve the accuracy of fair value of retail loans, these loans are grouped into homogenous portfolio along product and customer type.

Fair value of customers' deposits
Fair values of customers' deposits have been determined using discounted cash flow techniques applying the rates on deposits of similar maturities and terms to discount the contractual cash flows.

Accounting classification measurement basis and fair values (continued)

Financial instruments at fair value (including those FVTPL and FVOCI) are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves and prices.

9 Interest income

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Interest income calculated using effective interest rate				
Loans and advances to banks	1,354,355	3,206,600	15,058	1,331
Loans and advances to customers	184,180,129	178,417,239	156,944,758	153,586,003
	185,534,484	181,623,839	156,959,816	153,587,334
Cash and cash equivalents	4,760,465	10,887,768	4,339,707	9,339,478
Investment securities:				
– Investment Securities FVOCI	68,641,520	70,221,416	63,458,004	66,104,477
– Investment securities at amortised cost	21,384,442	19,983,643	314,277	330,000
Assets pledged as collateral	7,957,759	8,941,571	7,957,759	8,941,571
	288,278,670	291,658,237	233,029,563	238,302,860
Interest income on financial assets FVTPL				
Investment securities FVTPL	12,458,918	4,546,462	10,543,590	2,874,753
	12,458,918	4,546,462	10,543,590	2,874,753
Total interest income	**300,737,588**	**296,204,699**	**243,573,153**	**241,177,613**
Geographical location				
Interest income earned in Nigeria	242,565,664	233,508,661	242,565,664	233,508,661
Interest income earned outside Nigeria	58,171,924	62,696,038	1,007,489	7,668,952
	300,737,588	**296,204,699**	**243,573,153**	**241,177,613**

10 Interest expense

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Deposit from banks	397,223	759,531	36,230	110,867
Deposit from customers	40,604,344	53,056,153	29,167,556	41,735,356
	41,001,567	53,815,684	29,203,786	41,846,223
Financial liabilities at fair value through profit or loss	277,392	1,678,913	277,392	1,678,913
Other borrowed funds	5,790,482	9,347,000	5,159,472	8,334,448
Total interest expense	**47,069,441**	**64,841,597**	**34,640,650**	**51,859,584**
Geographical location				
Interest expense paid in Nigeria	31,757,964	47,310,478	32,054,054	47,659,192
Interest expense paid outside Nigeria	15,311,477	17,531,119	2,586,596	4,200,392
	47,069,441	**64,841,597**	**34,640,650**	**51,859,584**

11 Loan impairment (credit) / charges

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Loans and advances to banks (Note 28)	**18,780**	**63,515**	**18,780**	**6,090**
Stage 1 - 12 Months ECL	(730)	58,116	(730)	691
Stage 2 - Lifetime ECL Not Credit Impaired	(5)	5	(5)	5
Stage 3 - Lifetime ECL Credit Impaired	19,515	5,394	19,515	5,394
Loans and advances to customers (Note 29)	**19,554,113**	**4,848,151**	**13,648,561**	**2,215,411**
Stage 1 - 12 Months ECL	(2,276,374)	535,091	(2,325,295)	4,569
Stage 2 - Lifetime ECL Not Credit Impaired	11,219,308	(3,963,519)	9,558,264	(5,576,719)
Stage 3 - Lifetime ECL Credit Impaired	10,611,179	10,170,083	6,415,592	7,787,561
Reversal of amounts written off as uncollectible	-	(1,893,504)	-	-
	19,572,893	**4,911,666**	**13,667,341**	**2,221,501**

12 Fee and commission income

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Credit related fees and commissions	5,913,221	9,590,297	2,837,261	6,124,675
Account maintenance charges	12,496,711	11,594,742	10,564,469	9,747,666
Corporate finance fees	1,761,742	4,311,901	1,760,958	4,311,698
E-business Income	11,770,997	15,662,338	9,281,891	13,498,338
Commission on foreign exchange deals	6,074,904	6,681,125	5,292,301	6,106,174
Commission on touch points	2,239,540	1,876,511	1,724,357	1,454,585
Income from financial guarantee contracts issued	2,123,581	2,348,867	1,307,499	1,521,704
Account services, maintenance and anciliary banking charges	3,829,171	7,514,377	947,505	2,154,273
Transfers related charges	6,969,935	2,838,621	-	-
	53,179,802	**62,418,779**	**33,716,241**	**44,919,113**

13 Fee and commission expense

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Bank charges	4,058,506	1,772,420	3,251,639	1,140,464
Loan recovery expenses	2,186,048	1,202,852	1,722,033	647,711
	6,244,554	**2,975,272**	**4,973,672**	**1,788,175**

14 Net trading gains on financial instruments held at FVPL

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Bonds FVPL	7,272,199	4,912,954	1,661,444	159,938
Treasury bills FVPL	1,058,854	3,975,182	1,058,854	3,975,182
Foreign exchange trading gain	16,155,124	12,001,713	11,267,313	5,835,966
Net trading income	**24,486,177**	**20,889,849**	**13,987,611**	**9,971,086**

15 Other income

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Mark to market gains on trading investments	4,542,428	845,133	4,537,353	845,133
FVPL notes income	31,736	2,459,151	31,736	2,459,151
Foreign exchange revaluation gain	56,636,964	17,065,559	52,505,524	15,229,721
Gain on disposal of fixed assets	26,809	112,647	2,701	82,057
Discounts and recoverables (FX)	13,557,158	16,611,846	13,487,181	15,960,012
Valuation income on repossessed collateral	804,728	-	804,728	-
Recoveries and others	4,077,395	18,451,930	3,710,260	17,025,826
Modification loss[1]	(3,013,246)	-	(3,013,246)	-
Gain on disposal of subsidiary	-	-	-	2,422,360
Dividends income	162,220	246,948	3,715,093	834,835
	76,826,192	**55,793,214**	**75,781,330**	**54,859,095**

[1]The Bank recognised modification loss in the sum of ₦3,013,246,000 (Dec 2019: Nil) on financial assets with amortised cost before modification of ₦87,774,481,000 (Dec 2019: Nil)

16 Net impairment (reversal) / charge on other financial assets

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Impairment charges/(reversal) on investment securities	212,092	230,116	-	4,747
Impairment charges/(reversal) on other assets	611	(57,374)	330	(57,374)
Impairment charges/(reversal) on placements	(291,016)	261,409	(293,345)	261,409
Impairment charges/(reversal) on contingents	(3,112,204)	(534,624)	(2,818,859)	(571,036)
	(3,190,517)	**(100,473)**	**(3,111,874)**	**(362,254)**

17 Personnel expenses
(a)

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Wages and salaries	33,494,265	33,320,391	23,050,941	23,059,813
Contributions to defined contribution plans	1,508,270	1,489,155	797,962	829,997
Defined benefit gains	(1,327,771)	(1,667,612)	(1,378,517)	(1,736,134)
Cash-settled share-based payments (see 17(b) below)	1,172,519	803,836	1,172,519	803,836
Staff welfare expenses	2,758,855	3,338,434	411,557	373,144
	37,606,138	**37,284,204**	**24,054,462**	**23,330,656**

Staff Welfare Expenses:

This is an estimate determined as required by IAS 19 in view of Loans granted to Staff at interest rate lower than the market interest rate. These 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.

Cash- settled share-based payments

This relates to esimated 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 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 2020	380,587
SARs granted to senior management employees at 31 Dec 2019	365,454

(b) Employee expenses for share-based payments

In thousands of Nigerian Naira	Note	Group Dec-2020	Group Dec-2019
Total carrying amount of liabilities for cash-settled arrangements	38	**10,635,307**	**11,081,822**

(i) The average number of persons employed during the year was as follows:

	Group Dec-2020 Number	Group Dec-2019 Number	Parent Dec-2020 Number	Parent Dec-2019 Number
Executive directors	6	6	6	6
Management	164	183	53	56
Non-management	5,024	5,417	3,264	3,447
	5,194	**5,606**	**3,323**	**3,509**

(ii) The average number of persons in employment during the year is shown below:

	Group Dec-2020 Number	Group Dec-2019 Number	Parent Dec-2020 Number	Parent Dec-2019 Number
Administration	90	126	44	44
Commercial Banking Abuja	28	33	28	33
Commercial Banking Lagos	141	166	141	166
Commercial Banking North East	48	51	48	51
Commercial Banking North West	45	54	45	54
Commercial Banking South East	44	47	44	47
Commercial Banking South South	34	43	34	43
Communication and External Affairs	70	111	18	25
Compliance Group	62	58	40	43
Digital Banking Division	121	126	80	102
Emerging Technologies Division	21	21	21	21
Enterprise Risk Management	139	170	46	78
Chief Executive Officer	1	1	1	1
Financial Control, Group Reporting & Strategy	75	79	25	28
Human Resources	43	40	25	29
Institutional Banking	268	295	52	59
International Banking	32	24	23	24
Operations	204	231	160	180
Procurement & Expense Control	15	17	15	16
Public Sector Abuja	30	32	30	32
Public Sector Lagos	18	17	18	17
Retail Lagos	171	191	171	191
Retail Abuja	63	65	63	65
Retail South East	-	19	-	19
South West Division	112	109	112	109
Retail South-South	61	46	61	46
SME Abuja	45	48	45	48
SME Division - Lagos	101	111	101	111
SME Division - South East	35	36	35	36
Systems and Control	138	157	87	89
Technology	276	243	191	157
Transaction Services	1,549	1,819	1,316	1,336
Wholesale Banking	57	56	25	29
Commercial Banking Subsidiaries	125	124	-	-
Retail Subsidiaries	292	187	-	-

Public Sector Subsidiaries	20	29	-	-
Other Support Services Subsidiaries	425	432	-	-
Customer Experience Management Division	68	68	65	68
Data Analytics Division	8	6	8	6
Fintech and Innovation Division	10	9	10	9
Legal Group	43	37	29	26
Financial Institutions & Telecoms	28	28	28	28
Oil & Gas Divison	38	44	38	43
	5,194	**5,606**	**3,323**	**3,509**

(iii) Average number of employees other than directors, earning more than ₦720,000 per annum, received emoluments (excluding pension contributions and certain benefits) in the following ranges:

	Group Dec-2020 Number	Group Dec-2019 Number	Parent Dec-2020 Number	Parent Dec-2019 Number
N720,001 - N1,400,000	704	915	-	-
N1,400,001 - N2,050,000	486	501	5	6
N2,190,001 - N2,330,000	796	157	693	-
N2,330,001 - N2,840,000	16	707	-	687
N2,840,001 - N3,000,000	63	84	-	-
N3,001,001 - N3,830,000	1,223	82	1,134	-
N3,830,001 - N4,530,000	77	1,225	-	1,164
N4,530,001 - N5,930,000	540	57	493	-
N6,000,001 - N6,800,000	336	556	329	549
N6,800,001 - N7,300,000	11	13	-	-
N7,300,001 - N7,800,000	182	486	-	371
N7,800,001 - N8,600,000	266	8	252	-
N8,600,001 - N11,800,000	316	508	275	467
Above N11,800,000	172	301	136	259
	5,188	**5,600**	**3,317**	**3,503**

18 Right-of-use asset amortisation

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Right-of-use assets amortisation[1]	2,108,645	2,114,007	819,949	921,610
	2,108,645	**2,114,007**	**819,949**	**921,610**

[1]This relate to amortisation 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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Amortisation of intangible assets (see note 32)	3,990,618	2,860,830	3,376,968	2,300,132
Depreciation of property, plant and equipment (see note 31)	25,055,895	19,831,807	21,577,828	16,340,414
	29,046,513	**22,692,637**	**24,954,796**	**18,640,546**

20 Other operating expenses

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Finance costs	265,934	385,298	-	3,067
Deposit insurance premium	8,503,629	8,622,299	8,378,607	8,500,844
Other insurance premium	1,530,936	1,263,746	1,242,479	993,948
Auditors' remuneration[1]	1,179,881	857,822	607,500	550,000
Professional fees and other consulting costs	1,349,576	1,633,766	806,964	802,065
AMCON expenses	17,200,292	15,486,989	17,200,292	15,486,989
Stationery and postage	1,147,994	1,130,720	786,324	765,281
Business travel expenses	286,513	725,548	152,982	459,280
Advert, promotion and corporate gifts	5,148,807	4,052,009	4,312,773	3,231,449
Repairs and maintenance	5,182,624	3,414,420	3,228,879	1,695,414
Occupancy costs[2]	7,681,897	6,892,117	6,281,401	5,301,360
Directors' emoluments	700,641	787,091	184,500	272,591
Outsourcing services[3]	10,107,251	10,169,047	8,395,842	8,387,074
Administrative expense[4]	8,505,711	6,096,565	4,062,540	1,601,786
Communications and technological related expense	5,815,223	3,879,098	4,117,573	2,167,869
Human capital related expenses	929,312	1,693,655	772,779	1,495,717
Customer service related expenses	3,140,801	1,789,607	1,397,345	634,465
	78,677,022	**68,879,797**	**61,928,780**	**52,349,199**

[1] Auditor's remuneration represents fees for the interim and final audits of the Group and Bank for the year ended 31 December 2020. The Bank 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 Renderd	Amount
Obioma N. Ubah	FRC/2013/ICAN/000000002002	Pwc	Loan certification	₦4,000,000
Obioma N. Ubah	FRC/2013/ICAN/000000002002	Pwc	Commercial Paper programme	₦7,500,000
Obioma N. Ubah	FRC/2013/ICAN/000000002002	Pwc	NDIC Certification	₦2,000,000

[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 Covid-19 Donations and Administrative fee due to SIT for management of the shares held by the Scheme.

21 a) Income tax expense recognised in the Income statement

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Current tax expense:				
Company income tax	24,656,317	24,801,854	15,969,860	15,867,058
Education Tax	1,689,644	1,870,484	1,689,644	1,870,484
Police Trust Fund Levy	8,952	8,757	8,952	8,757
NITDA Levy	2,051,306	2,001,779	2,051,306	2,001,779
	28,406,219	28,682,874	19,719,762	19,748,078
Prior year's under provision	107,357	814,880	107,357	814,880
Deferred tax expense:				
Origination of temporary differences	8,141,554	5,344,414	7,115,042	4,489,651
	36,655,130	**34,842,168**	**26,942,161**	**25,052,609**

Reconciliation of effective tax rate
Group

In thousands of Nigerian Naira	Dec-2020	Dec-2020	Dec-2019	Dec-2019
Profit before income tax	238,095,070		231,707,834	
Income tax using the domestic corporation tax rate	71,428,521	30.0%	69,512,350	30.0%
Effect of tax rates in foreign jurisdictions	(176,384)	-0.1%	330,576	0.1%
Tax reliefs/WHT Credits	(433,013)	-0.2%	(292,856)	-0.1%
Non-deductible expenses	10,657,876	4.5%	5,466,370	2.4%
Education tax levy	1,689,644	0.7%	1,870,484	0.8%
Police Trust Fund Levy	8,952	0.0%	8,757	0.0%
NITDEF tax levy	2,051,306	0.9%	2,001,779	0.9%
Tax exempt income	(48,063,739)	-20.2%	(44,269,638)	-19.1%
Deductible expenses	(615,390)	-0.3%	(600,534)	-0.3%
Prior year's under provision	107,357	0.0%	814,880	0.4%
Total income tax expense	**36,655,130**	**15.4%**	**34,842,168**	**15.0%**

Reconciliation of effective tax rate

Parent

In thousands of Nigerian Naira	Dec-2020	Dec-2020	Dec-2019	Dec-2019
Profit before income tax	205,130,559		200,177,890	
Income tax using the domestic corporation tax rate	61,539,167	30.0%	60,053,367	30.0%
Tax reliefs/WHT Credits	(433,013)	-0.2%	(292,856)	-0.1%
Non-deductible expenses[1]	10,657,876	5.2%	5,466,370	2.7%
Education tax levy	1,689,644	0.8%	1,870,484	0.9%
Police Trust Fund Levy	8,952	0.0%	8,757	0.0%
NITDEF tax levy	2,051,306	1.0%	2,001,779	1.0%
Tax exempt income[2]	(48,063,739)	-23.4%	(44,269,638)	-22.1%
Deductible expenses	(615,390)	-0.3%	(600,534)	-0.3%
Prior year's under provision	107,357	0.1%	814,880	0.4%
Total income tax expense	**26,942,160**	**13.1%**	**25,052,609**	**12.5%**

[1] Non-deductible expense include depreciation, stage 1 impairment, non-allowable donations ,etc

[2] Tax exempt income include FX translation gains, Dividends, Interest earned on treasury bills and bonds etc

Income tax recognised in other comprehensive income

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Income tax relating to remeasurements of post-employment benefit obligations	(582,000)	(628,161)	(582,000)	(628,161)
Income tax relating to Foreign currency translation differences for foreign operations	3,633,741	(2,196,882)	-	-
Income tax relating to Net change in FVOCI financial assets	652,292	1,438,764	693,348	1,277,274
	3,704,033	**(1,386,279)**	**111,348**	**649,113**

(b) Current income tax payable

The movement on the current income tax payable account during the year was as follows:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	20,597,089	22,650,861	19,748,075	22,511,233
Exchange difference on translation	367,621	(373,137)	-	-
Charge for the year	28,406,218	28,682,874	19,719,761	19,748,078
Prior year's under provision	107,357	814,880	107,357	814,880
Payments during the year	(27,886,269)	(31,178,390)	(19,855,436)	(23,326,117)
Balance, end of the year	**21,592,016**	**20,597,088**	**19,719,757**	**19,748,074**

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 ₦199,609,450,000 and a weighted average number of ordinary shares outstanding of 28,084,989,000 (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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Net profit attributable to equity holders of the Company	199,609,450	195,398,670	178,188,398	175,125,281
Net profit used to determine diluted earnings per share	**199,609,450**	**195,398,670**	**178,188,398**	**175,125,281**

Number of ordinary shares

In thousands of shares	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Weighted average number of ordinary shares in issue	28,084,989	28,084,989	29,431,179	29,431,179
Basic earnings per share (expressed in naira per share)	7.11	6.96	6.05	5.95

The Group does not have any dilutive potential ordinary shares. Therefore, Basic EPS and Diluted EPS for continuing operations are the same for the Group.

23 Cash and bank balances

(a)

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Cash in hand	92,397,577	60,273,825	45,771,889	38,649,960
Balances held with other banks	267,211,047	212,812,153	111,100,025	87,974,144
Unrestricted balances with central banks	215,435,972	131,090,460	183,482,104	87,429,812
Money market placements	170,650,475	189,803,396	152,938,142	183,238,350
	745,695,071	**593,979,834**	**493,292,160**	**397,292,266**
Impairment on Placements	(137,701)	(428,717)	(83,144)	(376,489)
	745,557,370	**593,551,117**	**493,209,016**	**396,915,777**
Current	745,557,370	593,551,117	493,209,016	396,915,777
Non-current	-	-	-	-

(b) Cash and cash equivalents in statement of cash flows includes:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Cash and bank balances	745,557,370	593,551,118	493,209,016	396,915,777
Cash and bank balances above three months	(34,127,951)	(8,395,097)	(27,909,805)	(1,837,998)
	711,429,419	**585,156,021**	**465,299,211**	**395,077,779**

Movement in Impairment on Cash and bank balances

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Opening balance	428,717	167,308	376,489	115,080
Addition/(Reversal) during the year	(291,016)	261,409	(293,345)	261,409
Closing balance	**137,701**	**428,717**	**83,144**	**376,489**

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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Financial assets Fair Value through Profit or Loss:				
Bonds - (see note 24(b) below)	29,627,653	16,543,481	2,354,643	835,307
Treasury Bills - (see note 24(c) below)	35,097,781	56,942,620	31,062,304	43,882,381
Promissory Notes - (see note 24(d) below)	2,809,929	-	2,809,929	-
	67,535,363	**73,486,101**	**36,226,876**	**44,717,688**
Current	52,748,491	58,335,285	31,618,071	43,882,381
Non-current	14,786,872	15,150,816	4,608,805	835,307

(b) Bonds FVPL are analysed below:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
FGN Bond 16.2884 17-MAR-27/10Y	1,078,889	-	1,078,889	-
FGN Bond 12.15 18-Jul-2034/20Y	360	-	360	-
FGN Bond 14.55 26-APR-2029/10Y	897,769	-	897,769	-
FGN Bond 12.75 27-Apr-2023/5Y	1	-	1	-
FGN Sukuk 11.20 16-Jun-2027/7Y	377,624	-	377,624	-
11th FGN Bond Series 2 (12.15%)	-	282	-	282
14th FGN Bond Series 2 (16.25%)	-	2,686	-	2,686
14th FGN Bond Series 1 (16.29%)	-	1,010	-	1,010
16th FGN Bond Series 2 (14.80%)	-	831,329	-	831,329
Non-Nigerian trading bonds	27,273,010	15,708,174	-	-
	29,627,653	**16,543,481**	**2,354,643**	**835,307**

(c) Treasury bills FVPL is analysed below:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Nigerian treasury bills' maturities:				
02-January-2020	-	662,371	-	662,371
09-January-2020	-	1,566,511	-	1,566,511
16-January-2020	-	763,729	-	763,729
23-January-2020	-	170,912	-	170,912
30-January-2020	-	1,131,367	-	1,131,367
06-February-2020	-	324,334	-	324,334
13-February-2020	-	577,058	-	577,058
20-February-2020	-	208,420	-	208,420
27-February-2020	-	1,319,278	-	1,319,278
05-March-2020	-	238,554	-	238,554
12-March-2020	-	125,852	-	125,852
19-March-2020	-	24,109	-	24,109
26-March-2020	-	24,160	-	24,160
02-April-2020	-	70,789	-	70,789
09-April-2020	-	22,267	-	22,267
16-April-2020	-	296,202	-	296,202
23-April-2020	-	481,918	-	481,918
30-April-2020	-	405,660	-	405,660
14-May-2020	-	69,901	-	69,901
28-May-2020	-	9,721,537	-	9,721,537
04-June-2020	-	14,403	-	14,403
11-June-2020	-	8,723	-	8,723
18-June-2020	-	276,006	-	276,006
02-July-2020	-	41,637	-	41,637
16-July-2020	-	994,410	-	994,410
30-July-2020	-	73,776	-	73,776
13-August-2020	-	115,127	-	115,127
20-August-2020	-	360,199	-	360,199
27-August-2020	-	230,922	-	230,922
03-September-2020	-	54,131	-	54,131
10-September-2020	-	58,777	-	58,777
17-September-2020	-	55,265	-	55,265
24-September-2020	-	27,718	-	27,718
01-October-2020	-	79,967	-	79,967
08-October-2020	-	327,820	-	327,820
15-October-2020	-	1,665,924	-	1,665,924
29-October-2020	-	3,853	-	3,853
12-November-2020	-	40,842	-	40,842
26-November-2020	-	141,157	-	141,157
01-December-2020	-	17,620,199	-	17,620,199
15-December-2020	-	873,547	-	873,547
22-December-2020	-	2,613,049	-	2,613,049

05-January-2021	35,343	-	35,343	-
14-January-2021	1,091	-	1,091	-
11-February-2021	149	-	149	-
25-February-2021	566	-	566	-
09-March-2021	192,805	-	192,805	-
18-March-2021	3,611	-	3,611	-
01-April-2021	2,876	-	2,876	-
15-April-2021	947	-	947	-
27-April-2021	2,995,698	-	2,995,698	-
29-April-2021	2,601	-	2,601	-
13-May-2021	10,945	-	10,945	-
27-May-2021	39	-	39	-
10-June-2021	39,168	-	39,168	-
17-June-2021	24,387	-	24,387	-
15-July-2021	47,332	-	47,332	-
29-July-2021	2,196	-	2,196	-
12-August-2021	46,366	-	46,366	-
26-August-2021	43,661	-	43,661	-
31-August-2021	27,289,407	-	27,289,407	-
16-September-2021	52,548	-	52,548	-
30-September-2021	120,733	-	120,733	-
28-October-2021	43,514	-	43,514	-
09-December-2021	106,321	-	106,321	-
Non-Nigerian treasury bills	4,035,477	13,060,239	-	-
	35,097,781	**56,942,620**	**31,062,304**	**43,882,381**

(d) Promissory Notes is analysed below:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
17-December-2021	555,767	-	555,767	-
23-November-2023	1,771,708	-	1,771,708	-
17-December-2023	481,042	-	481,042	-
17-December-2024	1,412	-	1,412	-
	2,809,929	**-**	**2,809,929**	**-**

25 Derivative financial instruments

(a)

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)**

Group

Dec-2019

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	188,589,544	26,011,823	(2,315,541)
Derivative assets/(liabilities)	**188,589,544**	**26,011,823**	**(2,315,541)**

Parent

Dec-2020

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	351,818,425	26,448,550	(2,758,698)
Derivative assets/(liabilities)	**351,818,425**	**26,448,550**	**(2,758,698)**

Parent

Dec-2019

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	188,589,544	26,011,823	(2,315,541)
Derivative assets/(liabilities)	**188,589,544**	**26,011,823**	**(2,315,541)**

All derivative assets are current

(b) All derivatives are settled in less than one year.

(c) Foreign exchange derivatives and Options

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
a (i)

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Investment securities at fair value through OCI				
Debt securities - Treasury bills FVOCI	263,013,333	570,020,227	168,862,356	482,514,386
Debt securities - Bonds FVOCI	17,669,596	14,233,642	15,387,304	12,083,593
Special Bills - FVOCI	411,079,805	-	411,079,805	-
Investment securities - Equity (See note 26(a)(ii) below	1,666,008	1,194,857	1,654,549	1,185,527
	693,428,742	585,448,726	596,984,014	495,783,506
12 month ECL on Bonds	(563)	(551)	(280)	(280)
12 month ECL on Treasury Bills	(56,468)	(55,927)	(51,294)	(51,294)
Total	**693,371,711**	**585,392,248**	**596,932,440**	**495,731,932**
Investment securities at fair value through profit or loss				
Investment securities - FVPL Notes	-	29,834,367	-	29,834,367
Investment securities - Equity	3,273,771	3,250,000	3,273,771	3,250,000
	3,273,771	**33,084,367**	**3,273,771**	**33,084,367**
Investment securities at amortised cost:				
- Bonds	99,590,409	41,934,937	1,619,715	2,008,137
- Treasury bills	184,159,856	104,039,702	76,205,171	-
- Corporate bond	457,513	-	-	-
	284,207,778	**145,974,639**	**77,824,886**	**2,008,137**
12 month ECL on Bonds - Amortised Cost	(181,895)	(168,167)	(4,554)	(4,554)
12 month ECL on Treasury Bills - Amortised Cost	(425,884)	(245,240)	-	-
12 month ECL on Corporate bond - Amortised Cost	(17,167)	-	-	-
Total Investment securities at amortised cost	**283,582,832**	**145,561,232**	**77,820,332**	**2,003,583**
Total investment securities	**980,228,314**	**764,037,847**	**678,026,543**	**530,819,882**
Current	898,999,052	719,575,322	656,096,038	512,297,458
Non-current	81,229,262	44,462,525	21,930,505	18,522,424

a (ii) Equity investment securities is analysed below:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
FVOCI equity instrument:				
- GIM UEMOA	11,459	9,330	-	-
- SANEF	50,000	50,000	50,000	50,000
- Unified Payment Services Limited[1]	712,725	272,704	712,725	272,704
- Nigeria Automated Clearing Systems	776,608	756,479	776,608	756,479
- Afrexim	115,216	106,344	115,216	106,344
	1,666,008	**1,194,857**	**1,654,549**	**1,185,527**
FVTPL equity instrument:				
- Africa Finance Corporation[1]	3,273,771	3,250,000	3,273,771	3,250,000
	3,273,771	**3,250,000**	**3,273,771**	**3,250,000**
	4,939,779	**4,444,857**	**4,928,320**	**4,435,527**

[1]Unified Payment Services Limited was formerly known as Valucard Nigeria Plc

Except for African Finance Corporation (AFC) that is designated as FVPL, all other equity investments are designated at FVOCI.

The Bank receieved dividend income of N80,438,000 (Dec 2019: 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) Movement in Impairment on investment securities

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Opening balance	469,885	239,769	56,128	51,381
Addition during the year	212,092	230,116	-	4,747
Closing balance	**681,977**	**469,885**	**56,128**	**56,128**

27 Assets pledged as collateral
(a)

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Financial assets at FVPL:				
- Treasury bills	62,208,145	58,044,674	61,963,794	57,798,568
12 months ECL on pledged assets	(7,819)	(7,819)	(7,819)	(7,819)
Total Assets Pledged as Collateral	**62,200,326**	**58,036,855**	**61,955,975**	**57,790,749**
Current	62,200,326	58,036,855	61,955,975	57,790,749
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.

(c) Gross Treasury Bills pledged as collateral of ₦61,963,994,000 (December 2019: ₦57,798,568,000) have been reclassified from treasury bills FVPL.

(d) Assets pledged as collateral are based on prices in an active market.

(e) Movement in Impairment on pledged assets

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Opening balance	7,819	6,899	7,819	6,899
Addition during the year	-	920	-	920
Closing balance	**7,819**	**7,819**	**7,819**	**7,819**

28 Loans and advances to banks

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Loans and advances to banks	186,432	1,581,489	67,283	81,205
Less Impairment:				
Stage 1 Loans	(59,855)	(60,155)	-	(730)
Stage 2 Loans	-	(5)	-	(5)
Stage 3 Loans	(27,534)	(8,019)	(27,534)	(8,019)
	99,043	**1,513,310**	**39,749**	**72,451**
Current	84,043	1,513,310	24,749	72,451
Non-current	15,000	-	15,000	-

Reconciliation of allowance accounts for losses on loans and advances to banks

Dec-2020
Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	60,155	5	8,019	68,179
Foreign currency translation and other adjustments	430	-	-	430
Increase/(reversal) in impairment allowances	(730)	(5)	19,515	18,780
	59,855	**-**	**27,534**	**87,389**

Dec-2020

Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	730	5	8,019	8,754
Increase/(reversal) in impairment allowances	(730)	(5)	19,515	18,780
	-	**-**	**27,534**	**27,534**

Dec-2019
Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2019	39	-	2,625	2,664
Foreign currency translation and other adjustments	2,000	-	-	2,000
Increase/(reversal) in impairment allowances	58,116	5	5,394	63,515
	60,155	**5**	**8,019**	**68,179**

Dec-2019
Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2019	39	-	2,625	2,664
Increase/(reversal) in impairment allowances	691	5	5,394	6,090
	730	**5**	**8,019**	**8,754**

Reconciliation of allowance accounts for losses on loans and advances to banks

Group
Dec-2020

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	60,040	-	1,527	61,567	115	5	6,492	6,612	-	-	-	-	60,155	5	8,019	68,179
Foreign currency translation and other adjustments	430	-	-	430	-	-	-	-	-	-	-	-	430	-	-	430
Increase/(reversal) in impairment allowances	(615)	-	6,226	5,611	(115)	(5)	13,289	13,169	-	-	-	-	(730)	(5)	19,515	18,780
Balance, end of year	**59,855**	**-**	**7,753**	**67,608**	**-**	**-**	**19,781**	**19,781**	**-**	**-**	**-**	**-**	**59,855**	**-**	**27,534**	**87,389**

Group
Dec-2019

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	-	-	1,637	1,637	39	-	988	1,027	-	-	-	-	39	-	2,625	2,664
Increase/(reversal) in impairment allowances	2,000	-	-	2,000	-	-	-	-	-	-	-	-	2,000	-	-	2,000
Financial assets derecognised	58,040	-	(110)	57,930	76	5	5,504	5,585	-	-	-	-	58,116	5	5,394	63,515
Balance, end of year	**60,040**	**-**	**1,527**	**61,567**	**115**	**5**	**6,492**	**6,612**	**-**	**-**	**-**	**-**	**60,155**	**5**	**8,019**	**68,179**

Parent
Dec-2020

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	615	-	1,527	2,142	115	5	6,492	6,612	-	-	-	-	730	5	8,019	8,754
Increase/(reversal) in impairment allowances	(615)	-	6,226	5,611	(115)	(5)	13,289	13,169	-	-	-	-	(730)	(5)	19,515	18,780
Balance, end of year	-	-	**7,753**	**7,753**	-	-	**19,781**	**19,781**	-	-	-	-	-	-	**27,534**	**27,534**

Parent
Dec-2019

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	-	-	1,637	1,637	39	-	988	1,027	-	-	-	-	39	-	2,625	2,664
Increase/(reversal) in impairment allowances	615	-	(110)	505	76	5	5,504	5,585	-	-	-	-	691	5	5,394	6,090
Balance, end of year	**615**	-	**1,527**	**2,142**	**115**	**5**	**6,492**	**6,612**	-	-	-	-	**730**	**5**	**8,019**	**8,754**

29 Loans and advances to customers

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Loans to individuals:				
Loans	195,684,943	189,960,935	143,763,835	141,654,126
Overdrafts	18,758,902	15,334,947	17,081,369	13,723,877
Others[1]	84,665	70,364	-	-
Gross loans	**214,528,510**	**205,366,246**	**160,845,204**	**155,378,003**
Loans	(603,008)	(1,044,129)	(106,857)	(516,377)
Overdrafts	(174,430)	(483,894)	(89,802)	(119,406)
Others[1]	-	-	-	-
Impairment on Stage 1 - 12 Months ECL	**(777,438)**	**(1,528,023)**	**(196,659)**	**(635,783)**
Loans	(37,564)	(46,233)	(1,811)	(1,726)
Overdrafts	(6,819)	(108,747)	(5,120)	(52,237)
Others[1]	-	-	-	-
Impairment on Stage 2 - Life Time ECL Not Credit Impaired	**(44,383)**	**(154,980)**	**(6,931)**	**(53,963)**
Loans	(5,008,406)	(3,234,052)	(4,035,506)	(2,821,813)
Overdrafts	(6,123,004)	(2,887,650)	(6,099,071)	(2,868,550)
Others[1]	-	(1,124)	-	-
Impairment on Stage 3 - Non Performing Loans	**(11,131,410)**	**(6,122,826)**	**(10,134,577)**	**(5,690,363)**
Loans	(5,648,978)	(4,324,414)	(4,144,174)	(3,339,916)
Overdrafts	(6,304,253)	(3,480,291)	(6,193,993)	(3,040,193)
Others[1]	-	(1,124)	-	-
Total impairment	**(11,953,231)**	**(7,805,829)**	**(10,338,167)**	**(6,380,109)**
Loans	190,035,965	185,636,521	139,619,661	138,314,210
Overdrafts	12,454,649	11,854,656	10,887,376	10,683,684
Others[1]	84,665	69,240	-	-
Carrying amount	**202,575,279**	**197,560,417**	**150,507,037**	**148,997,894**
Loans to Non-individuals:				
Loans	1,386,384,237	1,207,788,617	1,234,052,875	1,094,986,500
Overdrafts	134,100,225	117,818,159	71,126,713	70,530,750
Others[1]	8,695,891	36,784,509	7,473,564	36,170,993
Gross loans	**1,529,180,353**	**1,362,391,285**	**1,312,653,152**	**1,201,688,243**
Loans	(4,199,404)	(4,736,305)	(2,138,219)	(3,907,089)
Overdrafts	(1,537,332)	(2,122,903)	(518,890)	(552,233)
Others[1]	(4,786)	(88,744)	(4,786)	(88,744)
Impairment on Stage 1 - 12 Months ECL	**(5,741,522)**	**(6,947,952)**	**(2,661,895)**	**(4,548,066)**
Loans	(16,073,623)	(5,994,255)	(14,999,590)	(5,328,688)
Overdrafts	(1,800,462)	(638,076)	(109,532)	(133,714)
Others[1]	-	(41,424)	-	(41,424)
Impairment on Stage 2 - Life Time ECL Not Credit Impaired	**(17,874,085)**	**(6,673,755)**	**(15,109,122)**	**(5,503,826)**
Loans	(37,303,390)	(25,477,432)	(29,052,405)	(21,460,405)
Overdrafts	(8,086,935)	(20,168,214)	(5,758,093)	(18,352,534)
Others[1]	(18,001)	(112,303)	(940)	(659)
Impairment on Stage 3 - Non Performing Loans	**(45,408,326)**	**(45,757,949)**	**(34,811,438)**	**(39,813,598)**
Loans	(57,576,417)	(36,207,992)	(46,190,214)	(30,696,182)
Overdrafts	(11,424,729)	(22,929,193)	(6,386,515)	(19,038,481)
Others[1]	(22,787)	(242,471)	(5,726)	(130,827)
Total impairment	**(69,023,933)**	**(59,379,656)**	**(52,582,455)**	**(49,865,490)**
Loans	1,328,807,820	1,171,580,625	1,187,862,661	1,064,290,318
Overdrafts	122,675,496	94,888,966	64,740,198	51,492,269
Others[1]	8,673,104	36,542,038	7,467,838	36,040,166
Carrying amount	**1,460,156,420**	**1,303,011,629**	**1,260,070,697**	**1,151,822,753**
Total carrying amount (individual and non individual)	**1,662,731,699**	**1,500,572,046**	**1,410,577,734**	**1,300,820,647**
[1] Others include Usances and Usances Settlement				
Current	916,730,036	722,380,821	752,601,062	600,797,993
Non-current	746,001,663	536,629,538	657,976,672	467,201,026

Reconciliation of allowance accounts for losses on Loans and advances to INDIVIDUALS

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 adjustment	81,453	7,906	35,458	124,817
Net impairment allowances due to origination/ derecognition of financial instruments	(832,038)	(115,827)	5,451,508	4,503,643
Transfer between stages	-	(2,676)	2,676	-
Financial assets derecognised	-	-	(481,058)	(481,058)
Balance, end of year	**777,438**	**44,383**	**11,131,410**	**11,953,231**

Dec-2020

Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	635,783	53,963	5,690,363	6,380,109
Net impairment allowances due to origination/ derecognition of financial instruments	(439,124)	(47,032)	4,925,272	4,439,116
Financial assets derecognised	-	-	(481,058)	(481,058)
Balance, end of year	**196,659**	**6,931**	**10,134,577**	**10,338,167**

Dec-2019

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 2019	1,939,547	55,638	5,385,491	7,380,676
Foreign currency translation and other adjustments	34,962	13,185	3,086	51,233
Net impairment allowances due to origination/ derecognition of financial instruments	868,910	515,057	1,405,864	2,789,831
Transfer between stages	(1,315,396)	(428,900)	1,744,296	-
Financial assets derecognised	-	-	(2,415,911)	(2,415,911)
Balance, end of year	**1,528,023**	**154,980**	**6,122,826**	**7,805,829**

Dec-2019

Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2019	37,539	20,448	5,001,254	5,059,241
Net impairment allowances due to origination/ derecognition of financial instruments	598,244	33,515	1,134,055	1,765,814
Financial assets derecognised	-	-	(444,946)	(444,946)
Balance, end of year	**635,783**	**53,963**	**5,690,363**	**6,380,109**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS

Dec-2020

Group

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	6,947,952	6,673,755	45,757,949	59,379,656
Foreign currency translation and other adjustments	237,906	199,004	1,979,869	2,416,779
Net impairment allowances due to origination/ derecognition of financial instruments	(1,444,336)	11,335,135	5,159,671	15,050,470
Transfer between stages	-	(333,809)	333,809	-
Financial assets derecognised	-	-	(7,822,972)	(7,822,972)
Balance, end of year	**5,741,522**	**17,874,085**	**45,408,326**	**69,023,933**

Dec-2020

Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2020	4,548,066	5,503,826	39,813,599	49,865,491
Foreign currency translation and other adjustments	-	-	357,421	357,421
Net impairment allowances due to origination/ derecognition of financial instruments	(1,886,171)	9,605,296	1,490,320	9,209,445
Financial assets derecognised	-	-	(6,849,902)	(6,849,902)
Balance, end of year	**2,661,895**	**15,109,122**	**34,811,438**	**52,582,455**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS (Cont'd)

Dec-2019
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 2019	5,682,596	11,224,567	75,777,491	92,684,654
Foreign currency translation and other adjustments	(42,343)	64,051	2,844,738	2,866,446
Net impairment allowances due to origination/ derecognition of financial instruments	(333,820)	(4,478,576)	534,475	(4,277,921)
Transfer between stages	1,641,519	(136,287)	(1,505,232)	-
Financial assets derecognised	-	-	(31,893,523)	(31,893,523)
Balance, end of year	**6,947,952**	**6,673,755**	**45,757,949**	**59,379,656**

Dec-2019
Parent

In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January 2019	5,141,742	11,114,060	69,666,741	85,922,543
Foreign currency translation and other adjustments	-	-	182,274	182,274
Net impairment allowances due to origination/ derecognition of financial instruments	(593,676)	(5,610,234)	(1,576,238)	(7,780,148)
Financial assets derecognised	-	-	(28,459,178)	(28,459,178)
Balance, end of year	**4,548,066**	**5,503,826**	**39,813,599**	**49,865,491**

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS

Group
Dec-2020

In thousands of Nigerian Naira	Loans				Overdrafts				Others				Total			
	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	1,044,129	46,233	3,234,052	4,324,414	483,894	108,747	2,887,650	3,480,291	-	-	1,124	1,124	1,528,023	154,980	6,122,826	7,805,829
Foreign currency translation and other adjustments	63,178	6,691	15,954	85,823	18,275	1,215	19,504	38,994	-	-	-	-	81,453	7,906	35,458	124,817
Increase/ (reversal) in impairment allowances due to derecognition	(504,299)	(13,095)	1,757,196	1,239,801	(327,739)	(102,732)	3,695,436	3,264,966	-	-	(1,124)	(1,124)	(832,038)	(115,827)	5,451,508	4,503,643
Transfer between stages	-	(2,265)	1,204	(1,061)	-	(411)	1,472	1,061	-	-	-	-	-	(2,676)	2,676	-
Financial assets derecognised	-	-	-	-	-	-	(481,058)	(481,058)	-	-	-	-	-	-	(481,058)	(481,058)
Balance, end of year	**603,008**	**37,564**	**5,008,406**	**5,648,977**	**174,430**	**6,819**	**6,123,004**	**6,304,254**	**-**	**-**	**-**	**-**	**777,438**	**44,383**	**11,131,410**	**11,953,231**

Group
Dec-2019

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	1,916,492	35,515	3,199,913	5,151,920	23,055	20,123	2,185,578	2,228,756	-	-	-	-	1,939,547	55,638	5,385,491	7,380,676
Foreign currency translation and other adjustments	23,890	3,933	1,630	29,453	11,072	9,252	1,455	21,779	-	-	1	1	34,962	13,185	3,086	51,233
Increase/ (reversal) in impairment allowances due to derecognition	419,143	423,375	(658,421)	184,097	449,767	91,682	2,062,800	2,604,249	-	-	1,485	1,485	868,910	515,057	1,405,864	2,789,831
Transfer between stages	(1,315,396)	(416,590)	1,731,986	-	-	(12,310)	12,310	-	-	-	-	-	(1,315,396)	(428,900)	1,744,296	-
Financial assets derecognised	-	-	(1,041,056)	(1,041,056)	-	-	(1,374,493)	(1,374,493)	-	-	(362)	(362)	-	-	(2,415,911)	(2,415,911)
Balance, end of year	**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**

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS (Cont'd)

Parent
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	516,377	1,726	2,821,813	3,339,916	119,406	52,237	2,868,550	3,040,193	-	-	-	-	635,783	53,963	5,690,363	6,380,109
Increase/ (reversal) in impairment allowances due to derecognition	(409,520)	85	1,213,693	804,258	(29,604)	(47,117)	3,711,579	3,634,858	-	-	-	-	(439,124)	(47,032)	4,925,272	4,439,116
Financial assets derecognised	-	-	-	-	-	-	(481,058)	(481,058)	-	-	-	-	-	-	(481,058)	(481,058)
Balance, end of year	**106,857**	**1,811**	**4,035,506**	**4,144,174**	**89,802**	**5,120**	**6,099,071**	**6,193,993**	**-**	**-**	**-**	**-**	**196,659**	**6,931**	**10,134,577**	**10,338,167**

Parent
Dec-2019

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	16,169	332	2,817,927	2,834,428	21,370	20,116	2,183,327	2,224,813	-	-	-	-	37,539	20,448	5,001,254	5,059,241
Increase/ (reversal) in impairment allowances due to derecognition	500,208	1,394	3,886	505,488	98,036	32,121	1,130,169	1,260,326	-	-	-	-	598,244	33,515	1,134,055	1,765,814
Financial assets derecognised	-	-	-	-	-	-	(444,946)	(444,946)	-	-	-	-	-	-	(444,946)	(444,946)
Balance, end of year	**516,377**	**1,726**	**2,821,813**	**3,339,916**	**119,406**	**52,237**	**2,868,550**	**3,040,193**	**-**	**-**	**-**	**-**	**635,783**	**53,963**	**5,690,363**	**6,380,109**

Reconciliation of allowance accounts for losses on loans and advances to NON-INDIVIDUALS

Group
Dec-2020

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	4,736,305	6,035,679	25,477,431	36,290,839	2,122,903	638,076	20,168,214	22,929,193	88,744	-	112,303	201,047	6,947,952	6,715,179	45,757,948	59,421,079
Foreign currency translation and other adjustments	174,007	178,958	1,690,278	2,043,243	63,701	20,046	288,948	372,695	198	-	643	841	237,906	199,004	1,979,869	2,416,779
Increase/ (reversal) in impairment allowances due to derecognition	(710,908)	10,159,170	10,660,837	20,109,099	(649,272)	1,175,965	(5,406,475)	(4,879,782)	(84,156)	-	(94,691)	(178,847)	(1,444,336)	11,335,135	5,159,671	15,050,470
Transfer between stages	-	(300,184)	274,228	(25,956)	-	(33,625)	59,449	25,824	-	-	132	132	-	(333,809)	333,809	-
Financial assets derecognised	-	-	(799,384)	(799,384)	-	-	(7,023,201)	(7,023,201)	-	-	(386)	(386)	-	-	(7,822,971)	(7,822,971)
Balance, end of year	**4,199,404**	**16,073,623**	**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**

Group
Dec-2019

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Perform-ing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	4,904,087	8,143,678	31,601,089	44,648,854	560,642	3,080,889	44,040,086	47,681,617	217,869	-	136,316	354,185	5,682,598	11,224,567	75,777,491	92,684,656
Foreign currency translation and other adjustments	(28,865)	57,889	1,664,700	1,693,724	(12,938)	6,162	1,173,504	1,166,728	(541)	-	6,533	5,992	(42,344)	64,051	2,844,737	2,866,444
Increase/ (revesal) in impairment allowances due to derecognition	(1,203,398)	(2,056,479)	(5,038,017)	(8,297,894)	1,029,167	(2,422,097)	5,590,915	4,197,985	(159,591)	-	(18,422)	(178,013)	(333,822)	(4,478,576)	534,476	(4,277,922)
Transfer between stages	1,064,481	(109,409)	(838,142)	116,930	546,032	(26,878)	(663,396)	(144,242)	31,007	-	(3,695)	27,312	1,641,520	(136,287)	(1,505,233)	-
Financial assets derecognised	-	-	(1,912,199)	(1,912,199)	-	-	(29,972,895)	(29,972,895)	-	-	(8,429)	(8,429)	-	-	(31,893,523)	(31,893,523)
Balance, end of year	**4,736,305**	**5,994,255**	**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**

Reconciliation of allowance accounts for losses on loans and advances to NON-INDIVIDUALS (Cont'd)

Parent
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 allowance for impairment
Balance at 1 January	3,907,089	5,328,688	21,460,405	30,696,182	552,233	133,714	18,352,535	19,038,482	88,744	41,424	659	130,827	4,548,066	5,503,826	39,813,599	49,865,491
Foreign currency translation and other adjustments	-	-	357,421	357,421	-	-	-	-	-	-	-	-	-	-	357,421	357,421
Increase/ (reversal) in impairment allowances due to derecognition	(1,768,870)	9,670,902	7,234,579	15,136,611	(33,343)	(24,182)	(5,744,540)	(5,802,065)	(83,958)	(41,424)	281	(125,101)	(1,886,171)	9,605,296	1,490,320	9,209,445
Financial assets derecognised	-	-	-	-	-	-	(6,849,902)	(6,849,902)	-	-	-	-	-	-	(6,849,902)	(6,849,902)
Balance, end of year	**2,138,219**	**14,999,590**	**29,052,405**	**46,190,214**	**518,890**	**109,532**	**5,758,093**	**6,386,515**	**4,786**	**-**	**940**	**5,726**	**2,661,895**	**15,109,122**	**34,811,438**	**52,582,455**

Parent
Dec-2019

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 allowance for impairment
Balance at 1 January	4,431,267	8,058,286	26,001,613	38,491,166	492,606	3,055,774	43,528,812	47,077,192	217,869	-	136,316	354,185	5,141,742	11,114,060	69,666,741	85,922,543
Foreign currency translation and other adjustments	-	-	182,274	182,274	-	-	-	-	-	-	-	-	-	-	182,274	182,274
Increase/ (reversal) in impairment allowances due to derecognition	(524,178)	(2,729,598)	(4,723,482)	(7,977,258)	59,627	(2,922,060)	3,282,901	420,468	(129,125)	41,424	(135,657)	(223,358)	(593,676)	(5,610,234)	(1,576,238)	(7,780,148)
Financial assets derecognised	-	-	-	-	-	-	(28,459,178)	(28,459,178)	-	-	-	-	-	-	(28,459,178)	(28,459,178)
Balance, end of year	**3,907,089**	**5,328,688**	**21,460,405**	**30,696,182**	**552,233**	**133,714**	**18,352,535**	**19,038,482**	**88,744**	**41,424**	**659**	**130,827**	**4,548,066**	**5,503,826**	**39,813,599**	**49,865,491**

30 Investment in subsidiaries

a (i) Investment in subsidiaries comprises:

	Parent Dec-2020 % ownership	Parent Dec-2019 % ownership	Parent Dec-2020 ₦'000	Parent Dec-2019 ₦'000
GTB Gambia	77.81	77.81	574,278	574,278
GTB Sierra Leone	83.74	83.74	594,109	594,109
GTB Ghana	98.32	98.32	18,142,127	18,142,127
GTB UK Limited	100.00	100.00	9,597,924	9,597,924
GTB Liberia Limited	99.43	99.43	1,947,264	1,947,264
GTB Cote D'Ivoire Limited	100.00	100.00	5,077,458	5,077,458
GTB Kenya Limited	70.00	70.00	17,131,482	17,131,482
GTB Tanzania	76.20	70.00	3,838,390	2,749,390
			56,903,032	**55,814,032**
Non-current			56,903,032	55,814,032

a (ii) The movement in investment in subsidiaries during the year is as follows:

In thousands of Nigerian Naira	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	55,814,032	55,814,032
Additions during the year	1,089,000	-
Balance, end of the year	**56,903,032**	**55,814,032**

(a) (iii) Additions during the year relates to:
- Additional investments of₦1,089,000,000 in GTB Tanzania

Please refer to Note 44 for more information on the Group structure

Condensed results of consolidated entities

(b) Condensed results of the consolidated entities as at 31 December 2020, are as follows:

Full year profit and loss

Dec-2020

In thousands of Nigerian Naira	Staff Investment Trust	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Operating income	1,412,123	38,308,965	7,655,904	5,517,694	3,549,721	4,972,019	3,819,410	13,621,446	579,467
Operating expenses	-	(11,402,740)	(3,335,292)	(2,370,999)	(5,166,716)	(2,560,969)	(2,339,116)	(7,439,490)	(986,367)
Loan impairment charges	-	(550,210)	(1,440,276)	(1,383,128)	-	(73,835)	(277,305)	(2,172,235)	(8,564)
Profit before tax	**1,412,123**	**26,356,015**	**2,880,336**	**1,763,567**	**(1,616,995)**	**2,337,215**	**1,202,989**	**4,009,721**	**(415,464)**
Taxation	-	(7,917,768)	(744,281)	(431,060)	(42,050)	(631,051)	1,114,735	(1,061,494)	-
Profit after tax from continuing operations	**1,412,123**	**18,438,247**	**2,136,055**	**1,332,507**	**(1,659,045)**	**1,706,164**	**2,317,724**	**2,948,227**	**(415,464)**

Condensed financial position
Dec-2020

In thousands of Nigerian Naira	Staff Investment Trust	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Assets									
Cash and bank balances	3,021,731	42,691,773	19,055,295	13,759,785	192,030,686	13,890,005	3,843,033	34,170,878	1,860,984
Loans and advances to banks	-	-	-	-	59,294	-	-	-	-
Loans and advances to customers	-	75,322,397	13,314,222	29,444,192	28,457,762	7,597,929	15,427,694	80,269,067	2,320,702
Financial assets at fair value through profit or loss	-	31,308,487	-	-	-	-	-	-	-
Investment securities:									
– Fair Value through other comprehensive Income	44,292,942	-	-	-	34,374,681	31,273,315	11,459	30,779,818	-
– Held at amortised cost	-	117,369,066	27,746,226	1,284,493	-	5,586,715	28,513,367	24,585,959	676,674
Assets pledged as collateral	-	-	-	-	-	-	-	244,351	-
Restricted deposits and other assets	-	19,473,689	294,467	11,065,864	1,977,207	5,671,527	2,352,568	4,324,892	520,980
Property and equipment	-	4,178,747	1,271,603	2,829,655	788,291	2,145,687	2,913,182	4,611,885	1,354,361
Intangible assets	-	256,719	65,378	99,404	-	134,705	52,285	1,091,410	272,317
Deferred tax assets	-	156,260	234,509	-	430,931	-	1,289,533	2,602,672	2,248
Total assets	**47,314,673**	**290,757,138**	**61,981,700**	**58,483,393**	**258,118,852**	**66,299,883**	**54,403,121**	**182,680,932**	**7,008,266**
Financed by:									
Deposits from banks	-	-	-	-	149,703,992	-	7,269	18,246	-
Deposits from customers	-	213,336,436	48,043,528	43,514,807	86,234,286	55,451,082	40,211,110	140,900,976	3,016,315
Current income tax liabilities	-	463,462	-	460,300	13,797	179,572	-	755,127	-
Other liabilities	10,635,307	4,974,196	1,031,075	2,393,497	3,760,769	3,200,664	2,228,300	5,773,700	289,501
Other borrowed funds	-	-	-	-	-	-	-	424,015	-
Deferred tax liabilities	-	233,393	-	349,533	96,057	60,836	-	338,179	-
Total liabilities	**10,635,307**	**219,007,487**	**49,074,603**	**46,718,137**	**239,808,901**	**58,892,154**	**42,446,679**	**148,210,243**	**3,305,816**
Equity and reserve	36,679,366	71,749,651	12,907,097	11,765,256	18,309,951	7,407,729	11,956,442	34,470,689	3,702,450
	47,314,673	**290,757,138**	**61,981,700**	**58,483,393**	**258,118,852**	**66,299,883**	**54,403,121**	**182,680,932**	**7,008,266**

Condensed cash flow
Dec-2020

In thousands of Nigerian Naira	Staff Investment Trust	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Net cash flow:									
- from operating activities	4,609,152	20,386,869	18,442,297	6,586,994	27,416,842	8,301,932	10,973,722	18,617,020	438,430
- from investing activities	(396,354)	(4,023,410)	(17,671,581)	(381,356)	6,884,152	(7,968,119)	(11,055,071)	(12,647,042)	88,019
- from financing activities	(1,427,528)	(3,513,961)	-	(289,636)	-	(480,229)	-	424,015	1,089,000
Increase in cash and cash equivalents	2,785,270	12,849,498	770,716	5,916,002	34,300,994	(146,416)	(81,349)	6,393,993	1,615,449
Cash balance, beginning of year	236,461	27,912,490	16,975,572	7,214,382	134,998,215	12,963,225	3,516,631	26,743,190	220,248
Effect of exchange difference	-	1,929,785	1,309,007	629,402	22,731,477	1,073,196	407,751	1,028,620	25,287
Cash balance, end of year	**3,021,731**	**42,691,773**	**19,055,295**	**13,759,786**	**192,030,686**	**13,890,005**	**3,843,033**	**34,165,803**	**1,860,984**

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 31 December 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 bank balances	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	-
Restricted deposits and 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
Other liabilities	2,686,870	1,100,422	1,966,725
Current income tax liabilities	-	-	586,360
Other borrowed funds	-	-	424,015
Deferred tax liabilities	149,261	-	193,015
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**

Condensed results of the consolidated entities as at 31 December 2019, are as follows:

Dec-2019

In thousands of Nigerian Naira	Staff Investment Trust	GTB Finance B.V.	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Condensed profit and loss										
Operating income	1,891,361	82,587	33,888,890	7,899,997	5,284,267	6,436,662	4,229,217	3,173,009	11,638,104	326,255
Operating expenses	-	-	(10,711,152)	(3,470,553)	(2,959,696)	(5,392,963)	(2,577,063)	(1,727,673)	(7,994,976)	(894,563)
Loan impairment charges	(939,145)	-	(597,452)	(722,593)	(370,731)	(58,224)	(132,883)	(132,640)	(670,806)	(4,835)
Profit before tax	**952,216**	**82,587**	**22,580,286**	**3,706,851**	**1,953,840**	**985,475**	**1,519,271**	**1,312,696**	**2,972,322**	**(573,143)**
Taxation	-	-	(6,932,732)	(1,153,882)	(488,615)	(147,941)	(410,205)	(42,483)	(613,701)	-
Profit after tax	**952,216**	**82,587**	**15,647,554**	**2,552,969**	**1,465,225**	**837,534**	**1,109,066**	**1,270,213**	**2,358,621**	**(573,143)**

Condensed financial position

Dec-2019

In thousands of Nigerian Naira	Staff Investment Trust	GTB Finance B.V.	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Assets										
Cash and bank balances	236,461	-	27,912,490	16,975,572	7,214,382	134,998,215	12,963,225	3,516,631	26,743,190	220,248
Loans and advances to banks	-	-	-	-	-	216,358	-	-	-	1,224,502
Loans and advances to customers	-	-	37,515,874	16,778,353	24,261,536	30,330,016	7,713,958	8,162,287	74,435,337	1,396,018
Financial assets at fair value through profit or loss	-	-	28,768,413	-	-	-	-	-	-	-
Investment securities:										
– Fair Value through other comprehensive Income	40,288,462	-	-	-	-	35,265,886	22,974,485	9,330	31,410,616	-
– Held at amortised cost	-	-	104,830,946	9,997,463	1,137,271	-	2,966,834	14,057,600	10,139,260	428,275
Assets pledged as collateral	-	-	-	-	-	-	-	-	246,106	-
Other assets	1,300,000	-	11,670,562	636,170	5,752,697	573,700	398,307	2,119,095	2,675,504	209,992
Property and equipment	-	-	4,330,998	705,365	2,415,608	820,695	2,607,801	2,446,650	4,442,935	1,371,441
Intangible assets	-	-	254,240	31,550	59,600	-	110,714	52,534	1,238,984	345,375
Deferred tax assets	-	-	92,483	45,341	-	390,797	-	-	1,727,950	-
Total assets	**41,824,923**	**-**	**215,376,006**	**45,169,814**	**40,841,094**	**202,595,667**	**49,735,324**	**30,364,127**	**153,059,882**	**5,195,851**
Financed by:										
Deposits from banks	-	-	15,897,679	-	-	117,283,836	-	69,137	8,172,052	177,532
Deposits from customers	-	-	141,559,884	33,239,816	29,484,485	65,859,894	42,422,284	20,309,437	110,624,646	2,277,904
Current income tax liabilities	-	-	151,489	118,012	492,426	(5,258)	92,340	-	-	-
Other liabilities	11,081,822	-	4,337,507	1,782,641	889,769	1,675,121	1,200,323	2,395,138	4,144,305	110,121
Other borrowed funds	1,427,528	-	-	-	257,344	-	-	-	-	-
Deferred tax liabilities	-	-	243,459	-	124,662	59,603	104,539	-	279,546	-
Total liabilities	**12,509,350**	**-**	**162,190,018**	**35,140,469**	**31,248,686**	**184,873,196**	**43,819,486**	**22,773,712**	**123,220,549**	**2,565,557**
Equity and reserve	29,315,573	-	53,185,988	10,029,345	9,592,408	17,722,471	5,915,838	7,590,415	29,839,333	2,630,294
	41,824,923	**-**	**215,376,006**	**45,169,814**	**40,841,094**	**202,595,667**	**49,735,324**	**30,364,127**	**153,059,882**	**5,195,851**

Condensed cash flow

Dec-2019

In thousands of Nigerian Naira	Staff Investment Trust	GTB Finance B.V.	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya	GT Bank Tanzania
Net cash flow:										
- from operating activities	278,523	(8,748)	22,978,027	6,412,803	2,433,277	(13,978,237)	5,223,009	4,817,724	15,755,540	(646,154)
- from investing activities	(948,114)	-	(49,921,569)	(3,108,467)	(1,128,530)	407,342	(6,317,816)	(3,537,843)	(13,212,932)	691,053
- from financing activities	710,191	-	(398,467)	(832,511)	(509,989)	-	(269,578)	-	-	-
Increase in cash and cash equivalents	40,600	(8,748)	(27,342,009)	2,471,825	794,758	(13,570,895)	(1,364,385)	1,279,881	2,542,608	44,899
Cash balance, beginning of year	195,861	8,611	61,983,571	16,428,420	6,353,309	141,716,358	14,729,744	2,240,276	24,035,996	171,330
Effect of exchange difference	-	137	(6,704,867)	(1,922,892)	66,316	6,852,752	(402,135)	(3,527)	400,382	4,019
Cash balance, end of year	**236,461**	**-**	**27,936,695**	**16,977,353**	**7,214,383**	**134,998,215**	**12,963,224**	**3,516,630**	**26,978,986**	**220,248**

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 31 December 2019, are as follows:

Profit and loss

Dec-2019

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Operating income	6,305,967	1,700,945	3,866,987
Operating expenses	(4,188,006)	(1,535,692)	(2,394,255)
Loan impairment charges	(377,121)	49,699	(343,384)
Profit before tax	**1,740,840**	**214,952**	**1,129,348**
Taxation	(522,255)	(91,446)	-
Profit after tax	**1,218,585**	**123,506**	**1,129,348**

Condensed financial position

Dec-2019

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Assets			
Cash and cash equivalents	4,934,991	9,470,002	12,338,197
Loans and advances to customers	48,664,699	8,310,035	17,460,603
Investment securities:			
– Fair Value through other comprehensive Income	31,410,616	-	-
– Held at amortised cost	1,835,634	2,777,671	5,525,955
Assets pledged as collateral	-	246,106	-
Other assets	1,514,083	277,759	580,937
Investment in subsidiaries	12,129,937	-	-
Property and equipment	2,078,695	792,749	1,988,589
Intangible assets	542,611	264,472	353,530
Deferred tax assets	1,049,172	678,778	-
Total assets	**104,160,438**	**22,817,572**	**38,247,811**
Financed by:			
Deposits from banks	7,762,241	265	409,546
Deposits from customers	62,726,528	18,144,021	29,754,097
Other liabilities	1,911,018	814,955	1,418,332
Deferred tax liabilities	126,931	-	152,615
Total liabilities	**72,526,718**	**18,959,241**	**31,734,590**
Equity and reserve	31,633,720	3,858,331	6,513,221
	104,160,438	**22,817,572**	**38,247,811**

OTHER NOTES TO THE FINANCIAL STATEMENTS

31 Property and equipment
(a)

Group

Cost

In thousands of Nigerian Naira	Leasehold improvement and buildings[1]	Land	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress[2]	Total
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**
Balance at 1 January 2019	62,507,128	14,327,056	90,163,092	12,291,035	12,802,852	18,495,284	210,586,447
Exchange difference	(288,954)	(57,367)	(350,836)	(163,645)	-	(66,218)	(927,020)
Additions	29,899,147	-	22,592,594	2,890,304	233,722	9,093,599	64,709,366
Disposals	(324,975)	-	(6,211,153)	(1,511,196)	-	-	(8,047,324)
Transfers	6,926,884	1,028,281	5,078,882	173,571	-	(13,207,618)	-
Reclassifications to other assets	-	(15,297,970)	-	-	-	(34,415)	(15,332,385)
Balance at 31 December 2019	**98,719,230**	**-**	**111,272,579**	**13,680,069**	**13,036,574**	**14,280,632**	**250,989,084**

All Property and equipment are non-current.

[1] Of this amount as at December 2020, Leasehold improvement accounts for ₦26,924,112,000 (24.2%) while Buildings accounts for ₦84,513,667,000 (75.8%)
[2] Capital work in progess refers to capital expenditure incurred on items of Property, Plant and Equipment which are however not ready for use and as such are not being depreciated.

Property and equipment (continued)

Group
Depreciation

In thousands of Nigerian Naira	Leasehold improvement and buildings	Land	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in-progress	Total
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	212,835	-	-	1,992,279
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)	(935,607)	-	-	(2,483,114)
Balance at 31 December 2020	**22,724,468**	**-**	**88,568,619**	**9,933,454**	**12,552,740**	**-**	**133,779,281**
Balance at 1 January 2019	15,133,561	1,257,036	65,911,583	7,957,686	8,500,666	-	98,760,532
Exchange difference	(92,934)	(5,328)	(239,770)	(98,536)	-	-	(436,568)
Charge for the year	3,484,320	-	12,504,279	1,936,358	1,906,850	-	19,831,807
Disposal	(624,540)	-	(5,617,588)	(1,447,714)	-	-	(7,689,842)
Reclassifications to other assets	-	(1,251,708)	-	-	-	-	(1,251,708)
Balance at 31 December 2019	**17,900,407**	**-**	**72,558,504**	**8,347,794**	**10,407,516**	**-**	**109,214,221**
Carrying amounts:							
Balance at 31 December 2020	**88,713,311**	**-**	**40,103,534**	**4,800,083**	**797,175**	**14,368,732**	**148,782,835**
Balance at 31 December 2019	**80,818,823**	**-**	**38,714,075**	**5,332,275**	**2,629,058**	**14,280,632**	**141,774,863**

Property and equipment (continued)
(b)

Parent

Cost

In thousands of Nigerian Naira	Leasehold improvement and buildings[1]	Land	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress[2]	Total
Balance at 1 January 2020	83,057,156	-	94,789,164	10,435,319	13,036,574	12,400,787	213,719,000
Additions	8,475,331	-	13,498,018	1,423,588	313,341	4,788,257	28,498,535
Disposals	-	-	(981,173)	(835,224)	-	-	(1,816,397)
Transfers	1,392,081	-	1,451,924	-	-	(2,844,005)	-
Reclassifications to other assets	-	-	-	-	-	(861,867)	(861,867)
Balance at 31 December 2020	**92,924,568**	**-**	**108,757,933**	**11,023,683**	**13,349,915**	**13,483,172**	**239,539,271**
Balance at 1 January 2019	51,185,367	13,409,632	73,617,701	9,004,521	12,802,852	17,275,940	177,296,013
Additions	25,916,930	-	20,278,507	2,363,467	233,722	7,217,568	56,010,194
Disposals	-	-	(4,058,000)	(1,091,294)	-	-	(5,149,294)
Transfers	5,954,859	1,028,281	4,950,956	158,625	-	(12,092,721)	-
Reclassifications to other assets	-	(14,437,913)	-	-	-	-	(14,437,913)
Balance at 31 December 2019	**83,057,156**	**-**	**94,789,164**	**10,435,319**	**13,036,574**	**12,400,787**	**213,719,000**

All Property and equipment are non-current.

[1] Of this amount as at December 2020, Leasehold improvement accounts for ₦22,451,195,000 (24.2%) while Buildings accounts for ₦70,473,366,000 (75.8%)
[2] Capital work in progess refers to capital expenditure incurred on items of Property, Plant and Equipment which are however not ready for use and as such are not being depreciated.

Property and equipment (continued)

Parent

Depreciation

In thousands of Nigerian Naira	Leasehold improvement and buildings	Land	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress	Total
Balance at 1 January 2020	13,998,763	-	60,235,129	6,444,154	10,407,516	-	91,085,562
Charge for the year	3,537,416	-	14,128,724	1,766,464	2,145,224	-	21,577,828
Disposal	-	-	(979,861)	(833,798)	-	-	(1,813,659)
Balance at 31 December 2020	**17,536,179**	**-**	**73,383,992**	**7,376,820**	**12,552,740**	**-**	**110,849,731**
Balance at 1 January 2019	11,676,256	1,143,927	53,704,321	5,970,305	8,500,666	-	80,995,475
Charge for the year	2,322,507	-	10,588,699	1,522,358	1,906,850	-	16,340,414
Disposal	-	-	(4,057,891)	(1,048,509)	-	-	(5,106,400)
Reclassifications to other assets	-	(1,143,927)	-	-	-	-	(1,143,927)
Balance at 31 December 2019	**13,998,763**	**-**	**60,235,129**	**6,444,154**	**10,407,516**	**-**	**91,085,562**
Carrying amounts:							
Balance at 31 December 2020	**75,388,389**	**-**	**35,373,941**	**3,646,863**	**797,175**	**13,483,172**	**128,689,540**
Balance at 31 December 2019	**69,058,393**	**-**	**34,554,035**	**3,991,165**	**2,629,058**	**12,400,787**	**122,633,438**

(c) The Bank and Group had capital commitments of ₦435,761,000 (31 December 2019: ₦284,851,000) as at the reporting date in respect of authorized and contractual capital projects.

(d) There were no capitalised borrowing costs related to the acquisition of plant and equipment during the year (2019: Nil).

(32) Intangible assets

(a) Group

In thousands of Nigerian Naira	Goodwill	Purchased Software	Total
Cost			
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
Disposals	-	-	-
Balance at 31 December 2020	**8,687,968**	**30,226,353**	**38,914,321**
Balance at 1 January 2019	8,682,937	19,796,914	28,479,851
Exchange translation differences	1,419	8,786	10,205
Additions	-	6,692,435	6,692,435
Disposals	-	(223,040)	(223,040)
Balance at 31 December 2019	**8,684,356**	**26,275,095**	**34,959,451**
Amortisation and impairment losses			
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
Disposals	-	-	-
Balance at 31 December 2020	**-**	**19,041,798**	**19,041,798**
Balance at 1 January 2019	-	12,077,230	12,077,230
Exchange translation differences	-	(3,916)	(3,916)
Amortisation for the year	-	2,860,832	2,860,832
Disposals	-	(219,927)	(219,927)
Balance at 31 December 2019	**-**	**14,714,219**	**14,714,219**
Carrying amounts:			
Balance at 31 December 2020	**8,687,968**	**11,184,555**	**19,872,523**
Balance at 31 December 2019	**8,684,356**	**11,560,876**	**20,245,232**

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 2020 (2019: Nil).

(b) Parent

In thousands of Nigerian Naira	**Purchased Software**
Cost	
Balance at 1 January 2020	20,739,355
Additions	3,125,034
Balance at 31 December 2020	**23,864,389**
Balance at 1 January 2019	14,528,575
Additions	6,210,780
Balance at 31 December 2019	**20,739,355**
Amortisation and impairment losses	
Balance at 1 January 2020	11,193,102
Amortisation for the year	3,376,968
Balance at 31 December 2020	**14,570,070**
Balance at 1 January 2019	8,892,970
Amortisation for the year	2,300,132
Balance at 31 December 2019	**11,193,102**
Carrying amounts:	
Balance at 31 December 2020	**9,294,319**
Balance at 31 December 2019	**9,546,253**

All intangible assets are non-current.

(c) Impairment testing for cash-generating units containing Goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to each of the cash-generating units or groups of cash-generating units that is expected to benefit from the synergies of the combination.

Goodwill is allocated to the Cash Generating Units (CGUs) as shown below:

In thousands of Nigerian Naira	Dec-2020	Dec -2019
Cash Generating Units		
Rest of West Africa:		
- Corporate Banking	41,660	41,274
- Commercial Banking	5,266	4,774
- Retail Banking	16,036	13,302
East Africa:		
- Corporate Banking	5,706,891	5,998,039
- Commercial Banking	721,405	693,839
- Retail Banking	2,196,711	1,933,126
	8,687,970	**8,684,355**

No impairment loss on goodwill was recognised for the period ended 31 December 2020 (31 December 2019: 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; 3.2 per cent and 5.6 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:

The recoverable amounts of the East Africa region for which goodwill were allocated have been based on their value in use which were determined by discounting the projected cash flows generated by the segments in the region with the weighted discount rate of 22.03% derived using CAPM approach. It would require over 52million 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 23 basis point increase in the discount factor will make the recoverable amount of the East Africa region Commercial segment equal to its carrying amount.

2020-Key Assumptions	Rest of 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%

2019-Key Assumptions	Rest of West Africa			East Africa		
	Corporate	Commercial	Retail	Corporate	Commercial	Retail
Revenue Growth Rate (%)	42.81%	43.81%	44.31%	5.66%	5.66%	5.66%
Operating Income Growth Rate (%)	46.30%	46.80%	48.30%	0.50%	0.50%	2.00%
Other Operating Costs (₦'Million)	23,643	2,735	7,620	4,945	572	1,594
Capital Expenditure (₦'Million)	15,494	1,792	4,994	1,362	158	439
Recoverable Amount (₦'Million)	281,641	32,580	90,771	22,599	2,614	7,283
Long Term Growth Rate (%)	4%- 5%	4%- 5%	4%- 5%	6%- 7%	6%- 7%	6%- 7%
Discount Rate (%)	25.39%	25.39%	25.39%	18.47%	18.47%	18.47%

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

33 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group
Deferred tax assets

In thousands of Nigerian Naira		Dec-2020			Dec-2019	
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	3,270,360	-	3,270,360	2,164,087	-	2,164,087
Allowances for loan losses	83,543	-	83,543	92,483	-	92,483
Revaluation gain and other assets	1,362,251	-	1,362,251	-	-	-
Net deferred tax assets/(liabilities)	**4,716,154**	**-**	**4,716,154**	**2,256,570**	**-**	**2,256,570**

	Dec-2020	Dec-2019
Deferred tax assets:		
-Deferred tax assets to be recovered within 12 months	1,445,794	92,483
-Deferred tax assets to be recovered after more than 12 months	3,270,360	2,164,087

Group
Deferred tax liabilities

In thousands of Nigerian Naira		Dec-2020			Dec-2019	
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	-	20,953,401	20,953,401	-	19,711,487	19,711,487
Fair value reserves	-	1,096,521	1,096,521	-	403,172	403,172
Allowances for loan losses	1,257,567	-	(1,257,567)	3,222,713	-	(3,222,713)
Defined benefit obligation/actuarial loss	1,704,777	-	(1,704,777)	1,837,460	-	(1,837,460)
Revaluation gain and other assets	-	5,873,194	5,873,194	4,485,952	-	(4,485,952)
Net deferred tax (assets)/liabilities	**2,962,344**	**27,923,116**	**24,960,772**	**9,546,125**	**20,114,659**	**10,568,534**

	Dec-2020	Dec-2019
Deferred tax assets:		
-Deferred tax assets to be recovered within 12 months	2,962,344	9,546,125
Deferred tax liabilities:		
-Deferred tax liabilities to be recovered within 12 months	10,041,258	2,615,784
-Deferred tax liabilities to be recovered after more than 12 months	17,881,858	17,498,875

Parent
Deferred Tax Liabilities

In thousands of Nigerian Naira		Dec-2020			Dec-2019	
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	-	19,875,403	19,875,403	-	18,899,678	18,899,678
Fair value reserves	-	1,096,521	1,096,521	-	403,172	403,172
Allowances for loan losses	1,257,567	-	(1,257,567)	3,222,713	-	(3,222,713)
Defined benefit obligation/actuarial loss	1,704,777	-	(1,704,777)	1,837,460	-	(1,837,460)
Revaluation gain and other assets	-	1,510,697	1,510,697	1,948,791	-	(1,948,791)
Net deferred tax (assets)/liabilities	**2,962,344**	**22,482,621**	**19,520,277**	**7,008,964**	**19,302,850**	**12,293,886**

In thousands of Nigerian Naira	Dec-2020	Dec-2019
Deferred tax assets:		
-Deferred tax assets to be recovered within 12 months	2,962,344	7,008,964
Deferred tax liabilities		
-Deferred tax liabilities to be recovered within 12 months	5,080,306	2,526,486
-Deferred tax liabilities to be recovered after more than 12 months	17,402,315	16,776,365

Movements in deferred tax assets during the year

Group
Dec-2020

In thousands of Nigerian Naira	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2020	2,164,087	-	92,483	-	-	-	-	2,256,570
Exchange difference	-	-		-	-	70,611	-	70,611
Recognised in profit or loss	1,106,273	-	(8,940)	-	-	1,291,640	-	2,388,973
Balance at 31 December 2020	**3,270,360**	**-**	**83,543**	**-**	**-**	**1,362,251**	**-**	**4,716,154**

Movements in deferred tax liabilities during the year

Group

Dec-2020

In thousands of Nigerian Naira	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2020	19,711,487	403,171	(3,222,713)	-	(1,837,460)	(4,485,952)	-	10,568,533
Exchange difference	(196,123)	38,189	100,468	-	-	160,873	54,273	157,680
Recognised in profit or loss	1,438,037	2,869	1,864,678	-	714,684	10,198,273	(3,688,014)	10,530,527
Other comprehensive income	-	652,292	-	-	(582,001)	-	3,633,741	3,704,032
Balance at 31 December 2020	**20,953,401**	**1,096,521**	**(1,257,567)**	**-**	**(1,704,777)**	**5,873,194**	**-**	**24,960,772**

Movements in deferred tax assets during the year

Group

Dec-2019

In thousands of Nigerian Naira	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2019	2,169,819	-	-	-	-	-	-	2,169,819
Recognised in profit or loss	(5,732)	-	92,483	-	-	-	-	86,751
Balance at 31 December 2019	**2,164,087**	**-**	**92,483**	**-**	**-**	**-**	**-**	**2,256,570**

Movements in deferred tax liabilities during the year

Group

Dec-2019

In thousands of Nigerian Naira	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2019	14,153,585	(874,104)	(1,553,797)	-	(1,069,948)	(3,579,780)	-	7,075,956
IFRS 16 adjustment	-	-	-	-	-	(23,439)	-	(23,439)
Exchange difference	(173,677)	648,860	95,197	-	-	(795,102)	(327,587)	(552,309)
Recognised in profit or loss	5,731,579	(810,349)	(1,764,113)	-	(139,351)	(87,631)	2,524,469	5,454,604
Other comprehensive income	-	1,438,764	-	-	(628,161)	-	(2,196,882)	(1,386,279)
Balance at 31 December 2019	**19,711,487**	**403,171**	**(3,222,713)**	**-**	**(1,837,460)**	**(4,485,952)**	**-**	**10,568,533**

Parent

Dec-2020

In thousands of Nigerian Naira	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2020	18,899,680	403,171	(3,222,713)	-	(1,837,460)	(1,948,792)	-	12,293,886
Recognised in profit or loss	975,723	-	1,965,146	-	714,684	3,459,489	-	7,115,042
Other comprehensive income	-	693,350	-	-	(582,001)	-	-	111,349
Balance at 31 December 2020	**19,875,403**	**1,096,521**	**(1,257,567)**	**-**	**(1,704,777)**	**1,510,697**	**-**	**19,520,277**

Parent

Dec-2019

In thousands of Nigerian Naira	Property and equipment, and software	Fair value reserves	Allowances for loan losses	Mark to market loss on valuation of securities	Defined benefit obligation	Revaluation gain and Other assets	Foreign currency translation difference	Total
Balance at 1 January 2019	13,419,628	(874,103)	(1,553,797)	-	(1,069,948)	(2,743,219)	-	7,178,561
IFRS 16 adjustment	-	-	-	-	-	(23,439)	-	(23,439)
Recognised in profit or loss	5,480,052	-	(1,668,916)	-	(139,351)	817,866	-	4,489,651
Other comprehensive income	-	1,277,274	-	-	(628,161)	-	-	649,113
Balance at 31 December 2019	**18,899,680**	**403,171**	**(3,222,713)**	**-**	**(1,837,460)**	**(1,948,792)**	**-**	**12,293,886**

34 Restricted deposits and other assets

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Repossessed collaterals (See note 34(v) below)	12,048,276	11,036,061	9,243,888	8,439,161
Prepayments	30,968,891	35,576,690	24,905,158	25,981,006
Accounts Receivable (See note 34(vi) below)	48,918,206	14,445,319	18,983,878	6,816,192
Stocks	2,900,332	-	2,863,893	-
Foreign Banks - cash collateral	37,001,808	15,855,099	34,784,908	15,800,229
Restricted deposits with central banks (See note 34(i) below)	1,026,634,689	443,652,883	1,008,748,051	443,636,961
Contribution to AGSMEIS (See note 34(ii) below)	31,508,326	22,752,062	31,508,326	22,752,062
Recognised assets for defined benefit obligations (See note 39)	10,381,158	10,799,957	10,381,158	10,799,957
	1,200,361,686	**554,118,071**	**1,141,419,260**	**534,225,568**
Right-Of-Use Assets (See note 34(iii) below)	26,385,578	23,580,802	19,016,012	18,143,188
	1,226,747,264	**577,698,873**	**1,160,435,272**	**552,368,756**
Impairment on other assets (See note 34(iv) below)	(266,148)	(265,867)	(263,001)	(263,001)
	1,226,481,116	**577,433,006**	**1,160,172,271**	**552,105,755**
Current	1,184,694,120	542,146,605	1,127,911,208	522,617,077
Non-current	41,786,996	35,286,401	32,261,063	29,488,678

(i) Restricted deposits with central banks are not available for use in the Group's day-to-day operations. The Bank had restricted balances of ₦1,008,748,051,000 with the Central Bank of Nigeria (CBN) as at 31 December 2020 (December 2019: ₦443,636,961,000) 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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Opening balance	23,580,802	-	18,143,188	-
Reclassification from Prepayments	-	6,751,459	-	5,092,389
Reclassification from PPE	-	13,178,503	-	12,426,227
IFRS 16 Adjustment		73,215		73,215
Additions during the year	4,913,421	5,691,632	1,692,773	1,472,967
Amortisation during the year	(2,108,645)	(2,071,840)	(819,949)	(879,443)
Short term leases recognised on a straight-line basis as expense	-	(42,167)	-	(42,167)
Closing balance	**26,385,578**	**23,580,802**	**19,016,012**	**18,143,188**

For the Group and Parent, the right-of-use assets relates to Property and lease rentals on branches. The amortisation during the year is shown in Note 18. The short term leases are recognised on a straight line basis in Right-of-use asset amortisation.

(iv) Movement in impairment of other financial assets:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Opening Balance	265,867	323,241	263,001	320,375
Charge/(reversal) for the year	281	(57,374)	-	(57,374)
Closing Balance	**266,148**	**265,867**	**263,001**	**263,001**

(v) During the period, the Bank took possession of property amounting to ₦9,243,888,000 (December 2019: ₦8,439,161,000) held as collateral against certain loans. These collaterals have been realised and used in offsetting the affected customers' outstanding obligations.

(vi) Account receivables of ₦18,983,878,000 at Bank level comprise largely of:

a) ₦8,777,000,000 (Dec 2019: Nil) - This is the Naira proceeds from matured Treasury Bill investment which the Counterpart Foreign Entity is expected to use to source for US$ to clean up the outstanding 2 tranches of the 7 tranches inflows due on the matured Credit linked FVPL notes contract between the Bank and the Foreign Counterparty (FC). These contracts were entered with the FC in May 2019 and June 2019.

b) ₦3,568,436,000 (Dec 2019: ₦3,252,531,000) - This is the amount repaid by Customers to CBN in respect of State Government Bail-out facilities which had not been reflected in the Bank's CRR position. These facilities were granted and initially funded by CBN in August 2015 and September 2015 to 2 State Governments for liquidation of their workers' salary arrears, however, the APEX Bank subsequently debited the Bank's Cash Reserve position in late September 2015 to reverse its own initial funding of these Facilities.

c) ₦6,762,350,000 (Dec 2019: Nil) - This amount represents receivables (i.e. FX not yet delivered/settled) in respect of FX Spot transaction sold to Customers for which the Bank contracted a Forward transaction with CBN, the Forwards will settle in January 2021.

Account receivables of ₦48,918,206,000 at Group level comprise principally of the transactions of the Parent as discussed above and that of its Subsidiaries notably Ghana, Liberia and Gambia as explained below:

a) GTBank Ghana – the receivables relate to outstanding Electronic Cash receivable in the sum of 223 million Cedis with Naira equivalent of ₦15,951,829,000 (Dec 2019: ₦4,805,181,000). The Bank debit Customer's current account for the sale of Electronic Cash with corresponding credit to a Mobile Pool Account, which leads to corollary booking of E-cash receivable and Customer's GSM Wallet account pending utilization via transfer to another Customer GSM Wallet account within the Bank or another Bank. The E-Cash is in Other asset while the Customer's GSM Wallet account is part of deposit liabilities.

b) GTBank Liberia – the receivables relate to outstanding Mobile money receivables from Telco in Liberia in the sum of US$12,026,000 with Naira equivalent of ₦4,933,642,000 (Dec 2019: ₦735,830,000) due to agency services rendered by the Bank to the Telco subscribers.

c) GTBank Gambia – the receivables represent outstanding foreign currency Cash in Transit in the sum of 353,610,000 Gambian Dalasi with Naira equivalent of ₦2,803,243,000 (Dec 2019: Nil) for which value is yet to be received in respect of Cash shipped through Cash movement Agent by the Bank for onward deposit into offshore domiciliary account.

34 (b) Assets classified as held for sale and discontinued operations

Loss from discontinued operations

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Revenues	-	56	-	-
Expenses	-	(16,441)	-	-
Loss before tax from discontinued operations	**-**	**(16,385)**	**-**	**-**
Tax	-	-	-	-
Loss from discontinued operations after tax	**-**	**(16,385)**	**-**	**-**

Discontinued operation relates to winding down of GTB Finance B.V. Netherlands (the Structured Entity). The Group established the Structured Entity to raise funds from the international financial market. The Bank, however, substituted the liability during 2018 financial year before its maturity and the Structured Entity was carried as Held For Sale.

35 Deposits from banks

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Money market deposits	279,429	22,439,806	-	-
Other deposits from banks	101,230,121	85,078,592	12,733	15,200
	101,509,550	**107,518,398**	**12,733**	**15,200**
Current	101,509,550	107,518,398	12,733	15,200
Non-current	-	-	-	-

36 Deposits from customers

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Retail customers:				
Term deposits	141,450,983	170,607,419	81,248,845	126,067,457
Current deposits	552,738,516	426,371,243	475,901,563	357,866,791
Savings	1,144,660,473	676,354,756	1,003,001,941	580,888,269
Corporate customers:				
Term deposits	247,704,593	211,770,999	191,133,831	165,762,456
Current deposits	1,422,764,672	1,047,435,967	1,130,399,878	856,225,097
	3,509,319,237	**2,532,540,384**	**2,881,686,058**	**2,086,810,070**
Current	3,507,188,681	2,531,213,037	2,881,682,476	2,086,801,362
Non-current	2,130,556	1,327,347	3,582	8,708

37 Financial liabilities at fair value through profit or loss

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Treasury bills short positions	-	1,615,735	-	1,615,735
	-	**1,615,735**	**-**	**1,615,735**
Current	-	1,615,735	-	1,615,735
Non-current	-	-	-	-

38 Other liabilities

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Cash settled share based payment liability (Note 38(c))	10,635,307	11,081,822	-	-
Lease liabilities (Note 38(f))	8,087,113	5,275,289	187,901	151,396
Liability for defined contribution obligations (Note 38(a))	460,348	402,749	33	33
Deferred income on financial guarantee contracts	109,299	91,554	27,269	34,874
Litigation claims provision (Note 38(d))	250,995	250,665	190,200	189,870
Certified cheques	7,507,961	5,799,807	6,444,725	4,909,666
Customers' deposit for foreign trade (Note 38(b))	53,970,895	16,626,361	51,753,995	16,393,689
Customers' escrow balances	208,812,745	120,397,846	208,300,358	119,851,339
Account payables	38,236,362	33,542,379	32,220,969	30,351,050
Creditors and agency services	23,744,759	33,032,814	18,891,205	27,417,104
Customers deposit for shares of other Corporates	721,316	462,115	721,316	462,115
Impairment on contingents (Note 38(e))	3,685,475	6,462,312	3,237,833	6,056,692
	356,222,575	**233,425,713**	**321,975,804**	**205,817,828**
Current	337,967,416	215,329,151	318,332,601	199,326,183
Non-current	18,255,159	18,096,562	3,643,203	6,491,645

(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 ₦51,753,995,000 reported, the sum of ₦34,784,908,000 represents customers cash collateral balances with the corresponding balance included in Foreign Banks - Cash Collateral in other assets. The balance of ₦16,969,087,000 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-2020		Dec-2019	
	Average Exercise Price Per Share	**Share Rights (thousands)**	**Average Exercise Price Per Share**	**Share Rights (thousands)**
At 1 January	30.32	365,454	27.12	363,918
Granted	15.47	28,148	17.41	23,436
Exercised	22.79	(13,015)	30.08	(21,900)
As at end of the year	**27.94**	**380,587**	**30.32**	**365,454**

The total unit of shares of the scheme stood at 1,369,179,000 as at December 2020 (Dec 2019: 1,356,514,000), out of which 380,587,000 (December 2019: 365,454,000) have been granted. Out of the 380,587,000 Share Appreciation Right (SARs) granted as at December 2020 (December 2019: 365,454,000 SARs), 285,455,000 SARs (Dec 2019: 272,723,000) have met the vesting criteria. SARs exercised in 2020 resulted in 13,015,000 shares (Dec 2019:21,900,000) being granted at a weighted average price of ₦22.79 each (Dec 2019: ₦30.32 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 5.86% probability of exits, number of employees years in the scheme and in the organization for non-vested shares.

As at 31st December 2020, the impact of the SAR on the statement of financial position of the Group stood at ₦10,635,307,000 (December 2019:₦11,081,822,000).

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 31 Dec 2020, the impact of the SAR on the statement of financial position of the Group stood at ₦10,635,307,000 (2019:₦11,081,822,000). Of this amount, the liability on vested but unexercised SARs was ₦9,234,455,000 (2019: ₦9,586,920,000)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

	Exercise price		Share options (thousands of Naira)	
Grant-Vest	**Dec-2020**	**Dec-2019**	**Dec-2020**	**Dec-2019**
2004-2009	32.30	35.08	3,740,365	4,063,147
2004-2017	30.76	33.40	138,513	143,705
2005-2010	29.66	32.19	555,807	584,916
2005-2013	31.03	33.33	729,763	783,676
2006-2011	31.19	33.08	166,601	176,687
2006-2014	31.25	34.80	317,460	340,331
2007-2012	30.29	33.11	851,780	884,831
2007-2013	29.44	31.62	98,912	99,937
2007-2014	30.21	32.91	152,162	158,626
2007-2015	31.39	33.89	62,776	67,778
2007-2016	30.50	29.49	246,981	234,497
2008-2013	29.44	31.08	433,644	511,383
2008-2014	28.41	31.12	78,221	79,468
2008-2015	28.45	30.22	95,376	95,424
2008-2017	29.34	32.83	59,767	63,021
2009-2014	27.64	29.70	108,144	109,748
2009-2015	23.46	27.48	19,746	19,126
2008-2026	22.26	23.97	11,380	10,359
2010-2015	26.58	25.77	33,194	32,184
2010-2016	29.19	31.42	93,006	95,173
2010-2017	32.35	35.15	32,808	35,650
2010-2018	26.76	28.87	62,453	61,591
2010-2019	32.35	35.15	72,501	78,782
2011-2016	25.84	27.73	495,421	578,444
2011-2017	28.85	32.68	47,988	50,280
2011-2018	30.90	32.13	61,807	64,254
2011-2019	24.64	26.09	89,932	80,997
2011-2020	27.29	24.85	62,766	52,178
2012-2017	25.25	27.62	60,104	147,687
2012-2018	31.09	31.11	25,178	25,199
2012-2021	-	31.40	-	9,419
2019-2024	16.84	14.99	32,849	17,546
2013-2018	25.08	26.24	337,482	345,609
2014-2019	24.67	25.80	215,219	230,227
2014-2022	18.33	17.12	9,175	6,787
2015-2020	23.67	24.05	268,507	232,780
2015-2022	26.28	25.25	70,952	63,117
2015-2023	18.76	16.49	13,947	8,957
2015-2024	16.33	13.31	1,453	1,185
2016-2021	18.31	17.66	492,318	341,450
2016-2025	14.14	10.37	21,107	13,450
2017-2022	17.50	10.13	88,697	46,060
2017-2023	25.31	19.25	5,061	1,849
2018-2026	-	15.37	-	513
2018-2023	19.12	16.83	55,233	33,793
2020-2025	15.08	-	18,749	-
			10,635,307	**11,081,822**

(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, 2020. Please see Note 43 for further information on Litigations.

Movement in provision for litigation claims during the year is as follows:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Opening Balance	250,665	91,720	189,870	91,720
Increase/(reversal) during the year	330	158,945	330	98,150
Closing Balance	**250,995**	**250,665**	**190,200**	**189,870**

This relates to provision on pending cases that the Bank is currently involved in. Please refer to Note 43 for more information. Timing of resulting outflows of economic resources with respect to the provision can not readily be determined.

(e) Movement in impairment on contingents during the year is as follows:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Opening balance	6,462,312	7,100,889	6,056,692	6,627,728
Effect of exchange rate fluctuation	335,367	(103,953)	-	-
Charge/(Reversal) for the year	(3,112,204)	(534,624)	(2,818,859)	(571,036)
Closing Balance	**3,685,475**	**6,462,312**	**3,237,833**	**6,056,692**

(f) The Group leases a number of properties to serve as its branch outlets.
The Group and Parent has applied 7.26% as the weighted average incremental borrowing rate to lease liability on transition date.
The period of future economic outflows of the lease liabilities is analysed below:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Less than 3 months	145,774	133,349	3,387	3,827
3-6 months	516,858	22,928	12,009	658
6-12 months	904,900	195,023	21,025	5,597
1-5years	995,325	1,398,267	23,126	40,129
More than 5 years	5,524,256	3,525,722	128,354	101,185
	8,087,113	**5,275,289**	**187,901**	**151,396**

39. Defined benefit obligations

The Bank operates a non-contributory, funded lump sum defined benefit gratuity scheme. Employees are automatically admitted into the scheme after completing 10 consecutive years of service with the Bank. Employees' terminal benefits are calculated based on number of years of continuous service, limited to a maximum of 10 years. The defined benefit obligation valuation was carried out by Alexander Forbes Consulting Actuaries.

(a) The amounts recognised in the statement of financial position are as follows:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Present value of funded obligations	(5,682,589)	(4,030,995)	(5,682,589)	(4,030,995)
Total present value of defined benefit obligations	(5,682,589)	(4,030,995)	(5,682,589)	(4,030,995)
Fair value of plan assets	16,063,747	14,830,952	16,063,747	14,830,952
Present value of net asset/(obligations)	10,381,158	10,799,957	10,381,158	10,799,957
Recognized asset/(liability) for defined benefit obligations	**10,381,158**	**10,799,957**	**10,381,158**	**10,799,957**

The Bank has a right to the surplus on its plan assets. The defined benefit scheme is not open to asset ceiling, therefore, there is no need to determine any difference between net defined benefit asset and asset ceiling.
Recognised asset for defined benefit obligations is included within Restricted deposits and other assets in note 34

(b) Movement in the present value of defined benefit obligations:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
(Deficit)/surplus on defined benefit obligations, beginning of year	10,799,957	11,012,687	10,799,957	11,012,687
Net (Expense) / Income recognised in Profit and Loss[1]	1,378,517	1,736,134	1,378,517	1,736,134
Re-measurements recognised in Other Comprehensive Income[2]	(1,940,002)	(2,093,871)	(1,940,002)	(2,093,871)
Contributions paid	142,686	145,007	142,686	145,007
(Deficit)/surplus for defined benefit obligations, end of year	**10,381,158**	**10,799,957**	**10,381,158**	**10,799,957**

[1]Net (Expense) / Income recognised in Profit and Loss is analysed below:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Interest income on Net defined benefit obligation[a]	1,485,478	1,806,441	1,485,478	1,806,441
Current service costs	(106,961)	(70,307)	(106,961)	(70,307)
	1,378,517	**1,736,134**	**1,378,517**	**1,736,134**

[a]Interest cost on Net Defined benefit Obligation is analysed below:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Interest income on assets	2,046,671	2,351,801	2,046,671	2,351,801
Interest cost on defined benefit obligation	(561,193)	(545,360)	(561,193)	(545,360)
	1,485,478	**1,806,441**	**1,485,478**	**1,806,441**

[2]Re-measurements recognised in Other Comprehensive Income is analysed below

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Return on plan assets, excluding amounts included in interest expense/income	(813,876)	(1,861,101)	(813,876)	(1,861,101)
Gain/(Loss) due to experience variance	(823,743)	381,392	(823,743)	381,392
Loss due to economic assumptions	(302,468)	(614,162)	(302,468)	(614,162)
Gain from change in demographic assumptions	85	-	85	-
	(1,940,002)	**(2,093,871)**	**(1,940,002)**	**(2,093,871)**

(c) Plan assets consist of the following:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Equity securities:				
- Quoted	3,245,129	2,964,386	3,245,129	2,964,386
Government securities				
- Quoted	760,910	2,160,418	760,910	2,160,418
Cash and bank balances				
- Unquoted	12,057,708	9,706,148	12,057,708	9,706,148
	16,063,747	**14,830,952**	**16,063,747**	**14,830,952**

Group

In thousands of Nigerian Naira	Dec-2020		Dec-2019	
Equity securities	3,245,129	20%	2,964,386	20%
Government securities	760,910	5%	2,160,418	15%
Cash and bank balances	12,057,708	75%	9,706,148	65%
	16,063,747	**100%**	**14,830,952**	**100%**

Parent

In thousands of Nigerian Naira	Dec-2020		Dec-2019	
Equity securities	3,245,129	20%	2,964,386	20%
Government securities	760,910	5%	2,160,418	15%
Cash and bank balances	12,057,708	75%	9,706,148	65%
	16,063,747	**100%**	**14,830,952**	**100%**

The defined benefit plan assets are under the management of Pension Fund Custodians - Crusader Sterling Pension Limited. The ₦3,245,129,000 equity investments of the scheme includes the Group's ordinary shares with a fair value of ₦3,016,604,000 (Dec 2019: ₦2,766,735,000). Additionally, out of the cash and bank balances of ₦12,057,708,000 an amount with a fair value of ₦12,057,708,000 (Dec 2019:₦9,706,148,000) represents deposit with the Group.

Expected contributions to post-employment benefit plans for the year ending 31 December 2021 are ₦191,262,000 (December 2020: ₦175,384,000) while gratuity payments are estimated to be ₦191,262,000 (December 2020: ₦175,384,000)

(d) Defined benefit cost for year ending December 2021 is expected to be as follows:

	Parent Dec-2021	Parent Dec-2020
Net Interest on Net benefit assets	434,956	1,487,735
Current service cost	(120,696)	(106,961)
Income/(Expense) recognised in profit or loss	314,260	1,380,774

Components of net interest on defined benefit liability for the year ending December 2021 is estimated to be as follows:

	Parent Dec-2021	Parent Dec-2020
Interest income on assets	674,677	2,046,671
Interest cost on defined benefit obligation	(239,721)	(558,936)
Total net interest income	434,956	1,487,735

Plan assets are valued at current market value. The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the date of the consolidated statement of financial position. Expected returns on equity reflect long-term real rates of return experienced in the respective markets.

(e) Movement in plan assets:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Fair value of plan assets, beginning of the year	14,830,952	14,340,252	14,830,952	14,340,252
Contributions paid into/(withdrawn from) the plan	142,686	145,007	142,686	145,007
Benefits paid by the plan	(142,686)	(145,007)	(142,686)	(145,007)
Actuarial loss	(813,876)	(1,861,101)	(813,876)	(1,861,101)
Return on plan assets	2,046,671	2,351,801	2,046,671	2,351,801
Fair value of plan assets, end of the year	**16,063,747**	**14,830,952**	**16,063,747**	**14,830,952**

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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Present value of obligation, beginning of the year	4,030,995	3,327,565	4,030,995	3,327,565
Interest cost	561,193	545,360	561,193	545,360
Current service cost	106,961	70,307	106,961	70,307
Benefits paid	(142,686)	(145,007)	(142,686)	(145,007)
Actuarial loss on obligation[1]	1,126,126	232,770	1,126,126	232,770
Present value of obligation at end of the year	**5,682,589**	**4,030,995**	**5,682,589**	**4,030,995**

[1] The actuarial loss on obligation arose from the following:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Experience variance	823,743	(381,392)	823,743	(381,392)
Change in economic assumptions	302,468	614,162	302,468	614,162
Change in demographic assumptions	(85)	-	(85)	-
	1,126,126	**232,770**	**1,126,126**	**232,770**

(g) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2020	2019
Discount rate	4.2%	13.8%
Salary increase rate	4.2%	12.5%
Inflation	15.8%	12.0%
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-2020

In thousands of Nigerian Naira except percentages	**Impact on defined benefit obligation**		
	Change in defined benefit obligation		
	Assumption	**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-2019

In thousands of Nigerian Naira except percentages	**Impact on defined benefit obligation**		
	Change in defined benefit obligation		
	Assumption	**Increase**	**Decrease**
Discount rate	1.00%	(3,772,387)	4,323,922
Salary increase rate	1.00%	4,333,003	(3,759,841)
Mortality rate	1 year	4,031,500	(4,030,534)

Parent
Dec-2020

In thousands of Nigerian Naira except percentages	**Impact on defined benefit obligation**		
	Change in defined benefit obligation		
	Assumption	**Increase**	**Decrease**
Discount rate	1.00%	(5,337,195)	6,077,111
Salary increase rate	1.00%	6,087,551	(5,320,654)
Mortality rate	1 year	5,682,132	(5,682,989)

Parent
Dec-2019

In thousands of Nigerian Naira except percentages	**Impact on defined benefit obligation**		
	Change in defined benefit obligation		
	Assumption	**Increase**	**Decrease**
Discount rate	1.00%	(3,772,387)	4,323,922
Salary increase rate	1.00%	4,333,003	(3,759,841)
Mortality rate	1 year	4,031,500	(4,030,534)

In practice, changing an actuarial assumption while holding other assumptions constant is unlikely to occur as changes in some of the assumptions may be correlated.

(i) Expected maturity analysis of undiscounted pension and post-employment benefits:

In thousands of Nigerian Naira	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Present value of the defined benefit obligation	5,050	19,648	130,871	13,207,243	13,362,812
	5,050	**19,648**	**130,871**	**13,207,243**	**13,362,812**

(j) Defined Benefit Risk Management

The Group's exposure to risks through its defined benefit plan is mitigated through a number of strategies. Most important of them is the asset-liability matching strategy. Thus, fluctuations in macro-economic variables have minimal impact on its exposure to the plan.

Over the years, the Group not only ensures that it has sufficient plan assets to fund its defined benefit obligation but also adopts a robust strategy that ensures that the macro-economic variables affecting the obligations are similar to those of the plan assets. The significant risks inherent in the Group's defined benefit plan are detailed below:

Asset volatility

Post employment benefit obligations are calculated using a discount rate determined with reference to market yields on high quality bonds. The Group ensures that the plan assets do not underperform this yield. This is achieved through maintaining an efficient portfolio of investments in plan assets significantly made up of high quality equities and government securities. Consequently, the yield on the Group's plan assets has consistently outperformed interest cost on plan obligations. The Group also ensures that as tenured investments in plan assets mature, they are replaced with top quality investments which better match the liabilities.

Overall, the Group's defined benefit investment strategy aims at reducing investment risks while maintaining the right mix of investment 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 office. 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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Due to IFC (see note (i) below)	30,234,461	43,883,237	30,234,461	43,883,237
Due to BOI (see note (ii) below)	23,905,694	32,104,591	23,905,694	32,104,591
Due to CACS (see note (iii) below)	12,178,889	16,003,270	12,178,889	16,003,270
Due to Proparco (see note (iv) below)	5,636,476	8,631,603	5,636,476	8,374,259
MSME Development Fund (see note (v) below)	22,862	47,391	22,862	47,391
Excess Crude Account -Secured Loans Fund (see note (vi) below)	13,812,844	13,860,702	13,812,844	13,860,702
RSSF on lending (see note (vii) below)	22,575,144	25,313,433	22,575,144	25,313,433
SANEF Intervention Fund (see note (viii) below)	865,752	1,005,100	865,752	1,005,100
NESF Fund (see note (ix) below)	1,241,570	1,658,801	1,241,570	1,658,801
Due to DBN Intervention Fund (see note (x) below)	-	20,491,781	-	20,491,781
Due to Anchor Borrowers' Fund (see note (xi) below)	2,997,061	-	2,997,061	-
Economic recovery fund (see note (xii) below)	424,015	-	-	-
	113,894,768	**162,999,909**	**113,470,753**	**162,742,565**
Current	50,754,645	45,394,838	50,754,644	45,137,494
Non-current	63,140,123	117,605,071	62,716,109	117,605,071

i). The amount of ₦30,234,461,000 (USD 73,698,000) (December 2019: ₦43,883,237,000 ; USD 143,686,000) represents the outstanding balance on the Tranche 4 and Tranche 5 dollar term loan granted to the Parent by the International Finance Corporation (IFC). The Tranche 4 facility was disbursed in December 2011(USD 170,000,000) for a period of 8 years and the Tranche 5 was availed in December 2014 (USD 175,000,000) equally for a period of 8 years. The principal amount is repayable semi annually from December 2013 for Tranche 4 and December 2016 for Tranche 5. The pricing of the Tranche 4 facility is 5.5% and Libor plus 4% for the Tranche 5. Interest is paid semi annually on the two tranches.

ii). The amount of ₦23,905,694,000 (December 2019: ₦32,104,591,000) represents the outstanding balance on the wholesale funding granted to the Parent for the refinancing/restructuring of SME/Manufacturing loan portfolio under the Small and Medium Enterprise Refinancing and Restructuring Fund and to fastrack the development of power projects and aviation sector so as to improve power supply, under the Power and Airline Intervention Fund (PAIF). The SMERRF and PAIF are administered at an all-in interest rate /charge of 7% per annum payable on a quarterly basis. The BOI is entitled to 1% management fee payable quarterly by the Parent. The Loans have a maximum life of 15 years and/or working capital facility of one year with the provision for roll over subject to a maximum tenor of 5 years. The tenor of the facilities as at the end of the period range between 5 years to 13 years.

iii). The amount of ₦12,178,889,000 (December 2019: ₦16,003,270,000) represents the outstanding balance on the on-lending facilities granted to the Parent by the Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) under the Commercial Agriculture Credit Scheme (CACS). The FGN is represented by the Federal Ministry of Agriculture and Rural Development '(FMARD) who has the aim of providing concessionary funding for agriculture so as to promote commercial agricultural enterprises in Nigeria. The Facility is for a period of 7 years at 2% p.a cost to the Parent. The maximum interest rate to the borrowers under the Scheme is 9% p.a inclusive of all charges.

iv). The amount of ₦5,636,476,000 (USD 13,739,000) (December 2019: ₦8,374,259,000 ; USD 22,974,000) represents the outstanding balance on the facility granted to the Parent by PROPARCO, the private sector financing arm of Agence Francais de Development(AfD). The facilities were disbursed in two tranches with the first tranche in December 2011 (USD 50,000,000) and the second tranche in January 2015 (USD 50,000,000). The principal amount is repayable semi annually from January 2012 for the first tranche and April 2017 for the second tranche. Interest is paid on a semi-annual basis with the first tranche priced at 4.46% and second tranche at Libor plus 4.26%. The first tranche matured in January 2016 while the second tranche will mature in April 2022.

v). The amount of ₦22,862,000 (December 2019: ₦47,391,000) represents the outstanding balance on the on lending facility granted by the Central Bank of Nigeria targeted at the growth and development of the Micro, Small and Medium Scale sub sector of the economy by providing single digit low interest rate funds. The facility is granted at an interest rate of 2% to the Parent. The maximum rate, inclusive of all charges, to the eligible MSMEs is 9% p.a. and the tenor of the facility ranges from 1 to 3 years depending on the type of enterprise.

vi). The amount of ₦13,812,844,000 (December 2019: N13,860,702,000) 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.

vii). The amount of ₦22,575,144,000 (December 2019: ₦25,313,433,000) 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.

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.

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.

x). The facility granted to the Parent by Development Bank of Nigeria (DBN) was fully paid off during the year. The outstanding balance as at December 2019 was ₦20,491,781,000. The facility was disbursed in 2019 and interest was priced at 9.6% per annum.

xi). 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%

xii) 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, safe guard employment and expand domestic production of es sential goods.

In response to the Covid-19 Pandemic, CBN reduced interest rate on all applicable Intervention facilities from 9% to 5% p.a. for 1 year effective March 1, 2020.

40b Reconciliation of Financial Liabilities
For the year ended 31 December 2020

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	6,167,083
Closing Balance	**113,894,768**

Group
Dec-2019

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**178,566,800**
Cash inflow - Principal	31,780,731
Cash outflow - Principal	(48,447,620)
Cash outflow - Interest	(9,149,396)
Effect of exchange rate fluctuation	1,103,506
Other non-cash	9,145,888
Closing Balance	**162,999,909**

Parent
Dec-2020

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**162,742,565**
Cash inflow - Principal	4,987,000
Cash outflow - Principal	(60,752,684)
Cash outflow - Interest	(5,705,424)
Effect of exchange rate fluctuation	6,578,166
Other non-cash	5,621,130
Closing Balance	**113,470,753**

Parent
Dec-2019

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**177,361,218**
Cash inflow - Principal	31,780,731
Cash outflow - Principal	(47,591,449)
Cash outflow - Interest	(8,741,922)
Effect of exchange rate fluctuation	1,143,287
Other non-cash	8,790,700
Closing Balance	**162,742,565**

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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
(a) Authorised:				
50,000,000,000 ordinary shares of 50k each				
(31 December 2019: 50,000,000,000 of 50k each)	25,000,000	25,000,000	25,000,000	25,000,000

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
(b) Issued and fully paid:				
29,431,179,224 ordinary shares of 50 kobo each (31 December 2019: 29,431,179,224 ordinary shares of 50k each)	14,715,590	14,715,590	14,715,590	14,715,590

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
28,060,599,137 ordinary shares (Non-GDR) of 50k each (31 December 2019: 27,310,572,137)	13,655,286	13,655,286	13,655,286	13,655,286
1,370,580,087 ordinary shares (GDR) of 50k each (31 December 2019: 2,120,607,087)	1,060,304	1,060,304	1,060,304	1,060,304
	14,715,590	**14,715,590**	**14,715,590**	**14,715,590**

The movement on the value of issued and fully paid-up share capital (Non GDR and GDR) account during the year was as follows:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of year	14,715,590	14,715,590	14,715,590	14,715,590
Balance, end of year	**14,715,590**	**14,715,590**	**14,715,590**	**14,715,590**

Share capital

Movement in the components of share capital for the Group is as shown below:

	Number of shares (thousands)	Ordinary shares	Share premium	Treasury shares
At January 2019	29,431,180	14,715,590	123,471,114	(5,583,635)
(Purchases)/sales of treasury shares	-	-	-	(948,114)
At 31 December 2019/1 January 2020	**29,431,180**	**14,715,590**	**123,471,114**	**(6,531,749)**
(Purchases)/sales of treasury shares	-	-	-	(396,354)
At 31 December 2020	**29,431,180**	**14,715,590**	**123,471,114**	**(6,928,103)**

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 and the small and medium enterprises equity investment reserve.

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

In the current year, the bank appropriated ₦26,728,260,000 representing 15% of its profit after tax to statutory reserves. Total statutory reserves was ₦325,606,095,000 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 ₦4,232,478,000 at the end of the year.

(iii) **Treasury shares**: Treasury shares in the sum of ₦6,928,103,000 (December 2019: ₦6,531,749,000) represents the Bank's shares held by the Staff Investment Trust as at 31 December 2020.

(iv) **Fair value reserve:** The fair value reserve includes the net cumulative change in the fair value of fair value through other comprehensive income investments until the investment is derecognised or impaired.

(v) **Regulatory risk reserve**: The regulatory risk reserves warehouses the difference between the impairment balance on loans and advances as determined in accordance with the provisions of Prudential guidelines of Central Bank of Nigeria when compared with the assessment in line with the requirement of IFRS 9 Expected credit loss model. The key component of CBN Prudential Guidelines (PG) is the setting aside of additional 2% provision on all performing loans assessed under the PG. This 2% provision is not required under IFRS 9. Therefore it has been recognised in Regulatory Risk Reserve. The Parent's total balance in Regulatory Risk Reserve is ₦62,317,634,000.

(vi) **Retained earnings:** Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

(vi) Non-Controlling Interest

The analysis of non-controlling interest per subsidiary is as shown below

	Group Dec-2020	Group Dec-2019	Group Dec-2020	Group Dec-2019
	%	%	₦'000	₦'000
GTB (Gambia) Limited	22.19	22.19	1,658,180	1,345,364
GTB (Sierra Leone) Limited	16.26	16.26	1,855,484	1,718,292
GTB (Ghana) Limited	1.68	1.68	1,206,798	920,640
GTB Liberia	0.57	0.57	65,241	55,363
GTB Kenya Limited	30.00	30.00	10,168,194	8,906,873
GTB Tanzania	23.80	30.00	826,912	783,492
			15,780,809	**13,730,024**

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-2020				
In thousands of Nigerian Naira	**Statutory Reserves**	**SMEEIS Reserves**	**AGSMEIS Reserves**	**Total**
Opening Balance	317,901,976	4,232,478	22,752,062	344,886,516
Total comprehensive income for the year:				
Transfers for the year	32,353,724	-	8,756,264	41,109,988
Total transactions with equity holders	**32,353,724**	**-**	**8,756,264**	**41,109,988**
Balance as at 31 December 2020	**350,255,700**	**4,232,478**	**31,508,326**	**385,996,504**

Group Dec-2019				
In thousands of Nigerian Naira	**Statutory Reserves**	**SMEEIS Reserves**	**AGSMEIS Reserves**	**Total**
Opening Balance	283,918,442	4,232,478	14,406,074	302,556,994
Total comprehensive income for the year:				
Transfers for the year	33,983,534	-	8,345,988	42,329,522
Total transactions with equity holders	**33,983,534**	**-**	**8,345,988**	**42,329,522**
Balance as at 31 December 2019	**317,901,976**	**4,232,478**	**22,752,062**	**344,886,516**

Parent Dec-2020				
In thousands of Nigerian Naira	Statutory Reserves	SMEEIS Reserves	AGSMEIS Reserves	Total
Opening Balance	298,877,835	4,232,478	22,752,062	325,862,375
Total comprehensive income for the year:				
Transfers for the year	26,728,260	-	8,756,264	35,484,524
Total transactions with equity holders	**26,728,260**	**-**	**8,756,264**	**35,484,524**
Balance as at 31 December 2020	**325,606,095**	**4,232,478**	**31,508,326**	**361,346,899**

Parent Dec-2019				
In thousands of Nigerian Naira	Statutory Reserves	SMEEIS Reserves	AGSMEIS Reserves	Total
Opening Balance	272,609,043	4,232,478	14,406,074	291,247,595
Total comprehensive income for the year:				
Transfers for the year	26,268,792	-	8,345,988	34,614,780
Total transactions with equity holders	**26,268,792**	**-**	**8,345,988**	**34,614,780**
Balance as at 31 December 2019	**298,877,835**	**4,232,478**	**22,752,062**	**325,862,375**

42 Dividends

The following dividends were declared and paid by the Group during the year ended:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of year	-	-	-	-
Final dividend declared[1]	74,267,788	72,177,687	73,577,950	72,106,389
Interim dividend declared	8,829,354	8,829,354	8,829,354	8,829,354
Payment during the year	(83,097,142)	(81,007,041)	(82,407,304)	(80,935,743)
Balance, end of year	**-**	**-**	**-**	**-**

[1]This relates to the final dividend declared for the 2019 financial year.

The Bank during the year declared and paid an interim dividend of 30k per share.
Subsequent to the balance sheet date, the Board of directors proposed a final dividend of 270k per share (Dec 2019: 250k per share) on the issued ordinary shares of 29,431,179,224 of 50k each.

43 Contingencies

Claims and litigation
The Bank, in its ordinary course of business, is presently involved in 507 cases as a defendant (31 December 2019: 512) and 415 cases as a plaintiff (31 December 2019: 436). The total amount claimed in the 507 cases against the Bank is estimated at ₦440.83 Billion and $32.60 Million (31 December 2019: ₦462.09 Billion and $39.03 Million) while the total amount claimed in the 415 cases instituted by the Bank is ₦180.48 Billion (31 December 2019: ₦109.30 Billion). However, the solicitors of the Bank are of the view that the probable liability which may arise from the cases pending against the Bank is not likely to exceed ₦190.20 Million (31 December 2019: ₦189.87 Million). This probable liability has been fully provided for by the Bank (please refer to Note 38).

Contingent liabilities and commitments

In common with other banks, the Group conducts business involving transaction related bonds and indemnities. Contingent liabilities and Commitments comprise guarantees and letters of credit.

Nature of instruments

Guarantees and letters of credit are given as security to support the performance of a customer to third parties.

As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transaction related customs and performances bond and are, generally, commitments to third parties which are not directly dependent on the customer's creditworthiness.

Documentary credits commit the Group to make payments to third parties on production of documents, which is usually reimbursed immediately by customers. The following tables summarise the nominal amount of contingent liabilities and commitments with off-financial position risk.

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

a. These comprise:

In thousands of Nigerian Naira	**Group Dec-2020**	**Group Dec-2019**	**Parent Dec-2020**	**Parent Dec-2019**
Contingent liabilities:				
Transaction related bonds and guarantees	365,827,380	351,764,791	305,107,662	320,056,325
	365,827,380	**351,764,791**	**305,107,662**	**320,056,325**
Commitments:				
Clean line facilities and letters of credit	44,121,453	57,673,046	11,130,745	22,753,615
Other commitments	8,873,968	3,903,752	-	-
	52,995,421	**61,576,798**	**11,130,745**	**22,753,615**

b. 50% (₦151,101,446,000) of all the transaction related bonds and guarantees are collaterised (December 2019: 50% (₦161,289,804,000)) while the balance of ₦154,006,216,000 (December 2019: ₦158,766,520,000) is non-collaterized

44. Group entities

The Group is controlled by Guaranty Trust Bank Plc "the ultimate Parent" (incorporated in Nigeria). The controlling interest of Guaranty Trust Bank Plc in the Group entities is disclosed in the table below:

i Significant subsidiaries

		Country of incorporation	**Ownership interest Dec-20**	**NCI Dec-20**	**Ownership interest Dec-19**	**NCI Dec-19**
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%	70.00%	30.00%
	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 Dec-20**	**NCI Dec-20**	**Ownership interest Dec-19**	**NCI Dec-19**
1	Guaranty Trust Bank Rwanda Limited	Rwanda	67.20%	32.80%	67.20%	32.80%
2	Guaranty Trust Bank Uganda Limited	Uganda	70.00%	30.00%	70.00%	30.00%

The subsidiaries and sub-subsidiaries of the Group are all involved in banking business only.
(a) GTB Gambia was incorporated in April 2001 and commenced operations in March 2002.
(b) GTB Sierra Leone was incorporated in September 2001 and commenced operations in January 2002.
(c) Guaranty Trust Bank (Ghana) was incorporated in October 2004 and commenced operations in March 2006.
(d) Guaranty Trust Bank (UK) Limited was incorporated in February 2007 and commenced operations in January 2008.
(e) Guaranty Trust Bank (Liberia) Limited was incorporated in September 2008 and commenced operations in March 2009.
(f) Guaranty Trust Bank (Cote D'Ivoire) is Guaranty Trust Bank Plc's first subsidiary in Francophone West Africa. The Bank was licensed by the Central Bank of Cote D'Ivoire to offer banking services to the Ivorian public and commenced operations on April 16, 2012.
(g) The Group extended its regional presence in Africa in December 2013 by acquiring 70% stake in Fina Bank Limited, a commercial bank incorporated in Kenya with subsidiaries in Uganda and Rwanda. The bank has been re-branded as Guaranty Trust Bank Kenya Limited.
(h) Guaranty Trust Bank (Tanzania) was incorporated in July 14th 2016 and commenced operations in December 2017 to spread its delivery of superior financial services to its East African customers.
(i) Staff Investment Trust (SIT) is the Special Purpose Vehicle (SPV) set up to operate the Share-Based Payment compensation scheme of the Bank.

Significant restrictions
There are no significant restrictions (contractual or otherwise) on the Group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit/prohibit the group from having access, and in liquidation scenario, the Group's liability will be limited to its level of investment in the entity.

Non -controlling interest of significant subsidiaries
The following relates to accumulated non-controlling interest and profit or loss allocated to non-controlling interest for significant subsidiaries for the year ended 31 December, 2020:

Significant subsidiaries	Principal place of business	Accumulated Non-controlling Interest		Profit or loss Allocated to Non-controlling Interest	
In thousands of Nigerian Naira		Dec-20	Dec-19	Dec-20	Dec-19
Guaranty Trust Bank Gambia Limited	Gambia	1,658,180	1,345,364	378,632	246,125
Guaranty Trust Bank Sierra Leone Ltd	Sierra Leone	1,855,484	1,718,292	347,309	415,097
Guaranty Trust Bank Ghana Limited	Ghana	1,206,798	920,640	310,286	263,323
Guaranty Trust Bank Liberia Limited	Liberia	65,241	55,363	7,551	8,303
Guaranty Trust Bank Kenya Limited	Kenya	10,168,194	8,906,873	882,599	706,091
Guaranty Trust Bank Tanzania Limited	Tanzania	826,912	783,492	(95,888)	(171,943)

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	₦3,164,362,000 (Dec-2019: ₦3,028,958,000)
**Maximum exposure to loss	₦3,164,362,000 (Dec-2019: ₦3,028,958,000)
Source of Financing	Equity financing and loans from financial institutions

** Maximum exposure comprises the cost of investment and total facilities granted at arm's length to the entity.
***Fair Value through Other Comprehensive Income.

The Bank does not provide financial support to the unconsolidated structured entity and has no plans to provide financial support to the entity in the future. However, the bank extended loans to the entity in the normal course of business at arm's length.

The Bank does not have the rights to direct the entity to enter into, or veto any changes to transactions for the benefit of the Bank. In addition, the bank does not exercise decision-making rights that give the bank the ability to direct the relevant activities of the entity. Furthermore, there is no inter-change of personnel between the Bank and the entity. Likewise, the Bank does not have any form of control or influence on decision making apparatus of the entity. Accordingly, the account of the entity is not consolidated.

46. Related parties

(a) Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or another party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

(b) Subsidiaries

Transactions between Guaranty Trust Bank Plc and its subsidiaries also meet the definition of related party transactions. These transactions are eliminated on consolidation, hence, they are not disclosed in the consolidated financial statements but are disclosed in the books of the Bank.

The Bank has receivables from GTBank Tanzania, GTBank Liberia, GTBank Kenya, GTBank Gambia, and GTBank Ghana to the tune of ₦38,090,000, ₦475,000, ₦420,000, ₦213,000, and ₦1,042,000 respectively as at 31 December, 2020 (December 2019: GTBank Tanzania: ₦39,946,000; GTBank Sierra Leone: ₦1,168,000; GTBank Gambia: ₦538,000). The Bank also received interest of ₦296,090,000 on its placement with GTBank UK (December 2019: ₦348,714,000). The Bank also received dividend in the sum of ₦1,656,691,000 (December 2019: ₦360,534,000) from GTBank Sierra Leone and ₦849,308,000 (December 2019: ₦227,353,000) from GTBank Gambia and ₦3,703,482,000 (December 2019: Nil) from GTBank Ghana .

(c) Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management include the close family members of key personnel and any entity over which they exercise control. The key management personnel have been identified as the Assistant General Managers, Deputy General Managers, General Managers, Executive and Non-Executive directors of the Group. Close family members are those family members who may be expected to influence, or be influenced by that individual in their dealings with Guaranty Trust Bank Plc and its subsidiaries.

(d) Risk assets outstanding 31 December 2020

During the period,the Bank granted various credit facilities to companies whose directors are also directors of Guaranty Trust Bank Plc (Director Related) or related to a key management personnel (Insider Related) at rates and terms comparable to other facilities in the Bank portfolio . An aggregate of ₦67,947,000. (31 December 2019: ₦155,615,000) was outstanding on these facilities at the end of the year. The Bank earned a sum ₦16,299,000 (December 2019: ₦28,658,000) 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	Parent	Parent
In thousands of Nigerian Naira					Dec-2020	Dec-2019
School Kits Limited	Insider Related	Time Loan / Term Loan	Performing	Tripartite Legal Mortgage,Personal Guarantee	20,893	47,249
Hassan Ibrahim	Director Related	Gt Mortgage	Performing	Legal Mortgage	33,883	69,174
Hassan Ibrahim	Director Related	Credit Card	Performing		10,583	-
Osot Associates Consulting Engineers	Insider Related	Time Loan	Performing	Cash In Pledged Funds	2,588	-
Agusto, Olabode Mubasheer	Director Related	Term Loan	Performing	Legal Mortgage	-	38,496
Ahukanna Godson Okechukwu	Insider Related	Quick Credit	Performing		-	696
					67,947	**155,615**

(e) Director/insiders related deposit liabiilties

Name of company/Individual	Relationship	Type of Deposit	Parent	Parent
In thousands of Nigerian Naira			Dec-2020	Dec-2019
Agusto & Co. Limited	Director Related	Demand Deposit	51,904	28,930
Alliance Consulting	Director Related	Demand Deposit	168	167
Comprehensive Project Mgt. Services	Director Related	Demand Deposit	3,946	14,662
Cubic Contractors Limited	Director Related	Demand Deposit	2,277	2,194
Eterna Plc	Director Related	Demand Deposit	116,846	64,858
IBFC Limited	Director Related	Demand Deposit	50	50
Jaykay Pharmacy Limited	Director Related	Demand Deposit	18	50
Kresta Laurel Limited	Director Related	Demand/Time Deposits	109,133	219,806
Main One Cable Company Ltd	Director Related	Demand Deposit	24,007	770
WSTC Financial Services Ltd	Director Related	Demand/Time Deposits	369,109	186,123
WSTC Nominee Limited	Director Related	Demand Deposit	431	431
WSTC Securities Limited	Director Related	Demand Deposit	337,627	91,300
International Travel Express Ltd	Director Related	Demand Deposit	19	16
Mediabloc Consulting Nigeria Ltd.	Insider Related	Demand Deposit	27	26
Ahukanna Godson Okechukwu	Insider Related	Demand Deposit	43	125
Polystyrene Industries Ltd	Director Related	Demand Deposit	16,030	3,417
Touchdown Travels Limited	Director Related	Demand/Time Deposits	10,024	13,921
Agbaje, Olufemi Augustus	Director Related	Demand Deposit	51,939	10,553
Adeola Razack Adeyemi	Director Related	Demand Deposit	18,369	14,594
IBFC Alliance	Director Related	Demand Deposit	12,173	989
FCSL Asset Mgt Company Ltd	Director Related	Demand Deposit	10,103	20,921
Ithena Logic Limited	Director Related	Demand Deposit	2	1
School Kits Limited	Insider Related	Demand Deposit	5,062	1,516
Uzoewulu, Lisa Obiageli	Insider Related	Demand Deposit	26	3
Adeola Fola	Director Related	Demand Deposit	1,194,251	749,489
Hassan Ibrahim	Director Related	Demand Deposit	1,745	919
Agusto, Olabode Mubasheer	Director Related	Demand Deposit	1,665	3,313
Downtown Hotel & Cat. Services	Director Related	Demand Deposit	1,154	1,149
			2,338,148	**1,430,293**

Interest expense on insider related deposits was ₦26,311,000 (Dec 2019: ₦40,109,000) during the year.

(f) Subsidiaries' deposit account balances

Name of company/Individual	Relationship	Type of Deposit	Dec-2020	Dec-2019
In thousands of Nigerian Naira				
GTB Sierra Leone	Subsidiaries	Domicilliary	1,518	1,349
GTB Ghana	Subsidiaries	Demand Deposit	3,462	3,462
GTB Ghana	Subsidiaries	Domicilliary	48,651	43,226
GTB Rwanda	Subsidiaries	Domicilliary	104,558	-
			158,189	**48,037**

(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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Secured loans	67,947	155,615	67,947	155,615

Deposits:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Total deposits	2,338,148	1,430,293	2,338,148	1,430,293

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-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Wages and salaries	1,656,273	1,728,061	1,569,380	1,558,657
Post-employment benefits	7,949	20,244	7,949	15,183
Share-based payments	85,771	545,232	85,771	545,232
Increase /(decrease) in share appreciation rights	992,637	693,367	-	-
	2,742,630	**2,986,904**	**1,663,100**	**2,119,072**

(i) (i) Directors' remuneration

Directors' remuneration excluding pension contributions and certain benefits was provided as follows:

In thousands of Nigerian Naira	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Fees as directors	345,478	499,290	33,000	33,000
Other allowances	355,162	287,801	151,500	239,591
	700,640	787,091	184,500	272,591
Executive compensation	921,358	911,776	921,358	911,776
	1,621,998	**1,698,867**	**1,105,858**	**1,184,367**

(ii) The directors' remuneration shown above includes:

In thousands of Nigerian Naira	Parent Dec-2020	Parent Dec-2019
Chairman	16,561	45,993
Highest paid director	399,697	399,697

(iii) The emoluments of all other directors fell within the following ranges:

	Parent Dec-2020	Parent Dec-2019
N6,500,001 - N11,000,000	1	1
N13,500,001 - N22,500,000	4	-
Above N22,500,001	9	13
	14	**14**

47 Contraventions

INFRACTION	AMOUNT
Customer's use of FX sourced from official market for textile importation	₦81,000,000
CBN Spot check examination on domiciliary account balances of customers	₦186,000,000
2019 Risk Based Examination Findings	₦6,000,000

48 Subsequent events

Aside from the final dividend of ₦2.70k per share declared by the Board of Directors, there were no other events subsequent to the financial position date which require adjustment to, or disclosure in, these financial statements.

OTHER NATIONAL DISCLOSURES/OTHER INFORMATION

REGULATORY REQUIREMENTS UNDER THE IFRS REGIME

In addressing the challenges faced by the Nigerian Banking industry which was at the brink of a crisis as a result of spiral effects of the global financial meltdown, the CBN undertook a review of the prudential guidelines. In the revised guidelines, which became effective 1st of July, 2010, the CBN provided for the adaptation of the prudential guidelines to IFRS after it has been adopted in Nigeria. Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

(a) Provisions for loans recognized in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provisions should be compared with provisions determined under prudential guidelines and the expected impact/ changes in general reserve should be treated as follows:

i. Prudential Provisions is greater than IFRS provisions; transfer the difference from the general reserve to a non-distributable regulatory reserve.

ii. Prudential Provisions is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory reserve account to the general reserve to the extent of the non-distributable reserve previously recognized.

(b) The non-distributable reserve should be classified under Tier 1 as part of core capital.

The group has fully complied with the requirements of the guidelines.

Provisioning as recommended by Prudential Guideline
Loan provisioning is segregated along two (2) categories as detailed below:

1. Loans other than Specialized Loans
The provisioning policy for 'loans other than specialized loans' covers the following:

i. Commercial Loans
ii. Commodities Financing
iii. Corporate Loans
iv. Retail & Consumer Credits
v. Facilities granted to Federal, State and Local governments and their parastatals.
vi. Facilities not specifically classified as specialized loans by the CBN.

The bank's provisioning benchmark for 'loans other than specialized loans' is highlighted in the table below:

No of Days Overdrawn	Classification	% Provision taken
90 – 180	Substandard	10
180 – 360	Doubtful	50
Over 360	Lost	100

As soon as an account is classified as non-performing, the interest is accounted for on non-accrual basis i.e. interest is not recognized as income but suspended.

Furthermore, if the occurrence of a loss event is certain, appropriate provisions will be made regardless of the fact that such loans does not fall in any of the above categories.

2. Specialized Loans
The provisioning policy for specialized loans covers the following:
i. Agriculture Finance
ii. Mortgage Loan
iii. Margin Loan
iv. Project Finance
v. Object Finance
vi. SME Loan
vii. Real Estate Loan (Commercial and Residential)

The bank's provisioning benchmarks are spelt out below under each of the specialized loan types:

i. Agriculture Finance

a. Agriculture Finance - short term facilities (purchase of seeds, fertilizers, WC, and other Inputs)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 1.5 years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 1.5 to 2 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 2 years	100% of total outstanding balance

b. Agriculture Finance – long term facilities (Farm development finance, purchase of machinery, livestock financing)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 2years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 2 to 3 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 3 years	100% of total outstanding balance

ii). Mortgage Loans

Category	Classification	Days past due	Treatment of Unrealised Markup/ Interest income	% provision
1	Watchlist	Markup / Interest or principal Days past due by more than 90 days	Suspend	0% of total outstanding balance
2	Substandard	Markup / interest or principal past due by more than 180days	Suspend	10% of total outstanding balance
3	Doubtful	Markup / interest or principal past due by more than 1year	Suspend	Un-provided balance should not exceed 50% of NRV of security.
4	Lost	Markup / interest or principal past due by more than 2 years	Suspend	100% of total outstanding balance

iii. Margin Loans

The shares backing margin facilities shall be marked to market on a daily basis in order to determine the potential loss in the portfolio. Provisions shall be made periodically for the excess of loan balance over the market value of the underlining shares. Any increase in the mark to market value from the previous valuation shall be recognized to the extent of the previous charge-off made.

iv. Project Finance

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment betweeen 180days to 2years past due	As above	25% of total out-standing 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 between 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 overdue 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 between 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 overdue 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

STATEMENT OF PRUDENTIAL ADJUSTMENT

The Bank's provision level adequately meets the recommended provision by the Regulators. The reassessed CBN recommended provision as at December 31, 2020 amounted to ₦120,459,468,000. Of the amount recommended by the Central Bank of Nigeria, ₦27,769,990,000 largely relates to 2% General Loan Loss Provision on performing loans and contingents, while ₦11,264,668,000 relates to Other Known Losses (made up of ₦7,113,010,000 for other known losses and ₦4,151,658,000 for Investment in SMEEIS). The Bank maintained a Regulatory Risk Reserve of ₦62,317,634,000 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 2020 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		81,424,810	27,769,990	109,194,800
Provision for Other Known Losses – CBN recommended				
-Other known losses		7,113,010	-	7,113,010
-Investment in SMEEIS		4,151,658	-	4,151,658
Total recommended provision per CBN (A)		**92,689,478**	**27,769,990**	**120,459,468**

Impairment allowance per IFRS 9:				
(Stages 1,2,3)	(Note 28 & 29)	(62,948,156)	-	(62,948,156)
Impairment allowance on contingents	(Note 38)	(3,237,833)	-	(3,237,833)
Other assets	(Note 34)	(263,001)	-	(263,001)
SMEEIS provision		(4,151,658)	-	(4,151,658)
Total IFRS Provision (B)		**(70,600,648)**	**-**	**(70,600,648)**
Required Amount in Risk Reserve (A-B)				**49,858,820**
Amount in Regulatory Risk Reserve[1]	**SOCIE – (Page 84)**			**62,317,634**
Excess over required regulatory provisions.				**12,458,814**

[1]Regulatory Risk Reserve refers to the difference between the Provision assessment under CBN Prudential Guideline and impairment assessment under IFRS

In thousands of Nigerian Naira	Specific	General	Others	Total
b Movement in Regulatory Reserves				
Balance as at 1 January	-	62,069,429	248,205	62,317,634
Movement during the year	-	-	-	-
Balance, end of the year	**-**	**62,069,429**	**248,205**	**62,317,634**

OPERATIONAL RISK MANAGEMENT

Guaranty Trust Bank defines Operational Risk (OpRisk) as "the direct or indirect risk of loss resulting from inadequate and/or failed internal processes, people, and systems or from external events". These risks originate from the actions of the Bank's staff, its processes and systems, activities of interested parties and events that have direct or indirect impact on the Bank.

In GTBank, Operational Risk Management involves the review and monitoring of all strategies and initiatives deployed in its people management, process engineering and re-engineering, technology investment and deployment, management of all regulatory responsibilities, engagement of third-party services, and response to major disruptions and external threats.

The Bank manages Operational risk by using appropriate qualitative & quantitative methods in day to day management processes and adopts various risk mitigating strategies. The following practices, tools and methodologies have been deployed in the Bank for the purpose of Operational Risk Management implementation:

Loss Incident Reporting

Loss incidents are reported to the Operational Risk Management Group by all business areas in the Bank to enable collection of internal OpRisk losses and near misses. All staff are encouraged to report operational risk events as they occur in their respective business spaces whether these risks crystallize into actual losses or not. As a result, the Bank maintains a robust OpRisk loss database detailing relevant OpRisk loss data for ten years. Information collated is analyzed for identification of risk concentrations, appropriate OpRisk risk profiling and capital estimation.

Risk and Control Self Assessment (RCSA)

This is a qualitative risk identification tool deployed bank-wide. A risk-based approach has been adopted for the frequency of RCSAs to be conducted by branches, departments, groups and divisions of the Bank. All branches and Head-Office departments are required to complete the Risk Self-Assessment process at least once a year. These assessments enable risk profiling and risk mapping of prevalent operational risks across the Bank. A detailed risk register cataloguing key risks identified and controls for implementation is also developed and maintained from this process.

Risk Assessments of the Bank's key processes, new and existing products, services, branches and vendors/contractors are also carried out. This process identifies inherent operational risks and tests the quality of controls the Bank has in place to mitigate likely risks.

Key Risk Indicators (KRI)

These are quantitative parameters defined for the purpose of monitoring operational risk trends across the Bank and its subsidiaries. A comprehensive KRI Dashboard set with thresholds is in place and it is supported by specific KRIs for key departments in the Bank. Medium to High risk trends are reported in the Monthly and Quarterly Operational Risk Status reports circulated to Management and key stakeholders.

Fraud Risk Management Initiatives – Causal analysis of key fraud and forgeries incidents identified in the Bank or prevalent in local and global business environments are carried out and reported. Likely and unlikely loss estimations are also determined in the process as input in the OpRisk capital calculation process. The focus in Fraud Risk Management is to ensure that processes for preventing, deterring, detecting fraud and forgeries incidents, and sanctioning offenders are effective.

Business Continuity Management (BCM) in line with ISO 22301 Standards – To ensure the resilience of our business to any disruptive eventuality, the Bank has in place a robust Business Continuity Management System (BCMS). This system assures timely resumption of critical business activities with minimal financial losses or reputational damage and continuity of service to the Bank's customers, vendors and regulators. GTBank has remained certified ISO 22301 BC compliant by the globally recognized Professional Evaluation and Certification Board (PECB) for 5 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.

The Business Continuity Plan also details the Bank's Preparedness and Response to managing a pandemic outbreak. This ensures a recovery plan is in place for each WHO Alert phase for disease epidemic/ pandemic that may become widespread and affect the Bank's service. Well defined strategies in line with the Bank's BCP have been implemented in the course of the year for managing the impact of the Covid-19 on the Bank, staff, internal and external stakeholders.

The Bank continues to monitor the Covid-19 pandemic closely and review the effectiveness of the implemented strategies for adequacy.

Various BCP testing and exercising programs are conducted bank-wide to ensure that recovery coordinators are aware of their roles and responsibilities.

Occupational Health and Safety Procedure Initiatives – In line with ISO 45001 and global best practices, the bank commits to ensuring the health, safety and welfare of all staff, customers and 3rd parties visiting the Bank's premises. Branch Risk Assessments and Fire Risk Assessments are conducted in branches 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 quarter, as a result of the COVID-19 pandemic, the regular and table talk fire drills have been temporarily suspended and replaced with virtual / alternative awareness presentations to enlighten the staff on emergency preparedness and response procedures. Health and Safety related incidents reported to Operational Risk Management are thoroughly investigated for identification of causal factors and implementation of appropriate mitigants to forestall reoccurrence. In addition, awareness on health and safety issues are presented periodically on the intranet and via other forum.

Operational Risk Champions & BCM Champions – Members of staff from various teams bankwide are selected and undergo intensive Operational Risk management trainings. They become Operational Risk ambassadors in their various departments/ Groups, they further enshrine the OpRisk standards, culture and practices. The same is done in selecting Business continuity Champions (BCM).

Strategic and Reputational Risk Monitoring – To ensure a holistic framework is implemented; Operational Risk Management also monitors Strategic and Reputational Risks from a broad perspective.

GTBank considers strategic risk as the risks that not only affects but are created by the Bank's strategic decision. It is the possibility that the Bank's strategy may be inappropriate to support its long-term corporate goals due to the inadequacy of its strategic planning and/or decision-making process, inadequate implementation of such strategies and strategy failure due to unexpected circumstances.

The Bank aligns strategy and risk by identifying, assessing and managing risks and uncertainties, affected by internal and external events or factors, which could inhibit the Bank's ability to achieve its strategic objectives. This is done with the ultimate goal of creating and protecting stakeholder value.

A specialized template is deployed for tracking key business activities designed or defined by the Bank to measure and monitor performance in the achievement of its strategic intent in the short, medium and long term.

The Bank regards Reputational Risk as the current and prospective adverse impact on earnings and capital arising from negative public opinion. It measures the change in perception of the Bank by its stakeholders. It is linked with customers' expectations regarding the Bank's ability to conduct business securely and responsibly. A detailed template with internal and external factors that might impact the Bank adversely is used to monitor the Bank's exposure to reputational risk. All adverse trends identified are reported to relevant stakeholders for timely redress.

Operational Risk Management Philosophy and Principles

Approach to Managing OpRisk – Guaranty Trust Bank continually adopts operational risk procedures and practices that are "fit for purpose" this increases the efficiency and effectiveness of the Bank's resources, minimize losses and utilize opportunities.

This outlook entrenches OpRisk practices in the bank's day-to-day business activities. It also aligns the Bank's Operational Risk Management framework with sound practices recommended by various local and globally-accepted regulatory agencies such as Basel II Accord's "Sound Practices for the Management and Supervision of Operational Risk", Committee of Sponsoring Organizations (COSO) and International Organization for Standardization (ISO).

Operational Risk Capital Calculation – In line with the directive of the regulator, the Bank has adopted the Basic Indicator Approach (BIA) under Basel II Pillar 1 for the calculation of its Operational Risk Economic Capital for internal risk monitoring and decision-making. However, the Bank has the required OpRisk loss data to migrate to other capital calculation methods i.e. the Standardized Approach, the application of the BIA is in line with the Central Bank of Nigeria's (CBN) recommendation for all banks in Nigeria.

The estimated OpRisk Capital Charge is reported to the Board and Management for guidance in Capital Planning and decision making.

Governance Structure – The Board through its Board Risk Committee (BRC) oversees the operational risk function in the Bank and reviews OpRisk reports on a quarterly basis. It ensures that the OpRisk policy is robust and provides an updated framework for the Bank's OpRisk profile and limits. It also determines the adequacy and completeness of the Bank's risk detection, measurement systems and mitigants whilst ensuring review and approval of the bank's contingency plans for Specific risks. The Board lays down the principles on how operational risk incidents are to be identified, assessed, controlled, monitored and measured.

The Management Risk Committee monitors and ensures the implementation of the guiding OpRisk framework bank-wide. It considers and approves key decisions relating to Operational Risk before presentation to the Board. The Committee ensures that all departments in the Bank are fully aware of the risks embedded in respective process flows and business activities.

All process owners are responsible for the day-to-day management of OpRisk prevalent in their respective Departments, Groups, Divisions and Regions.

The Internal Audit function conducts independent reviews on the implementation of OpRisk Policies and Procedures bank-wide.

TREATMENT OF OPERATIONAL RISKS

GTBank has maintained several risk treatment strategies to mitigate identified operational risks. These mitigants are applied to achieve a residual risk level aligned with the Bank's risk tolerances. In line with best practices, the cost of risk treatments introduced must not exceed the reward. OpRisk treatment options adopted by the Bank include Risk Acceptance / Reduction, Risk Transfer, Risk Sharing and Risk Avoidance.

Operational Risk Reporting – Weekly, Monthly and Quarterly reports are circulated to relevant stakeholders highlighting key operational risks identified for awareness and timely implementation of mitigation strategies. Reports are also generated and circulated on a need-basis.

To ensure timely and comprehensive reporting of prevalent OpRisk exposures in the Bank, an OpRisk Management software/ application is being used by the Bank. This is to aid data collation and information gathering, analysis, escalation and reporting of key OpRisk incidents or emerging trends observed. Current processes are also being automated.

ACTIVITIES OF CARDS OPERATIONS

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 upgrade of our card systems to ensure optimum security, absolute efficiency, cost effectiveness and customer satisfaction. Stringent fraud control measures have also been implemented to reduce financial loss to both customers and the bank.

We continually encourage the usage of our cards both locally and internationally by providing the 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 year ended 31st December 2020. International Transactions dropped in 2020 due to travel restrictions experienced due to the COVID-19 pandemic.

5.1. Table below shows a summary of transactions done on GTBank Cards

Category	No. of Transactions		Value Of International Transaction		Value Of Local Transactions	
	Dec-20	Dec-19	Dec-20	Dec-19	Dec-20	Dec-19
	'000	'000	₦'mm	₦'mm	₦'mm	₦'mm
Naira denominated debit cards	390,046	359,667	137,929	131,722	3,131,068	2,864,119
Foreign currency credit cards	225	346	18,993	31,250	-	-
Foreign currency debit cards	1,048	1,618	52,286	79,342	534	2,087

Breakdown of transactions done using GTBank Cards (Number of transactions)

	International Transactions				Local Transactions			
	ATM		POS/Web		ATM		POS/Web	
In thousands	Dec-20	Dec-19	Dec-20	Dec-19	Dec-20	Dec-19	Dec-20	Dec-19
Naira MasterCard debit	248	466	4,674	5,790	150,670	196,694	234,454	156,717
Foreign Currency Denominated Cards:								
MasterCard debit	81	93	561	798	31	25	46	194
MasterCard credit	6	10	104	144	-	-	-	-
Visa classic debit	24	40	286	439	13	9	6	19
Visa classic credit	5	11	102	168	-	-	-	-
World credit	0	1	8	13	-	-	-	-
Total	**364**	**621**	**5,735**	**7,352**	**150,714**	**196,728**	**234,506**	**156,931**

Breakdown of transactions done using GTBank Cards (Value of Transactions)

	International Transactions				Local Transactions			
In millions of Naira	ATM		POS/Web		ATM		POS/Web	
	Dec-20	Dec-19	Dec-20	Dec-19	Dec-20	Dec-19	Dec-20	Dec-19
Naira MasterCard debit	11,423	19,736	126,506	111,986	1,317,233	1,755,764	1,813,835	1,108,355
Foreign Currency Denominated Cards:								
MasterCard debit	5,136	10,578	29,347	40,773	140	360	167	668
MasterCard credit	1,026	1,389	7,320	9,780	-	-	-	-
Visa classic debit	2,821	4,870	14,982	23,121	81	124	146	936
Visa classic credit	834	1,442	8,675	16,022	-	-		
World credit	53	107	1,085	2,510	-	-		
Total	**21,293**	**38,122**	**187,916**	**204,192**	**1,317,455**	**1,756,248**	**1,814,148**	**1,109,959**

5.2. Type of customers' complaints and remedial measures taken

COMPLAINTS	CATEGORY OF COMPLAINT	REASONS	REMEDIAL MEASURES
Declined Transactions	Declined Transactions on International ATMs & POS/WEB	Dynamic currency conversion transactions (Naira billing) Reduced monthly international limits on the Naira Cards Usage on non-EMV terminals (non chip and pin transactions) Insufficient funds Restriction on international ATM withdrawals	Awareness
Complaints on delayed debits & double debits for Domestic POS & Web Transactions	Delayed Debits & Double Debits	System glitch/ Technical error from Third party processors	Continuous engagement with Third party processors to ensure adequate and effective maintenance of their systems to prevent such incidences. Escalation to the relevant department of the regulators (CBN) to assist to check the activities of processors/switches responsible for persistent incidents.
Dispense Error	ATM and POS/web tansactions (value not received for transactions)	This occurs when an ATM attempts to dispense cash after an account has been debited but fails due to network failure. This also occurs when a customer's account has been debited for a certain amount for goods/services on POS/WEB terminals, but value is not received	Strict adherence to resolution of customers' complaints within stipulated SLA . Proactive reversal of failed transactions that are not auto reversed. Constant follow up with relevant stakeholders (e.g. switches and TPPs) to address any identified cause(s) of delayed refund.

OTHER NOTES

6. Impact Assessment of COVID-19

Following the outbreak of the COVID-19 pandemic, Guaranty Trust Bank instituted various measures to preserve the health and well-being of its employees, customers and communities while minimizing the impact of the pandemic on its Businesses in all the jurisdiction where it operates. The Group activated its Business Continuity Plans and came up with various initiatives to prevent business disruptions while ensuring adequate customer service delivery. In combating the challenges, some of the measures adopted include internal awareness campaigns, enforcement of health and safety precautions, minimisation of physical access to office premises, restriction of access to buildings to non-essential visitors, enforcement of social distancing protocols and virtual working approach to reduce exposure and replacement of face-to-face meetings with video conferences or online meetings. The Group also came up with various palliative measures to ease the difficulty encountered by obligors in identified vulnerable segments and partnered with Government on initiatives aimed at alleviating suffering brought about by COVID-19.

In response to the challenging human and economic impact of COVID-19, the Federal Government and CBN introduces palliatives to alleviate the sufferings of poor masses and lessen the impact of the Pandemic on the economy.

In accordance with the Group's business continuity plans, the IT unit provided virtual private network (VPN) access to staff from different remote locations without compromising security. This enabled us to achieve flexible work arrangements and alternate team split with some of our staff working from their respective homes. As our employees continue to work from home, we monitored staff productivitiy and continually maintained the confidentiality of all sensitive information. While we have taken steps to keep our employees safe and help flatten the curve, we strengthened our cybersecurity activities to prevent fraud loss and continued to leverage on our robust service platforms to enable customers carry out seamless transactions on our self-service electronic banking channels in order to reduce the number of people who visit our branches. In addition, our professional call centre teams continued to provide swift response and necessary support to customers.

Impact on Capital and Liquidity

We carried out contingency planning and stress tests to access the impact of the Covid-19 pandemic on our Capital and Liquidity positions; and results shows that our Capital and Liquidity ratio remains well above the regulatory threshold of 16% and 30% respectively. The results indicate that under normal and stressed conditions, the Group have adequate capital buffers to mitigate against risks and ample liquidity to meet current and prospective commitments. We considered different types of liquidity risks inherent in our business activities which include unanticipated withdrawal of deposits, and inability to repay maturing debt obligations. The Group's liquidity was strengthened as a result of diversification of its funding sources and implementation of efficient initiatives. In all scenarios considered, our liquid resources remain strong and we remained well-positioned from a liquidity perspective with liquidity ratio closing at 38.91% as at the end of December 2020.

The strong Capital ratios under stressed conditions also attests to the quality of the underlying Assets (risk assets and otherwise) and associated collaterals. It also validates the strategy put in place regarding the institution and regular monitoring of the stringent in-house limits which is well above the regulatory requirement. As at 31 December 2020, the Group is well capitalized with Capital Adequacy Ratio (CAR) closing at 21.89%.

Impact on Revenue

The COVID-19 Pandemic has impacted all sectors of the economy. However, the level of impact depends on the nature of the industry. Considering that some clients may be much more vulnerable than others, we remained steadfast and worked closely with our credit customers to assess their liquidity and operational cash flow needs and implemented different relief measures such as credit restructures, limiting the amount available for drawdown for retail credits and granting of moratoriums for customers having financial difficulty in meeting up their repayment obligations while maintaining a quality risk asset portfolio . In addition, the Group carried out a re-assessment of risk exposures on the entire loan portfolio with major focus on susceptible sectors and their performance risk.

While for the Intervention facilities which accounts for 6% of the Gross loan book, the Central Bank introduced some palliatives such as repricing of the interest rate on the facilities downward from 9% to 5% in order to support businesses experiencing cash flow challenges and further moratorium of 1 year on principal repayments on CBN Intervention facilities effective 1 March 2020.

The containment measures implemented against the COVID-19 pandemic such as lockdown measures, travel restrictions, closure of non-essential businesses, skeletal service operations, recent changes in the interest rate environment resulted in limited/reduced economic activity with consequent negative impact on transaction volumes and the Group's earnings. The Covid-19 Pandemic also came during the time that the Central Bank released a revised guide to bank charges with significant impact on fees and commission line. The Bank's E-business income reported under the Fee and Commission line was the worst hit owing to the implementation of the CBN guidelines on NIP charges.

Notwithstanding these challenges, our efficient balance sheet optimization, effective risk management strategy, robust business model, as well as product and geographic diversification cushioned the impact of the Pandemic on the Group's earnings.

Impact on Loan Impairment Charges

Considering the disruption to economic and market activities and the resultant heightened probabilities of default occasioned by the Pandemic, the Group has put in place measures to mitigate the impact which the Pandemic has on the impairment numbers as a result of worsening macro-economic variables which have been incorporated into the forward looking information (FLIs) within the ECL model used in determining impairment charges. Increased probabilities of default have a direct correlation with worsening macros, hence the institution of measures which include obtaining adequate collateral in support of Loan exposures, institution of hedges specifically for Oil and Gas exposures and application of the monetary value of the underlying collateral. These measures which was further complemented with improvement in 1 year Oil prices forecast put at > $40/barrel helped douse the effect of heightened probabilities of default on the impairment charges.

Impact on Financial Instruments Fair Value Through Other Comprehensive Income

The continued spread of the Covid-19 virus that further heightened uncertainties, coupled with the low yield environment and attendant increase in market prices of fixed income securities, resulted in recognition of fair value gain in the sum of ₦2.2bn recognized through Other Comprehensive Income (Equity).

Impact on Operating Expense

We were able to manage our controllable cost prudently even though we incurred some unexpected operating cost brought about by the Pandemic. Some of the Covid-19 related cost include additional investment in technology to enable staff work from home, cost to support business continuity management, cost associated with implementing enhanced safety procedures and other COVID 19 protocols. In addition, the impact of inflation was also pronounced in the year under review. Overall, Operating expense grew by ₦16.5bn (12.6%) from ₦131.0bn in December 2019 to ₦147.4bn in December 2020.

Impact on Subsidiary Operations

The Group has an experienced and competent Management team that is well prepared to manage risks arising from the economic realities affecting different business environment. As of today, we continue to operate in all the 10 countries we have presence and are confident that there will be no threats of either partial or complete cessation of any of the business operations despite the second wave of infections. We will continue to proactively monitor the situation as events unfold, evaluate its impact and provide appropriate and necessary guidance to subsidiaries to mitigate any risk.

Conclusion

Considering that there are still uncertainties as regards the duration, evolution, and future effects of the Pandemic. At this point, the Covid-19 Pandemic has been well managed and there has been no material impact on our business . The Group will continue to monitor the development of the situation locally and globally and follow recommended measures and guidelines issued by the Nigeria Centre for Disease Control (NCDC) and their Counterparts in other Jurisdiction where we are operating, World Health Organization (WHO) and other health authorities. However, the Directors are confident that the Going Concern status of the Group will not be threatened by COVID 19 and would be able to continue to operate in the foreseeable future.

7. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) **Guaranty Trust Bank Plc** maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

VALUE ADDED STATEMENTS

Value Added Statements
For the year ended 31 December 2020

Group

	Dec-2020				Dec-2019			
In thousands of Nigerian Naira	Continuing operations	Discontinued operations	Total	%	Continuing operations	Discontinued operations	Total	%
Gross earnings	455,229,759	-	455,229,759		435,306,541	56	435,306,597	
Interest expense:								
-Local	(31,757,964)	-	(31,757,964)		(47,310,478)	-	(47,310,478)	
- Foreign	(15,311,477)	-	(15,311,477)		(17,531,119)	-	(17,531,119)	
	408,160,318	**-**	**408,160,318**		**370,464,944**	**56**	**370,465,000**	
Loan impairment charges / Net impairment loss on financial assets	(16,382,376)	-	(16,382,376)		(4,811,193)	-	(4,811,193)	
	391,777,942	-	391,777,942		365,653,751	56	365,653,807	
Bought in materials and services								
- Local	(84,258,646)	-	(84,258,646)		(73,772,297)	(16,441)	(73,788,738)	
- Foreign	(2,771,575)	-	(2,771,575)		(196,779)	-	(196,779)	
Value added	**304,747,721**	**-**	**304,747,721**	**100**	**291,684,675**	**(16,385)**	**291,668,290**	**100**
Distribution:								
Employees								
- Wages, salaries, pensions, gratuity and other employee benefits	37,606,138	-	37,606,138	12	37,284,204	-	37,284,204	12
Government								
- Taxation	36,655,130	-	36,655,130	12	34,842,168	-	34,842,168	12
Retained in the Group								
- For replacement of Property and equipment / intangible assets (depreciation and amortisation)	29,046,513	-	29,046,513	10	22,692,637	-	22,692,637	9
-Profit for the year (including non - controlling interest, statutory and regulatory risk reserves)	201,439,940	-	201,439,940	67	196,865,666	(16,385)	196,849,281	67
	304,747,721	**-**	**304,747,721**	**100**	**291,684,675**	**(16,385)**	**291,668,290**	**100**

Value Added Statements
For the year ended 31 December 2020

Parent

	Dec-2020				Dec-2019			
In thousands of Nigerian Naira	Continuing operations	Discontinued operations	Total	%	Continuing operations	Discontinued operations	Total	%
Gross earnings	367,058,335	-	367,058,335		350,926,907	-	350,926,907	
Interest expense:								
-Local	(32,054,054)	-	(32,054,054)		(47,659,192)	-	(47,659,192)	
- Foreign	(2,586,596)	-	(2,586,596)		(4,200,392)	-	(4,200,392)	
	332,417,685	**-**	**332,417,685**		**299,067,323**	**-**	**299,067,323**	
Loan impairment charges / Net impairment loss on financial assets	(10,555,467)	-	(10,555,467)		(1,859,247)	-	(1,859,247)	
	321,862,218	-	321,862,218		297,208,076	-	297,208,076	
Bought in materials and services								
- Local	(64,950,826)	-	(64,950,826)		(54,862,205)	-	(54,862,205)	
- Foreign	(2,771,575)	-	(2,771,575)		(196,779)	-	(196,779)	
Value added	**254,139,817**	**-**	**254,139,817**	**100**	**242,149,092**	**-**	**242,149,092**	**100**
Distribution:								
Employees								
- Wages, salaries, pensions, gratuity and other employee benefits	24,054,462	-	24,054,462	9	23,330,656	-	23,330,656	10
Government								
- Taxation	26,942,161	-	26,942,161	11	25,052,609	-	25,052,609	10
Retained in the Bank								
- For replacement of Property and equipment / intangible assets (depreciation and amortisation)	24,954,796	-	24,954,796	10	18,640,546	-	18,640,546	8
- Profit for the year (including statutory and regulatory risk reserves)	178,188,398	-	178,188,398	70	175,125,281	-	175,125,281	72
	254,139,817	**-**	**254,139,817**	**100**	**242,149,092**	**-**	**242,149,092**	**100**

FIVE YEAR FINANCIAL SUMMARY

Statements of financial position

Group

In thousands of Nigerian Naira	Dec-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
Assets					
Cash and bank balances	745,557,370	593,551,117	676,989,012	641,973,784	455,863,305
Financial assets at fair value through profit or loss	67,535,363	73,486,101	11,314,814	-	-
Financial assets held for trading	-	-	-	23,945,661	12,053,919
Derivative financial assets	26,448,550	26,011,823	3,854,921	2,839,078	1,042,470
Investment securities:					
– Fair Value through profit or loss	3,273,771	33,084,367	2,620,200	-	-
– Fair Value through other comprehensive Income	693,371,711	585,392,248	536,084,955	-	-
– Available for sale	-	-	-	517,492,733	448,056,733
– Held at amortised cost	283,582,832	145,561,232	98,619,509	-	-
– Held to maturity	-	-	-	96,466,598	80,155,825
Assets pledged as collateral	62,200,326	58,036,855	56,777,170	58,976,175	48,216,412
Loans and advances to banks	99,043	1,513,310	2,994,642	750,361	653,718
Loans and advances to customers	1,662,731,699	1,500,572,046	1,259,010,359	1,448,533,430	1,589,429,834
Restricted deposits and other assets	1,226,481,116	577,433,006	508,678,702	444,946,897	371,995,835
Property and equipment	148,782,835	141,774,863	111,825,917	98,669,998	93,488,055
Intangible assets	19,872,523	20,245,232	16,402,621	14,834,954	13,858,906
Deferred tax assets	4,716,154	2,256,570	2,169,819	1,666,990	1,578,427
Total assets	**4,944,653,293**	**3,758,918,770**	**3,287,342,641**	**3,351,096,659**	**3,116,393,439**
Liabilities					
Deposits from banks	101,509,550	107,518,398	82,803,047	85,430,514	125,067,848
Deposits from customers	3,509,319,237	2,532,540,384	2,273,903,143	2,062,047,633	1,986,246,232
Financial liabilities at fair value through profit or loss	-	1,615,735	1,865,419	-	-
Financial liabilities held for trading	-	-	-	2,647,469	2,065,402
Derivative financial liabilities	2,758,698	2,315,541	3,752,666	2,606,586	987,502
Other liabilities	356,222,575	233,425,713	140,447,508	224,116,829	118,893,100
Current income tax liabilities	21,592,016	20,597,088	22,650,861	24,147,356	17,928,279
Debt securities issued	-	-	-	92,131,923	126,237,863
Other borrowed funds	113,894,768	162,999,909	178,566,800	220,491,914	219,633,604
Deferred tax liabilities	24,960,772	10,568,534	7,075,956	17,437,766	17,641,384
Total liabilities	**4,130,257,616**	**3,071,581,302**	**2,711,065,400**	**2,731,057,990**	**2,614,701,214**
Capital and reserves					
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	(6,928,103)	(6,531,749)	(5,583,635)	(5,291,245)	(5,291,245)
Retained earnings	193,921,810	119,247,653	107,248,944	123,257,080	87,062,977
Other components of equity	473,434,457	422,704,836	323,991,767	352,403,527	272,891,094
Capital and reserves attributable to equity holders of the parent entity	**798,614,868**	**673,607,444**	**563,843,780**	**608,556,066**	**492,849,530**
Non-controlling interests in equity	15,780,809	13,730,024	12,433,461	11,482,603	8,842,695
Total equity	**814,395,677**	**687,337,468**	**576,277,241**	**620,038,669**	**501,692,225**
Total equity and liabilities	**4,944,653,293**	**3,758,918,770**	**3,287,342,641**	**3,351,096,659**	**3,116,393,439**

Statements of comprehensive income

Group

In thousands of Nigerian Naira	Dec-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
Interest income	300,737,588	296,204,699	306,963,482	327,333,512	262,494,101
Interest expense	(47,069,441)	(64,841,597)	(84,529,681)	(80,670,351)	(67,093,923)
Net interest income	**253,668,147**	**231,363,102**	**222,433,801**	**246,663,161**	**195,400,178**
Loan impairment charges	(19,572,893)	(4,911,666)	(4,906,485)	(12,169,120)	(65,290,310)
Net interest income after loan impairment charges	**234,095,254**	**226,451,436**	**217,527,316**	**234,494,041**	**130,109,868**
Fee and commission income	53,179,802	62,418,779	52,367,605	42,921,857	39,403,171
Fee and commission expense	(6,244,554)	(2,975,272)	(1,897,532)	(2,189,661)	(3,456,257)
Net fee and commission income	**46,935,248**	**59,443,507**	**50,470,073**	**40,732,196**	**35,946,914**
Net gains on financial instruments classified as held for trading	24,486,177	20,889,849	24,583,974	11,338,819	5,218,451
Other income	76,826,192	55,793,214	50,783,908	37,632,083	107,499,864
Total other income	**101,312,369**	**76,683,063**	**75,367,882**	**48,970,902**	**112,718,315**
Operating income	**382,342,871**	**362,578,006**	**343,365,271**	**324,197,139**	**278,775,097**
Net impairment reversal / (charge) on other financial assets	3,190,517	100,473	(650,015)	(696,680)	-
Net operating income after net impairment reversal / (charge) on other financial assets	**385,533,388**	**362,678,479**	**342,715,256**	**323,500,459**	**278,775,097**
Personnel expenses	(37,606,138)	(37,284,204)	(36,856,121)	(32,832,341)	(29,453,465)
Right-of-use asset amortisation	(2,108,645)	(2,114,007)	-	-	-
Operating lease expenses	-	-	(2,085,035)	(1,596,413)	(1,375,228)
Depreciation and amortisation	(29,046,513)	(22,692,637)	(17,629,276)	(15,383,697)	(15,249,366)
Other operating expenses	(78,677,022)	(68,879,797)	(70,558,054)	(76,002,963)	(67,560,577)
Total expenses	**(147,438,318)**	**(130,970,645)**	**(127,128,486)**	**(125,815,414)**	**(113,638,636)**
Profit before income tax	**238,095,070**	**231,707,834**	**215,586,770**	**197,685,045**	**165,136,461**
Income tax expense	(36,655,130)	(34,842,168)	(30,875,741)	(29,772,387)	(32,855,806)
Profit for the year from continuing operations	**201,439,940**	**196,865,666**	**184,711,029**	**167,912,658**	**132,280,655**
Loss for the year from discontinued operations		(16,385)	-	-	-
Profit for the year	**201,439,940**	**196,849,281**	**184,711,029**	**167,912,658**	**132,280,655**

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	7.11	6.96	6.54	5.94	4.67
– Diluted	7.11	6.96	6.54	5.94	4.67

Statements of financial position

Bank

In thousands of Nigerian Naira	Dec-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
Assets					
Cash and cash bank balances	493,209,016	396,915,777	457,497,929	455,296,196	233,847,233
Financial assets at fair value through profit or loss	36,226,876	44,717,688	8,920,153	-	-
Financial assets held for trading	-	-	-	16,652,356	6,321,370
Derivative financial assets	26,448,550	26,011,823	3,854,921	2,839,078	1,042,470
Investment securities:					
– Fair value through profit or loss	3,273,771	33,084,367	2,620,200	-	-
– Fair Value through other comprehensive Income	596,932,440	495,731,932	459,629,259	-	-
– Available for sale	-	-	-	453,089,625	408,246,905
– Held at amortised cost	77,820,332	2,003,583	2,003,272	-	-
– Held to maturity	-	-	-	2,007,253	5,219,262
Assets pledged as collateral	61,955,975	57,790,749	56,291,739	58,961,722	48,205,702
Loans and advances to banks	39,749	72,451	46,074	43,480	29,943
Loans and advances to customers	1,410,577,734	1,300,820,647	1,067,999,019	1,265,971,688	1,417,217,952
Restricted deposits and other assets	1,160,172,271	552,105,755	494,969,807	433,528,669	364,152,777
Investment in subsidiaries	56,903,032	55,814,032	55,814,032	46,207,004	43,968,474
Property and equipment	128,689,540	122,633,438	96,300,538	84,979,798	81,710,025
Intangible assets	9,294,319	9,546,253	5,635,606	4,501,296	3,377,961
	4,061,543,605	**3,097,248,495**	**2,711,582,549**	**2,824,078,165**	**2,613,340,074**
Assets classified as held for sale and discontinued operations	-	-	938,945	850,820	-
Total assets	**4,061,543,605**	**3,097,248,495**	**2,712,521,494**	**2,824,928,985**	**2,613,340,074**
Liabilities					
Deposits from banks	12,733	15,200	735,929	42,360	40,438
Deposits from customers	2,881,686,058	2,086,810,070	1,865,816,172	1,697,560,947	1,681,184,820
Financial liabilities at fair value through profit or loss	-	1,615,735	1,865,419	-	-
Financial liabilities held for trading	-	-	-	2,647,469	2,065,402
Derivative financial liabilities	2,758,698	2,315,541	3,752,666	2,606,586	987,502
Other liabilities	321,975,804	205,817,828	122,178,733	203,019,404	90,060,440
Current income tax liabilities	19,719,757	19,748,074	22,511,233	24,009,770	17,819,039
Debt securities issued	-	-	-	92,131,923	-
Other borrowed funds	113,470,753	162,742,565	177,361,218	210,671,384	332,317,881
Deferred tax liabilities	19,520,277	12,293,886	7,178,560	12,814,766	11,946,699
	3,359,144,080	**2,491,358,899**	**2,201,399,930**	**2,245,504,609**	**2,136,422,221**
Liabilities classified as held for sale and discontinued operations	-	-	935,725	847,600	-
Total liabilities	**3,359,144,080**	**2,491,358,899**	**2,202,335,655**	**2,246,352,209**	**2,136,422,221**
Capital and reserves					
Share capital	14,715,590	14,715,590	14,715,590	14,715,590	14,715,590
Share premium	123,471,114	123,471,114	123,471,114	123,471,114	123,471,114
Retained earnings	137,049,475	78,110,906	78,012,269	109,594,239	83,989,499
Other components of equity	427,163,346	389,591,986	293,986,866	330,795,833	254,741,650
Capital and reserves attributable to equity holders of the parent entity	**702,399,525**	**605,889,596**	**510,185,839**	**578,576,776**	**476,917,853**
Total equity and liabilities	**4,061,543,605**	**3,097,248,495**	**2,712,521,494**	**2,824,928,985**	**2,613,340,074**

Statements of comprehensive income

Bank

In thousands of Nigerian Naira	Dec-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
Interest income	243,573,153	241,177,613	258,010,986	284,442,547	226,579,479
Interest expense	(34,640,650)	(51,859,584)	(69,655,064)	(66,792,928)	(55,551,522)
Net interest income	**208,932,503**	**189,318,029**	**188,355,922**	**217,649,619**	**171,027,957**
Loan impairment charges	(13,667,341)	(2,221,501)	(1,504,303)	(10,834,612)	(63,542,640)
Net interest income after loan impairment charges	**195,265,162**	**187,096,528**	**186,851,619**	**206,815,007**	**107,485,317**
Fee and commission income	33,716,241	44,919,113	36,110,550	30,048,147	28,527,039
Fee and commission expense	(4,973,672)	(1,788,175)	(957,708)	(1,561,766)	(2,947,714)
Net fee and commission income	**28,742,569**	**43,130,938**	**35,152,842**	**28,486,381**	**25,579,325**
Net gains on financial instruments classified as held for trading	13,987,611	9,971,086	16,652,294	6,542,636	2,248,241
Other income	75,781,330	54,859,095	45,606,403	39,203,978	108,562,100
Total other income	**89,768,941**	**64,830,181**	**62,258,697**	**45,746,614**	**110,810,341**
Operating income	**313,776,672**	**295,057,647**	**284,263,158**	**281,048,002**	**243,874,983**
Net impairment reversal / (charge) on other financial assets	3,111,874	362,254	120,299	(696,680)	-
Net operating income after net impairment reversal / (charge) on other financial assets	**316,888,546**	**295,419,901**	**284,383,457**	**280,351,322**	**243,874,983**
Personnel expenses	(24,054,462)	(23,330,656)	(23,681,401)	(22,354,351)	(20,704,772)
Right-of-use asset amortisation	(819,949)	(921,610)	-	-	-
Operating lease expenses	-	-	(663,998)	(654,665)	(670,172)
Depreciation and amortisation	(24,954,796)	(18,640,546)	(14,255,334)	(13,042,425)	(12,730,298)
Other operating expenses	(61,928,780)	(52,349,199)	(55,811,554)	(60,652,252)	(55,764,254)
Total expenses	**(111,757,987)**	**(95,242,011)**	**(94,412,287)**	**(96,703,693)**	**(89,869,496)**
Profit before income tax	**205,130,559**	**200,177,890**	**189,971,170**	**183,647,629**	**154,005,487**
Income tax expense	(26,942,161)	(25,052,609)	(23,218,086)	(24,919,924)	(27,168,695)
Profit for the year	**178,188,398**	**175,125,281**	**166,753,084**	**158,727,705**	**126,836,792**

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	6.05	5.95	5.67	5.39	4.31
– Diluted	6.05	5.95	5.67	5.39	4.31

SHARE CAPITALISATION AND DIVIDEND HISTORY

Share Capitalisation History

YEAR	AUTHORISED INCREASE	CUMULATIVE	ISSUED INCREASE	CUMMULATIVE	NO. OF SHARES	CONSIDERATION
1991	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	Cash
1992	35,000,000	60,000,000	NIL	25,000,000	25,000,000	NIL
1993	NIL	60,000,000	25,000,000	50,000,000	50,000,000	SCRIP
1994	40,000,000	100,000,000	NIL	50,000,000	50,000,000	NIL
1995	NIL	100,000,000	50,000,000	100,000,000	100,000,000	SCRIP
1996	100,000,000	200,000,000	300,000,000	400,000,000	400,000,000	Cash
1997	300,000,000	500,000,000	600,000,000	1,000,000,000	1,000,000,000	SCRIP
1998	250,000,000	750,000,000	500,000,000	1,500,000,000	1,500,000,000	SCRIP
1999	NIL	750,000,000	NIL	1,500,000,000	1,500,000,000	NIL
2000	NIL	750,000,000	NIL	1,500,000,000	1,500,000,000	NIL
2001	250,000,000	1,000,000,000	500,000,000	2,000,000,000	2,000,000,000	Initial Public Offer
2002	1,000,000,000	2,000,000,000	500,000,000	2,500,000,000	2,500,000,000	SCRIP
2003	NIL	2,000,000,000	500,000,000	3,000,000,000	3,000,000,000	SCRIP
2004	1,000,000,000	3,000,000,000	1,000,000,000	4,000,000,000	4,000,000,000	SCRIP
2004	NIL	3,000,000,000	2,000,000,000	6,000,000,000	6,000,000,000	Public Offer
2005	2,000,000,000	5,000,000,000	NIL	6,000,000,000	6,000,000,000	NIL
2006	NIL	5,000,000,000	2,000,000,000	8,000,000,000	8,000,000,000	SCRIP
2007	2,500,000,000	7,500,000,000	2,000,000,000	10,000,000,000	10,000,000,000	SCRIP
2007	NIL	7,500,000,000	3,679,415,650	13,679,415,650	13,679,415,650	GDR Underlying Shares
2008	7,500,000,000	15,000,000,000	1,243,583,241	14,922,998,890	14,922,998,890	SCRIP
2008	NIL	15,000,000,000	3,730,749,723	18,653,748,613	18,653,748,613	SCRIP
2009	NIL	15,000,000,000	4,663,437,153	23,317,185,766	23,317,185,766	SCRIP
2010	15,000,000,000	30,000,000,000	NIL	23,317,185,766	23,317,185,766	NIL
2010	20,000,000,000	50,000,000,000	5,829,296,442	29,146,482,207	29,146,482,207	SCRIP
2011	NIL	50,000,000,000	284,697,017	29,431,179,224	29,431,179,224	IFC Special Placement
2012	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2013	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2014	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2015	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2016	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2017	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2018	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2019	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL
2020	NIL	50,000,000,000	NIL	29,431,179,224	29,431,179,224	NIL

Dividend History

Ten-year dividend and unclaimed dividend history as at December 31, 2020

Dividend No.	Dividend Type	Financial Year Ended	Total Dividend Amount Declared	Dividend Per Share	Net Dividend Amount Unclaimed as at	Percentage Dividend Amount Unclaimed
Payment 37	Final	31-12-10	17,487,889,324.50	75 kobo	674,714,140.38	3.86%
Payment 38	Interim	09-09-11	7,286,620,552.30	25 Kobo	286,787,301.31	3.94%
Payment 39	Final	31-12-11	25,016,502,340.40	85 Kobo	889,945,097.69	3.56%
Payment 40	Interim	09-11-12	7,357,794,806.00	25 Kobo	272,218,915.00	3.70%
Payment 41	Final	31-12-12	38,260,532,991.20	130 kobo	1,326,304,016.04	3.47%
Payment 42	Interim	12-09-13	7,357,794,806.00	25 Kobo	295,291,944.25	4.01%
Payment 43	Final	31-12-13	42,675,209,874.80	145 kobo	1,583,493,762.73	3.71%
Payment 44	Interim	15-09-14	7,357,794,806.00	25 Kobo	288,531,199.62	3.92%
Payment 45	Final	31-12-14	44,146,768,836.00	150 kobo	1,571,833,533.14	3.56%
Payment 46	Interim	18-09-15	7,357,794,806.00	25 Kobo	272,784,283.72	3.71%
Payment 47	Final	31-12-15	44,735,392,420.48	152 Kobo	1,546,819,317.65	3.46%
Payment 48	Interim	09-09-16	7,357,794,806.00	25 Kobo	282,281,836.82	3.84%
Payment 49	Final	31-12-16	51,504,563,642.00	175 kobo	1,856,777,198.60	3.61%
Payment 50	Interim	05-09-17	8,829,353,767.20	30 kobo	351,964,778.03	3.99%
Payment 51	Final	31-12-17	70,634,830,137.60	240 kobo	3,865,935,433.93	5.47%
Payment 52	Interim	29-08-18	8,829,353,767.20	30 kobo	485,561,299.68	5.50%
Payment 53	Final	31-12-18	72,106,389,098.80	245 kobo	3,953,460,342.09	5.48%
Payment 54	Interim	10-09-19	8,829,353,767.20	30 kobo	497,479,751.55	5.63%
Payment 55	Final	31-12-19	73,577,948,060.00	250 kobo	4,187,097,993.46	5.69%
Payment 56	Interim	21-09-20	8,829,353,767.20	30 kobo	518,502,110.31	5.87%

CORPORATE INFORMATION

MANAGEMENT TEAM

Segun Agbaje
Managing Director / CEO

Demola Odeyemi
Executive Director - Head, International Banking, Group Co-ordination and Planning

Haruna Musa
Executive Director - Head, North East Division & Public Sector Abuja

Bolaji Lawal
Executive Director - Head, Digital Banking Division

Miriam Olusanya
Executive Director - Head, Wholesale Banking Division

Babajide Okuntola
Executive Director - Financial Technology Division

Dan Shuaib
General Manager - Head, Oil & Gas Division

Adebanji Adeniyi
General Manager - Head, Financial Control, Reporting and Strategy Division

Femi Akerewusi
General Manager - Head, Corporate Bank, Lagos Mainland

George Uwakwe
General Manager - Head, Enterprise Risk Management Division

Lara Ogunlaja
General Manager - Head, Syndicated Corporate Finance Group

Olusina Ayegbusi
General Manager - Head, Technology Division

Paul Abiagam
General Manager - Head, Corporate Bank, Lagos Island

Segun Fadahunsi
General Manager - Head, Systems and Control Division

Subuola Abraham
General Manager - Chief Compliance Officer

Ahmed Liman
Deputy General Manager - Head, North West Division

Bharat Soni
Deputy General Manager - Head, Information Security Group

Chima Azubuike
Deputy General Manager - Head, South East Division

Femi Nedd
Deputy General Manager - Head, Lagos Island Division

Kelvin Biiranee
Deputy General Manager - Head, Financial Institutions & Telecoms (FINTEL)

Mary Ahukanna
Deputy General Manager - Head, Retail South-South Division

Ndidi Ukaonu
Deputy General Manager - Head, South-South Division

Olumide Oguntuase
Deputy General Manager - Head, Operational Risk Administration

Oyinade Adegite
Deputy General Manager - Head, Corporate Communication

Oyiza Salu
Deputy General Manager - Head, Human Resources Group

Paul Ogwemoh
Deputy General Manager - Head, Service Delivery Group

Simi Osinuga
Deputy General Manager - Head, Customer Experience Management Division

Sylvia Nwakwue
Deputy General Manager - Head, Transaction Services Division (Lagos & South-West)

Yewande Ige
Deputy General Manager - Head, South West Division

Adebayo Omogoroye
Assistant General Manager - Head, Treasury & Currency Trading Group

Adeola Oyegbade
Assistant General Manager - Head, Small and Medium Enterprises Lagos Mainland Division 1

Ayodele Adewumi
Assistant General Manager - Head, Small and Medium Enterprises (Lagos Island)

Chinedu Okoli
Assistant General Manager - Head, Lagos Mainland Division

Chioma Mogbo
Assistant General Manager - Head, Transaction Services Division (South-South & South-East)

Dele Kola-Daisi
Assistant General Manager - Head,
Total Quality Management Group

Eduofon Japhet
Assistant General Manager - Head, Business Solutions Group

Enoo Ebruke
Assistant General Manager - Head,
Abuja Commercial Banking Division

Erhi Obebeduo
Assistant General Manager - Company Secretary

Glory Esiejobor
Assistant General Manager - Head,
Small and Medium Enterprises (South East Division)

Modupe Olafimihan
Assistant General Manager - Head,
Procurement & Expense Control Group

Olanrewaju Kola-Banjo
Assistant General Manager - Head,
International Settlement Group

Olawale Abdul
Assistant General Manager - Head, Administration Group

Olawale Williams
Assistant General Manager - Head, Service Management Group

Oluwole Shodiyan
Assistant General Manager - Head, Corporate Bank

Oluyemisi Harrison-Bayagbon
Assistant General Manager - Head,
Business Process Re-Engineering Group

Omolara Ismail
Assistant General Manager - Head, Retail Division (Lagos Island)

Osa Aiwerioghene
Assistant General Manager - Head, Compliance Group

Oso Adewumi
Assistant General Manager - Head,
Emerging Technologies Division

Ronald Nwaezeapu
Assistant General Manager - Head,
Asset & Liability Management Group

Sherifat Dawodu
Assistant General Manager - Head,
Public Sector Division (Lagos)

MANAGEMENT TEAM – SUBSIDIAIRIES

Gbenga Alade
Managing Director, Guaranty Trust Bank UK

Stuart Orton
Executive Director, Guaranty Trust Bank UK

Ikenna Anekwe
Managing Director, Guaranty Trust Bank Liberia

Prince Saye
Executive Director, Guaranty Trust Bank Liberia

Adesina Adebesin
Managing Director, Guaranty Trust Bank Gambia

Abolaji Yusuff
Executive Director, Guaranty Trust Bank Gambia

John Thomas
Managing Director, Guaranty Trust Bank Ghana

Daniel Attah
General Manager, Guaranty Trust Bank Ghana

Ade Adebiyi
Managing Director, Guaranty Trust Bank Sierra Leone

Isiaka Ajani-Lawal
Managing Director, Guaranty Trust Bank Cote d'Ivoire

Bayo Veracruz
Managing Director, Guaranty Trust Bank Kenya

Ayodele Popoola
Chief Operating Officer, Guaranty Trust Bank Kenya

Emmanuel Ejizu
Managing Director, Guaranty Trust Bank Rwanda

Ayokunle Yusuf
Chief Operating Officer, Guaranty Trust Bank Rwanda

Olalekan Sanusi
Managing Director, Guaranty Trust Bank Uganda

Irenosen Ohiwerei
Executive Director, Guaranty Trust Bank Uganda

Jubril Adeniji
Managing Director, Guaranty Trust Bank Tanzania

Odunayo Akinyede
Chief Operating Officer, Guaranty Trust Bank Tanzania

PRODUCTS & SERVICES

Quick Credit

Are you a salary earner with need for more cash upfront? Quick Credit is for you. Cheap, easy and readily available, Quick Credit gives you funds worth up to three months of your salary at an interest rate of 1.33% monthly to pay back over 6 months or a year.

Quick Credit For Business

This is a time loan product aimed at financing the working capital of small businesses in various industries. Quick Credit for Business offers small enterprises up to 10 Million Naira at a low-interest rate of 1.33% monthly to pay back over 6 - 12 months.

GTCrea8 Account
Free Banking for Undergraduates Aged 16 - 25.

The GTCrea8 Account is an interest-bearing account designed to provide Students of post-secondary institutions with value-added banking services which are tailored to their lifestyle and designed for their needs. GTCRea8 also allows undergraduates between the ages of 16-25 to bank for free with Guaranty Trust Bank (GTBank).

Some of the charges that GTCrea8 account holders do not have to pay for include charges on bank transfers, even when the transfer is to other banks. Undergraduates will also not be charged for transactions using the Bank's Internet Banking Platform, Mobile Banking Applications and 737 USSD service. They will also not be charged for transaction alerts.

GTCrea8 account holders will also enjoy special offers and discounts when they make use of GTBank's trendsetting digital platforms, such as Habari, which offers access to music and video streaming, shopping, messaging, and bills payment all in one place.

Habari
Habari gives you unlimited access to local and international music, and at the same time, allows you to shop online, split bills with friends and take care of your everyday needs, in one place.

With Habari you can:
PLAY Everything: From the hit songs of your favourite artists to thrilling Ndani series and short videos.
CHAT: with friends in new and exciting ways, shake your phone to find friends, split bills at hangouts or when shopping and send money as easily as you send an emoji.
SHOP: your home essentials, fresh groceries, ready to wear fashion items and your favourite gadgets, all with discounts and deals to match.
PAY: bills or anyone from your Habari Wallet.

GTWORLD
It's Banking, only Easier.

With GTWorld, you have a Mobile Banking App that is designed to cater to all that's important to you easily and seamlessly. The unique facial recognition feature means that you now have mobile banking App that recognizes you and adapts to how and when you want to bank.

Food Industry Credit

Looking to grow your food business? Now you can get all the financing you need with the GTBank Food Industry Credit, which offers you a single digit interest rate loan of just 9% per annum.

Fashion Industry Credit

Building a fashion business is one of the most exciting things you can do, when you have the right support. That is why we have created a single digit interest rate loan at 9% to provide entrepreneurs in the fashion industry with all the financing they need to tailor their business to fit their dreams.

GTCONNECT

Nigeria's first interactive contact centre
GTConnect is our interactive contact centre that provides you with instant service via telephone. It is accessible from anywhere in the world and open for business 24 hours a day, seven days a week; even on public holidays.

GTConnect allows you perform 90% of your transactions via the telephone. Customers can check account(s) balances, request electronic cards, request cheque books, stop cheques, reactivate dormant accounts, effect own and 3rd party transfers within GTBank and get up to date information on every aspect of the Bank's operations using this medium.

Our GTConnect numbers are: 0700 482 666 328, 01 4480000, 080 2900 2900 or 080 3900 3900.
*For all international calls, please use the prefix +234

GTBank Internet Banking

The Guaranty Trust Bank Internet Banking Service is a free, reliable and flexible way of managing your bank account(s) conveniently 24/7 from anywhere in the world. Our internet Banking Service is equipped to enable you make 3rd party transfers to all bank accounts in Nigeria and foreign exchange transfers to any account in the world. You can also perform own account transfers, check account balances, print account statements, apply for loans and stop/confirm cheques.
Please visit www.gtbank.com to experience our internet banking service.

GTBank Automated Payment System (GAPS)

GAPS is a web-based service that facilitates the processing of vendor (and other) payments in batches, using either a dial-up connection to the Bank or a secured (https) connection over the Internet. It also gives you 24/7 online real-time access to your account.
The GAPS application form can be downloaded at www.gtbank.com, completed and submitted at any of our branches nationwide.

GTPAY

A convenient and highly secure online payment gateway
GTPAY is an Internet-based payment gateway solution which facilitates online payments using both local and International cards. This product enables corporate customers accept payments through their websites from their customers wherever they are worldwide, thereby taking their businesses global.

The benefits of GTPAY include: convenience, international acceptance, global reach, reduced costs, increased sales and promotion of cashless transactions. GTPAY is an essential solution for every customer with an online presence.

The GTPAY application form can be downloaded at www.gtbank.com, completed and submitted at any of our branches nationwide.

GeNS
Giving you realtime information on your transactions

The Guaranty Trust Bank electronic Notification Service (GeNS) provides instant details of transactions on your account(s).

This service is designed to generate and send out notification prompts to customers via electronic mail and SMS*. Whenever any transaction is carried on customers' account(s), GeNS ensures these customers have real time knowledge of their transactions.

Customers are automatically registered for Electronic mail notifications which is free for all Guaranty Trust Bank customers.

You can subscribe for GeNs (SMS notifications) via any of the following options listed below:

1. Self-Profiling via SMS: Simply send "Gens < NUBAN>" to 08076665555 from your mobile phone number registered with the bank. For example; "Gens 0103050709" to 08076665555
2. Self-Profiling via ATMs: On the ATM home-page, click on "more services" and select "Register for SMS alert", then follow the steps as shown.
3. Self-Profiling via Internet Banking: On Internet Banking home-page, click on the "Self Service" tab and select "Transaction Alert Activation", then fill the form provided and click "Submit" to be registered for SMS notifications

GTBank Point of Sale (POS) Terminal

The GTBank Point of Sale (PoS) terminal is a portable device that allows bank customers (irrespective of the financial institution they bank with) make payments for goods and services with their debit cards. The device provides a convenient, modern and efficient way of processing real time payments and supports a variety of other financial transactions that include; printing mini statements, cash advances, balance enquires, loading funds from a current/savings account unto a cash card and vending airtime (recharge).

The benefits of a GTBank POS terminal to Merchants include:

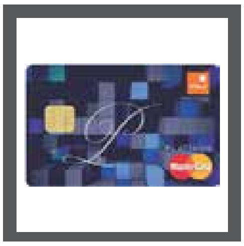
- Improved efficiency (minimizes cash handling costs and aids account reconciliation),
- Reduction inoperational costs associated with equipment for handling cash receipts,
- Minimized exposure to theft.
  Merchants can request for GTBank POS terminals by downloading a POS Merchant Registration form at www.gtbank.com, completing it and submitting at any of our branches nationwide.

GTBank Naira Debit MasterCard
It's more than an ATM Card

The GTBank Naira Debit MasterCard is a multi-purpose debit card issued in partnership with MasterCard to provide unlimited access to customers' accounts.

The card is linked to your Naira Denominated GTBank Current and/or Savings account and can be used for online transactions, to pay for goods and services at Point of Sale (POS) terminals and also to withdraw cash from ATMs (Local ATMs only), wherever the MasterCard logo is displayed.

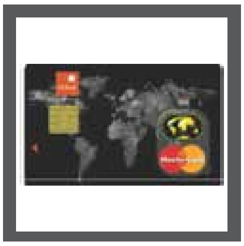
Please visit any GTBank branch to request for the GTBank Naira MasterCard.



GTBank Platinum Debit MasterCard
It's more than an ATM Card

The GTBank Platinum Debit MasterCard is a Naira denominated premium card which offers the cardholder with premium benefits beyond those enjoyed by Standard Naira MasterCard holders. These include travel benefits, preferential treatment/ rewards, higher transaction limits and access to exclusive products/services offered by partner organizations.

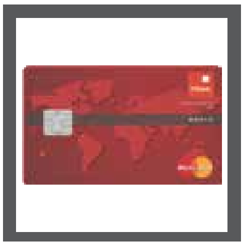
The GTBank Platinum Debit MasterCard is issued by invitation only.



GTBank Dollar Debit MasterCard
Experience a World without Limits

The GTBank Dollar Debit MasterCard is an international payment card issued in partnership with MasterCard Worldwide. It is denominated in US Dollars and can be used to settle payments in other major currencies. All transactions with the GTBank Dollar Debit MasterCard are charged to your account in real time. There is no spending limit on the GTBank Dollar Debit MasterCard for POS terminals and Online transactions. You can also withdraw up to $1,000 daily on the Card. You can apply for the GTBank Dollar Debit MasterCard via any one of the following options:

- GTWorld Mobile App: Download the app from your app store, input your online banking login details and select "Cards".
- Internet Banking: Visit www.gtbank.com, input your login details on the online banking portal and click on the "Cards" tab.
- GTBank branch: Visit our customer information desk to fill out a Dollar Card application form.

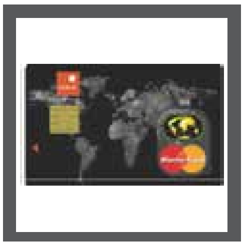


GTBank World MasterCard
With You as You Conquer the World

The GTBank World MasterCard is a prestigious card designed to deliver unique and exclusive benefits to our premium cardholders. It features extensive purchasing and travel benefits that are carefully designed to provide privileged access and memorable experiences.

Special benefits include: Global Concierge services, Priority Pass - Access to 600 VIP airport lounges worldwide and 24-hour MasterCard Global Service for emergencies.

The GTBank World MasterCard is issued strictly by invitation.



GTBank Dollar Credit MasterCard
Experience a World without Limits

The GTBank Dollar Credit MasterCard is an international payment card issued in partnership with MasterCard Worldwide. It is denominated in US Dollars and can be used to settle payments in other currencies.

There is no transaction spending limit on the card for POS terminals and Online transactions. You can also withdraw up to $1,000 daily on the Card.

Please visit any GTBank branch to request for the GTBank Dollar Credit MasterCard.

The GTBank Prepaid Utility Card
A Card for your Errands

The GTBank Prepaid Utility Card is an all-purpose card that can be used to make a wide variety of payments. The card is designed to provide ultimate convenience, flexibility and security, making casual purchases at supermarkets and shops, pur- chasing fuel at filling stations and so much more!

Unlike other GTBank Naira Cards, the GTBank Prepaid Utility Card is prepaid, which means you will have to load cash on the card prior to use.

Please visit any GTBank branch to request for the GTBank Prepaid Utility Card.

GTBank Visa Dollar Classic Credit Card
Experience a World without Limits

The GTBank Visa Dollar Credit card is an international payment card issued in partnership with Visa International. It is denominated in US Dollars and can be used to settle payments in other major currencies.

There is no transaction spending limit on the card for POS terminals and Online transactions. You can also withdraw up to $1,000 daily on the Card.

Please visit any GTBank branch to request for the GTBank Visa Dollar Classic Credit Card.

BANK 737
737 Banking is our USSD-based Banking platform that allows you access all the banking services they need by simply dialling *737# on your mobile phone. Some of the services available on the platform include:

Open Account: To open a GTBank Account instantly from anywhere in NIgeria, simply dial *737*0# on your mobile phone and follow the prompts.

737 Funds Transfer: This service enables GTBank customers conveniently transfer funds to both GTBank and other bank account holders in Nigeria.

For transfers to GTBank accounts, simply dial *737*1*Amount*NUBAN#
e.g. *737*1*1000*1234567890# from the mobile number registered with the Bank. For transfers to other Banks, simply dial *737*2*Amount*NUBAN# e.g. *737*2*1000*1234567890# from the mobile number registered with the Bank. Please note that the last four digits of your GTBank Naira MasterCard is needed to authenticate each transaction.

***737* Airtime Purchase:** For self-purchase, simply dial *737*Amount# e.g. *737*1000# from the mobile number registered with the Bank.
For 3rd party-purchase, simply dial *737*Amount*recipient's mobile no# e.g. *737*1000*08012345678#.

737 Cardless Withdrawal: You can withdraw cash from GTBank ATMs nationwide without your card, by simply dialling *737*3*AMOUNT#.

GTBank Dollar Debit Visa Card
Experience a World without Limits

The GTBank Dollar Debit Visa Card is an international payment card issued in partnership with Visa International and accepted as a means of payment in over 200 countries and territories worldwide. It is denominated in US Dollars and can be used to settle payments in other currencies. All transactions with the GTBank Dollar Debit Visa Card are charged to your Dollar Card account in real time.

There is no transaction spending limit on the card for POS terminals and Online transactions. You can also withdraw up to $1,000 daily on the Card.

You can apply for the GTBank Dollar Debit MasterCard via any of the following channels:

- GTWorld Mobile App: Download the app from your app store, input your online banking login details and select "Cards".
- Internet Banking: Visit www.gtbank.com, input your login details on the online banking portal and click on the "Cards" tab.
- GTBank branch: Visit our customer information desk to fill out a Dollar Card application form.

The GTBank Prepaid Virtual Card
A Card for your Online Payments

The GTBank Virtual Naira MasterCard is a digital payment Card designed to provide you with a secure and flexible alternative to physical payment cards.
It is designed primarily for:

- Customers who prefer not to use their Debit/Credit Cards linked to their regular bank account online.
- As a fall back option to customers who have forgotten or lost their Card, but need to perform urgent online purchase.

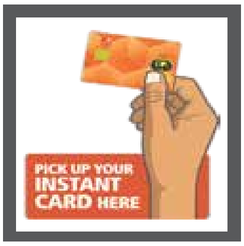
As a prepaid card, the GTBank Prepaid Virtual Card is preloaded through money transfer from your regular account to a Card account. To get a GTBank Virtual Naira MasterCard, simply log on to Internet Banking to create your prepaid card instantly.

GTBank personalized Card Delivery Service
A home delivery service for all Platinum Cardholders.

With the GTBank personalized Card Delivery Service, you can get your Platinum Cards delivered to your home. You can request for this service via any one of the following channels:

- 737: Dial *737*33*13*13#
- Internet Banking: Log on to Internet Banking and select "Card Delivery/ Transfer" under the "Cards" menu.

*Please note that this service is currently available only within Lagos State.



Instant Card Issuance Service
Ready When You Are

If your GTBank Naira MasterCard is missing, damaged or you just need a new Card, you can get a new Card INSTANTLY.
Simply walk in, request for a replacement Debit Card and walk out with the new Debit Card in-hand....Instantly!

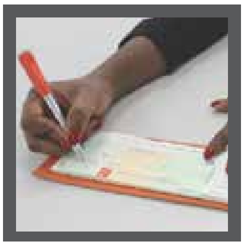
Please note that this service is currently available in all GTBank branches.

GTBank Digital Newsstand
Extra! Extra! Read all about it

The Digital Newsstand is an innovative digital platform designed for news readers to access newspaper& magazine content on-the-go from the leading publishers in Nigeria.

The Digital Newsstand is accessible on your mobile device or personal computer, and it provides you with a comprehensive archive past publications; all for less than half the price of print publications.

Please visit https://newsstand.gtbank.com/ to subscribe to the GTBank Digital Newsstand.
For more enquiries, please send an e-mail to collaborations@gtbank.com.



Individual Current Account
The Guaranty Trust Bank Current Account is a checking account which allows you to conduct own and 3rd party transactions from over 200 business locations nationwide using our real-time online IT platform.

The account is unique because it has no minimum account balance requirements and further enables you to safely and securely conduct online transactions whilst on the move.

The account accepts all clearing house instruments including cheques, dividend warrants and allows you access your funds from all ATMs with the MasterCard sign worldwide.

Having a Guaranty Trust Bank current account also gives you free access to our inter-net banking service 24/7, GTConnect and GeNs; thereby providing a convenient way of managing your day-to-day finances.

The current account opening form can be downloaded from our website, www.gtbank.com, completed and submitted along with all required documents at any of our branches nationwide.

Domiciliary Account
The Guaranty Trust Bank Domiciliary account is a foreign currency based current account. The account is available in US Dollar, British Pounds and Euro Currencies. We also provide dollar cheque books to aid third party withdrawals and have a very efficient means of transferring funds abroad.

GTSave (savings account)

GTSave is an interest-bearing savings account that also offers account holders access to our internet banking service, GTConnect, GeNS and other e-channels.

The account comes with a Guaranty Trust Bank Naira MasterCard which is accepted at 33 million merchant locations worldwide and all ATMs that have the MasterCard logo worldwide.

The savings account opening form can be downloaded from our website, www.gtbank.com, completed and submitted along with required documents at any of our branches.

Smart Kids Save (SKS) ACCOUNT
A Savings Account for Kids & Teenagers

The Guaranty Trust Bank Smart Kids Save (SKS) and SKS Teens Card accounts are unique products that enable parents to save for their children whilst inculcating in their kids the value of saving. To open an SKS Account for your child (aged 0-19), please visit any of our branches nationwide.

Children 13 and above get an SKS Teens Card account which, depending on the preference of the parent, can come with a debit MasterCard that is acceptable worldwide for POS and Web transactions. Parents can now also save for their kids in multiple currencies, including Dollars, Pounds, and Euros. To get started, you can send an email to sks@gtbank.com.

SKS Account holders also enjoy complimentary invites to events and competitions as well as access to subsidized services such as discounted health and educational plans from AxaMansard. For more information, please visit www.gtbank.com/sks.

GTMax
Something for everyone

GTMax is a high yield current account enabling customers to minimize bank charges* whilst earning interest on their balances.

The account is available in three variants; Platinum, Gold and Silver, with each variant uniquely designed to ensure there is something for everyone. Account holders also enjoy Zero Account Maintenance fees* and free customized cheque book*

A GTMax Account opening form can be downloaded at www.gtbank.com, completed and submitted along with required documents at any of our branches nationwide. (*TERMS AND CONDITIONS APPLY)

Mobile Banking App

Our Mobile Banking App lets you carry your bank with you wherever you go. You can perform transactions and manage your bank account(s) from your mobile device. It is secure and very simple to use.

Seniors Account
Bank for free

The Seniors Account is a current account which offers free banking services to senior Nigerian citizens who are aged 65 years and above.

Seniors Account holders enjoy Zero Account Maintenance fee, free Debit Naira MasterCards, cheque books, SMS notifications and access to Priority service in our branches.

A Seniors Account opening form can be downloaded at www.gtbank.com, completed and submitted along with required documents at any of our branches nationwide.

GT-TARGET

The GT Target account is a savings account with competitive interest rates designed to help customers save towards specific goals. It is a transactional account funded via cash deposits, transfers or daily/ monthly/quarterly/ bi-annually standing order Instructions. The account offers an additional 1% interest bonus if the standing instruction is maintained for 1 year.

A GT-Target Account opening form can be downloaded at www.gtbank.com, completed and submitted along with required documents at any of our branches nationwide. The account can also be opened from the request menu on the following e-channels; GTWorld, Internet Banking, Mobile Banking and at our GTExpress locations.

GTSweep Service Offering
GTSweep is a service that automatically transfers funds from a customer's funded account to cover a shortfall in an unfunded transacting account*. This service is applicable to cheque and card transactions only. It is available to both Corporate, individual and joint account holders and can be set up in any of our branches nationwide or via Internet banking.

GTBank's Non Resident Nigerian (NRN) Service

The Non Resident Nigerian service is a platform that provides Nigerians who reside abroad access to a wide range of products and services. These include accounts, investment products, cards, transfers and remittances, electronic banking and notification services. It is an effective channel for Nigerians to open and operate a GTBank account from anywhere in the world.
To take advantage of this service, please visit www.gtbank.com, download the NRN account opening form, complete it and e-mail the form along with copies of all required documents to nrnaccount@gtbank.com.

GTBusiness Account

The GTBusiness account is a fixed charge current account designed specifically for Small and Medium scale business (SMEs) with monthly turnover of N50million.

With its fixed charge feature, the GTBusiness account helps minimize costs for small businesses.

A GTBusiness account opening form can be downloaded at www.gtbank.com, completed and submitted along with the required documents at any of our branches nationwide.

MaxAdvance

MaxAdvance is an all-purpose loan designed to meet the financial needs of staff of corporate and government organisations* whose salary accounts reside with us.

Qualified customers can apply for this product on the GTBank internet banking platform or download an application form at www.gtbank.com. An application form can also be picked up at any of our branches nationwide.
(*TERMS AND CONDITIONS APPLY)

MaxPlus

MaxPlus is a personal loan product designed to address the unique financial needs of staff of select corporate and public organisations that have their salary accounts domiciled with the Bank and earn a minimum net annual income of N10 million*.

Qualifying customers can apply for this product by downloading a Maxplus application form at www.gtbank.com. An application form can also be picked up at any of our branches nationwide.
(*TERMS AND CONDITIONS APPLY)

Salary Advance
Cash Guaranteed... anytime of the month

Salary Advance is a short-term overdraft product which allows you withdraw cash against your monthly salary. The product is designed for convenience and enables customers draw up to 50% of their monthly salary in advance without having to provide any form of security.

Customers can apply for this product on our Internet Banking platform, ATMs, GTworld App, or by downloading a Salary Advance application form at www. gtbank. com or by dialing *737#. An Application form can also be picked up from any of our branches nationwide.

GTMortgage

GTMortgage is a product that provides customers with mortgage facilities to part-finance the outright acquisition of residential properties at very attractive rates in location acceptable to the Bank*. The product is available to both public and private sector employees.

Customers can apply for this product on the GTBank internet banking platform or by downloading a GTMortgage application form at www.gtbank.com. An application form can also be picked up at any of our branches nationwide.
(*TERMS AND CONDITIONS APPLY)

School Fees Advance

The GTBank School Fees Advance provides credit facility to our customers who are parents in order to meet up with the school fees commitments for their children and wards.

This product is available to customers working for public and private institutions and whose salary accounts are domiciled with the bank.

Customers can apply for this facility by downloading a School Fees Advance application form at www.gtbank.com. An application form can also be picked up at any of our branches nationwide. (*TERMS AND CONDITIONS APPLY)

Invoice Discounting Facility For Small And Medium Scale Enterprises (SMEs)

The Invoice Discounting Facility is a short term borrowing facility designed to promptly address the cash flow challenges and other business needs of SMEs by providing funds against receivables for jobs executed or services rendered.

The facility enables receipts of up to 70% of the confirmed invoice value to be advanced for a pre-defined period prior to receipt of payments from Principals. The service is available to SMEs in the contractor, service provider and professional firm sectors.

Customers can apply for this product by downloading an SME Invoice Discounting application form at www.gtbank.com or at any of our branches nationwide.

i-Refer

i-Refer is a customer loyalty initiative designed to reward loyal GTBank customers who refer their friends/family/relatives/business associates to GTBank. Customers can refer as many prospects as possible, using all available channels including the branch, internet banking, GTBank website and USSD. For every prospect who successfully opens an account, the referrer receives a cash reward into their account*. (*TERMS AND CONDITIONS APPLY)

WhatsApp Banking
Chat with us on 07016974994

The GTBank WhatsApp Banking channel offers our customers a more personalized and easy-to-access customer service from anywhere in the world. With WhatsApp Banking, customers can log complaints and dispense errors, open new accounts, make enquiries, and resolve service complaints.

Our WhatsApp number is 07016974994 and available between the hours of 8am and 5pm from Monday to Friday.

GTInstant
A Simplified Savings Account for anyone

GTInstant is a simplified account designed to enable individuals enjoy a banking relationship even when they do not possess the full documentation required to open a regular account.

GTInstant was introduced to enable the bank cater for the financial needs of a large segment of the nation's population that are presently financially excluded. Account holders enjoy zero opening and minimum balances.

To open a GTInstant account simply dial *737*0#.

SME Term Loan for school: 'Build or Buy'

SME Term loan is a facility designed to part-finance the construction and purchase of school buildings. This product is targeted at registered and approved schools only.

GTPatriot Account

The GTPatriot Account is a unique Salary Account Package which offers Nigeria's service men and service women subsidized banking products and dedicated value-added services.

The GTPatriot Account operates on a zero minimum opening balance and automatically entitles account holders to life insurance, amongst other benefits. It is our little way of applauding and appreciating the invaluable service that women and men in military and paramilitary institutions offer to our great nation.

Spend 2 Save

This service enables individual customers to save while spending by setting a savings percentage from 1%-5% on every debit transaction made via ATM, POS or online. The value of the set percentage is transferred to the Spend 2 Save account from the nominated account.

Spend 2 Save is available to individual and joint account customers and can be set up on any GTBank Mobile Application, via internet banking or in any of our branches nationwide.

iRequire

iRequire is a premium service designed to enable Personal Banking customers preorder whatever items they need, such as cash, cards, cheque books and account statements, amongst others, and pick up at their preferred time (including after banking hours and weekends).

To make use of the iRequire service, simply log on to Internet Banking.

Hub Credit
Hub Credit is our new post-paid shopping plan which allows customers buy whatever they need on the Habari and pay back later in installments without having to think much about a lump sum payment.

Hub Credit provides customers with a spending limit of up to N1,000,000 and a minimum of N20,000 to shop on Habari, and pay back within a period not exceeding 12 months or sooner (whichever works for you); and at an interest rate of 1.33% per month and 1% fee.

Premium Advance (Revolving Debit Naira MasterCard Limit)
This is a card-based overdraft facility offered to our customers whose salary accounts are domiciled with the bank. Premium Advance offers up to N1 Million overdraft with a 1year tenor, very competitive interest rate and a 2% flat fee on N1million upon first utilization.

Help Centre
www.gtbank.com/help-centre
This is our online, one-stop self-service platform where customers resolve issues or make enquiries about their account. The Help Centre also provides useful and easy-to-find information about the Bank's products and services with a wide range of Frequently Asked Questions and how-to guides covering everything, from banking basics to fraud protection.

CORPORATE SOCIAL RESPONSIBILITY

At Guaranty Trust Bank, we are passionate about the role we play in empowering people and driving societal progress. In the same way that we champion our customers' ambitions and work every day to provide them with first-class service, we constantly drive impactful initiatives as part of our commitment towards touching lives and uplifting communities.

The following are highlights of our CSR efforts for the year ended December 31, 2020.

Pillar	Amount (₦)
Arts	20,271,795
Community Development	1,787,933,030
Education	62,701,405
Total	**1,870,906,230**

Our commitment to helping our communities thrive stems from our passion for giving back and is rooted in our strong belief that building a socially responsible business is essential for long term success. We maintain a well-defined Corporate Social Responsibility (CSR) policy which rests on four pillars – Championing Education for all, Fostering Community Development, Protecting our Environment and Promoting the Arts. These, we believe, are fundamental to societal progress.

In this report, you will find a summary of how we have continued to live up to our commitment to enriching lives over the past 12 months, as well how we are leading from the front in the fight against the Covid-19 pandemic.

Championing Education for All

We are committed to bringing about a world where everyone has access to quality education, regardless of their where they come from or socioeconomic status. In the first half of the year, we continued to intervene in education by boosting learning opportunities for children and promoting a reading culture for everyone wherever they may be.

Rekindling the Culture of Reading

We constantly engage and encourage young people, as well as the general public, to read and connect them to authors around the world through our YouRead Initiative. As part of this initiative, we organized Book Reading Session with Jumoke Adenowo, the author of the critically acclaimed novel "Beyond My Dreams". This was the author's first Book Reading Session in Nigeria, and her debut session proved to be a particularly inspiring and exciting opportunity for book lovers to connect with her as well as learn more about writing and the importance of the African narrative.

Nurturing the Next Generation of Football Talents

We are excited by the role our sports education programme continues to have in not only identifying and grooming young talents but also promoting the values of excellence and fair play among youths in their most formative years. This year, we began the 9th edition of the GTBank Masters Cup with the same enthusiasm, providing 50 teams from over 40 schools –the highest number ever – with an opportunity to showcase their football talent whilst competing for the prestigious trophy in male and female categories. As a result of the Covid-19 pandemic, we had to put the competition on hold and prioritize the safety and health of our young stars. We cannot wait to get the ball rolling again and raise the next generation of sporting stars, once the pandemic is over.

Being A Voice For Children And Adults Living With Autism

For the past 10 years, we have been at the forefront of the advocacy for people living with autism. Our Orange Ribbon Initiative has also become a major rallying point for driving awareness about Autism, campaigning against the social stigma associated with developmental disorders, and helping people with autism live a full and productive life.

During the year, as part of our Orange Ribbon Initiative, we held the 10th GTBank Annual Autism Conference via live stream, bringing together people from around the world to interact and learn from globally renowned medical experts, caregivers and health practitioners about supporting children and adults living with Autism. This was one of the most important Autism Conferences we have held over the years, not only because it marked the 10th anniversary of our advocacy for people living with autism, but also because it allowed us to be there for children and adults living with autism at such a critical time, when the Covid-19 pandemic had made life more difficult for people all over the world.

Themed, "Autism: Focusing on similarities rather than differences," the conference featured keynote presentations, panel discussions, and Q&A sessions facilitated by specialists from renowned institutions, such as Autism Speaks and the Autism Lab at Michigan State University, USA, amongst others.

COVID-19: Safeguarding Lives And Livelihoods

The COVID-19 pandemic has placed an overwhelming burden on healthcare systems, hampering business operations, disrupting our ways of life and driving millions of people into further socioeconomic despair. For us at GTBank, we also see the pandemic as a fundamental challenge to live up to our core values as a platform for enriching lives. Our response to the outbreak has been guided by our commitment to safeguarding lives and livelihoods and underpinning this is our focus on protecting our employees, providing critical support for the public healthcare system and leading on innovative and value-adding ways to support our customers in these difficult times.

Protecting Our Employees

At GTBank, our people are our most valuable asset, and from the onset of the COVID-19 outbreak, their health and safety have been our utmost concern. We also understand that with our customers and stakeholders counting on us to help them navigate the uncertainties caused by this outbreak, it is only by adequately protecting our staff that we can fulfill our duty of being there for our customers and the community. Hence, our measures to protect staff has been three-pronged: enabling staff to work from home so as to curtail any potential outbreak, catering to their welfare so that they can better deal with the economic impact of the pandemic and safeguarding our workplaces by instituting all necessary precautionary measures so that those who to come into the office do so with the confidence that they are safe.

Although our work-from-home procedures kicked in following the lockdown measures declared by government authorities, we have continued to operate in the same framework even after the lockdown procedures were eased. We continue to operate a rotational system whereby only about 50 percent of our people come to the office at any time, whilst the rest continue to work from home. Aware that Social Distancing measures can also have an effect on the mental wellbeing of our staff, we regularly provide expert support in mental health and emotional wellbeing for employees whilst leveraging interactive digital tools like Microsoft Teams to drive engagement activities that help everyone stay in touch and build productivity levels wherever they may be working from.

Supporting Public Healthcare Systems

Recognizing that the COVID-19 pandemic would stretch the public healthcare system, we partnered with the Lagos State Government to set up a 110-bed COVID-19 care facility complete with ICUs, a Pharmacy, Consultation Rooms, a Doctors Quarters and other healthcare essentials. To ensure that the facility was ready on time to take care of people with COVID-19, we worked round the clock with additional support from companies across finance, health, construction and the retail sector, to complete its construction within a week. A couple of weeks later, the care facility commenced operations and formed a key part of the public health infrastructures dedicated to battling the pandemic and helping people recover from the virus.

We have also continued to bolster the government's capacity to deal with the pandemic by playing a leading role in the Private Sector Coalition against COVID-19, also known as CACOVID, which works in partnership with the Federal Government, the Nigeria Centre for Disease Control (NCDC) and the World Health Organization (WHO) to combat the pandemic in Nigeria. As part of CACOVID, we are equipping medical facilities across the country to ensure that Nigeria has an adequate distribution of testing, isolation and treatment facilities that are fully equipped with medical supplies and trained personnel to cater to anyone who may become infected by the virus.

When assessing the impact of the COVID-19 pandemic in Nigeria, we see in the strengthened public response to the pandemic, the critical role that our support is having in helping to pull our communities out of this crisis with the least loss of lives and livelihoods.

Helping Small Businesses Pull Through

Helping our communities during the COVID-19 pandemic also requires providing very robust support for small businesses who are among the hardest hit economically. In April, we granted a grace period of 90 days on all loan repayments by small businesses. As the end of the 90-day freeze drew near, and with the pandemic still in full swing, we extended the moratorium on repayments of the loan principal for another 3-month period. We are also helping small businesses stay on the path of recovery and growth by offering one-on-one virtual meetings where we share expert advice on how to better understand and navigate the fallout of the COVID-19 pandemic.

Keeping Customers Safe in our Banking Halls

Just as we look out for customers whilst they keep safe at home or on the go, we are also looking out for them, even more carefully, when they visit our branches. Since the easing of lockdown procedures in Nigeria, we have operated our branches in a way that ensures customers are always safe when they visit by redesigning our physical spaces to enable social distancing, providing adequate sanitation for personal protection, alternating the opening of branches on a weekly basis and rapidly instituting a process that allows customers book their branch visits ahead of time to reduce high number of footfalls at the same time.

Beyond the large scale and material support that we continue to provide to our customers and communities, we are also finding little but effective ways to inspire people through constant engagement across our digital touchpoints. One example is our Stories Worth Sharing Newsletter, a weekly roundup of positive stories of courage, dedication and resilience, which we ran during the year, at the heart of the pandemic. Shared via our social media and email platforms to millions of customers, the Newsletter grew to become a popular source of inspiration at a time when all seemed to be doom and gloom.

Ultimately, no organization succeeds in the long term without recognizing the integral role it plays in society. This is the mindset that continues to drive us even as we look for new and better ways to lead the fight against the Covid-19 pandemic for our employees, our customers, the communities in which we operate and the society at large.

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S/No	BANK	LOCATION
1	ABSA BANK LIMITED	SOUTH AFRICA
2	BANK OF BEIRUT UK LTD	LONDON
3	BANK OF CHINA	CHINA
4	BANQUE CANTONALE DE GENEVE	SWITZERLAND
5	BYBLOS BANK LONDON	LONDON
6	CITIBANK, N.A.	LONDON, NEW YORK
7	CREDIT SUISSE	SWITZERLAND
8	DEUTSCHE BANK	HONK KONG, NEW YORK, GERMANY
9	GTBANK (UK) LTD	LONDON
10	ING BANK	BELGIUM
11	JP MORGAN CHASE	LONDON, NEW YORK
12	MASHREQ BANK	UNITED ARAB EMIRATES
13	NORDEA BANK	SWEDEN
14	RAND MERCHANT BANK	SOUTH AFRICA
15	STANDARD BANK OF SOUTH AFRICA	SOUTH AFRICA
16	STANDARD CHARTERED BANK	LONDON, GERMANY, CHINA, HONG KONG, NEW YORK
17	SUMITOMO MITSUI BANKING CORPORATION	LONDON
18	SVENSKA HANDELSBANKEN	SWEDEN
19	UBS	SWITZERLAND

BRANCH NETWORK

BRANCH NETWORK

S/N	STATE	LOCATION	ADDRESS
1	ABUJA (F C T)	Adetokunbo Ademola Wuse 2	Plot 98, Adetokunbo Ademola Crescent, Wuse 2 Abuja, Fct, Nigeria
2	ABUJA (F C T)	Aminu Kano Cres Wuse 2	Plot 1200A Ndjamena Cresent Off Aminu Kano Cresent,cadestral Zone A07, Abuja FCT, Nigeria
3	ABUJA (F C T)	Apo	Samuel Jereton Mariere Road, Gud District, Abuja
4	ABUJA (F C T)	Area 11 Garki	Plot 1473, Ahmadu Bello Way, Area 11, Garki, Abuja FCT, Nigeria.
5	ABUJA (F C T)	Asokoro	No.69, Yakubu Gowon Cresent, Asokoro District, Abuja FCT, Nigeria.
6	ABUJA (F C T)	Cadastral Zone, Cbd	Plot 171 Central Business District, next to Tofa house, Abuja FCT, Nigeria
7	ABUJA (F C T)	Garki, Area 3	Plot 1072, J.S Tarka/Faskari Street, Area 3, Abuja, FCT, Nigeria
8	ABUJA (F C T)	Gwagwalada	Plot 598, Gwagwalada Expansion Layout, University Teaching Hospital Road, Gwagwalada, Abuja, FCT
9	ABUJA (F C T)	Gwarinpa	Plot 140A, 3rd Avenue, Gwarinpa II Estate, Abuja
10	ABUJA (F C T)	Jabi	Plot 818, Jabi District, Jabi
11	ABUJA (F C T)	Kaura Namoda, Garki Area 3 (Closed)	Plot 1088, Cadastral Zone A1, Garki, Kaura Namoda Close, Abuja FCT, Nigeria
12	ABUJA (F C T)	Kubwa, Abuja	Plot 47, Cadastral Zone, 07-06 Kubwa Commercial District, Gado Nasko Road, Kubwa FCT, Nigeria
13	ABUJA (F C T)	National Assembly	National Assembly Complex, Three Arms Zone, Abuja FCT, Nigeria
14	ABUJA (F C T)	ULO Plaza (Closed)	Plot 1953, Cadastral Zone A2, ULO Plaza, Zone 5, Abuja FCT, Nigeria
15	ABUJA (F C T)	Wuse 2 - Abuja	Plot 211, Adetokunbo Ademola Crescent, Cadastral Zone, Wuse 2, Abuja FCT, Nigeria
16	ABUJA (F C T)	Wuse Market - Abuja	Plot 2388, Cadestral Zone AO2, Herbert Macauly way, Wuse Market, Abuja
17	ABUJA (F C T)	Nigeria Immigration Service HQ, Abuja	Nigerian Immigration Service Headquarters, Sauka, Abuja.
18	LAGOS	Adeola Odeku	56A, Adeola Odeku Street, Victoria Island, Lagos State, Nigeria
19	LAGOS	Adetokunbo Ademola	714, Adetokunbo Ademola Street, Victoria Island, Lagos State, Nigeria
20	LAGOS	Ajah	Km 22, Lekki-Epe Expressway, Ajah, Lagos State, Nigeria
21	LAGOS	Ajose Adeogun	279, Ajose Adeogun Street, Victoria Island, Lagos State, Nigeria
22	LAGOS	Akin Adesola	635 Akin Adesola, Victoria Island, Lagos State, Nigeria
23	LAGOS	Bayo Kuku	19, Bayo Kuku Road, off Osborne Road, Ikoyi, Lagos State, Nige-ria
24	LAGOS	Broad Street	82/86, Broad Street, Lagos State, Nigeria
25	LAGOS	Catholic Mission	22/24, Catholic Mission Street, Lagos Island, Lagos State, Nigeria
26	LAGOS	Chevron Drive	Block LXXIV A, Ojomu land, Beside Chevron Roundabout, Lekki/ Epe Expressway, Lagos State, Nigeria
27	LAGOS	Idumota	134, Nnamdi Azikwe Street, Lagos Island, Lagos State, Nigeria
28	LAGOS	Ikota	Block K7 - 11 & K18 - 22, Ikota Shopping Complex, Lekki-Epe Expressway, Lagos State, Nigeria
29	LAGOS	Ikoyi- Awolowo Road	178, Awolowo Road, Ikoyi, Lagos State, Nigeria
30	LAGOS	Lekki	Block 5, Plot 5, Victoria Island Annex, Lekki, Lagos State, Nigeria
31	LAGOS	Lekki Admiralty Road	Block 31A, Admiralty way, Lekki Pennisular scheme, Lekki
32	LAGOS	Marina	49A, Marina Street, Lagos State, Nigeria
33	LAGOS	Moloney	30, Moloney Street, Lagos Island, Lagos State, Nigeria
34	LAGOS	Oke Arin	40, John Street, Oke-Arin, Lagos Island, Lagos State, Nigeria
35	LAGOS	Plural House	Plot 1669, Oyin Jolayemi Street, Victoria Island, Lagos State, Nigeria

36	LAGOS	St Gregory	No. 1 Obadeyi Close, off St. Gregory Road, Ikoyi, Lagos State, Nigeria
37	LAGOS	Tiamiyu Savage	Plot 1400, Tiamiyu Savage Road, Victoria Island, Lagos State, Nigeria
38	LAGOS	Abule Egba	402, Lagos-Abeokuta Expressway, Abule-Egba, Lagos State, Nigeria
39	LAGOS	Abule Egba 2	641 Lamgan Plaza Abule Tailor Lagos-Abeokuta Expressway, Abule-Egba, Lagos State, Nigeria
40	LAGOS	Abule Egba 3 (U-Turn)	Abule-Egba U-Turn, along Abeokuta Express way, Ifako-Ijaye LGA, Lagos
41	LAGOS	Adeniyi Jones	31, Adeniyi Jones Avenue, Ikeja, Lagos State, Nigeria
42	LAGOS	Akowonjo	35, Shasha Road, Akowonjo, Lagos State, Nigeria
43	LAGOS	Alaba Market	13, Obosi Plaza, Alaba International Market, Lagos State, Nigeria
44	LAGOS	Alausa	Technical Reference Centre, Lagos State Secretariat, Alausa, Ikeja, Lagos State, Nigeria
45	LAGOS	Alausa CBD	Plot 11, Block A, IPM Road, Central Business District, Alausa, Lagos State, Nigeria
46	LAGOS	Allen Avenue	80/82, Allen Avenue, Ikeja, Lagos State, Nigeria
47	LAGOS	Amuwo Odofin	Plot B16, Block 41B, Akin Mateola Close, Amuwo Odofin Residential Scheme, Amuwo Odofiin LGA.
48	LAGOS	Anthony	7, Anthony Village Road, Anthony Village, Lagos State, Nigeria
49	LAGOS	Apapa, Duolla Road	12, Dualla Road, Apapa, Lagos State.
50	LAGOS	Apapa1 - Commercial Road	Doyin House, 4 Commercial Avenue Apapa, Lagos State, Nigeria
51	LAGOS	Apapa2 Creek Road	35, Creek Road, Apapa, Lagos State, Nigeria
52	LAGOS	Aspamda (Trade Fair)	Zone A, R1 Aspamda Plaza, International Trade Fair Complex, Ojo, Lagos State, Nigeria
53	LAGOS	Ayangberu Ikorodu	68, Ayangbure Road, Ikorodu
54	LAGOS	Berger Paints Oba-Akran	Plot 10, Oba Akran Avenue, Ikeja, Lagos State, Nigeria
55	LAGOS	Bode Thomas 2	124, Bode Thomas Street, Surulere, Lagos State, Nigeria
56	LAGOS	Burma Road, Apapa	Plot 17, Burma Road, Apapa, Lagos State, Nigeria
57	LAGOS	Cele Ijesha	44,Ajijedudun Street, Off Agulejika Bus -Stop Ijesha
58	LAGOS	Computer Village Ikeja	5, Osintelu Street, off Oremeji Street, Computer Village, Ikeja, Lagos State, Nigeria
59	LAGOS	Diya Gbagada	14, Diya Street, Ifako, Gbagada, Lagos State, Nigeria
60	LAGOS	Egbe	8, Egbe Road, Isolo, Lagos
61	LAGOS	Egbeda Idimu	26 - 28 Akowonjo Road, Egbeda, Lagos State, Nigeria
62	LAGOS	Festac	House 11, 301 Road, 2nd Avenue, Festac Town, Lagos State, Nigeria
63	LAGOS	Festac 2	Plot 22o, 23 Road, Opposite J Close, Festc Town
64	LAGOS	Ibafo	1,Bakare Street, Ibafon, Apapa Expressway, Lagos State, Nigeria
65	LAGOS	Idi - Oro	110, Agege Motor Road, Idi-Oro, Mushin, Lagos State, Nigeria
66	LAGOS	Iju	90, Iju Fagba Road, Iju
67	LAGOS	Ikorodu	47, Lagos Road, Ikorodu Town, Lagos State, Nigeria
68	LAGOS	Ikorodu 3 (Owutu-Agric)	No 218 Lagos Road, Owutu-Agric, Ikorodu, Lagos
69	LAGOS	Ikosi	Plot A3C, Ikosi Road, Oregun, Ikeja, Lagos State, Nigeria
70	LAGOS	Ikotun	No. 49, Idimu-Ikotun Road, Ikotun, Lagos State, Nigeria
71	LAGOS	Ikotun 2	155/157 Isolo-Ikotun Road, Opposite Tayese Towers, Egbe Town, Alimosho Local Government, Lagos State
72	LAGOS	Ilupeju	48, Town Planning Way, Ilupeju, Lagos State, Nigeria
73	LAGOS	Intl Airport Rd 2	10, International Airport Road,Mafoluku Oshodi, Lagos State, Nigeria.
74	LAGOS	Intl Airport Rd Isolo	15, International Airport Road, Isolo, Lagos State, Nigeria

75	LAGOS	Ipaja	199, Ipaja Road, Ipaja
76	LAGOS	Isheri/Omole	792,Shomide Odujirin Avenue,Omole Phase 2,Lagos.
77	LAGOS	Isolo	1, Abimbola Way, Isolo, Lagos State, Nigeria
78	LAGOS	Itire Road	41/43 Itire road, Surulere, Lagos
79	LAGOS	Ketu	570, Ikorodu Road, Ketu, Kosofe L.G.A, Lagos State, Nigeria
80	LAGOS	Laspotech	Lagos State Polytechnic, KM 7, Sagamu Road, Odogunyan, Ikorodu
81	LAGOS	Lawanson	Muniru Baruwa Shopping Complex By Olatilewa Junction Itire Road, Lawanson, Lagos State, Nigeria
82	LAGOS	Luth	Route 1, Lagos University Teaching Hospital (LUTH) premises, Idi-Araba, Lagos State, Nigeria
83	LAGOS	Magodo	16 CMD Road, Magodo, Lagos
84	LAGOS	Masha	145, Ogunlana Drive by Masha Roundabout, Surulere
85	LAGOS	Matori	135, Ladipo Street, Matori, Lagos State, Nigeria
86	LAGOS	MM Way, Yaba	352, Murital Mohammed Way, Yaba Lagos
87	LAGOS	Mobolaji Bank Anthony Way	31, Mobolaji Bank-Anthony Way, Ikeja, Lagos State, Nigeria
88	LAGOS	Mushin	311, Agege Motor Road, Olorunsogo, Mushin, Lagos State, Nigeria
89	LAGOS	Oba Akran	33, Oba Akran Avenue, Ikeja, Lagos State, Nigeria
90	LAGOS	Ogba	4, Ogunnusi Road, Ogba, Lagos State, Nigeria
91	LAGOS	Ogba 2	19, Isheri Road, Opposite WAEC building, Ijaiye-Ogba, Ikeja
92	LAGOS	Ojodu	50, Isheri Road, Ojodu, Lagos State, Nigeria
93	LAGOS	Ojuelegba	74/76, Ojuelegba Road, Lagos State, Nigeria
94	LAGOS	Okota	115A, Okota Road, Okota, Lagos State, Nigeria
95	LAGOS	Onipanu	196, Ikorodu Road, Onipanu, Lagos State, Nigeria
96	LAGOS	Opebi	14, Opebi Road, Ikeja, Lagos State, Nigeria
97	LAGOS	Oregun	100, Kudirat Abiola Way, Oregun, Ikeja, Lagos State, Nigeria
98	LAGOS	Orile Coker	Plot 3, Block C, Amuwo Odofin Industrial Scheme, Orile Coker, Lagos State, Nigeria
99	LAGOS	Surulere- Bode Thomas	94, Bode Thomas Street, Surulere, Lagos State, Nigeria
100	LAGOS	Unilag	University of Lagos, Akoka, Lagos State, Nigeria
101	LAGOS	Western Avenue	89, Western Avenue, Surulere, Lagos State, Nigeria
102	LAGOS	Yaba	216/218, Herbert Macaulay Way, Yaba, Lagos State, Nigeria
103	NASARAWA	Karu	Plot 13754, Abuja – Keffi, Expressway, Mararaba, Karu, LGA., Nasarawa State, Nigeria
104	NASARAWA	Karu New Market	GTBank, Along Keffi Express Way, Before Orange Market, Mararaba, Nassarawa State.
105	NASARAWA	Lafia	Jos Road, Lafia, Nasarawa State, Nigeria
106	KOGI	Lokoja	Plot 27, IBB Way, Lokoja, Kogi State, Nigeria
107	BENUE	Makurdi	41 A/B, New Bridge Road, Makurdi, Benue State, Nigeria
108	KOGI	Obajana	Obajana Cement Factory Complex, Obajana, Kogi State, Nigeria
109	KOGI	Okene	Auchi-Abuja Expressway, Okene, Kogi State, Nigeria
110	ADAMAWA	AUN Yola	American University of Nigeria, Yola, Adamawa State, Nigeria
111	BAUCHI	Azare (Closed)	No 1, Jama're Road, Azare, Bauchi State, Nigeria
112	KANO	Bayero University Kano VI	Bayero University, New site Campus, Gwarzo Rd, Kano
113	YOBE	Damaturu	Potiskum Road, Damaturu, Yobe State, Nigeria
114	JIGAWA	Dutse	Plot 727, Kiyawa Road, Dutse, Jigawa State, Nigeria
115	GOMBE	Gombe	Plot 45, New Commercial Layout, Gombe, Gombe State, Nigeria
116	TARABA	Jalingo	Plot 106B, Hamman Ruwa Way, Jalingo, Taraba State, Nigeria

117	KANO	Kano I	145 Muritala Mohammed Way, Kano, Kano State, Nigeria
118	KANO	Kano II - Zaria Road	Plot 22, Zaria Road, Gyadi-Gyadi, Kano Municipal District, Kano State, Nigeria
119	KANO	Kano III - Bello Road	Plot12E, Bello Road, Kano, Kano State, Nigeria
120	KANO	Kano IV - Bachiwara	24, Bachirawa road, Along Katsina Road, Kano, Kano State, Nigeria
121	KANO	Kano V - Wapa	59, Murtala Muhammed Way, Wapa, Kano, Kano State, Nigeria
122	KANO	France Road	11A Galadima Street, By France Road Junction, Kano State
123	BORNO	Maiduguri	59, Kashim Ibrahim Way, Maiduguri, Borno State, Nigeria
124	BORNO	Maiduguri II (Closed)	81, Ali Monguno Street, Monday Market, Maiduguri, Borno State, Nigeria
125	ADAMAWA	Mubi (Closed)	60, Ahmadu Bello Way, Mubi, Adamawa State, Nigeria
126	TARABA	Wukari (Closed)	No 3, Ibi Road, Wukari G.R A., Taraba State, Nigeria
127	ADAMAWA	Yola	No 43, Galadima Aminu Way, Jimeta-Yola, Adamawa State, Nigeria
128	KADUNA	Alkali Road	17B Alkali Road by Suleiman Crescent, Alkali Kaduna State
129	BAUCHI	Bauchi	No 6, Murtala Muhammed Way, Bauchi, Bauchi State, Nigeria
130	KEBBI	Birnin Kebbi	No 9, Sultan Abubakar Way, Birnin Kebbi, Kebbi State, Nigeria
131	ZAMFARA	Gusau	5, Sani Abacha Way, Gusau, Zamfara State, Nigeria
132	PLATEAU	Jos I - Jengre Road	13B, Commercial Layout, Jengre Road, Jos, Plateau State, Nigeria
133	PLATEAU	Jos II - Ahmadu Bello Way	Plot 1902, Ahmadu Bello Way, Jos, Plateau State, Nigeria
134	KADUNA	Kaduna 1 MM Square	7/10 Muritala Mohammed Square, Kaduna, Kaduna State, Nigeria
135	KADUNA	Kaduna 2 Nnamdi Azikwe	Plot 9-11, Nnamdi Azikiwe Expressway, Kaduna Bye pass, Kaduna, Kaduna State, Nigeria
136	KADUNA	Kaduna 3 Kano Road	PPMC, Kaduna, Kaduna State, Nigeria
137	KADUNA	Kaduna 4 (Barnawa)	Plot 1A, Zaire Road, Barnawa Phase 1, Barnawa, Kaduna, Kaduna State, Nigeria
138	KATSINA	Katsina	No. 120, IBB Way, Katsina, Katsina State, Nigeria
139	NIGER	Kontagora	Plot 6C, KTF 139, Lagos - Kaduna Road, Kontagora, Niger State, Nigeria
140	NIGER	Minna	Plot 4936, Paiko Road, Minna, Niger State, Nigeria
141	KADUNA	NDA Kaduna	N.D.A New site, Afarka, Mando, Kaduna State.
142	SOKOTO	Sokoto 1	No.101, Ahmadu Bello Way, Sokoto, Sokoto State, Nigeria
143	SOKOTO	Sokoto 2 Maduguri Rd	No.41, Maiduguri Road, Sokoto, Sokoto State, Nigeria
144	SOKOTO	Usman Dan Fodio	Usman Dan Fodiyo University, Sokoto, Nigeria
145	KADUNA	Zaria	13/15, Manchester Road, GRA, Zaria, Kaduna State, Nigeria
146	RIVERS	Aba Road - PH 2	Plot 279A, Tombia Street, off Aba Road, Port Harcourt, Rivers State, Nigeria
147	RIVERS	Aba Road PH eBranch (Happy Bite)	Happy Bite Plaza, Opposite Air force base, Aba Road, Port Harcourt
148	RIVERS	East West Rd- PH 5	11, East West Road, Port Harcourt, Rivers State, Nigeria
149	RIVERS	Ikwerre Rd- PH 6	225, Ikwerre Road Mile 4, Port Harcourt, Rivers State, Nigeria
150	RIVERS	Industrial Layout - PH 7	Plot 23, Trans-Amadi Layout, Port Harcourt, Rivers State, Nigeria
151	RIVERS	NAOC/Agip - PH 9	NAOC Agip New Base Station Rumueme, Port Harcourt, Rivers
152	RIVERS	Nnamdi Azikwe Road - PH 4	5, Nnamdi Azikiwe Road, Port Harcourt, Rivers State, Nigeria
153	RIVERS	NTA Rd, Mgbuoba- PH 8	110 NTA Road, Location junction, Mgbuoba, Port Harcourt Rivers State, Nigeria
154	RIVERS	Rivers State Govt. Secretariat - PH 10	Ground Floor, Block A, RVSG Secretariat, Port Harcourt
155	RIVERS	Shell RA - PH 3	Plot 215, Aba – Port Harcourt Road, Shell Residential Area, Port Harcort, Rivers State, Nigeria

156	RIVERS	Trans Amadi - PH 1	44,Trans Amadi Industrial Layout, Port Harcourt, Rivers State, Nigeria
157	RIVERS	Woji	44 Woji Road, Port Harcourt City, Rivers State
158	ABIA	Aba I	28, Aba - Owerri Road, Aba, Abia State, Nigeria
159	ABIA	Aba II	4/6, Port-Harcourt Road, Aba, Abia State, Nigeria
160	EBONYI	Abakaliki	35A, Ogoja Road, Abakaliki, Ebonyi State, Nigeria
161	ANAMBRA	Awka	96, Nnamdi Azikiwe Avenue, Awka, Anambra State, Nigeria
162	ENUGU	Enugu I - Ogui Road	1, Ogui Road, Enugu, Enugu State, Nigeria
163	ENUGU	Enugu II - Rangers Avenue	Plot 381 Igboeze Street, Rangers Avenue, Independence Layout, Enugu, Enugu State, Nigeria
164	ANAMBRA	Nnamdi Azikwe University, Awka	Nnamdi Azikwe University, Awka Anambra State
165	ANAMBRA	Nnewi	No 7, Edo-Ezemewi Street, Nnewi, Anambra State, Nigeria
166	ENUGU	Nsukka	No 16, University road, Nsukka Enugu State.
167	IMO	Okigwe (Closed)	Plot C/RH Government Layout Okigwe Township Owerri Road Imo State
168	ANAMBRA	Onitsha II - New Market	15, New Market Road, Onitsha, Anambra State, Nigeria
169	ANAMBRA	Onitsha III - Bridge Head	No 4, Port Harcourt Road, Niger bridge Onitsha
170	IMO	Orlu (Closed)	Plot 5 Asika Ilobi Street Orlu
171	IMO	Owerri (Closed)	Plot 265, Ikenegbu Layout, Aladinma Ikenga Road, Owerri, Imo State, Nigeria
172	IMO	Owerri II	Plot 17, Port Harcourt Road, Opp. Owerri Girls High School, Ow-erri, Imo State, Nigeria
173	ABIA	Umuahia	34, Aba Road, (Opposite Federal Medical Centre) Umuahia, Abia State, Nigeria
174	DELTA	Airport Road, Warri	7B Airport Road, Warri, Delta State, Nigeria
175	DELTA	Asaba	457, Nnebisi Road Asaba, Delta State, Nigeria
176	DELTA	Asaba 2	Ezenel Avenue by Oni Edozien Road, Asaba Delta State
177	RIVERS	Bonny	34, King Perekule Road, Bonny Island, Rivers State, Nigeria
178	CROSS RIVER	Calabar	11, Calabar Road, Calabar, Cross River State, Nigeria
179	CROSS RIVER	Calabar 2	65, Marian Road, Calabar Municipality, Cross River State
180	DELTA	Delta State University, Abraka	Delta State University, Abraka, Delta State
181	DELTA	Effurun Road, Warri	85, Effurun-Warri, Effurun, Delta State, Nigeria
182	CROSS RIVER	Ikom	18, Ogoja Road, Ikom, Cross River State, Nigeria
183	DELTA	Sapele	80, Ajogodo, Sapele - Warri Road, Sapele, Delta State, Nigeria
184	AKWA-IBOM	Uyo	26, Aka Road, Uyo, Akwa Ibom State, Nigeria
185	AKWA-IBOM	Uyo 2	Plot 2, Block F, Salvation Army Road, Banking Layout, Uyo, Akwa Ibom
186	BAYELSA	Yenagoa	Barracuda Square, Ekeki-Ekpe Area, Yenogoa, Bayelsa State, Nige-ria
187	OGUN	Abeokuta	IBB Boulevard Road, Abeokuta, Ogun State, Nigeria
188	EKITI	Ado-Ekiti	21/22, New Iyin/Secretariat Road, Ado Ekiti, Ekiti State, Nigeria
189	OGUN	Agbara	Plot C 2/4, Ilaro Road, Agbara Industrial Estate, Agbara, Ogun State, Nigeria
190	ONDO	Akure	Plot 3, Alagbaka Quarters, Alagbaka, Akure, Ondo State, Nigeria
191	OYO	Apata - Ibadan	SW9/21A, Ibadan - Abeokuta Road, Apata, Ibadan, Oyo State, Ngeria
192	OGUN	Asero - Abeokuta	Block 7, Plot 17/20, Abeokuta/Ibadan Road, Asero, Abeokuta, Ogun State, Nigeria
193	EDO	Auchi	31, Polytechnic Road, Auchi, Edo State, Nigeria
194	OGUN	Babcock	Babcock University Campus, Ilisan-Remo, Ogun State, Nigeria

195	EDO	Benin I - Sapele Road	35B, Benin-Sapele Road, Benin City, Edo State, Nigeria
196	EDO	Benin II - Uselu	158, New Lagos Road, Benin City, Edo State, Nigeria
197	EDO	Benin III-Akpakpava	43, Akpakpava Street, Benin City, Edo State, Nigeria
198	EDO	Benin IV - Ekenwan Rd	No 90, Ekenwan Road, Oredo LGA, Benin City, Edo State, Nigeria
199	EDO	Benin V - Ikpoba Hill	62, Agbor Road, Ikpoba Hills, Benin City, Edo State, Nigeria
200	OYO	Bodija - Ibadan	Plot 6A, U.I-Secretriat Road, Bodija, Ibadan, Oyo State, Nigeria
201	OYO	Bodija 2 - Ibadan	30, Awolowo Road Old Bodija Ibadan
202	OYO	Challenge - Ibadan	Plot 14, JFK Osibodu Layout, Ijebu Road, Challenge, Ibadan, Oyo State, Nigeria
203	OYO	Dugbe, Ibadan	11B, Jimoh Odutola Road, Dugbe, Ibadan, Oyo State, Nigeria
204	OYO	Agbowo, Ibadan	N6/880B Oyo Road, Agbowo (opposite University of Ibadan), Oyo State.
205	EKITI	Ekiti	Faculty of Education, Ekiti State University, Ado Ekiti
206	EDO	Ekpoma	No 2 Ihumudumu Road, Ekpoma Edo State.
207	ONDO	FUTA Akure	Federeal University of Technology, Akure, Ondo State, Nigeria
208	OGUN	Ijebu - Ode	183, Folagbade Street, Ijebu Ode L.G.A., Ijebu Ode, Ogun State, Nigeria
209	OSUN	Ile-Ife	3, Lagere Road, Ile-Ife, Osun State, Nigeria
210	OSUN	Ilesa	196, Isokun Street, Along Ilesha-Osogbo Road, Ilesa, Osun State, Nigeria
211	KWARA	Ilorin	1, Wahab Folawiyo Road, Ilorin, Kwara State, Nigeria
212	KWARA	Ilorin GRA	10, Umar Audi Road, GRA, Ilorin, Kwara State, Nigeria
213	KWARA	Kwara Poly	Kwara Polytechnic Main Campus, Old Jebba Road, Ilorin, Kwara
214	OYO	Lautech	Ladoke Akintola University of Technology LAUTECH
215	OYO	Mokola Ibadan	27, Majaro Street, Old Oyo Road, Cocacola Area, Mokola, Ibadan, Oyo State, Nigeria
216	OSUN	OAU Ile-Ife	Road 1, Obafemi Awolowo University Campus, Ile- Ife, Osun State, Nigeria
217	KWARA	Offa	No 53, Olofa Way, Offa, Kwara State, Nigeria
218	OYO	Ogbomoso	Ibapon Area, Ilorin-Ogbomoso Express Road, Ogbomoso, Oyo State, Nigeria
219	ONDO	Ondo	48, Yaba, Ondo Town , Ondo State Nigeria
220	OGUN	OOU Ago-Iwoye	P.S. Olabisi Onabanjo University, Ago Iwoye, Ogun State, Nigeria
221	OSUN	Oshogbo	No 67, Gbongan / Ibadan Road, Ogo Oluwa, Osogbo, Osun State, Nigeria
222	OSUN	Oshogbo 2	68, Ikirun Road opposite Oshogbo Stadium, Oshogbo, Osun State
223	OYO	Oyo	Ibadan – Ogbomoso Express Road, Owode, Oyo Town, Oyo State, Nigeria
224	OGUN	RCCG Redemption Camp	Redeem Christain Church Camp Ground, KM 46 Lagos Ibadan Expressway, No 1 Salvation Way
225	OYO	Ring Road Ibadan	106, Ring Road, Lister Bus Stop, Ibadan, Oyo State, Nigeria
226	OGUN	Sagamu	143, Akarigbo Street, Sabo, Sagamu, Ogun State, Nigeria
227	OGUN	Sango Otta	63, Abeokuta Expressway, Joju Junction, Sango Otta, Ogun State, Nigeria
228	KWARA	Taiwo Road,Ilorin	147 Upper Taiwo Rd Ilorin Kwara State
229	OGUN	Unaab	University of Agriculture, off Alabata Road, Alabata, Abeokuta, Ogun State, Nigeria
230	EDO	Uniben	University of Benin, Benin City
231	KWARA	Unilorin	University of Ilorin, Campus, Kwara State, Nigeria
232	OGUN	Sango Otta 2	54 Abeokuta Expressway, Sango Otta, Ogun State

eBRANCHES

S/N	STATE	LOCATION	ADDRESS
1	ABUJA	Eagle Square eBranch	Eagle Square Car Park, Opposite Federal Secretariat Complex, Cbd, Abuja
2	LAGOS	1004 Estate eBranch	Block A, Administrative Building, 1st Gate Entrance, 1004 Estate, Victoria Island
3	LAGOS	Ikota eBranch	KM 21, Lekki Epe Expressway, Ikota Shopping Complex, Vgc Ajah (Road 5)
4	LAGOS	Sura eBranch	22A Lewis Street opposite Police Baracks Sandgrouse Sura Lagos State
5	LAGOS	Adeniran Ogunsanya eBranch	No 31 Adeniran Ogunsanya Street, Surulere , Lagos , Nigeria
6	LAGOS	Costain eBranch	Costain Roundabout Lagos
7	LAGOS	Diya Gbagada eBranch	No 59, Diya Gbagada Street, Ifako, Gbagada, Lagos, Nigeria.
8	LAGOS	Egbeda eBranch	26/28 Egbeda Akowonjo Road ,Egbeda,Lagos
9	LAGOS	Ikeja Cantonment eBranch	Headquarters 9 Brigade, Nigerian Army Cantonment,Ikeja Lagos
10	LAGOS	Ilupeju eBranch	No 3 Ilupeju Bye Pass, Ilupeju, Lagos Nigeria.
11	LAGOS	Ogudu eBranch	126 Ogudu Road, Ojota, Lagos
12	LAGOS	Shogunle eBranch	360, Agege Motor Road,Pwd,Shogunle Oshodi, Lagos
13	LAGOS	Toyin Street eBranch	47,Toyin Street, Ikeja Lagos
14	RIVERS	Shell RA Port Harcourt eBranch	Shell Residential Area Port Harcourt
15	RIVERS	Genesis Port Harcourt eBranch	Plot 45 Genesis E-branch Trans Amadi
16	OYO	Ring Road eBranch	1 Akinyemi street, off Ring road, Ibadan, Oyo state.

CASH CENTRES

S/N	STATE	LOCATION	ADDRESS
1	LAGOS	MMA 2	New Local Wing, Murtala Mohammed Airport 2, Ikeja, Lagos State, Nigeria
2	OGUN	Sango Idiroko	Idilroko Road, opposite Fowobi filling station, Oju Ore, Sango Otta
3	BENUE	BCC GBOKO	Benue Central Company, Gboko, Benue State, Nigeria
4	BENUE	NAF BASE	Nigerian Air force Base, Makurdi, Benue State
5	KANO	AKTH, Kano	Aminu Kano Teaching Hospital, Zaria Road, Kano State, Nigeria
6	KADUNA	KRPC, Kaduna	Kaduna Refinery Complex, Kaduna, Kaduna State, Nigeria
7	ENUGU	UNTH, Ituku Ozalla	University Road, University of Nigeria Teaching Hospital, Enugu State, Nigeria
8	RIVERS	NLNG	GTB Cash Centre Shopping Complex NLNG Residential Area
9	RIVERS	ONNE	Dangote Depot Intel Onne
10	CROSS RIVER	Obudu	Obudu Cattle Ranch, Obudu, Cross River State, Nigeria
11	OSUN	JABU	Joseph Abu Babalola University, Ikeji-Arakeji, Osun State, Nigeria
12	ONDO	Akure Cash Center	No 16, Oba Ile,Owo Road, Akure, Ondo State Nigeria.
13	EDO	Gaius Obaseki, GRA Benin	Didio Plaza, 66 Gaius Obaseki Shopping Complex, Oko Central, GRA Benin, Edo State, Nigeria
14	OGUN	Ewekoro	Lagos - Abeokuta Expressway, opposite Larfage Cement, Ogun State, Nigeria

		AGENT BANKING	
S/N	STATE	LOCATION	ADDRESS
1	ABUJA	Forte Oil, New Nyanya	Karu Abuja Way, New Nyanya, Abuja
2	ABUJA	Forte Oil, Jikwoyi 1, Abuja	Jikwoyi - Karshi Way, Abuja
3	ABUJA	Forte Oil, Jikwoyi By Living Faith	Beside Living Faith Chruch, Jikwoyi - Karu, Abuja
4	LAGOS	Forte Oil Campus Road	1, Igbosere Road, Campos Lagos Island
5	LAGOS	Forte Oil, Awolowo Road	111 – 113 Awolowo Road, Ikoyi
6	LAGOS	Forte Oil, Bank Road	1, Bank Road Opposite Federal Secretariat Alagbon Ikoyi Lagos
7	LAGOS	Hubmart Supermarket	Plot 1263, Adeola Odeku Street, Victoria Island Lagos
8	LAGOS	Tantalizer - Admiralty Lekki	Admirality Road Lekki, Lagos
9	LAGOS	Total, Sura - Lagos Island	Simpson Street beside Sura shopping complex, Lagos Island
10	LAGOS	Total, Lakowe, Ajah	lakowe Road, Ajah, Lekki
11	LAGOS	De Prince Supermarket	3A Adejokun Street, Isheri-Magodo
12	LAGOS	Forte Oil Idimu 2	215/217 Idimu Ikotun Road, Egbeda
13	LAGOS	Forte Oil, Ajiwe-Ajah	Opposite Abraham Adesanya Estate, Ajah
14	LAGOS	Forte Oil, Bariga	6/ 8 Fetuga Street, Bariga
15	LAGOS	Forte Oil, Egbe	71, Egbe Road, Powerline Bustop, Ejigbo road Egbe
16	LAGOS	Forte Oil, Festac Town	21, Road, Festac Town, Lagos
17	LAGOS	Forte Oil, Idimu	222 Egbeda-Idimu road, Carwash Bus-stop, Idimu
18	LAGOS	Forte Oil, Ikorodu Round About	2, Sagamu Road, Ikorodu
19	LAGOS	Forte Oil, Jebba	80, Herbert Macaulay Road, Jebba Ebute - Metta, Lagos
20	LAGOS	Forte Oil, Kingsway Road Apapa	Kingsway Avenue Apapa, Lagos
21	LAGOS	Forte Oil, Ladipo-Mushin	110, Ladipo Street , Matori Industrial Estate Mushin
22	LAGOS	Forte Oil, Mushin	259, Agege Motor Road, Mushin, Lagos
23	LAGOS	Forte Oil, Oba-Akran	39, Oba Akran Avenue Ikeja Lagos
24	LAGOS	Forte Oil, Ogba	Oba Ogunji Road, Pen Cinema, Ogba Lagos
25	LAGOS	Forte Oil, Okota	51 Okota Road Opposite Police Barracks, Okota
26	LAGOS	Forte Oil, Old Airport Road	Muritala Mohammed 2, Local Airport Road, Ikeja
27	LAGOS	Forte Oil, Old Apapa Road, Costain	80, Old Apapa Road Ebute Metta West , Costain Lagos
28	LAGOS	Forte Oil, Oshodi Apapa (Mile 2)	Berger Yard B/stop Oshodi-Apapa Expressway, Mile 2, Lagos
29	LAGOS	Forte Oil, Shomolu	138, Ikorodu Road Onipanu Bus Stop, Shomolu Lagos
30	LAGOS	Forte Oil, Western Avenue	113/115, Funsho Williams Avenue, Surulere
31	LAGOS	Forte Oil, Wharf Road Apapa	Barracks Bus Stop, Wharf Road, Apapa, Lagos
32	LAGOS	Total, MM Way, Yaba	150/152 Mm Way, Ebute Metta
33	LAGOS	Total, Itire	23/25 Itire Rd, Lawanson
34	LAGOS	Forte Oil, Iwaya	Iwaya Road, Makoko-Yaba, Lagos
35	LAGOS	Forte Oil, Alimosho	Egbeda-Ipaja Road, Ponle bustop, Alimosho
36	LAGOS	Hubmart, Ikeja	Isaac Jone Street Ikeja GRA
37	LAGOS	Forte Oil, Mile 12	Mile 12 Bus-stop Lagos
38	LAGOS	Forte Oil, Cement Ipaja	Cement Bus-stop Ipaja-Lagos
39	LAGOS	Forte Oil, Ipaja Lagos	Ipaja Road, Ayobo Lagos
40	LAGOS	Total Ojota Lagos	Ikorodu Road Ojota Bus-stop Lagos
41	LAGOS	Total Tincan Apapa	Apapa Oshodi Expressway Berger Cement- By GTB Ibafon Branch
42	LAGOS	Total Sabo Ogunsi	Sabo Ogunsi Ikorodu Lagos

43	OGUN	Forte Oil, Ijebu Tokin	Ijebu Iokin/Parafa Road, Ikorodu, Lagos
44	NORTH EAST	Forte Oil, Club Road, Kano	Club road Kano
45	NORTH EAST	Total, Hotoro Road, Kano	Hotoro road Kano
46	NORTH EAST	Forte Oil, Zaria Road, Kano	Zaria Road Kano
47	RIVERS	Forte Oil ,Aggrey Rd S/S II	Aggrey Road 2, Port Harcourt
48	RIVERS	Forte Oil ,Lorry Park S/S	29, Station Road, Lagos Bus Stop, Port Harcourt
49	RIVERS	Forte Oil ,Mile 5 S/S	By Rumuokwuta Round About, Port Harcourt
50	RIVERS	Forte Oil ,Moscow Road F/S	11, Moscow Road Opp. Rivers St House Of Assembly
51	RIVERS	Forte Oil, Rumubekwe S/S	PH/Aba Expressway By Shell Gate, Port Harcourt
52	RIVERS	Forte Oil, Rumuobikhani S/S	Aba Road, Port Harcourt, Rivers State
53	RIVERS	Total Transamadi, Port Harcourt	
54	AKWA IBOM	Forte Oil, Uyo	154 Ikot Ekpene Road Uyo
55	OGUN	Forte Oil, Ilo Awela - Sango Otta	11, Ilo Awela road, Sango Otta, Ogun State
56	OGUN	Forte Oil, Iyana Iyesi- Sango Otta	Iyana Iyesi road, Sango Otta
57	OGUN	Total, Ogijo - Ikorodu	KM12 Sagamu road, Ikorodu Ogijo, Ogun State
58	OYO	Total Ojoo Ibadan	Oyo Road, Ojoo, Ibadan
59	OYO	Total Eleyele Road, Ibadan	Jericho Road, Ibadan along Eleyele Sango Road, Ibadan
60	OYO	Total Sabo, Oyo	Sabo Oyo, Oyo State

CLOSED LOCATIONS

S/N	STATE		STATUS
1	ABUJA	ULO PLAZA	Branch
2		AZARE	Branch
3		MAIDUGURI II	Branch
4		MUBI	Branch
5		WUKARI	Branch
6		OKIGWE	Branch
7		ORLU	Branch
8	ABUJA (F C T)	KAURA NAMODA, GARKI AREA 3	Branch
9	IMO	OWERRI	Branch

FORMS

Affix Current Passport Photo

Please write your name at the back of your passport photograph

DataMax
DataMax Registrars Limited
RC 645075

E-MANDATE ACTIVATION FORM

Only Clearing Banks are acceptable

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar,
DataMax Registrars Limited
2C, Gbagada Expressway,
By Beko Ransome Kuti Park,
Gbagada,
P.M.B 10007, Shomolu,
Lagos State.

Kindly tick & quote your shareholder account no in the box below

Tick	Name of Company	Shareholder Number
	Guaranty Trust Bank Plc.	

I/ We hereby request that you forward until further notice, all future dividend/ interest to which I/we become entitled for the company indicated, to the branch of the Bank named below.

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

* AUTHORISED SIGNATORY AND STAMP OF BANKERS

* The Bank stamp and signature of the authorised signatory of your bank is required to confirm that the Bank details and signature(s) is/are that of the shareholdre(s) or an authorised signatory, before returning to the Registrars.

Shareholder Information

** Surname / Company's Name | First Name | Other Names

** Please ensure that the name on your Bank Account corresponds with that in our records as any contrary Name(s) would void your request

Address:

City | **State** | **Country**

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 | **Mobile Telephone 2**

Email Address

*** **Signature(s)**

Joint\Company's Signatories

Company Seal/ Incorporation Number (Corporate Shareholder)

When completed on behalf of corporate body, each signatory should state the representative capacity e.g. Company Secretary, Directors etc.

*** The signature(s) must correspond with your specimen held in our records as any contrary signature(s) or non-existence signature in our records would void your request.

*I/We confirm that all information supplied is to the best of my/our knowledge correct and hereby covenant to indemnify and forever keep indemnified the **security issuer, the directors, the security registrar, the directors and officers of the security registrar** from and against all losses in respect thereof and all claims, actions, proceedings, demands, cost, expenses whatsoever which may be made or brought against them by reason of compliance with this request*

Help desk , Telephone No. 01-7120008-11, 0700DATAMAX or send e-mail to datamax@datamaxregistrars.com

DATAMAX REGISTRARS LIMITED

Website: www.datamaxregistrars.com; E-Mail: datamax@datamaxregistrars.com or the completed form can be submitted through any branch of your Bank

•• DataMax Registrars Limited hereby disclaims liability or responsibility for any errors/omissions in any document transmitted electronically.

DataMax
DataMax Registrars Limited
RC 845075

2C, Gbagada Expressway,
Gbagada Phase 1, Lagos
P.M.B 10014,
Shomolu, Lagos State.
Tel: 01-2716090-5, 01-8419257-8, 7120008 - 11
Fax: 01-2716094, 71200012
E-mail: datamax@datamaxregistrars.com
www.datamaxregistrars.com

RE: UNCLAIMED/STALE DIVIDEND PAYMENT

I/We declare that I/We am/are the registered holder(s) of GTBank shares.
Till date, I/We am/are yet to receive my/our dividend warrant(s) payment No(s)...............................(Please (specify).
In view of this, I/We request and authorise you pay my outstanding dividend(s) into my bank account as stated below.

Date (DD/MM/YYYY)

Shareholder Account Number (If Known)

Item

(1) Shareholder's Name
Shareholder's / Company Name:

(1.1) Other Names

(1.2) Address

(1.3) E- Mail Address

(1.4) **Mobile (GSM) Phone Number**

(2) Bank Name

(2. 1) **Branch Address**

(2. 2) Bank Account Number (**NUBAN ONLY**)

Bank Sort Code

(3) I/We hereby authorise that you forward until further notice, all future dividend/ interest to which I/we become entitled for the company indicated above to the branch of the Bank named in (2) above.

(3.1) I/We hereby indemnify the security issuer, the directors and, the security registrar, from an against all losses in respect thereof and all actions, proceedings, demands costs and expenses whatsoever which may be made or brought against them by reason of compliance with this request.

(4)

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

Company Seal/ Incorporation Number (Corporate Shareholder)

AUTHORISED SIGNATORY AND STAMP OF BANKERS

The Bank stamp and signature of the authorised signatory of your bank is required to confirm that the Bank details in item 2(2.1 - 2.2) and signature(s) in item 4 is/are that of the shareholder(s) or an authorised signatory, before returning to the Registrars.

KINDLY RETURN THIS FORM TO
DataMax Registrars Limited
2C, Gbagada Expressway,Gbagada Phase 1, Lagos
P.M.B 10014,Shomolu, Lagos State. OR Any GuarantyTrust Bank Plcnearest to you.

DataMax Registrars Limited hereby disclaims liability or responsibility for any errors/omissions in any document transmitted electronically.

GUARANTY TRUST BANK PLC RC 152321

PROXY FORM

31st ANNUAL GENERAL MEETING to be held at the Oriental Hotel, 3, Lekki Road, Victoria Island, Lagos State on Friday, April 9, 2021, at 10 a.m.

I/We ____
being a member/members of Guaranty Trust Bank plc hereby appoint ________________________________* or failing him/her Mrs. Osaretin Demuren or failing her, Mr. Segun Agbaje as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, April 9, 2021, and at any adjournment thereof.

Dated this _______ day of ____________________________ , 2021.

Signature of Shareholder

Name of Shareholder

NUMBER OF SHARES:		
RESOLUTIONS	**FOR**	**AGAINST**
Ordinary Business:		
To receive the Audited Financial Statements for the year ended December 31, 2020, and the Reports of the Directors, Auditors and Statutory Audit Committee thereon.		
To declare a dividend[1]		
To Re-elect Directors[2]: i. Mr. Ibrahim Hassan as a Non-Executive Director; ii. Mrs. Victoria Osondu Adefala as a Non-Executive Director (Independent)		
To appoint Ernst & Young as the External Auditor of the Company in place of PricewaterhouseCoopers, who would be retiring as the Company's Auditor		
To authorise Directors to fix the remuneration of the Auditors[3]		
To disclose the Remuneration of Managers of the Company		
To elect the Shareholder Representatives of the Statutory Audit Committee		

Please mark the appropriate box with an "X" to indicate how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her/its discretion.

ADMISSION CARD

Thirty-first Annual General Meeting to be held on Friday, April 9, 2021, at Oriental Hotel, 3, Lekki Road, Victoria Island, Lagos State at 10 a.m.

Name of Shareholder (in BLOCK CAPITALS):

Surname:

First name:

Shareholder's Account No:

Number of Shares:

IMPORTANT

1. Members (Shareholders) are required to attend the Annual General Meeting by proxy and this proxy form has been prepared to enable you to exercise your right to vote. Shareholders are required to appoint a proxy of their choice from the list of proxies below:

Mrs. Osaretin Demuren	Chairman, Board of Directors
Mr. Segun Agbaje	Managing Director/ Chief Executive Officer
Sir Sunny Nwosu	Shareholder
Chief Timothy Adesiyan	Shareholder
Mr. Tunji Bamidele	Shareholder
Mr. Boniface Okezie	Shareholder
Mr. Gbenga Idowu	Shareholder
Mr. Tunde Badmus	Shareholder
Mrs. Efunyemi Olatunde Shopeju	Shareholder
Mr. Abdullahi Tambari Kabiru	Shareholder
Mr. Lawrence Oguntoye	Shareholder

Provision has been made on this proxy form for you to insert in the blank spaces, the names of the persons, one of whom will attend the Meeting and vote on your behalf.

2. Please date, sign and post the proxy form to reach the registrar not less than 48 hours before the time appointed for the Annual General Meeting, at their office, Datamax Registrars Limited, No. 2C, Gbagada Express Road, Gbagada Phase 1, Lagos State. If executed by a corporate body, the proxy form should be sealed with the Common Seal or under the hand and seal of its attorney.

3. It is a requirement of the law under the Stamp Duties Act, Cap. A8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be duly stamped in accordance with the provisions of the Stamp Duties Act.

1 ₦2.70K for every 50 Kobo Ordinary Share;

2 Mr. Hassan and Mrs. Adefala, being due for retirement by rotation have offered themselves for re-election as Directors;

3 Ernst & Young are being recommended to the Shareholders as the Auditors of the Company and upon approval will serve as the Company's External Auditors.

DataMax Registrars Limited
RC 645075

2C Gbagada Expressway,
Gbagada Phase 1,
Lagos State.
P.M.B. 10014 Shomolu,
Lagos State.
Tel: 01-2716090-4; 8419257-8, 7120008 - 11
Fax: 01-2716095, 71200012
Email: datamax@datamaxregistrars.com
www.datamaxregistrars.com

SHAREHOLDER'S DATA UPDATE FORM

Shareholder Account Number:

CSCS CHN Number: C

Date (DD/MM/YYYY) / /

Name of Company in which Shares are held

GTBank ☐ GTBank (GDR) ☐ Mansard Ins. ☐ GTHomes ☐

DETAILS OF INVESTORS/SIGNATORY

*Surname/Company's Name:

*Other Names (Individual Shareholders) :

* E-mail Address :

*Mobile (GSM) Phone Numbers :

* Present Postal Address :

* City :

* State :

*Signature

Comany Seal/Incorporation Number (corporate Shareholder)

Note: Asterixed boxes must be completed by Shareholders

CGRS
Better For Business
RATED

GTBank

GTBank Cares