Guaranty Trust Holding Company Plc.

Audited Consolidated and Separate Financial Statements

Together with Directors' and Auditor's Reports

December 2024

Introduction

Guaranty Trust Holding Company Plc ("the Parent" or the "Company") and its Subsidiaries (hereafter referred to as 'the Group') Consolidated Financial Statements complies with the applicable legal Requirements of the Nigerian Securities and Exchange Commission regarding Annual Financial Statements and comprises Separate and Consolidated Financial Statements of the Group for the year ended 31 December 2024. The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the Financial Reporting Council of Nigeria. For better understanding, certain disclosures and some prior year figures have been presented in line with current year figures. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Table of contents

Corporate Governance

Introduction

Guaranty Trust Holding Company Limited ("GTCO") remains unwavering in its commitment to executing its strategic vision of being a resilient and innovative Company by integrating robust corporate governance principles into every part of its structure. The Company recognizes that adherence to optimal corporate governance practices is vital for the Group's long-term sustainability.

Our tradition is to focus on creating enduring value for shareholders while fostering an environment that encourages corporate prosperity. We thrive on good governance practices, which has bolstered the trust of our shareholders, clients, business partners, employees, and the wider financial community, alongside a broad array of stakeholders. Embracing this practice is critical to strengthening the GTCO brand, and key to maintaining business integrity and preserving investor confidence in the Group.

As a "Proudly African and Truly International" brand, the Company remains devoted to the principles of excellence, hard work, and integrity, not just where our subsidiaries are located but from a truly global standpoint. GTCO is dedicated to innovating, delivering faster, more cost-effective, secure, and diverse products tailored for individuals and businesses of all sizes. The Company is committed to its foundational values, which have won the loyalty of millions across Africa and beyond and is today propelling the Group's growth.

Throughout the year, the Group has successfully strengthened commitment to transparency and providing valuable insight. The governance structure has played a vital role in the growth and diversification of the Company's subsidiaries, positioning GTCO for continued success and sustained leadership in the financial sector.

In the context of a complex governance landscape, the Board actively engages in oversight, offering strategic insights, making informed choices, and ensuring compliance with evolving regulations. Operating within a network of interconnected governance frameworks of all its subsidiaries, the governance framework has played a crucial role in supporting the growth and diversification of the Company's subsidiaries, laying a solid foundation for future success.

Guaranty Trust Bank Limited (GTBank), the group's banking subsidiary has over the years risen and continues to be the foremost industry leader in the banking sector focusing on excellence and innovation, beyond the Nigerian landscape, GTBank6 has grown to become one of the leading financial institutions in Africa, with a reputation for delivering top-notch banking services. GTBank continues to contribute to the Group and is steadfast in its commitment to responsible management and ethical practices. Today, GTBank continues to uphold the highest standards of corporate governance in its engagement with all stakeholders, which has earned it the trust of a diverse clientele and business sustainability support.

Guaranty Trust Fund Managers Limited (GTFM) remains committed to financial prudence, contributing significantly to the financial landscape through its expertise in wealth management. GTFM operates as a subsidiary dedicated to providing tailored financial solutions to retail, high net worth individuals and institutional clients. With a strategic focus on expanding its clientele, GTFM excels in offering a diverse range of investment products and financial services, aligning its app roach with the broader goals of the Guaranty Trust brand.

Guaranty Trust Pension Managers Limited (GTPM) stands as a cornerstone within the GTCO Group, specializing in the critical realm of pension management. GTPM plays a pivotal role in the Nigerian pension industry by offering a well-structured platform to address retirement challenges faced by individuals. With a focus on leveraging cutting-edge technology and implementing medium and long-term financial methodologies, GTPM aims to enhance the post-retirement quality of life for contributors, making significant strides in ensuring financial security during the golden years.

HabariPay Limited (Habari), is quickly emerging as a transformative player in the Nigerian financial technology arena, championing innovation and empowerment within the digital economy. Habari specializes in secure payment gateways that allow businesses to effortlessly make and receive payments, benefiting from an increasingly digital trend. By prioritizing the empowerment of businesses with essential tools for success in the digital age, Habari goes beyond merely enabling transactions; it actively contributes to economic growth and inclusivity across various sectors.

Together, these subsidiaries elevate the Guaranty Trust brand into a veritable powerhouse of financial services, showcasing the Group's versatility, robust capability, and unwavering commitment to delivering seamless, end-to-end financial solutions for every African and African enterprise.

The Company is publicly quoted on The Nigerian Exchange Limited with Global Depositary Receipts (GDRs) listed on the London Stock Exchange and it remains dedicated to its duties and pledge to safeguard and increase investors' value through transparent corporate governance practices. Our Code of Corporate Governance provides a robust framework for the governance of the Board and the Company. The Company ensures compliance with the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission ("the SEC Code"), the Corporate Governance Guidelines for Financial Holding Companies in Nigeria issued by the Central Bank of Nigeria ("the CBN Code") in July 2023, the Financial Reporting Council's Nigerian Code of Corporate Governance, 2018 ("the FRC Code"), as well as disclosure requirements under the Disclosure and Transparency Rules of the Financial Conduct Authority (FCA), United Kingdom, which are applicable to non-United Kingdom companies with Global Depositary Receipts (GDRs) listed on the London Stock Exchange.

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

The Company's Subsidiaries are guided by established governance principles in addition to meeting the relevant regulatory requirements in their areas of operations. The subsidiaries have their own distinct boards and comply with the statutory and regulatory requirements of the businesses they operate. The Subsidiaries operate under a corporate governance structure that enables their boards to balance their roles in performing their oversight and strategic functions in ensuring compliance with the regulatory requirements that apply in their areas of operations.

The Company complies with the requirements of the Central Bank of Nigeria ("CBN") in line with defined corporate governance practices and submits reports on the Company's compliance status to the CBN. The Company also conducted an Annual Board and Directors' Evaluation and Appraisal covering all aspects of the Boards' structure, composition, responsibilities, processes, and relationships, in compliance with the requirements of the CBN and FRC Codes. To conduct the Annual Board Evaluation and Appraisal for the financial year ended December 31, 2024, the Board engaged the consultancy firm of Deloitte & Touche. 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 Evaluation and Appraisal report was reviewed by the External Auditors in line with the provisions of the new Code of Corporate Governance for Financial Holding Companies ("FHCs") and will be presented to Shareholders at this Annual General Meeting of the Company.

During the 2024 financial year, the Company executed various governance activities which included; the reconstitution of the defunct Board Risk Management and Audit Committee into two standalone Committees namely; the Board Audit Committee and Board Risk Management and Investment Committee; and the preparation of Charters of the two new Committees in order to align same with leading international practices, existing regulations and the CBN's Corporate Governance Guidelines for Financial Holding Companies in Nigeria issued by the Central Bank of Nigeria in July 2023 ("the CBN Guidelines"). The Company also reviewed its governance documents i.e., Board and Committee Charters and the Code of Corporate Governance, in order to align these documents with the CBN Guidelines. 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.

The Board Evaluation and Appraisal report for the financial year ended December 31, 2024, by the independent consultants to the Board revealed that the Company was in substantial compliance with the provisions of the CBN Corporate Governance Guidelines and the FRC Code.

Governance Structure

The Board

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

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

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

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

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

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through four (4) Standing Committees, namely; Board Risk Management and Investment Committee, Board Audit Committee, Board Governance, Nominations and Remuneration Committee and Board Information Technology Strategy Committee. In addition to the Board Committees, the Statutory Audit Committee of the Company also performs its statutory role as stipulated by the Companies and Allied Matters Act (2020). In line with the provisions of the CBN Code of Corporate Governance for Financial Holding Companies (FHCs) the Committees would be reconstituted to meet the new requirements.

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

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

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

The Board meets quarterly, and additional meetings are convened as required. Material decisions may be taken between meetings by way of written resolutions, as provided for in the Articles of Association of the Company.

The Directors are provided with comprehensive information at each of the quarterly Board meetings and are also briefed on business developments between Board meetings.

The Board met four (4) times during the year ended December 31, 2024.

The details of the appointment and tenure of the Board of Directors are stated below:

S/N	NAME OF DIRECTOR	DATE OF APPOINTMENT TO BOARD	STATUS
1	Mr. Adesola Oyinlola	August 1, 2021	Current Member
2	Mr. Segun Agbaje	August 1, 2021	Current Member
3	Mr. Suleiman Barau	August 1, 2021	Current Member
4	Mrs. Helen Bouygues	August 1, 2021	Current Member
5	Mrs. Cathy Echeozo	August 1, 2021	Current Member
6	Mr. Banji Adeniyi	August 1, 2021	Current Member

Responsibilities of the Board

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

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

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

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

Roles of Chairman and Chief Executive

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

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

Director Nomination Process

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

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

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

Induction and Continuous Training

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

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

The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education from onshore and offshore institutions to its Directors, in order to enhance their performance on the Board and the various committees to which they belong. The Company's Non-Executive Directors attended foreign and/or local courses in the year ended December 31, 2024, which included "Becoming a Leader of Leaders" (University of Pennsylvania Wharton Executive Education), "Managing Risk and Reputation in a complex World" (Stanford Business School of Graduate), "ESG, Impact and Sustainable Investing, Infrastructure and Project Finance" (Euromoney Learning), "Strategies for Leading Successful Change Programme" (Harvard University's Division of Continuing Education).

Changes on the Board

In the course of the financial year ended December 31, 2024, there was no change on the Board.

Retirement by Rotation

In compliance with the provisions of Article 84(b) of the Articles of Association of the Company 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. In view of the fact that two (2) Directors retired at the 3rd Annual General Meeting and in compliance with Article 84(a), no Director would be retiring by rotation at the 4th Annual General Meeting.

Non-Executive Directors' Remuneration

The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the CBN Code which stipulates that Non-Executive Directors' remuneration should be limited to sitting allowances, Directors' fees and reimbursable travel and incidental expenses. The Non-Executive Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors, such sums as shall be approved by shareholders at the Annual General Meeting.

Details of remuneration paid to Executive and Non-Executive Directors is contained in Note 44 (i) of this report.

Board Committees

The Board carries out its responsibilities through its Standing Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions, and scope of authority. The Board has four (4) Standing Committees in addition to the Statutory Audit Committee of the Company, namely; Board Risk Management and Investment Committee, Board Audit Committee, Board Governance, Nominations and Remuneration Committee and Board Information Technology Strategy 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 Company and its Subsidiaries. The Committees make recommendations to the Board, which retains responsibility for final decision making.

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

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

Board Risk Management and Investment Committee

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

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

- Review and recommend for the approval of the Board, the Company's Risk Management Policies including the risk profile and limits;
- Determine the adequacy and effectiveness of the Company's risk detection and measurement systems and controls;
- Oversee Management's process for the identification of significant risks across the Company and the adequacy of risk mitigation, prevention, detection and reporting mechanisms;
- Review and recommend to the Board for approval, the contingency plan for specific risks;
- Review the Company's compliance level with applicable laws and regulatory requirements which may impact on Company's risk profile;
- Conduct periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile;
- To have oversight functions over the Company's investment strategies;
- To recommend to the Board investment strategies in line with Investment Regulations issued by the Central Bank of Nigeria;
- To monitor and oversee the implementation of the Company's investment strategy;
- To establish the Company's investment objectives and policies;
- To determine an optimal investment, mix consistent with the risk profile approved by the Board of Directors;
- To ensure due diligence in the selection and approval of investments; and
- To review periodically the Company's investment policies and procedures.
- Handle any other issue referred to the Committee from time to time by the Board.

The Head of Risk and Compliance of the Company presents regular briefings to the Committee at its meetings.

The Committee is required to meet quarterly, and additional meetings are to be convened as required. The Committee met four (4) times during the financial year ended December 31, 2024.

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

S/NO	NAME	STATUS	DESIGNATION	Dates of Attendance
1.	Mrs. C. N. Echeozo	Non-Executive Director	Chairman	29-Jan-2024* 25-Apr-2024 29-Jul-2024 28-Oct-2024
2.	Mr. J. K. O. Agbaje	Group Chief Executive Officer	Member	29-Jan-2024* 25-Apr-2024 29-Jul-2024 28-Oct-2024
3.	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Member	29-Jan-2024* 25-Apr-2024 29-Jul-2024 28-Oct-2024
4.	Mr. A. I. Adeniyi	Executive Director	Member	29-Jan-2024* 25-Apr-2024 29-Jul-2024 28-Oct-2024

*The attendance at the January meeting reflects the attendance for the defunct Board Risk Management and Audit Committee, which was dissolved and reconstituted as Board Risk Management and Investment Committee in line with the provisions of the CBN's Code of Corporate Governance for Financial Holding Companies.

Board Audit Committee

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

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

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

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

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

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

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

- Oversee the independence of the external auditors;

- Receive a summary of whistleblowing cases reported and the result of the investigation from the Head of Internal Audit;

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

The Head of Internal Audit of the Company 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, 2024.

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

S/NO	NAME	STATUS	DESIGNATION	DATES OF ATTENDANCE
1.	Mr. S. Barau	Non-Executive (Independent) Director	Chairman	29-Jan-2024* 25-Apr-2024 29-Jul-2024 28-Oct-2024
2.	Mrs. H. Bouygues	Non-Executive (Independent) Director	Member	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024
3.	Mrs. C. Echeozo	Non-Executive Director	Member	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024

*The attendance at the January meeting reflects the attendance for the defunct Board Risk Management and Audit Committee, which was dissolved and reconstituted as Board Risk Management and Investment Committee in line with the provisions of the CBN's Code of Corporate Governance for Financial Holding Companies.

*The Board Audit Committee was established in January 2024, pursuant to the requirement of the CBN Code of Corporate Governance for Financial Holding Companies (FHCs).

Board Governance, Nominations and Remuneration Committee

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

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

The Committee meets quarterly, and additional meetings are convened as required. The Committee met four (4) times during the financial year ended December 31, 2024.

The membership of the Committee is as follows:

S/NO	NAME	STATUS	DESIGNATION	DATES OF ATTENDANCE
1	Mr. S. Barau	Non-Executive (Independent) Director	Chairman	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024
2	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Member	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024

3	Mrs. C. N. Echeozo	Non-Executive Director	Member	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024

Board Information Technology Strategy Committee

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

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

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

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

S/No	Name	Status	Designation	DATES OF ATTENDANCE
1	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Chairman	25-Apr-2024 28-Oct-2024
2	Mr J. K. O. Agbaje	Group Chief Executive Officer	Member	25-Apr-2024 28-Oct-2024
3.	Mrs. C. N. Echeozo	Non-Executive Director	Member	25-Apr-2024 28-Oct-2024

The Committee meets bi-annually and additional meetings are convened as required. The Committee met twice during the financial year ended December 31, 2024.

Statutory Audit Committee

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

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

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

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

The Statutory Audit Committee of the Company met four (4) times during the year. The following members served on the Committee during the year ended December 31, 2024:

S/No	Name	Status	Designation	Dates of Attendance
1	Mrs. S. O. J. Mbagwu-Fagbemi	Shareholders' Representative	Chairman	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024
2	Alhaji M. A. Usman	Shareholders' Representative	Member	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024
3	Mrs. A. Kuye	Shareholders' Representative	Member	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024
4	Mrs. C. N. Echeozo	Non-Executive Director	Member	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024
5	Mrs. H. L. Bouygues	Non-Executive (Independent) Director	Member	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024

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, 2024.

S/N	DIRECTORS	BOARD	BOARD RISK MANAGEMENT AND INVESTMENT COMMITTEE	BOARD AUDIT COMMITTEE	BOARD GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE	BOARD I.T. STRATEGY
	DATE OF MEETINGS	30-Jan-2024 26-Apr-2024 30-Jul-2024 29-Oct-2024	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024	29-Jan-2024 25-Apr-2024 29-Jul-2024 28-Oct-2024	25-Apr-2024 28-Oct-2024
	NUMBER OF MEETINGS	**4**	**4**	**4**	**4**	**2**
1	Mr. H. A. Oyinlola[1]	4	N/A	N/A	N/A	N/A
2	Mr. J. K. O Agbaje	4	4	N/A	N/A	2
3	Mr. S. Barau	4	N/A	4	4	N/A
4	Mrs. H. L. Bouygues	4	4	4	4	2
5	Mrs. C. N. Echeozo	4	4	4	4	2
6	Mr. A. I. Adeniyi	4	4	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;
N/A -Not Applicable

Tenure of Directors

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

Board Evaluation and Appraisal

In the Company's customary manner of imbibing the best corporate governance practices, the Board engaged an Independent Consultant, Deloitte & Touche, to carry out the annual Board and Directors appraisal for the 2024 financial year. The annual appraisal covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies and respective roles in the Board performance, as well as the Company's compliance status with the provisions of the CBN and SEC Codes.

The Annual Board and Director Evaluation and Appraisal Report for the 2024 financial year will be presented to shareholders at the 4th Annual General Meeting of the Company.

Shareholders

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

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

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

Protection of Shareholders' Rights

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

Communication Policy

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

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

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

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

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

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

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

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

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

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

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

Information Flow

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

The Group Company Secretary

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

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

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

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

Insider Trading and price sensitive information

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

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

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

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

Management Committees

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

The standing Management Committees in the Company are:

i. Data Steering;

ii. Information Technology;

iii. Risk, Compliance, and Investment.

Data Steering Committee

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

Information Technology (IT) Steering Committee

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

Risk, Compliance and Investment

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

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

Whistleblowing procedures

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

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

Code of Conduct

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

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

Human Resources Policy

The Human Resources policy of the Company is contained in the Directors' Report on 50-51 of this Annual Report.

Employee Share-ownership Scheme

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

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

Internal Management Structure

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

Service and Related Party Contracts

As part of efficiently synergising output in order to avoid unnecessary duplication of functions and an efficient harmonisation of resources for optimum performance in the Group and in line with the Central Bank of Nigeria's Guidelines for Shared Services Arrangement for Banks and Other Financial Institutions issued in May 2021, the Company has in place Shared Services Agreement with all its subsidiaries, i.e. Guaranty Trust Bank Limited, Guaranty Trust Fund Managers Limited, Guaranty Trust Pension Limited and HabariPay Limited.

The Shared Services Agreements were approved by the Boards of the Company and the respective subsidiaries.

Subsidiary Governance

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

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

As at December 31, 2024, the Group had eight (8) International banking subsidiaries and two (2) sub-subsidiaries. The operations and management of these subsidiaries are monitored and controlled by GTBank Limited as described below:

Oversight function

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

Subsidiary Board Representation

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

Subsidiary Board Committees

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

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

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

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

Representation on the Local Board and Board Committees

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

Management of Subsidiaries

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

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

Existence of Group Finance Function

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

Subsidiary Governance

Monthly Management Reporting

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

Business Performance Review Session

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

Annual System and Control Audit

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

Annual Risk Management Audit

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

Group Compliance Function

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

Group Treasury Function

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

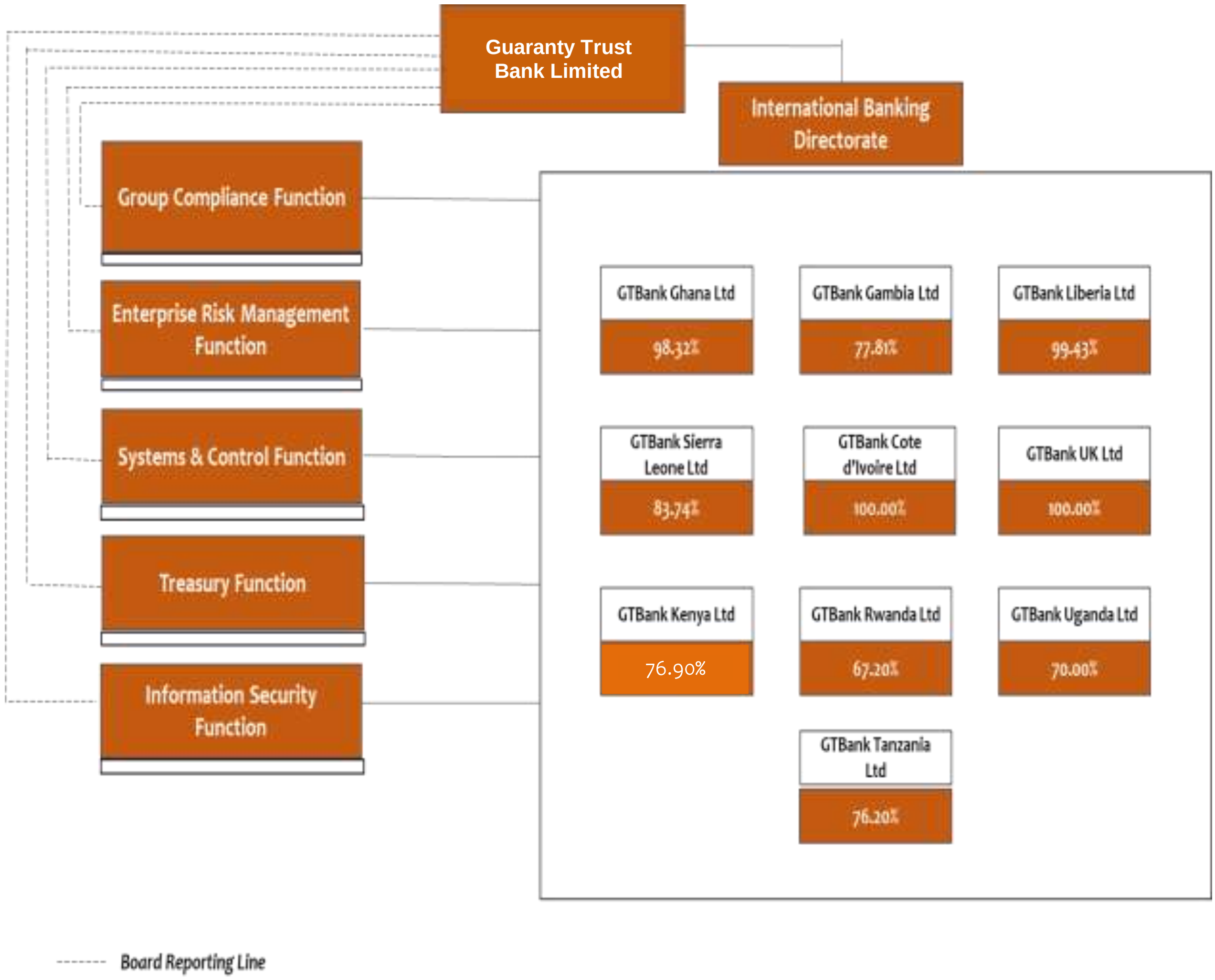
Group Information Security Assurance

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

External Auditors' Report

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

Subsidiary Governance



Service and Related Party Contracts

As part of the need to efficiently synergize, avoid unnecessary duplication of functions and to achieve the efficient harmonization of resources for optimum performance in the Group, the Company has put in place Shared Services Agreements with all its subsidiaries, i.e. Guaranty Trust Bank Limited, Guaranty Trust Fund Managers Limited, Guaranty Trust Pension Limited and HabariPay Limited. These agreements are in line with the Central Bank of Nigeria's Guidelines for Shared Services Arrangement for Banks and Other Financial Institutions issued in May 2021.
The Shared Services Agreements were approved by the Boards of the Company and its respective subsidiaries. The services shared include:

a) Information Technology

b) Legal Services

c) Talent Management

d) Facilities Management and

e) Corporate Communications

The services shared enable the Group to achieve the following:

a) Increased efficiency, eliminate redundancies, and increase productivity.

b) Enhance the quality of the Group's services by sharing best practices, technical knowledge, and operational support.

c) Improves cost savings

d) Achieve the overall mission and vision of the Group.

Sustainability Report

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

Our sustainability strategy is embedded in its business wide strategy. It recognizes the relevance of ESG and its importance which drives Integrated Risk Regulatory, Compliance & Governance approach to sustainability. The strategy clarifies the strategic position of the Company with regards to sustainability and considers key ESG risks and opportunities to manage and pursue respectively across four (4) pillars: the marketplace, workplace, community, and the environment. This is managed by Subsidiaries' Executive Management who oversees the implementation of the sustainability strategy in the group. They are responsible for ensuring the progress of the group's sustainability strategy by outlining activities to be done and monitored through top level meetings on an ongoing basis.

As an improvement-driven organization, we continue to develop innovative ways to enhance our environmental, social, and economic performance. Our banking practices hinge on resource efficiency, improving stakeholder relationship, effective risk management, and excellent service delivery. In our attempt at promoting sustainable banking practices and the UN SDGs, we have formed a partnership with several organizations as well as other global bodies. We are a member of the United Nations Environment Programme Finance Initiatives (UNEP-FI). We also remain development partners with the International Finance Corporation (IFC) and the Central Bank of Nigeria. We have equally signed an MOU with the IFC and Goldman Sachs for the IFC & Goldman Sachs 10,000 Women initiative. Specifically, it is an Online business education program provided for all GTCO customers who are women entrepreneurs and female business owners.

This report highlights Guaranty Trust Holding Company's Economic, Human Capital Environment, Community strategies as well as our scorecard in the implementation of the Central Bank of Nigeria's Sustainable Banking Principles and the UN SDGs in four pillars, Marketplace, workplace, Community and Environment.

<u>MARKETPLACE</u>

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

To drive financial inclusion and from our partnership with CBN SANEF initiative, we opened 963,076 accounts in this year with about ₦ 9.5 billion in deposits. Furthermore, the Flagship Subsidiary has taken the initial and practical approach to financial inclusion for its business activities through different initiatives.

- Ensured that its branches are accessible by People Living with Disabilities (PLWDs) by constructing Ramps for 59% of its branches for easier access to banking areas.
- Provided **movable ramps** (images below) for PLWDs to directly access ATMs and card vending kiosks.
- Included 'Add disability status and clause' in customer request forms to ensure that PLWDs are given priority services at all times.

We continue to add to the bouquet of services available on our e-channels- Internet-banking, GTWorld, USSD, among others. Through our Habari platform, our customers can shop for diverse products online, pay bills, watch videos, listen to music, among others. We continue to improve the platform to meet and support the lifestyles of everyone.

Our banking subsidiaries continue to lead across all key parameters in the banking sector and were recognized with awards during the year.

- **Governance, Risk, Compliance and Financial Crime Prevention Awards (GRC & FinCrime Prevention Awards, 2024.**
  - At the 4th edition of the Governance, Risk, Compliance and Financial Crime Prevention Awards (GRC & FinCrime Prevention Awards), the Bank was awarded Best Treasury & Cash Management Bank 2024 in Nigeria.

- **Brand Finance Nigeria 25, 2024**
  - At the 2024 Annual Brand Finance Value Ranking, The Bank was ranked Nigeria's Strongest Banking Brand in Nigeria.

- **Global Brands Magazine Awards 2024**
  - The Banks was awarded the Best Banking Brand Award.

- **Euromoney Awards for Excellence 2024**
  - The Bank was awarded the Best Bank for Corporate social responsibility in Nigeria Award.

- **Capital Finance International-Banking Awards 2024**
  - GTBank Kenya was awarded the Best Business Banking Partner in Kenya.

- **IF Design Award 2024**
  - The GTWorld mobile app was honoured with this award acknowledging its design and functionality.

- **Ghana Shippers Awards 2024 (GTBank Ghana)**
  - Financial Service Provider of the Year Award.

- **Uganda Revenue Authority (GTBank Uganda)**
  - Best Innovative Bank.

- **National Board of Accountants and Auditors (GTBank Tanzania)**
  - Best Presented Financial Statements for the Year 2023.

WORKPLACE

We present a thriving environment guided by a collaborative, supportive and inclusive culture that promotes innovation and productivity. The work environment is governed by various policies and practices regularly communicated to every employee.

Labour Practice

We at GTCO operate two categories of employees: Full staff and Contingent Staff to ensure that staffing demands are fully met thereby creating a decent work environment. Our employment strategy features equal opportunity in all terms, conditions, and privileges of employment, including but not limited to, recruitment, selection, job assignments, working conditions, benefits, compensation, training, transfer, layoffs, recall from layoffs, disciplinary actions, terminations, or promotions which are all discussed in the Group's employee handbook. Some employment guiding policies include Diversity policy, Harassment policy, clean desk policy, Disaster management, Business Travel Policy, Social Media policy, Alcohol and smoking policy and others. These policies and handbook are all accessible on the Banking subsidiaries' intranet promoting regulatory transparency among employees.

Internally, an Employee Assistance Programme accessible to all its employees to always provide psychological and emotional support is also made available. Employees are encouraged to freely lodge grievances, to have them resolved promptly and fairly in a satisfactory manner. We also encourage healthy collaborations and partnerships among employees. The Human Resources Group releases weekly educational slides on the intranet tagged Wellness Wednesday, which encourages employees to adopt a healthy lifestyle, and Finance Fridays which provides savings and investment-related tips. Periodic seminars and webinars are also organised for employees on wellness, security, and health to improve their awareness and well-being.

Talent Development and Retention

Regular trainings are conducted for all employees in its subsidiaries. New hires mandatorily undergo induction and are assigned mentors while others are trained according to their learning needs. In line with our commitment towards capacity building and talent development, over 90 training programmes were conducted for 3,421 employees during the year 2024 on key subjects including Environmental and Social Risk Management, Data Privacy, Coaching Skills for leaders and managers, Workplace Safety and First Aid Management, Maintaining a Mentally Healthy Workplace, Cybersecurity workshop & Forum, Empowering Business Communication Through Adaptive Listening as well as Fire Safety Awareness while other educative information is published internally. Sustainability training was also made mandatory for new employees during their induction to engage their minds on the sustainability trajectory of the group.

Diversity and Inclusion

GTCO remains committed to promoting gender equality and women empowerment which promotes a decent work environment and economic growth. Guaranty Trust Holding Company promotes women's full and effective participation and equal opportunities for leadership at all levels of decision-making in its workplace. Approximately 50% of employees are females with 38% female representation on Boards across the subsidiaries. Also, we are committed towards non-discrimination in the diversity of our workforce including employment of disabled persons.

COMMUNITY

Our commitment towards creating sustainable impact is driven through effective Corporate Social Responsibility initiatives. Our CSR strategy is designed to enrich lives through four pillars: Community Development, Education, Environment, and Arts. These four pillars are essential for the development and growth of communities. In line with the United Nations Sustainable Development Goals (UN SDGs) to create shared prosperity while protecting the environment, we implemented multiple initiatives guided by these four pillars to contribute in no small measure to the overall development of our host communities. We envisage both internal and external stakeholders and regularly engage each group of stakeholders based on their needs in different community. This is achieved through support programmes geared towards community development, by promoting enterprise, good health, and education among others during the year.

The Global Money Week and World Savings Day initiatives was celebrated through training programmes hosted for Youths to promote financial literacy. We raised awareness to encourage a saving culture among young minds while contributing to the United Nations targets towards poverty eradication.

Education remains a critical part of our Corporate Social Responsibility initiatives, as we recognize that education has multiplier effects on the economic growth and development of a nation. We continue to finance educational facilities and lending to schools. We also continually implement several initiatives to promote education such as;

- Provision of support for school activities in secondary schools and universities,
- Renovation of school hostels,
- Hosting of the Masters' Cup,
- Support for Olumawu School Reading Fair,
- Support for Orange Education Fun-A-Thon Event,

- Support for financial literacy and public enlightenment awareness campaign by bankers committee,
- Fully refurbished and equipped ultra-modern ICT Laboratory to the Nsawam Methodist Basic Schools (A&B, C) and JHS, the SUSEC Model School in Sunyani Ghana,
- GTBank Sierra Leone Street Child Foundation, amongst others.

Our commitment has always been to prioritize and promote good health, safety, and wellbeing of communities through various CSR initiatives such as;

- Support for 2nd Intellectual Disability Conference,
- Support for Wellness Wonderland Program,
- Support for Garki Hospital Children's Day Celebration,
- Support for Punuka Foundation Annual Walk for Special Children,
- Thinking Pink (Breast Cancer Awareness) programme in GTBank S. Leone,
- Civic Festival, Tagline Carol, and Dinner,
- Purse to Crown Disability Undertake,
- Support for Well Woman Walk,
- Autism workshop and consultation in Ghana.

We remain committed to using our value-adding products and services to improve the condition of Nigeria's social infrastructure. Our investment in infrastructure is environmentally friendly and respond to the needs of low-income users, women, and other marginalized groups (including persons with disabilities, indigenous persons, racial and ethnic minorities, and older persons). We also promote economic development by providing CSR initiatives such as Donation to Security Trust Fund, Contribution towards flood disaster relief, Donation towards the 1994 Genocide against the Tutsi movement in Rwanda, among others.

Environment

As a first-class financial service provider, we remain committed to environmental protection. As such, we implement a hands-on approach in minimizing our Greenhouse Gas (GHG) emissions which include but not limited to the timely shutdown of our branches, replacement of physical meetings with virtual meetings, cut down of business travel, implementation of duplex printing, among others.

We also track the performance of our GHG minimization strategies by monitoring our electricity, fuel, water, solid waste, CO2 footprint, and paper usage.

Water Usage

We keep track of water usage through collation of various representatives in each operating facility while exploring ways to reduce its water consumption. As part of its sustainability commitment, we have begun to employ strategies to reduce water consumption. The use of sensor faucet at the GTBank Nigeria's head quarter building with the plan to expand to other wholly owned buildings shows our commitment towards efficient use of water.

Waste Management

A strict approach to all issues concerning the collection, treatment, and disposal of all waste materials generated from its activities and processes is observed. We work with certified government agency to pick up and dispose waste generated from our branches such as Lagos State Waste Management Authority (LAWMA).

Also, while utilizing the GTCO End-of-Year party as the flagship project, we collaborated with a certified recycler (Switch Recycling Innovation Limited) to properly recycle wastes generated from the event. A total of 370.35Kg of plastic and 5.37kg can wastes were collected and recycled. Through this recycling program we actively diverted wastes meant for landfill or could lead to marine pollution back into the economy as raw material through innovation for economic growth.

Paper Usage

Through several energy efficient initiatives, we maintained a reduction of our carbon footprints while optimally utilizing available resources. We introduced the use of Signature Pads to enable customers electronically deposit and withdraw cash, as well as register complaints to reduce paper usage in some subsidiaries with possible expansion across group. Also, circulation of paper was reduced to encourage reuse of used paper. We continue to take similar actions across subsidiaries to reduce paper usage in the workplace by implementing the use of other electronic means of transmitting information i.e., emails, Microsoft Team, Zoom, among others.

Climate Risk

As part of our commitment, we support the transition towards a sustainable, low-carbon economy that balances society's environmental, social, and economic needs. We are committed to managing identified climate risks in our businesses and operations by building on existing Environmental and Social Risk Management (ESRM) policy, Climate Risk Policy and benchmarking our practices to global best standards and pronouncements on climate risk management.

Climate Risk Initiatives, Integration and Action Plans

We have taken several actions and outlined others to effectively manage Climate risks and opportunities associated with its operations.

- *Climate Risk Initiatives towards net-zero emissions and financing the transition to a low-carbon economy.*

  We are currently engaging different initiatives towards achieving Net-Zero. An increasing number our subsidiaries now rely on the National grid for energy. To reduce the climate impact of its energy sourcing activities, the flagship subsidiary has also identified different locations of its buildings or facilities that can access power supply from dedicated lines. Approximately 10% of its banking locations and facilities now have access to dedicated lines, 3.13% others already have the approval to be connected. 3.7% of the bank’s total ATMs are powered by alternative energy sources (solar energy), while 2.58% of the bank’s facilities are totally powered by alternative and renewable energy sources. More wholly owned buildings and facilities of are undergoing energy assessment for the possible energy transition.

- *Implementation of IFRS S1 & S2 Sustainability Disclosure Standards*

  GTBank Nigeria has begun its implementation strategy for the International Sustainability Standards Board (ISSB) IFRS Sustainability Disclosure Standards S1 and S2 sustainability disclosure standards. This begins with capacity building through internal and external trainings for all persons responsible for the disclosure. Accordingly, the Board has approved the adoption of the new Sustainability Disclosure Standards and implementation road map to ensure plans are already underway for this implementation.

- *Partnership organizations*

  In line with our climate risk policy commitments, the bank has actively engaged potential collaborations and partnerships to drive its commitment to finance the transition to a low carbon economy. GTCO's partnership with these organizations drive its climate risk management goals and will be manifested as part of the group's Corporate Social Responsibility. Potential partnerships with key players in the energy transition field are in the final stages of review.

  We recently partnered with Switch Recycling Innovations Limited to sort from source, collect and recycle plastic waste at our major events. Other Potential partnerships with key players in the energy transition field are in the final stages of review. Leveraging on existing parastatals, we aim to engage in projects to promote a better ecosystem.

- *Update of the Vendor Risk Assessment Forms*
  We have updated our Vendor Risk Assessment forms with climate-related disclosures to determine third party climate risk exposures and overall performance. Additionally, the forms have been updated accordingly to include KRIs for monitoring and leveraging on climate risks and opportunities, respectively.

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

GTBank Nigeria is a signatory to the CBN's Nigerian Sustainable Banking Principles (NSBP). 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 reporting year:

NSBP PRINCIPLES	DEFINITION	PROGRESS UPDATE
Principle 1	**Our Business Activities: Environmental & Social Risk Management:** Integration of environmental and social consideration into our lending activities.	• All our transactions (321) were screened for E&S risks in the period under review. • To date, we have visited/conducted desktop Due Diligence Assessments for 51 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. • We also conducted Environmental and Social Performance monitoring for 25 existing customers to close out on previously developed action plans
Principle 2	**Our Business Operations: Environmental & Social Footprint:** Avoidance of the negative impact of our Business Operations.	• We presently have 7 branches powered by alternative power source (ATMs and communication equipment). We currently have 48 ATMs powered by

		alternative sources of energy (solar energy).
Principle 3	**Human Rights:** Respect for the rights of all in Business Operations.	• All 321 transactions booked were assessed for human rights risks such as child labour and forced labour. Assessment comprises of initial screening with the Exclusion Checklist for all customers and Further Due Diligence Assessment for High-Risk customers.
Principle 4	**Women's Economic Empowerment:** Promote economic empowerment through a gender inclusive workplace culture and provide products and services for women.	• There was a slight increase (75) in the number of female employees in the work force. • The number of women on our board remained the same from the last reporting period (4). • The number of women in management positions remained 15. The percentage of women in management reduced from 43.24% to 42.86%
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.	• From our partnership with CBN SANEF initiative, we opened 963,076 accounts in the reporting period, with deposits totalling ₦9.5 billion
Principle 6	**E&S Governance:** Implementation of transparent E&S governance practices within the institution and assessing 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 provide biannual reports to CBN to give update on our Sustainability journey. • We provide quarterly reports on our E&S journey to the Bank's Management and Board.
Principle 7	**Capacity Building:** Development of capacity to identify, assess, and manage E&S risks and opportunities associated with the Bank's business activities and operations.	• Over 2,558 employees were trained on various sustainable banking subject matters within the reporting period. • We conducted five (5) trainings on Environmental and Social Risk Management for different groups within the bank and published the E&S Action Plan procedure on the intranet.

Principle 8	**Collaborative Partnerships:** Collaboration across the sector and leveraging international partnerships to develop the financial services sector and ensure consistency with international standards.	• The Bank remains a member of the network of Sustainability Champions in Nigeria.
Principle 9	**Reporting:** Regular review and implementation progress report.	• The Bank rendered the Bi-Annual Sustainability Report to the regulator (CBN) with its sustainability report in the financials. • We also provide periodic updates to our investors 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.

Summary of our ESG Materiality

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

- **Access and affordability:** We continue to improve access to our services and create affordable services. In the year 2024, we distributed signature pads for ease of service. We also continue to enhance the features of our Alternative Delivery Channels such as GTWorld, *737#, internet banking among others to improve access to the bank's financial services.

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

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

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

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

- **Systemic risk management:** Our Enterprise Risk Management (ERM) Division is an overarching body that works with relevant units in the in managing risks in our business operations and activities. The Environmental and Social Risk Management Group manages envisaged environmental and social risks and opportunity in its activities and operations.

COMPLAINTS AND FEEDBACK

Introduction

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

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

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

The Feedback Channels/ Customer Touchpoints

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

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

Customers' opinion on products, services, and processes

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

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

Complaints Handling and Resolution Structure

The Company is committed to effective complaint handling and values feedback through complaints when they arise. The complaints and feedback structure ensure the prompt resolution of customers' complaints. The Ombudsman Unit of the Company is charged with the responsibility for oversight of the resolution of customers' complaints. It also serves as the liaison between the Company 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 Company 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.

Complaints and Feedback

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

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

REPORTS TO THE CBN ON CUSTOMER COMPLAINTS

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

Below is a breakdown of Complaints received and resolved by the Company between January and December 2024 pursuant to CBN Consumer Protection Regulation dated December 20, 2019.

	Description	Number		Amount Claimed (N'000)		Amount Refunded (N'000)	
		2024	2023	2024	2023	2024	2023
1	Pending Complaints brought forward from prior period	1,838	9,217	7,815	19,176		
2	Received Complaints	941,241	946,169	17,760,590	5,016,456		
3	Resolved Complaints *	935,081	953,548	17,136,634	5,027,817	459,050	277,446
4	Unresolved Complaints escalated to CBN for intervention						
5	Unresolved Complaints pending with the Group carried forward **	7,998	1,838	631,771	7,815		

*Some of the outstanding complaints include complaints on Dispense Error, Uncredited NIP and Erroneous Transfers etc.

The table below show Complaints received and resolved by the Company in other currencies for the full year 2024 and 2023, respectively.

RECEIVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed	
		2024	2023
1	United States Dollars	$1,478,369	$202,617
2	Great Britain Pounds	£9,029	£7,128
3	Euros	€50,183,828	€ 10,014,000

RESOLVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed		Amount Refunded	
		2024	2023	2024	2023
1	United States Dollars	$1,477,854	$202,617	$4,918	$2,816
2	Great Britain Pounds	£9,029	£7,128	£725	£0
3	Euros	€50,183,828	€ 10,014,000	€ 0	€ 0

UNRESOLVED COMPLAINTS (Per Currency)

	Currency	Amount Claimed	
		2024	2023
1	United States Dollars	$516	$35
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 financial year is provided below:

Fraud and Forgeries	Dec-2024	Dec-2023
Number of Fraud Incidents	15,544	16,965
Amount Involved (N'000)	1,980,183.24	2,762,435.97
Amount Involved (USD$'000)	544.35*	287.59
Amount Involved (EUR€'000)	-	5.40
Actual/Expected Loss (N'000)	159,114.50	198,875.92
Actual/Expected Loss (USD$'000)	244.22	0.432

*Please note that there was significant recovery of total fraud amount with respect to a case of unauthorized transfer of $242,630 from a customer's account.

Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) Framework

Guaranty Trust Holding Company ("the Company"), is dedicated to continually implement a framework for Anti-Money Laundering ("AML"), Combating the Financing of Terrorism ("CFT") and Countering Proliferation financing (CPF) in accordance with local and international guidelines, laws and regulations. Strict compliance with this framework is mandatory for all employees.

The Bank's framework ensures compliance with AML/CFT/CPF 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 (Prevention and Prohibition) Act 2022.
- Terrorism (Prevention and Prohibition) Act 2022.
- CBN AML/CFT/CPF Regulations 2022.
- CBN Guidance Note on Targeted Financial Sanctions Related to Terrorism and Terrorism Financing 2022.
- Corrupt Practices and Other Related Offences Act, Cap. C31, Laws of the Federation of Nigeria, 2003.
- UK Bribery Act 2010.
- USA Foreign Extortion Prevention Act 2023
- Proceeds of Crimes (Recovery and Management) Act, 2022.
- CBN Customer Due Diligence Regulations 2023.
- CBN Guidance Note on Politically Exposed Persons, 2023.
- CBN's Guidelines on Management of Dormant Accounts and Unclaimed Balances, 2024
- Central Bank of Nigeria (CBN) Circulars.

Structure of the Framework

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

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

The Group has moved away from a "rule based, tick box" approach for combating financial crime and proliferation financing risk to a risk-based approach. Consequently, 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 Group's AML/CFT/CPF framework includes the following:

(i) Board and Management Responsibilities:

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

The Group has appointed an Executive Compliance Officer (ECO) as provided by CBN regulation. The ECO monitors all breaches of extant regulations and receives Compliance reports from the CCO. The ECO periodically reviews the Anti Money Laundering Framework and provides requisite resources, guidance and support needed to maintain the Framework.

(ii) Reports to Senior Management and the Board

On a monthly and quarterly basis, AML/CFT/CPF reports are submitted to the Group's Senior Management and Board members respectively. These reports provide the Board and Senior Management with information to enable them to assess the Group's compliance with its regulatory obligations. The reports also ensure that the Directors and Senior Management are kept abreast of current trends and developments in the financial industry, particularly in AML/CFT/CPF risk management.

(iii) Know Your Customer (KYC) Procedures:

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

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

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

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

As part of the Group'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 on a customer prior to entering a relationship as well as prior to effecting a transaction to ensure that the Group does not enter a relationship with a sanctioned person/entity.

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

(iv) Transaction Monitoring:

Transaction monitoring is done using manual and automated methods. The former is performed by employees, who regularly identify red flags in transactions/activities and the latter resides within the Compliance team with the aid of transaction monitoring solutions.

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

Suspicious transactions are brought to the attention of the Compliance team on a manual or automated basis; the former by way of employees filing internal suspicious transaction reports to the Compliance team and the latter by way of transaction monitoring tools reviewed by Compliance Officers. If deemed appropriate, Suspicious Transaction Reports (STRs) are filed with the Nigerian Financial Intelligence Unit (NFIU).

To properly monitor transactions passing through the Group's systems, the SAS AML tool has been fully deployed in the Group, providing an advancement on how transactions are monitored and investigated.

(v) Transaction Reporting:

Regulatory and statutory requirements stipulate that certain reports and returns are made to regulatory bodies. In Nigeria, the NFIU is the agency charged with the responsibility of receiving the following core transaction-based reports:

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

The Group renders reports to the NFIU and the CBN in accordance with the provisions of Sections 3, 7 and 11 of the Money Laundering (Prevention and Prohibition), Act 2022 ("the Act").

Section 3 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 United States Dollars ($10,000) or its equivalent in other foreign currencies.

Section 7 of the Act provides that a financial institution must submit a report on all unusual and suspicious transactions.

Section 11 of the Act provides that any lodgment or transfer of funds in excess of N5 million and above for individual customers and N10 million and above for corporate customers must be reported.

(vi) Relationship with Regulators and Law Enforcement Agencies:

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

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

(vii) Sanctions Compliance Management:

As a policy, the Group does not enter 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 into a business relationship or carry out a transaction with/through the Group against the Group's internal watch list.

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

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

(viii) Politically Exposed Persons (PEPs)

PEPs are individuals who are or have been entrusted with prominent public functions and the classification includes people or entities associated with them. Enhanced Due Diligence (EDD) measures are applied to PEPs, as with other high-risk customers to mitigate the AML/CFT/CPF risks they pose.

This is to ensure that the Group is not unknowingly supporting activities such as Money Laundering and/or the Terrorism Financing.

In line with FATF's recommendation, the Group employs the use of an automated monitoring tool in identifying and monitoring PEP transactions. This is achieved through the thorough review of information provided by customers and their transaction trends. Continuous monitoring is also carried out on these accounts.

On-boarding of new PEP accounts, as well as continuity of existing banking relationship is subject to Senior Management approval.

(ix) AML/CFT principles for Correspondent Banking:

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

(x) Prohibited Business Relationships

In line with international best practice, the Group does not open accounts or conduct transactions for customers using pseudonyms or numbers instead of actual names.

The Group also does not maintain relationships with individuals or entities that have been sanctioned.

(xi) Risk Assessment

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

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

The Group upholds the highest standards of ethical conducts in all its activities and interactions. The Group has zero tolerance for any form of bribery, corruption, fraud, and unethical practices among employees, between the Group and its employees, as well as between the Group and external parties. The Group also expects the same standards to be applied by third parties acting on behalf of the Group. The Group's Board Approved Ethics policy provides the requisite standards and principles on ethical conducts and practices expected and required of all staff and our related stakeholders.

(xiii) AML/CFT/CPF Training:

The Group places a significant importance on the training of its employees. Training is conducted to ensure employees are well informed and up to date on the AML/CFT/CPF laws, KYC principles and the red flags of Money Laundering, Terrorism Financing and other types of financial crimes which may occur in their job functions.

Annual Compliance training is mandatory for the Board members and all levels of staff, including Senior Management. Trainings are conducted via e-learning, face to face or on an ad-hoc basis by email or via intranet slides to the appropriate personnel in relation to topical national and international findings. Assessment Tests are also conducted quarterly after the trainings to ensure that all employees have understood the training contents.

(xiv) AML/CFT/CPF Audits:

To ensure compliance with laws and regulations and to ensure an ever-evolving fit for use of the Compliance function, internal audit of the AML/CFT/CPF function is conducted on a quarterly basis. The purpose of the audit is to test the adequacy of the AML/CFT/CPF functions of the Group and ensure that the AML/CFT/CPF measures put in place by the Group are up to date and effective.

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

The Compliance function also undergoes a periodic independent review by an external Consultant in accordance with regulatory requirements.

(xv) Record Retention:

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

(xvi) Data Protection:

The Group has a duly approved Data Protection Policy which is revised on an ad-hoc basis to reflect the legal, regulatory, and operating environment. The Group 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.)**

(xvii) Whistle Blowing:

The Group has a Whistle Blowing Policy which is approved by the Board. This Policy governs the reporting and investigation of improper, unethical, or illegal activities at the Group, as well as the protection offered to the "Whistle blowers".

All disclosures will be treated with strict confidence and the identity of the Whistle blower will not be revealed except as required for Security, Regulatory or Legal purposes.

The following guidelines should be noted:

- Information provided should be disclosed in good faith backed by true and reasonable facts and /or evidence where possible.
- The Whistle blower/reporter should ensure that the disclosure is substantially true.
- Whistle blowing is not to be used for malicious acts or making false allegations.
- Whistle blowing is not to be used for personal vendetta or smear campaign.
- The Whistle blower shall be contacted by any of the recipients of the report where additional information is required.

The Group's Whistle blowing method consist of a secure portal (hoisted on the intranet and internet) where the disclosure or whistleblowing information is logged.

(xviii) Anti-Slavery and Human Trafficking:

The Group places a significant importance on tackling any form of Modern Slavery or Human Trafficking.

The Group will not allow, facilitate, or condone any form of Modern Slavery or Human Trafficking across our business. The Group also expects the same standards to be applied by suppliers and third parties acting on behalf of the Group.

This is supported through the communication, established controls and, proactive steps to ensure compliance with all Anti-slavery and Human trafficking laws and regulations as well as ensuring alignment to the organisation's ethical standards and Code of Conduct.

(xix) Rendition of Returns:

The Group manages and maintains a Compliance Grid containing all applicable reporting obligations and monitors the rendition of returns via Attestation of Returns by various teams in the Group.

The maintenance of the Grid is the process of ensuring that the units and departments in the Bank render returns to Regulators as and when due. The Grid consists of applicable laws and regulations that guide the various aspects of the Group's business activities.

Internal control and Risk Management Systems in relation to the financial reporting

Guaranty Trust Holding Company's internal control and risk Management systems ensure that material errors or inconsistencies in the financial statements are identified and corrected. The Company'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 Company.

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

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

Control Environment

The Company has the Board Risk and Audit Committee that have oversight function on the Company's Risk Management Processes. The Committee is responsible for setting risk Management policies that ensure material risks inherent in the Company's business are identified and mitigated or controlled. The Company's 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 Company'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: IFRS Accounting 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

relating to financial reporting. Management Committees meets on a regular basis to assess all risks facing the company. 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 Company'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 Company is discussed at the Audit Committee meetings.

Periodic Independent Assessment of the Internal Audit Function

In line with the Nigerian Code of Corporate Governance, companies 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. This review will be conducted periodically as mandated by the Code.

Control Activities

Control activities are an integral part of the Company'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 Company'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 Company'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 Company and the mitigants deployed.

Whistle Blowing

The Company 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 Company.

Information and Communication/ Monitoring

The Company's Management understands the need for a timely, reliable and accurate information flow within the Company, for effective decision making and enhanced financial reporting. Every activity of the Company is codified in the Company'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 the 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

Directors' Report

For the financial year ended December 31, 2024

The Directors of Guaranty Trust Holding Company Plc ("the Company") are pleased to present their report on the affairs of the Company and its Subsidiaries ("the Group"), together with the Group audited financial statements and the auditor's report for the financial year ended December 31, 2024.

Legal form and principal activity

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

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

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

Operating results

The Highlights of the Group's operating results for the financial year ended December 31, 2024, are as follows:

	Group Dec-24 N'000	**Group Dec-23 N'000**	**Company Dec-24 N'000**	**Company Dec-23 N'000**
Gross Earnings	2,148,337,258	1,186,465,425	367,664,083	109,735,273
Profit before income tax	1,266,246,073	609,308,442	365,747,745	107,983,548
Income tax expense	(248,443,224)	(69,653,768)	(1,042,894)	(1,581,672)
Profit for the year	1,017,802,849	539,654,674	364,704,851	106,401,876
Profit attributable to:				
Equity holders of the parent entity	1,006,219,889	534,425,317	364,704,851	106,401,876
Non-controlling interests	11,582,960	5,229,357	-	-
Earnings Per Share (Kobo) - Basic	35.44	19.07	12.23	3.62
Earnings Per Share (Kobo) – Diluted	35.44	19.07	12.23	3.62

Dividends

During the period under review, Directors proposed the payment of an interim dividend in the sum of N1.00K per ordinary share on the issued capital of 29,431,179,224 Ordinary Shares of 50 Kobo each payable to Shareholders on the register of shareholding at the closure date. Withholding tax was deducted at the time of payment.

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

The Directors recommend the payment of a final dividend of N7.03k (Seven naira and three Kobo only) per ordinary share of 50 Kobo (bringing the total dividend for the financial year ended December 31, 2024, to N 8.03k (2023: N3.20K 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 Exchange Limited is noted below:

	Names	Direct Holding December 2024	*Indirect Holding December 2024	Direct Holding December 2023	*Indirect Holding December 2023
			Shares of 50k each		
1	Mr. H. A. Oyinlola		755,184		755,184
2	Mr. Olusegun Agbaje	32,146,651	9,481,350[1]	32,146,651	9,481,350[1]
3	Mrs. C. N. Echeozo	2,108,118	2,940,300	2,108,118	2,940,300
4	Mr. S. Barau	-	-	-	-
5	Mrs. H. L. Bouygues	-	-	-	-
6	Mr. A. I. Adeniyi	263,312	74,400	263,312	74,400

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

Directors' Remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the codes of corporate governance issued by its regulators. The Non-Executive Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors, such sums as shall be approved by shareholders at the Annual General Meeting.

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

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

Changes on the Board

In the course of the financial year ended December 31, 2024, there was no change on the Board.

Retirement by Rotation

In compliance with the provisions of Article 84(b) of the Articles of Association of the Company 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. In view of the fact that two (2) Directors retired at the 3rd Annual General Meeting and in compliance with Article 84(a), no Director would be retiring by rotation at the 4th Annual General Meeting.

Shareholding analysis

The analysis of the distribution of the shares of the Company as at December 31, 2024, is as follows:

Share Range			Number of Shareholders	% of Shareholder	Number of Holdings	% Shareholding
1	-	10,000	263,498	77.8539	755,627,242	2.5674
10,001	-	50,000	56,037	16.5569	1,220,881,948	4.1483
50,001	-	100,000	8,828	2.6083	629,810,400	2.1399
100,001	-	500,000	7,827	2.3126	1,639,287,159	5.5699
500,001	-	1,000,000	1,027	0.3034	724,048,404	2.4601
1,000,001	-	5,000,000	935	0.2763	1,879,801,300	6.3871
5,000,001	-	10,000,000	132	0.039	951,460,189	3.2328
10,000,001	-	50,000,000	109	0.0322	2,336,138,996	7.9376
50,000,001	-	100,000,000	22	0.0065	1,412,038,956	4.7978
100,000,001	-	500,000,000	26	0.0077	5,593,907,815	19.0067
500,000,001	-	1,000,000,000	3	0.0009	4,368,490,324	14.8431
1,000,000,001	-	2,000,000,000	8	0.0024	6,565,287,204	22.3073
SUB TOTAL: -			**338,452**	**99.9997**	**28,076,779,937**	**95.3981**
GTCO GDR UNDERLYING SHARES			**1**	**0.0003**	**1,354,399,287**	**4.6019**
TOTAL			**338,453**	**100**	**29,431,179,224**	**100**
Shares raised not yet listed					**4,707,770,460**	
TOTAL					**34,138,949,684**	

According to the Register of Members as at December 31, 2024, no individual shareholder held more than 5% of the issued share capital of the Bank except for the following:

SHAREHOLDER	PERCENTAGE OF SHAREHOLDING	NO OF SHARES HELD
Stanbic Nominees Nigeria Limited	23.47	6,769,171,221
Zenith PFC	7.03	2,060,182,545
GTBank GDR (Underlying Shares)	4.60	1,354,399,287

Citibank Nigeria Limited held the 1,354,399,287 units of shares in its capacity as Custodian for the Underlying Shares of the Global Depository Receipts (GDRs) issued by the Bank in July 2007 and listed on the London Stock Exchange. Citibank does not exercise any rights over the Underlying Shares as beneficial owner.

Stanbic Nominees Nigeria Limited ("Stanbic") held 23.47% of the Company 's shares largely in trading accounts on behalf of various investors.

Zenith Pension held 7.03% of the Company's shares largely in trading accounts on behalf of various investors.

Donations and charitable gifts

In order to identify with the aspirations of various sections of the society, the Group donated a total sum of 962,623,489 (December 31 2023: 489,032,418) as donations and charitable contributions during the year. It comprises contributions to educational organizations, Art and Cultural organizations, and Professional organizations amongst others.

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

SECTOR	BENEFICIARY/PROJECT	AMOUNT (₦)
Community Development	Support for 43rd annual international scientific conference	2,000,000
	Support for climate summit	1,000,000
	Support for housing exhibition	5,000,000
	Support for Punuka Foundation Annual Walk for Special Children	2,350,000
	Support for security	100,000,000
	Support for the cause of raising awareness about consumer rights and needs	1,000,000
	Support for the special needs community cause	2,000,000
	Provision of healthcare in partnership with Swiss Red Cross	140,610,510
	Support for wellness wonderland	1,000,000
	Support to the CIC Alumni foundation	500,000
	Support for National Conference by APKMN	2,000,000
	Annual Autism Program (The Orange Ribbon Initiative)	208,697,110
	Support for the 17th Annual Banking & Finance Conference	40,000,000
	Support for the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN)	2,000,000
	Support for the vocational centre at Amuwo Odofin	3,000,000
	Financial Literacy and Public Enlightment Awareness Campaign by Bankers Committee.	40,886,583
	Support for Flood Disaster in Borno State	25,000,000
	Support for the Global Economic Summit	1,000,000
	Support for optimal orphanage home	2,000,000
	Support for Lagos PR Summit	2,000,000
	Support for Transportation	250,000,000
	Association of Professional Women Bankers	2,000,000
	Support for bankers committee retreat	6,361,286
	Support for annual banking dinner	15,000,000
	Support for 2024 Nigerian Red Cross Gala Night.	15,000,000

Education	Support for Book reading session at the You Read Library for children's day	2,538,785
	Sponsorship for School Sports	2,100,000
	Support for Children's Day Initiative	1,495,710
	Support for School Extra Curricular Activities	14,071,225
	Support for Polo sports Tournament	60,415,000
	Support for the World Savings day	839,780
	Support for chess week	2,000,000
	Support for charity art exhibition by Visual arts child prodigy	2,000,000
	Support for Lagos old student association	5,000,000
Others	Others	1,757,500
Grand Total		**962,623,489**

Report of the Audit Committee

There were no post balance sheet events which could have a material effect on the financial position of the Group as at December 31, 2024 and profit attributable to equity holders on the date other than as disclosed in Note 46 of the financial statements.

Research and development

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

Gender Analysis

The average number and percentage of males and females employed during the year ended December 31, 2024 vis-a-vis total workforce is as follows:

Holding Company

	Male	Female	Total	Male	Female
		Number		**%**	
Employees	23	22	45	51%	49%

Holding Company: Gender analysis in terms of Board and Top Management as at December 31, 2024 is as follows:

	Male	Female	Total	Male	Female
		Number		%	
Board	2	-	2	100%	-
Top Management	1	3	4	25%	75%
Total	**3**	**3**	**6**	**50%**	**50%**

Holding Company: Detailed Gender analysis in terms of Board and Top Management as at December 31, 2024 is as follows:

	Male	Female	Total	Male	Female
	Number			%	
Assistant General Manager	-	-	-	-	-
Deputy General Manager	-	1	1	-	100%
General Manager	1	2	3	33%	67%
Executive Director	1	0	1	100%	0%
Group Chief Executive Officer	1	0	1	100%	0%
Non-Executive Directors	2	2	4	50%	50%
Total	**5**	**5**	**10**	**50%**	**50%**

The average number and percentage of males and females employed during the period ended December 31, 2024, by Guaranty Trust Bank Ltd (the Holding Company's Largest Subsidiary) vis-a-vis total workforce is as follows:

Guaranty Trust Bank Ltd

	Male	Female	Total	Male	Female
	Number			%	
Employees	1,685	1,718	3,403	49.5%	50.5%

Guaranty Trust Bank Ltd: Gender analysis in average terms of Board and Top Management as at December 31, 2024 is as follows:

	Male	Female	Total	Male	Female
	Number			%	
Board	4	4	8	50%	50%
Top Management (AGM - GM)	18	14	32	56%	44%
Total	**22**	**18**	**40**	**55%**	**45%**

Guaranty Trust Bank Ltd: Detailed Gender analysis in average terms of Board and Top Management as at December 31, 2024 is as follows:

	Male	Female	Total	Male	Female
	Number			%	
Assistant General Manager	7	5	12	58%	42%
Deputy General Manager	5	6	11	45%	55%
General Manager	6	3	9	67%	33%
Executive Director	1	0	1	100%	0%
Deputy Managing Director	1	0	1	100%	0%
Managing Director	0	1	1	0%	100%
Non-Executive Directors	2	3	5	40%	60%
Total	**22**	**18**	**40**	**55%**	**45%**

Human Resources Policy

(1) Recruitment

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

(2) Diversity and Inclusion

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

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

(3) Employment of Physically Challenged Persons

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

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

(4) Employee Involvement and Training

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

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

(5) Health, Safety and Welfare of Employees

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Company provides medical facilities to its employees and their immediate families at its expense. In line with the status of the Company as a family-friendly organization, we operate crèche facilities at our Head Office and our Ilupeju branch. 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 centers (within their vicinity) and social clubs towards achieving employee wellness.

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

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

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

BY ORDER OF THE BOARD

Erhi Obebeduo
Company Secretary
FRC/2017/NBA/00000016024
Plot 635, Akin Adesola Street, Victoria Island, Lagos
January 27, 2025

Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended December 31, 2024

The Directors accept responsibility for the preparation of the financial statements set out from pages 66-302 that give a true and fair view in accordance with the requirements of the IFRS Accounting 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.

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

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

SIGNED ON BEHALF OF THE DIRECTORS BY:

BANJI ADENIYI CHIEF FINANCIAL OFFICER FRC/2013/ICAN/00000004318 27 January 2025	SEGUN AGBAJE GROUP MANAGING DIRECTOR FRC/2013/CIBN/00000001782 27 January 2025

Report of the Audit Committee

For the year ended December 31, 2024

To the members of Guaranty Trust Holding Company Plc

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

- We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act, 2004 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

- We are of the opinion that the accounting and reporting policies of the Company and Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended December 31, 2024, were satisfactory and reinforce the Group's internal control systems.

- We are satisfied that the Company has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February, 2004 on "Disclosure of directors' related credits in the financial statements of Companys", and hereby confirm that an aggregate amount of N177,375,000 (31 December, 2023: N253,375,000) was outstanding as at 31 December, 2024. The status of performance of insider related credits is as disclosed in Note 44d.

- 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
January 27, 2025
FRC/2020/002/00000020305

Members of the Audit Committee are:

1. Mrs. Sandra Mbagwu-Fagbemi — Chairman
2. Alhaji M.A. Usman
3. Mrs. A. Kuye
4. Mrs. H. L. Bouygues
5. Mrs. C. N. Echeozo

Shareholder's Representatives

Corporate Responsibility for Financial Statements as at December 31, 2024

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

Financial Information

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

II. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of and for the year ended December 31, 2024.

Effective Internal Controls.

I. Effective internal controls have been designed to ensure that material information relating to the Company and its Subsidiaries is made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.
II. The effectiveness of the Group's Internal controls have been evaluated within 90 days prior to December 31, 2024
III. The Group's Internal Controls are effective as at December 31, 2024.

Disclosures

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

SIGNED BY:

CHIEF FINANCIAL OFFICER	GROUP MANAGING DIRECTOR
BANJI ADENIYI	SEGUN AGBAJE
FRC/2013/ICAN/00000004318	FRC/2013/CIBN/00000001782
28 January, 2025	28 January, 2025

Management's Annual Assessment of, and Report on, Internal Control over Financial Reporting for the year ended 31 December 2024

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Guaranty Trust Holding Company Plc (“the Company”) for the year ended 31 December 2024:

a) Guaranty Trust Holding Company Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting (“ICFR”) that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Standards.

b) Guaranty Trust Holding Company Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the Company's ICFR;

c) Guaranty Trust Holding Company Plc's management has assessed that the Company's ICFR as of 31 December 2024 is effective.

d) Guaranty Trust Holding Company Plc's external auditor, Ernst & Young, that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the Company's internal control over financial reporting.

The attestation report of Ernst & Young that audited its financial statements will be filed as part of Guaranty Trust Holding Company Plc's annual report.

CHIEF FINANCE OFFICER
FRC/2013/PRO/ICAN/004/00000004318
28 JANUARY 2025

SEGUN AGBAJE
GROUP MANAGING DIRECTOR
FRC/2013/PRO/DIR/003/00000001782
28 JANUARY 2025

Certification by Chief Executive Officer

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Guaranty Trust Holding Company Plc ("the Company") for the year ended 31 December 2024:

I, Segun Agbaje, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of Guaranty Trust Holding Company Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the period presented in this report;

d) The Company's other certifying officer and I:

   1) are responsible for establishing and maintaining internal controls;
   2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   4) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   1) There are no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   2) There are no frauds, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

The Company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

SEGUN AGBAJE
GROUP MANAGING DIRECTOR
FRC/2013/PRO/DIR/003/00000001782
28 JANUARY 2025

Certification by Chief Financial Officer

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Guaranty Trust Holding Company Plc ("the Company") for the year ended 31 December 2024:

I, Adebanji Adeniyi, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of Guaranty Trust Holding Company Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

d) The company's other certifying officer and I:

   1) are responsible for establishing and maintaining internal controls;
   2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   1) There are no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   2) There are no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

The company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

ADEBANJI ADENIYI
CHIEF FINANCE OFFICER
FRC/2013/PRO/ICAN/004/00000004318
28 JANUARY 2025

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Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the Shareholders of Guaranty Trust Holding Company Plc

Scope
We have been engaged by Guaranty Trust Holding Company Plc ("the Company") to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the "engagement", to report on Guaranty Trust Holding Company Plc's Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in Guaranty Trust Holding Company Plc's (the "Group's") Management's Assessment on Internal Control over Financial Reporting as at 31 December 2024 (the "Report").

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Criteria applied by Guaranty Trust Holding Company Plc
In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), Guaranty Trust Holding Company Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting ("Criteria"). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization. As a result, the subject matter information may not be suitable for another purpose.

Guaranty Trust Holding Company Plc's responsibilities
Guaranty Trust Holding Company Plc's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Guaranty Trust Holding Company Plc's *Management's Assessment of the Internal Control over Financial Reporting as of 31 December 2024* in accordance with the Criteria.

Our responsibilities
Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting - continued

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 December 2024, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of Guaranty Trust Holding Company Plc and its subsidiaries for the year ended 31 December 2024, and we expressed an unmodified opinion in our report dated 28 March 2025. Our conclusion is not modified in respect of this matter.

Anthony Oputa
FRC/2013/PRO/ICAN/004/00000000980
For: Ernst & Young
Lagos, Nigeria
Date: 28 March 2025

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Independent Auditor's Report

To the Shareholders of Guaranty Trust Holding Company Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Guaranty Trust Holding Company Plc ("the Company") and its subsidiaries (together "the Group''), which comprise the consolidated and separate statements of financial position as at 31 December 2024, and the consolidated and separate income statements, the consolidated and separate statements of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year ended 31 December 2024, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year ended 31 December 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act (BOFIA) 2020, and relevant circulars issued by the Central Bank of Nigeria (CBN), and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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 are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent Auditor's Report - continued

Key Audit Matters – continued

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

Key Audit Matters	How the matter was addressed in the audit
1. Impairment of loans and advances to customers The determination of the adequacy of the allowance for expected credit losses (ECL) for loans and advances to customers is highly subjective and judgmental. The Group reported total gross loans and advances to customers of N2,920 billion and allowance for ECL of N132.9 billion as at 31 December 2024, and ECL impairment charges of N135.1 billion for the year ended 31 December 2024. Given the subjective nature of the calculation of ECL, there is a heightened risk that the extent of allowances could be misstated. The ECL model involves the application of considerable level of judgement and estimation in determining inputs for ECL calculation such as: • determining criteria for significant increase in credit risk (SICR) for the purpose of stage assessment; • assessing the relationship between default and macro-economic variables; • incorporating forward looking information in the expected credit loss and establishing multiple scenarios with related probability weights; • validating the completeness and accuracy of historical data used to reassess the models; • validating the completeness and accuracy of data used to run the models; • factors incorporated in determining the Probability of Default (PD), the Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD); • factors considered in cash flow estimation including timing and amount; and • factors considered in collateral valuation. The determination of ECL on loans and advances to customers is considered a key audit matter given the significant balances of loans and advances, related ECL allowances	Our audit approach was a combination of control reliance and substantive procedures. We reviewed IT General and Application controls governing the IT systems used to calculate expected credit losses such as the process for data migration and upload, access controls over inputs into the system, change management controls and staging configuration within the system. We reviewed management's criteria for default and significant increase in credit risk (SICR) by reviewing customer files and account statements for selected obligors to identify quantitative and qualitative indicators of SICR and default. In addition, for stage 3 exposures, we assessed the assumptions considered in the estimation of recovery cash flows, the discount factor, collateral valuation, and timing of realization. Working with our credit risk modelling specialists, we gained an understanding of how the PD, LGD and EAD were derived by reviewing the ECL model documentation and performed walkthroughs. With the involvement of our specialists, we evaluated and performed the following in respect of the following ECL parameters: Probability of Default (PD): • Assessed the Group's rating scale based on their homogenous categories. • Re-computed the through-the-cycle PDs by adopting the S&P PD per credit rating to estimate the ECL parameters on a more granular basis i.e., monthly forecast for the PD, EAD cashflow projection. • Re-calculated the conversion of through-the-cycle PDs to conditional PDs.

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and impairment charges, and the level of complexity and judgement involved in the process. Refer to Note 3(V) – Impairment of Financial Assets for the related accounting policies and Note 28 - Loans and advances to customers, of the Consolidated and Separate Financial Statements for the details of the balances.	Loss Given Default (LGD): • Reviewed the assumptions used in determining LGD. • Tested historical data for recoveries on unsecured exposures and re-computed unsecured LGD in order to assess the reasonableness of the Group's LGD computations. • Reviewed and evaluated the reasonableness of collateral parameters. *Exposure at Default (EAD)* We re-computed the Lifetime Exposures at Default using the EAD parameters contained in the loan book. *Disclosures* We evaluated the adequacy of disclosures in the consolidated and separate financial statements including the appropriateness of assumptions and sensitivities disclosed. We tested the data and calculations supporting the disclosures.
2. Implementation of new core banking application with impact on Financial Reporting GTBank Nigeria made significant investment in technology within the last 12 months which led to the implementation of a new banking application and other related suite of applications within the year, transiting from Basis to Finacle banking application. The Group's IT environment is inherently complex due to the number of systems it operates and its reliance on automated and IT dependent manual controls which support a broad range of banking as well as the processing of the Group's significant volume of transactions, which impact all account balances The IT systems within the Group form a critical part of the Group's financial reporting activities, due to the significant reliance on IT systems, General IT Controls for completeness and accuracy of financial data and the integrity of automated system functionality.	Our audit procedures were primarily comprised of: We involved our IT specialist to perform the following: • IT General Control test on the newly implemented applications (Finacle Core Banking and Finacle Treasury) • Data Migration test on the newly implemented applications (Finacle Core Banking and Finacle Treasury) • IT Application Controls and IT Portion of IT Dependent Manual Controls (as may be required) tests on the newly implemented applications (Finacle Core Banking and Finacle Treasury). • Evaluated the design and testing the operating effectiveness of IT controls over the key applications, operating systems and databases that are relevant to financial reporting. • Tested the operating effectiveness of key automated controls for in-scope business processes, including automated calculations; and

We have identified the implementation of new core banking application with impact on financial reporting as a key audit matter because of the following • There is a risk that data may not have been accurately or completely migrated from BASIS to Finacle as the Bank handles large volume of transactions • The new system may have different configurations and customizations from BASIS. If not properly configured or customized, this could result in material misstatement that impact multiple accounts in the financial statements • The transition to a new core banking application may impact the Bank's IT internal control environment. There is a risk that the new application may be operating under ineffective control for which significant processes rely on. Risk of extended system downtime during the migration, affecting business operations and risk of Inadequate contingency planning for system failures or delays. • Appropriate IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. These controls contribute to mitigating the risk of potential fraud or error in the financial accounting and reporting records as a result of changes to IT systems, applications or data.	Involved our Data Analytics specialists to carry out the following procedures: • Test the completeness and accuracy on the transfer of balances from Basis to Finacle. • Gained understanding of the data transfer/migration process undertaken and any controls put in place to ensure the completeness and accuracy of the data. • Gained understanding of the complaints process and the resolution of the related complaints. • Tested controls over the complaints process. Obtained and reviewed the schedule for pending channel transactions as at 31 December 2024 and confirmed how they were resolved.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Guaranty Trust Holding Company Plc Financial Statements together with Directors' and Auditor's Reports", which includes the Corporate Governance, Subsidiary Governance, Sustainability Report, Complaints and Feedback, Anti-Money Laundering and Combating Terrorist Financing Framework, Internal Control and Risk Management Systems, Directors' Report, Statement of Directors' Responsibilities in Relation to the Preparation of the Consolidated and Separate Financial Statements, Report of the Audit Committee; Statement of Corporate Responsibility for Financial Statements, Management's Annual Assessment of, and Report on, Internal Control over Financial Reporting for the year ended 31 December 2024, Certification by Chief Executive Officer, *Other Information - continued*

Certification by Chief Financial Officer and Other National Disclosures. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act (BOFIA) 2020, and relevant circulars issued by the Central Bank of Nigeria (CBN) and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, 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 and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material 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 judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books;

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Independent Auditor's Report – continued

Report on Other Legal and Regulatory Requirements – continued

- The consolidated and separate statements of financial position and the consolidated and separate income statements, consolidated and separate statements of other comprehensive income, are in agreement with the books of account; and
- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

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

i) Related party transactions and balances are disclosed in Note 44 to the consolidated and separate financial statements in compliance with Central Bank of Nigeria circular No. BSD/1/2004.

ii) Returns on customers' complaints of Guaranty Trust Bank Limited, a wholly-owned subsidiary of Guaranty Trust Holding Company Plc are disclosed on page 31 – Complaints and Feedback and page 294 - Other Information - Complaints and Feedback in compliance with Central Bank of Nigeria circular No. PDR/DIR/CIR/01/20.

iii) As disclosed in Note 45 to the consolidated and separate financial statements, the Company and Guaranty Trust Bank Limited, paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act 2020 and certain circulars issued by the Central Bank of Nigeria, during the year ended 31 December 2024.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2024. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified opinion in our report dated 28 March 2025.

Anthony Oputa

Anthony Oputa
FRC/2013/PRO/ICAN/004/00000000980
For Ernst & Young
Lagos, Nigeria
28 March 2025

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Financial statements

Consolidated and separate statements of financial position

As at 31 December 2024

In thousands of Nigerian Naira	***Notes***	**Group Dec-2024**	**Group Dec-2023**	**Company Dec-2024**	**Company Dec-2023**
Assets					
Cash and bank balances	22	4,673,048,120	2,309,618,698	210,095,331	60,169
Financial assets at fair value through profit or loss	23	59,602,997	28,066,613	-	-
Derivative financial assets	24	-	28,961,143	-	-
Investment securities:					
– Fair value through profit or loss	25	5,508,086	3,947,850	-	-
– Fair value through other comprehensive income	25	2,495,063,888	894,064,002	-	-
– Held at amortised cost	25	1,647,724,053	1,571,317,478	-	-
Assets pledged as collateral	26	114,570,075	86,552,701	-	-
Loans and advances to banks	27	87,794	66,935	-	-
Loans and advances to customers	28	2,785,664,040	2,480,183,368	-	-
Restricted deposits and other assets	33	2,574,084,654	2,012,815,346	250,238,501	-
Investment in subsidiaries	29	-	-	371,068,493	162,956,560
Property and equipment, and Right of use assets	30	330,232,049	224,298,652	1,134,728	798,270
Intangible assets	31	81,244,113	33,076,038	-	-
Deferred tax assets	32	28,876,962	18,285,854	-	-
Total assets		**14,795,706,831**	**9,691,254,678**	**832,537,053**	**163,814,999**
Liabilities					
Deposits from banks	34	388,420,244	136,053,409	-	-
Deposits from customers	35	10,013,021,406	7,410,834,190	-	-
Financial liabilities at fair value through profit or loss	36	51,174,468	809,342	-	-
Derivative financial liabilities	24	10,759,624	-	-	-
Other liabilities	37	1,020,285,051	493,325,925	221,179,425	16,483,941
Current income tax liabilities	20	186,665,408	41,303,351	71,639	88,692
Other borrowed funds	39	310,021,046	72,119,485	-	-
Deferred tax liabilities	32	103,341,970	59,680,905	134,065	11,862
Total liabilities		**12,083,689,217**	**8,214,126,607**	**221,385,129**	**16,584,495**

Consolidated and separate statements of financial position (Continued)

In thousands of Nigerian Naira	*Notes*	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Capital and reserves	40				
Share capital		17,069,475	14,715,590	17,069,475	14,715,590
Share premium		329,229,161	123,471,114	329,229,161	123,471,114
Treasury shares		(11,289,600)	(8,125,998)	-	-
Retained earnings		1,319,841,616	580,033,938	255,978,288	168,800
Regulatory risk reserves		75,110,626	75,085,447	-	-
Statutory reserves		628,865,926	487,807,671	-	-
Other components of equity		296,430,677	174,653,988	8,875,000	8,875,000
Capital and reserves attributable to equity holders of the parent entity		**2,655,257,881**	**1,447,641,750**	**611,151,924**	**147,230,504**
Non-controlling interests in equity		56,759,733	29,486,321	-	-
Total equity		**2,712,017,614**	**1,477,128,071**	**611,151,924**	**147,230,504**
Total liabilities and equity		**14,795,706,831**	**9,691,254,678**	**832,537,053**	**163,814,999**

Approved by the Board of Directors on 28 January 2025:

Group Chief Financial Officer
Banji Adeniyi
FRC/2013/PRO/ICAN/004/00000004318

Non Exective Director
Cathy Echeozo
FRC/2013/PRO/DIR/003/00000001319

Group Chief Executive Officer
Segun Agbaje
FRC/2013/PRO/DIR/003/00000001782

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

Consolidated and separate income statements

For the year ended 31 December 2024

In thousands of Nigerian Naira	*Notes*	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Interest income calculated using the effective interest method	9	1,321,581,659	531,017,544	-	-
Interest income on financial assets at fair value through profit or loss	9	20,220,004	19,737,584	-	-
Interest expense	10	(283,215,490)	(114,058,543)	-	-
Net interest income		**1,058,586,173**	**436,696,585**	**-**	**-**
Loan impairment charges	11	(136,661,978)	(102,953,282)	-	-
Net interest income after loan impairment charges		**921,924,195**	**333,743,303**	**-**	**-**
Fee and commission income	12	221,231,208	124,162,260	3,487,220	3,487,220
Fee and commission expense	13	(31,519,796)	(14,733,765)	-	-
Net fee and commission income		**189,711,412**	**109,428,495**	**3,487,220**	**3,487,220**
Net trading gains on financial instruments held at fair value through profit or loss	14	86,237,811	62,201,192	-	-
Other income[1]	15	499,066,576	449,346,845	364,176,863	106,248,053
Net impairment charge on other financial assets	16	(27,667,721)	(94,992,377)	-	-
Personnel expenses	17	(85,397,889)	(45,097,281)	(1,474,269)	(1,301,639)
Depreciation and amortisation	18	(58,032,825)	(39,095,443)	(119,727)	(95,654)
Other operating expenses	19	(259,595,486)	(166,226,292)	(322,342)	(354,432)
Profit before income tax		**1,266,246,073**	**609,308,442**	**365,747,745**	**107,983,548**
Income tax expense	20	(248,443,224)	(69,653,768)	(1,042,894)	(1,581,672)
Profit for the year		**1,017,802,849**	**539,654,674**	**364,704,851**	**106,401,876**
Profit attributable to:					
Equity holders of the parent entity		1,006,219,889	534,425,317	364,704,851	106,401,876
Non-controlling interests		11,582,960	5,229,357	-	-
		1,017,802,849	**539,654,674**	**364,704,851**	**106,401,876**

[1] Other Income relates principally to Dividend income received from Guaranty Trust Bank Ltd, please refer to note 15.

Earnings per share attributable to the equity holders of the parent entity during 'the period (expressed in naira per share):					
– Basic	21	35.44	19.07	12.23	3.62
– Diluted	21	35.44	19.07	12.23	3.62

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

Consolidated and separate statements of other comprehensive income

For the year ended 31 December 2024

In thousands of Nigerian Naira	***Notes***	**Group Dec-2024**	**Group Dec-2023**	**Company Dec-2024**	**Company Dec-2023**
Profit for the year		1,017,802,849	539,654,674	364,704,851	106,401,876
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent years:					
Net change in fair value of equity investments FVOCI		451,301	16,987	-	-
		451,301	16,987	-	-
Remeasurement gain/(loss) on post-employment benefit obligations	38(b)	7,806,739	5,622,571	-	-
Income tax relating to remeasurements of post-employment benefit obligations	21(a)	(2,342,022)	(1,686,771)	-	-
		5,464,717	3,935,800	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent years:					
Foreign currency translation differences for foreign operations		183,446,191	141,769,144	-	-
Income tax relating to foreign currency translation differences for foreign operations	20	(55,033,857)	(42,530,743)	-	-
Net change in fair value of other financial assets FVOCI		(18,354,491)	10,561,699	-	-
Income tax relating to change in fair value of other financial assets FVOCI	20	5,506,347	(3,168,510)	-	-
		115,564,190	106,631,590	-	-
Other comprehensive loss for the year, net of tax		121,480,208	110,584,377	-	-
Total comprehensive income for the year		**1,139,283,057**	**650,239,051**	**364,704,851**	**106,401,876**
Total Comprehensive Income attributable to:					
Equity holders of the parent entity		**1,111,563,164**	**637,016,096**	**364,704,851**	**106,401,876**
Non-controlling interests		**27,719,893**	**13,222,955**	**-**	**-**
Total comprehensive income for the year		**1,139,283,057**	**650,239,051**	**364,704,851**	**106,401,876**

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

Consolidated Statement of Changes in Equity
For the year ended 31 December 2024
Group

In thousands of Nigerian Naira	Share capital	Share premium	Equity Reserve	Regulatory risk reserves	Statutory reserves	Other regulatory reserves[1]	Treasury shares	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total equity attributable to parent	Non-controlling interests	Total equity
Balance at 1 January 2024	**14,715,590**	**123,471,114**	**8,875,000**	**75,085,447**	**487,807,671**	**59,242,693**	**(8,125,998)**	**20,165,099**	**86,371,196**	**580,033,938**	**1,447,641,750**	**29,486,321**	**1,477,128,071**
Total comprehensive income for the year:													
Profit for the year	-	-	-	-	-	-	-	-	-	1,006,219,889	1,006,219,889	11,582,960	1,017,802,849
Other comprehensive income, net of tax													
Foreign currency translation difference	-	-	-	-	-	-	-	-	116,074,016	-	116,074,016	12,338,318	128,412,334
Actuarial gain	-	-	-	-	-	-	-	-	-	5,464,717	5,464,717	-	5,464,717
Fair value adjustment	-	-	-	-	-	-	-	(16,195,458)	-	-	(16,195,458)	3,798,615	(12,396,843)
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(16,195,458)**	**116,074,016**	**5,464,717**	**105,343,275**	**16,136,933**	**121,480,208**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(16,195,458)**	**116,074,016**	**1,011,684,606**	**1,111,563,164**	**27,719,893**	**1,139,283,057**
Transactions with equity holders, recorded directly in equity:													
Transfers for the year	-	-	-	25,179	141,058,255	21,898,131	-	-	-	(162,981,565)	-	-	-
Increase during the year[1]	2,353,885	205,758,047	-	-	-	-	-	-	-	-	208,111,932	-	208,111,932
(Acquisition)/disposal of own shares[1]	-	-	-	-	-	-	(3,163,602)	-	-	-	(3,163,602)	-	(3,163,602)
Dividend to equity holders[2]	-	-	-	-	-	-	-	-	-	(108,895,363)	(108,895,363)	(446,481)	(109,341,844)
	2,353,885	**205,758,047**	**-**	**25,179**	**141,058,255**	**21,898,131**	**(3,163,602)**	**-**	**-**	**(271,876,928)**	**96,052,967**	**(446,481)**	**95,606,486**
Balance at 31 December 2024	**17,069,475**	**329,229,161**	**8,875,000**	**75,110,626**	**628,865,926**	**81,140,824**	**(11,289,600)**	**3,969,641**	**202,445,212**	**1,319,841,616**	**2,655,257,881**	**56,759,733**	**2,712,017,614**

[1] Please refer to Note 40
[2] Please refer to Note 41

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

Consolidated Statement of Changes in Equity
For the year ended 31 December 2023
Group

In thousands of Nigerian Naira	Share capital	Share premium	Equity reserves	Regulatory risk reserves	Statutory reserves	Other regulatory reserves[1]	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 2023	**14,715,590**	**123,471,114**	**8,875,000**	**93,032,492**	**404,050,720**	**53,410,653**	**(8,125,998)**	**11,720,267**	**(4,003,765)**	**214,858,054**	**912,004,127**	**19,145,075**	**931,149,202**
Total comprehensive income for the year:													
Profit for the year	-	-	-	-	-	-	-	-	-	534,425,317	534,425,317	5,229,357	539,654,674
Other comprehensive income, net of tax													
Foreign currency translation difference	-	-	-	-	-	-	-	-	90,374,961	-	90,374,961	8,863,440	99,238,401
Actuarial gain	-	-	-	-	-	-	-	-	-	3,935,800	3,935,800	-	3,935,800
Fair value adjustment	-	-	-	-	-	-	-	8,280,018	-	-	8,280,018	(869,842)	7,410,176
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,280,018**	**90,374,961**	**3,935,800**	**102,590,779**	**7,993,598**	**110,584,377**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,280,018**	**90,374,961**	**538,361,117**	**637,016,096**	**13,222,955**	**650,239,051**
Transactions with equity holders, recorded directly in equity:													
Transfers for the year	-	-	-	(17,947,045)	83,756,951	5,832,040	-	164,814	-	(71,806,760)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(4,943,588)	(4,943,588)
Dividend to equity holders[2]	-	-	-	-	-	-	-	-	-	(98,716,019)	(98,716,019)	(600,575)	(99,316,594)
Transfer to Non-controlling interest	-	-	-	-	-	-	-	-	-	(2,662,454)	(2,662,454)	2,662,454	-
	-	**-**	**-**	**(17,947,045)**	**83,756,951**	**5,832,040**	**-**	**164,814**	**-**	**(173,185,233)**	**(101,378,473)**	**(2,881,709)**	**(104,260,182)**
Balance at 31 December 2023	**14,715,590**	**123,471,114**	**8,875,000**	**75,085,447**	**487,807,671**	**59,242,693**	**(8,125,998)**	**20,165,099**	**86,371,196**	**580,033,938**	**1,447,641,750**	**29,486,321**	**1,477,128,071**

[1] Please refer to Note 40

[2] Please refer to Note 41

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

Statement of Changes in Equity
For the year ended 31 December 2024
Company

In thousands of Nigerian Naira	Share capital	Share premium	Equity Reserve	Regulatory risk reserves	Statutory reserves	Other regulatory reserves	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2024	**14,715,590**	**123,471,114**	**8,875,000**	**-**	**-**	**-**	**-**	**168,800**	**147,230,504**
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	364,704,851	364,704,851
Other comprehensive income, net of tax									
Total other comprehensive income	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	-	-	-	-	-	-	-	364,704,851	**364,704,851**
Transactions with equity holders, recorded directly in equity:									
Increase during the year [1]	2,353,885	205,758,047		-		-	-	-	208,111,932
Dividend to equity holders[2]	-	-	-	-	-	-	-	(108,895,363)	(108,895,363)
	2,353,885	**205,758,047**	**-**	**-**	**-**	**-**	-	**(108,895,363)**	**99,216,569**
Balance at 31 December 2024	**17,069,475**	**329,229,161**	**8,875,000**	**-**	**-**	**-**	**-**	**255,978,288**	**611,151,924**

[1] Please refer to Note 40
During the year, the Company raised additonal capital through issuance of 4,707,770,460 ordinary shares. The shares were issued at premium.

[2] Please refer to Note 41
The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2023
Company

In thousands of Nigerian Naira	Share capital	Share premium	Equity Reserve	Regulatory risk reserves	Statutory reserves	Other regulatory reserves	Fair value reserve	Retained earnings/(loss)	Total equity
Balance at 1 January 2023	**14,715,590**	**123,471,114**	**8,875,000**	**-**	**-**	**-**	**-**	**(9,110,185)**	**137,951,519**
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	106,401,876	106,401,876
Total comprehensive income	-	-	-	-	-	-	-	**106,401,876**	**106,401,876**
Transactions with equity holders, recorded directly in equity:									
Acquisition/disposal of own shares	-	-	-	-		-	-	-	-
Dividend to equity holders[1]	-	-	-	-	-	-	-	(97,122,891)	(97,122,891)
	-	**-**	**-**	**-**	**-**	**-**	-	**(97,122,891)**	**(97,122,891)**
Balance at 31 December 2023	**14,715,590**	**123,471,114**	**8,875,000**	**-**	**-**	**-**	**-**	**168,800**	**147,230,504**

[1] Please refer to Note 41

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

Consolidated and separate statements of cash flows

For the year ended 31 December 2024

In thousands of Nigerian Naira	***Notes***	**Group Dec-2024**	**Group Dec-2023**	**Company Dec-2024**	**Company Dec-2023**
Cash flows from operating activities					
Profit for the year		1,017,802,849	539,654,674	364,704,851	106,401,876
Adjustments for:					
Depreciation of property and equipment and right of use assets	18	49,775,692	31,400,606	119,727	95,654
Amortisation of Intangible assets	18	8,257,133	7,694,837	-	-
Gains on disposal of property and equipment	15	(187,598)	(11,581)	-	-
Impairment on financial assets	39c(xii)	164,329,699	197,945,659	-	-
Restoration cost	37(g)	(27,280)	23,025	-	-
Litigation Claims Provision	37(d)	1,576,854	9,100,352	-	-
Net interest income		(1,058,586,173)	(436,696,585)	-	-
Unrealised Loss on forward transactions	15	39,720,767	584,714	-	-
Unrealised Foreign exchange (gains)/loss	15	1,948,497	(74,524,051)	-	-
Unrealised Fair value gains on Financial instrumen	15	(517,500,098)	(367,266,907)	-	-
Fair value changes for assets at FVTPL	15	(2,023,108)	4,951,704	-	-
Dividend income	15	(430,718)	(248,158)	(364,137,165)	(105,952,245)
Income tax expense	20	248,443,224	69,653,768	1,042,894	1,581,672
		(46,900,260)	(17,737,943)	1,730,307	2,126,957
Net changes in:					
Financial assets at fair value through profit or loss	39c(i)	(27,804,150)	98,982,224	-	-
Assets pledged as collateral	39c(ii)	(22,387,791)	(1,673,146)	-	-
Loans and advances to banks and placements with banks	39c(iii)	34,572,844	(280,677,452)	-	-
Loans and advances to customers	39c(iv)	289,249,454	337,687,364	-	-
Restricted deposits and other assets	39c(v)	(450,451,492)	(671,113,952)	-	144,538
Deposits from banks	39c(vi)	55,789,170	(210,945,012)	-	-
Deposits from customers	39c(vii)	524,164,860	1,570,837,052	-	-
Financial liabilities at fair value through profit or loss	39c(viii)	50,365,126	(1,020,886)	-	-
Other liabilities	39c(ix)	331,840,954	(329,121,372)	204,695,484	(9,559,562)
		785,338,975	512,954,820	204,695,484	(9,415,024)
Interest received	39c(x)	1,375,412,095	532,657,859	-	-
Interest paid	39c(xi)	(249,683,507)	(116,090,051)	-	-
		1,125,728,588	416,567,808	-	-
		1,864,167,303	911,784,685	206,425,791	(7,288,067)
Income tax paid	20(b)	(124,320,990)	(82,672,880)	(937,744)	(1,481,118)
Net cash flows provided from/(used in) operating activities		**1,739,846,313**	**829,111,805**	**205,488,047**	**(8,769,185)**

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

Consolidated and separate statements of cash flows

For the year ended 31 December 2024

In thousands of Nigerian Naira	***Notes***	**Group Dec-2024**	**Group Dec-2023**	**Company Dec-2024**	**Company Dec-2023**
Cash flows from investing activities					
Redemption of investment securities	39c(xiii)	4,062,649,804	2,948,382,151	-	-
Purchase of investment securities	39c(xiv)	(5,055,861,698)	(3,867,163,867)	-	-
Dividends received	15	430,718	248,158	113,898,664	105,952,245
Purchase of property and equipment and Right of use assets	30	(130,080,150)	(41,620,320)	(456,185)	-
Proceeds from the sale of property and equipment		227,312	79,986	-	-
Investment in Subsidiaries		-	-	(208,111,933)	-
Purchase of intangible assets	31	(55,196,356)	(10,978,926)	-	-
Net cash flows from/(used in) from investing activities		**(1,177,830,370)**	**(971,052,818)**	**(94,669,454)**	**105,952,245**
Cash flows from financing activities					
Repayment of long term borrowings	39b	(50,537,692)	(54,480,987)	-	-
Proceeds from long term borrowings	39b	254,785,709	416,877	-	-
Purchase of treasury shares	40	(3,163,602)	-	-	-
Payment of lease liabilities	37f	(8,433,577)	(1,913,893)	-	-
Proceeds from share issue	40	209,495,785	-	209,495,785	-
Transaction cost	40	(1,383,853)	-	(1,383,853)	-
Dividends paid to owners	41	(108,895,363)	(98,716,019)	(108,895,363)	(97,122,891)
Dividends paid to non-controlling interests	41	(446,481)	(600,575)	-	-
Acquisition of non-controlling interests	29	-	(4,943,588)	-	-
Net cash flows from/(used in) from **financing activities**		**291,420,926**	**(160,238,185)**	**99,216,569**	**(97,122,891)**
Net increase/(decrease) in cash and cash equivalents		853,436,869	(302,179,198)	210,035,162	60,169
Cash and cash equivalents at beginning of the year		2,005,936,198	1,596,078,639	60,169	-
Effect of exchange rate fluctuations on cash held		1,542,216,852	712,036,757	-	-
Cash and cash equivalents at end of the year	22(b)	**4,401,589,919**	**2,005,936,198**	**210,095,331**	**60,169**

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

1. Reporting entity

Guaranty Trust Holding Company PLC ("the Parent" or the "the Company") is a company incorporated in Nigeria. The address of the Company's registered office is Plot 635, Akin Adesola Street, Victoria Island, Lagos. These separate and consolidated financial statements, for the year ended 31 December 2024, are prepared for the Company and the Group (Holding Company and its subsidiaries, separately referred to as "Group entities") respectively. The Group is primarily involved in the provision of banking and other financial services to corporate and individual customers.

2. Basis of preparation

The consolidated and separate annual financial statements for the year ended 31 December 2024 have been prepared in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board (IASB). The financial statements comply with the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act, the Financial Reporting Council of Nigeria Act and other relevant Cental Bank of Nigeria circulars.

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

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

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

The Financial Statements were authorized for issue by the directors on 28 January 2025.

3. (a) Material 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.

- **Functional and presentation currency**

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

- **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.
  - ✓ 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.
  - ✓ Fair value through other comprehensive income (FVOCI) financial assets are measured at fair value.
  - ✓ Liabilities for cash-settled share-based payment arrangements are measured at fair value.
  - ✓ The Employee benefit asset 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.

- **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**

  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, 2024. 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 IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

  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 2024 and must be applied retrospectively.The amendment clarify:

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

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

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

- **Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback**

In September 2022, the Board issued Lease Liability in a Sale and Leaseback. The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

However, the requirements do not prevent the seller-lessee from recognizing any gain or loss arising from the partial or full terminaton of a lease.

The amendment does not have any significant impact on the Group, as there is non-existent of such transaction as Sale and Leaseback within the Group or with external parties.

- **Amendments to IAS 7 & IFRS 7 – Supplier Finance Arrangements**

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity’s suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions.

The amendment does not have any material 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 1 January 2024:

Standard/Amendment	Content	Effective Data
IAS 21	Lack of exchangeability	01-Jan-25
IFRS 9 & IFRS 7	Classification and Measurement of Financial Instruments	01-Jan-26
IFRS 9 & IFRS 7	Power Purchase Agreements	01-Jan-26
IFRS	Annual Improvement to IFRS Accounting Standards- Volume 11	01-Jan-26
IFRS 18	Presentation and Disclosure in Financial Statements	01-Jan-27
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01-Jan-27

The Group did not apply 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.

- **Amendments to IAS 21 – Lack of exchangeability**

  In August 2023, the Board issued Lack of exchangeability amendments to IAS 21. The amendments specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

  If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

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

- **IFRS 9 & IFRS 7 – Classification and Measurement of Financial Instruments**

  In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- ✓ Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met

- ✓ Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features

- ✓ Clarifies the treatment of non-recourse assets and contractually linked instruments

- ✓ Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendment does not have any material impact on the Group

- **IFRS 9 & IFRS 7 – Contracts Referencing Nature – dependent Electricity**

In December 2024, the Board issued *Contracts Referencing Nature-dependent Electricity* (Amendments to IFRS 9 and IFRS 7). The amendments include:

- ✓ Clarifying the application of the 'own-use' requirements

- ✓ Permitting hedge accounting if these contracts are used as hedging instruments

- ✓ Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The amendment does not have any material impact on the Group

- **Improvements to International Financial Reporting Standards**

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

The following is the amendments from the Annual Improvements to IFRS Accounting Standards—Volume 11:

IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter

- ✓ IFRS 7 Financial Instruments: Disclosures - Gain or Loss on Derecognition
- ✓ Guidance on implementing IFRS 7 Financial Instruments: Disclosures - Disclosure of Deferred Difference between Fair Value and Transaction Price
- ✓ Guidance on implementing IFRS 7 Financial Instruments: Disclosures - Credit Risk Disclosures
- ✓ IFRS 9 Financial Instruments - Lessee Derecognition of Lease Liabilities
- ✓ IFRS 9 Financial Instruments - Transaction Price
- ✓ IFRS 10 Consolidated Financial Statements - Determination of a 'De Facto Agent'
- ✓ IAS 7 Statement of Cash Flows - Cost Method

The amendment does not have any material impact on the Group

- **IFRS 18 – Presentation and Disclosure in Financial Statements**

In April 2024, the Board issued IFRS 18 to become effective on 1 January 2027. The objective of the Standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses, with emphasis on the subject matter as shown below:

- ✓ **Aggregation** : The adding together of assets, liabilities, equity, income, expenses or cash flows that share characteristics and are included in the same classification.
- ✓ **Classification**: The sorting of assets, liabilities, equity, income, expenses and cash flows based on shared characteristics.
- ✓ **Disaggregation**: The separation of an item into component parts that have characteristics that are not shared

The Group plans to adopt the full scope of the Standard when it becomes effective.

- **IFRS 19 – Subsidiaries without Public Accountability: Disclosures**

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

Eligible entities

- ✓ It is a subsidiary as defined in IFRS 10 Consolidation Financial Statement
- ✓ It does not have public accountability
- ✓ It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accunting standards.

The standard does not have any Impact on the Group as the group is not an Eligible entity

(b) Other Material 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 at the Holding Company's reporting date. The consolidation principles are unchanged as against the comparative period.

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company 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 Company. 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) Revenue from contract with customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The standard establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five step model requires the Company to (i) identify the contract with the customer, (i" identity each of the performance obligations included in the contract, (il) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified performance obligations and (v) recognise revenue as each performance obligation is satisfied.

Guaranty Trust Pension Managers Limited

Revenue recognition by the Pension Manager subsidiary are under the following;

Asset Based Fees: These are fees earned on pension funds by the company and held by fund custodians as stipulated by Pension Reform Act 2014. It is earned over time and invoiced on a preceding month basis at the approved rates for the various funds under the multi-fund structure.

Fee Income earned from administrative services: These are fees earned over time from contributors to cover cost of administering each Retirement Savings Account. The Company does not recognize revenue from a contributor that has not made contribution for a particular month. The performance obligation is satisfied over the administration of each Retirement Savings Account.

Fee Income from providing management services: Fees earned for the provision of services over a period of time are accrued over that period. That is, the fees are invoiced on a preceding month basis but accrued on a daily basis on the fund. These fees include the administration and supervision of Pension Fund Assets. Revenue recognized is based on a percentage of the opening Net Asset value of the Pension Fund investment at the beginning of the period of charge. The performance obligation is satisfied over the administration and supervision of Pension Fund Assets.

Guaranty Trust Fund Managers Limited

Guaranty Trust Fund Managers Limited provides funds management services to individuals and corporate organisations. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

The Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Company reasonably expects that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Payments Company- HabariPay Limited

The Company's sources of revenue are derived from the following:

Net commission recognized on merchant service charged to transaction value processed on behalf of our merchants.

Sales margin recognized on bills payments i.e., airtime vending, and bulk SMS sent on behalf of our customers.

The Company has generally concluded that it is the principal in its revenue arrangement. The five-step model as suggested by IFRS-15 has been followed in recognizing revenue.

(e) 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.

Payments Company- HabariPay Limited

The Payment Company’s fees and commissions are derived from net commissions recognized on merchant services charged to transaction value processed on behalf of our merchants. Revenue related to the above transactions are recognized at the point in time when the transaction takes place.

Guaranty Trust Fund Managers Limited

Fees and commissions in the Fund Manager subsidiary are recognized on an accrual basis for the period under review at amortized cost. The management fees earned on funds being managed are as stipulated by the guiding of the respective individual trust deeds.

(f) 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.

(g) 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.

(h) 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.

(I) 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 right-of-use asset is included in Restricted deposit and other assets. The Group subsequently measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

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

(ii) The Group is the lessor

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

(J) 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 3% 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.

(k) Financial assets and liabilities

i. Recognition

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

ii. Classification and Measurement

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

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

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

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

Business Model Assessment

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

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

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

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

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

- When the Group sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Group considers sale of financial assets that may occur in BM1 to be infrequent if the sales is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the financial year.
- Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.
- Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.
- When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining

contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

- Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:
  - Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
  - Selling the financial asset to manage credit concentration risk (infrequent).
  - Selling the financial assets as a result of changes in tax laws (infrequent).
  - Other situations also depends upon the facts and circumstances which need to be judged by the management.

Cash flow characteristics assessment

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

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

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

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

(a) Financial assets measured at amortised cost

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

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

(b) Financial assets measured at FVOCI

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

(c) Financial assets measured at FVTPL

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

(d) Equity Instruments

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

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

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

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

(e) Financial Liabilities at fair value through profit or loss

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

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

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

(f) Financial Liabilities at amortised cost

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

Cash and bank balances

Cash and bank balances include notes and coins on hand, unrestricted balances held with central banks, balances held with other banks and Money market placements which are used by the Group in the management of its short-term commitments.

Cash and Cash equivalents referred to in the statement of cash flow comprises cash in hand, non-restricted balance held with central banks and amount due from banks on demands with an original maturity of three months or less.

Cash and bank balances 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 expired. The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

De-recognition of financial instruments

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

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

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

(v) Impairment of Financial Assets

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

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

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

Expected Credit Loss Impairment Model

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

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

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

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

Measurement of Expected Credit Losses

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

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.

    - 12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The Bank obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.

    - Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for ‘stage 2’ and ‘stage 3’ exposures. PDs are limited to the maximum period of exposure required by IFRS 9. The Bank obtains 3 years forecast for the relevant macroeconomic variables and adopts exponentiation method to compute cumulative PD for future time periods for each obligor.

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

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

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

Forward-looking information

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

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

- The Group uses internal subject matter experts from Risk, Treasury and Business Divisions to consider a range of relevant forward looking data, including macro-economic forecasts and assumptions, for the determination of unbiased general economic adjustments in order to support the calculation of ECLs.

- Macro-economic variables taken into consideration include, but are not limited to, unemployment, interest rates, gross domestic product, inflation, crude-oil prices and exchange rate, and requires an evaluation of both the current and forecast direction of the macro-economic cycle.

- Macro-economic variables considered have strong statistical relationships with the risk parameters (LGD, EAD, CCF and PD) used in the estimation of the ECLs, and are capable of predicting future conditions that are not captured within the base ECL calculations.

- Forward looking adjustments for both general macro-economic adjustments and more targeted at portfolio / industry levels. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Macroeconomic factors

The Group relies on a broad range of forward looking information as economic inputs, such as: GDP growth, unemployment rates, central bank base rates, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

The macroeconomic variables and economic forecasts as well as other key inputs are reviewed and approved by management before incorporated in the ECL model. Any subsequent changes to the forward looking information are also approved before such are inputted in the ECL model.

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

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

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

Multiple forward-looking scenarios

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

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

Assessment of significant increase in credit risk (SICR)

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

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

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

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

Definition of Default and Credit Impaired Financial Assets

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

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

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

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

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

(vi) Write-off

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

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

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

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

(vii) Embedded derivatives

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

(viii) Offsetting financial instruments

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

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

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

(l) 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.

(m) 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.

(n) 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'.

(o) 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.

(p) Property and equipment

(i) Recognition and measurement

The Group recognises items of property and equipment as assets when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost can be measured reliably, items of property and equipment is recognised at the time the cost is incurred. These costs include costs incurred initially to acquire or construct an item of property and equipment as well as the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of using the item during a particular period.

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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.

(q) 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 or over the life of the contract

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

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

(w) Share capital and reseves

(i) Share issue costs

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

(ii) Dividend on the Bank's ordinary shares

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

(iii) Treasury shares

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

(wi) 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.

(x) 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.

Habaripay Limited

The following summary describes the operations in each of the Payment Company's reportable segments:

Payment Gateway: payments processed via virtual accounts, USSD, card and bank transfer channels for merchants classified as tech stars, large corporates, small and medium enterprise, and micro merchants

Switching Vertical: payment processed through our payment Switch i.e., account to account bank transfers and card transactions.

Value Added Vertical: bill payments for airtime vending and distribution of bulk SMS processed through Value Added Service Aggregators licensed by Nigeria Communications Commission.

(y) 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.

(z) Stocks

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

4. Financial Risk Management

(a) Introduction and overview

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

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

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

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

(b) Risk Management Philosophy

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

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

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

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

Risk Appetite

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

Risk Appetite Statement

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

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

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

Risk Tolerance

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

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

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

(c) Risk Management Framework

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

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

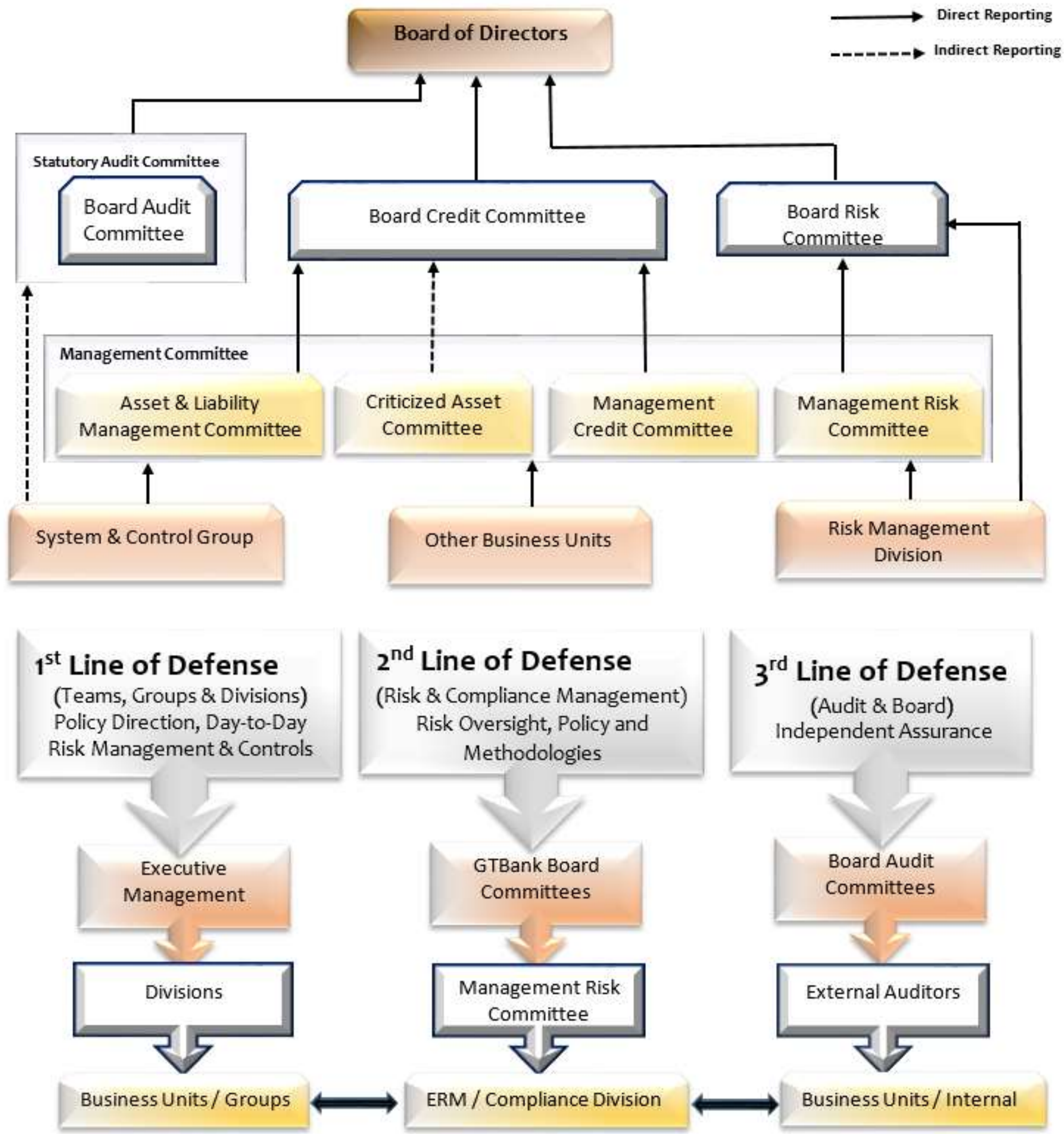
The Board of Directors has overall responsibility for the establishment of the Group's Risk Management framework and exercises its oversight function over all the Group's prevalent risks via its various committees; Board Risk Committee, Board Credit Committee, and Board Audit Committee. These committees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

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

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

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

The Risk Governance Structure of the Group



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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Risk Management Methodology

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

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

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

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

(e) Risk Management Overview

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

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

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

(f) Credit risk

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

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

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

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

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

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

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

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

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

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

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

(i) Management of Credit Risk

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

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

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

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

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

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

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

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

(ii) Credit Risk Measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Investments in securities issued by Sovereign

2. Investments in securities issued by State Government

3. Interbank Placements

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

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

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

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

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

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

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

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

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

(iii) Risk Limit Control and Mitigation Policies

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

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

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

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

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

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

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

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

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

The above limits are subject to the following overriding approvals:

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

Master Netting Arrangements

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

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

Off-balance sheet engagements

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

Contingencies

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

Placements

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

IFRS 7 requires the Group to disclose the amounts that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not qualify for offset in accordance with IAS 32). This disclosure is presented below for the Company and Group as at 31 December 2024 and 31 December 2023.

Credit risk exposure relating to On-Balance Sheet

In thousands of Nigerian naira	Maximum exposure Group		Maximum exposure Company	
Classification	**Dec-2024**	**Dec-2023**	**Dec-2024**	**Dec-2023**
Cash and bank balances:				
- Unrestricted balances with central banks	472,981,966	238,378,190	-	-
- Balances held with other banks	830,071,371	493,734,665	-	-
- Money market placements	2,840,877,776	1,368,995,030	-	-
Loans and advances to banks	87,794	66,935	-	-
Loans and advances to customers[1]:				
- Loans to individuals	388,307,536	348,510,161	-	-
- Loans to non-individuals	2,397,356,504	2,131,673,207	-	-
Financial assets at fair value through profit or loss:				
- Debt securities	59,602,997	28,066,613	-	-
- Derivative financial instruments	-	28,961,143	-	-
Investment securities:				
- Debt securities	4,139,966,885	2,463,235,069	-	-
Assets pledged as collateral:				
- Debt securities	114,570,075	86,552,701	-	-
Restricted deposits and other assets[2]	2,362,357,923	1,920,162,162	250,238,501	-
Total	**13,606,180,827**	**9,108,335,876**	**250,238,501**	**-**
Loans exposure to total exposure	20%	27%	0%	0%
Debt securities exposure to total exposure	32%	28%	0%	0%
Other exposures to total exposure	48%	45%	0%	0%

As shown above, 20% (Company: 0%) of the total maximum exposures is derived from loans and advances to banks and customers (2023: 27% ; Company: 0%); while 32% (Company: 0%) represents exposure to investments in debt securities (2023: 28% ; Company: 0%). The Directors are confident in their ability to continue to control exposure to credit risk within a specified risk appetite which can result from both its Loans and Advances portfolio and Debt securities.

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

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

Credit risk exposure relating to Off-Balance Sheet

In thousands of Nigerian naira	**Maximum exposure Group**		**Maximum exposure Company**	
	Dec-2024	**Dec-2023**	**Dec-2024**	**Dec-2023**
Financial guarantees	592,945,965	623,937,083	-	-
Other contingents	75,531,485	36,357,312	-	-
Total	**668,477,450**	**660,294,395**	**-**	**-**

Contingencies are disclosed on Note 42

Classification of Maximum Exposure on Loans to Customers by Product

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

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

	Group		**Company**	
	Dec-2024	**Dec-2023**	**Dec-2024**	**Dec-2023**
Loans to individuals:				
Overdraft	14,782,925	46,563,242	-	-
Loans	373,399,383	301,801,420	-	-
Others	125,228	145,499	-	-
	388,307,536	**348,510,161**	**-**	**-**
Loans to non-individuals:				
Overdraft	210,021,553	161,059,131	-	-
Loans	2,177,503,380	1,940,248,453	-	-
Others	9,831,571	30,365,623	-	-
	2,397,356,504	**2,131,673,207**	**-**	**-**

Credit quality of Financial Assets

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

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

Unrestricted balances with central banks

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

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	**Dec-2024**	**Dec-2023**	**Dec-2024**	**Dec-2023**
Sovereign Ratings				
Nigeria (B-) S&P	23,393,851	20,281,786	-	-
BB-	28,979,717	20,675,885	-	-
B	11,214,104	34,269,585	-	-
B+	24,667,303	-	-	-
SD	295,299,466	131,017,149	-	-
unrated	89,427,525	32,133,785	-	-
	472,981,966	**238,378,190**	**-**	**-**

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

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

Balances held with other banks

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

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	**Dec-2024**	**Dec-2023**	**Dec-2024**	**Dec-2023**
Counterparties with external credit rating (S&P)				
AA	15,450,020	11,242,292	-	-
AA-	159,143	-	-	-
A+	260,694,080	181,826,757	-	-
A	-	15,930,117	-	-
A-1	133,289,034	-	-	-
A-2	141,159,552	-	-	-
A-3	46,836	-	-	-
A-	123,781,300	95,250,148	-	-
BBB+	156,082,727	142,398,094	-	-
BBB	-	8,424,373	-	-
BB	45,947	1,075,105	-	-
BB-	3,004	374	-	-
Unrated	(640,272)	37,587,405	-	-
	830,071,371	**493,734,665**	**-**	**-**

Money Market placements

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

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	**Dec-2024**	**Dec-2023**	**Dec-2024**	**Dec-2023**
Counterparties with external credit rating (S&P)				
A-1+	76,955,946	45,748,581	-	-
A-1	807,379,768	380,031,702	-	-
A-2	1,119,918,526	829,176,211	-	-
BBB-	23,442,942	-	-	-
BB-	3,182,257	-	-	-
AAA	1,058,251	-	-	-
B-	-	12,834,734	-	-
B	379,520,400	16,018,153	-	-
	2,411,458,091	**1,283,809,381**	**-**	**-**
Counterparties without external credit rating				
Unrated	429,419,685	85,185,649	-	-
	429,419,685	**85,185,649**	**-**	**-**
	2,840,877,776	**1,368,995,030**	**-**	**-**

Financial Assets at Fair value through profit or loss

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

	Group		Company	
In thousands of Nigerian naira	Dec-2024	Dec-2023	Dec-2024	Dec-2023
Soverign Ratings				
Nigeria (B) S&P	29,984,113	23,416,735	-	-
Other Sovereign (B) S&P	29,618,884	4,649,878	-	-
	59,602,997	**28,066,613**	**-**	**-**

Investment Securities

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

	Credit quality Group		Credit quality Company	
In thousands of Nigerian naira	Dec-2024	Dec-2023	Dec-2024	Dec-2023
Sovereign Ratings:				
Nigeria (B-) S&P	1,651,717,061	1,077,530,238	-	-
Other Sovereign Rating (SD-) S&P	593,970,181	421,266,651	-	-
Ghana (CCC+) S&P	15,143,234	10,624,463	-	-
Other Sovereign Rating US (AA+) S&P	248,464,974	27,244,453	-	-
Other Sovereign Rating (AA) S&P	281,970,176	175,429,944	-	-
Other Sovereign Rating (BB-) S&P	414,076,878	208,971,330	-	-
Other Sovereign Rating (B) S&P	307,085,884	153,496,023	-	-
Counterparties without external credit rating :				
Unrated	627,538,497	388,671,967	-	-
	4,139,966,885	**2,463,235,069**	**-**	**-**

Of the Group's Investment Securities of N4,139,966,885,000 (Dec 2023: N2,463,235,069,000) the sum of N1,651,717,061,000 (2023: N1,077,530,238,000) relates to investment in treasury bills and bond issued by the Federal Government of Nigeria and bears the sovereign risk of the Federal Government of Nigeria. The Federal Republic of Nigeria currently has a foreign long term issuer credit rating of B- (S&P).

Assets pledged as collateral

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

	Group		Company	
In thousands of Nigerian naira	**Dec-2024**	**Dec-2023**	**Dec-2024**	**Dec-2023**
Soverign Ratings				
Nigeria (B-) S&P	85,018,714	73,400,983	-	-
Other Sovereign Rating (B+) S&P	29,551,361	13,151,718	-	-
	114,570,075	**86,552,701**	**-**	**-**

Restricted deposits and other assets

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

	Group		Company	
In thousands of Nigerian naira	**Dec-2024**	**Dec-2023**	**Dec-2024**	**Dec-2023**
Soverign Ratings				
Nigeria (B-) S&P	2,018,557,273	1,701,339,803	-	-
Counterparties with external credit rating (S&P)				
A-1	85,881,761	30,911,034	-	-
A-1+	91,275,961	115,044	-	-
A-2	-	3,762,439	-	-
BB-	244,216	-	-	-
BBB	3,465,879	-	-	-
Other Sovereign Rating (B-) S&P	63,991,106	24,736,000	-	-
Unrated	98,941,727	159,297,842	250,238,501	-
	2,362,357,923	**1,920,162,162**	**250,238,501**	**-**

Rating Legend:

External credit rating (S&P)

AA+:Very Strong Capacity to Repay

AA:Very Strong Capacity to Repay

AA-:Very Strong Capacity to Repay

A+: Strong Capacity to Repay

A: Strong Capacity to Repay

A-: Strong Capacity to Repay

External credit rating (S&P)

BB+:Moderate Capacity to Repay

BB: Speculative credit rating

B+: Highly Speculative Credit Rating

B: Highly Speculative Credit Rating

B-: Highly Speculative Credit Rating

C: Speculative Credit Rating

External credit rating (Agusto):

A- : Strong capacity to meet obligations

B: Weak Financial condition but obligations are still being met as and when they fall due

External credit rating (Fitch)

AA-: High grade

A: High grade

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

Credit Concentration

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

(i) Geographical Sector

Concentration of risks of financial assets with credit risk exposure

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

Credit risk exposure relating to On-Balance Sheet

Group

Dec-2024

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Cash and bank balances:				
- Unrestricted balances with central banks	23,393,851	449,588,115	-	472,981,966
- Balances held with other banks	9,214,698	214,468,463	606,388,210	830,071,371
- Money market placements	742,454,093	192,850,307	1,905,573,376	2,840,877,776
Loans and advances to banks	87,794	-	-	87,794
Loans and advances to customers [1] :				
- Loans to individuals	145,388,846	121,665,619	121,253,071	388,307,536
- Loans to non-individuals	1,921,877,196	475,479,308	-	2,397,356,504
Financial assets at fair value through profit or loss:				
- Debt securities	43,031,552	16,571,445	-	59,602,997
- Derivative financial instruments	-	-	-	-
Investment securities:				
- Debt securities	1,812,471,588	1,797,060,146	530,435,151	4,139,966,885
Assets pledged as collateral:				
- Debt securities	85,018,714	29,551,361	-	114,570,075
Restricted deposits and other assets[2]	1,993,678,151	218,289,478	150,390,294	2,362,357,923
	6,776,616,483	**3,515,524,242**	**3,314,040,102**	**13,606,180,827**

Of the Group's Credit risk exposure outside Africa relating to On-balance sheet, 24% relates to exposures in United States of America, 75% relates to exposures in United Kingdom and 1% relates to exposures in other countries.

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

[2] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations,Prepayment and Stock 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-2024

In thousands of Nigerian naira

	Nigeria	Rest of Africa	Outside Africa	Total
Financial guarantees	496,703,086	95,944,551	298,328	592,945,965
Other contingents	8,020,226	26,900,934	40,610,325	75,531,485
	504,723,312	**122,845,485**	**40,908,653**	**668,477,450**

Contingencies are disclosed on Note 42

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-2024

In thousands of Nigerian naira

Classification	**Nigeria**	**Rest of Africa**	**Outside Africa**	**Total**
Loans to individuals:				
Overdraft	8,942,984	5,839,941	-	14,782,925
Loans	136,445,862	115,825,678	121,127,843	373,399,383
Others	-	-	125,228	125,228
	145,388,846	**121,665,619**	**121,253,071**	**388,307,536**
Loans to non-individuals:				
Overdraft	144,934,362	65,087,191	-	210,021,553
Loans	1,767,111,263	410,392,117	-	2,177,503,380
Others[#]	9,831,571	-	-	9,831,571
	1,921,877,196	**475,479,308**	**-**	**2,397,356,504**

[#] Others include Usances and Usance Settlement.

Credit risk exposure relating to On-Balance Sheet

Group
Dec-2023

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Cash and bank balances:				
- Unrestricted balances with central banks	20,281,786	218,096,404	-	238,378,190
- Balances held with other banks	17,438,828	105,244,427	371,051,410	493,734,665
- Money market placements	67,348,837	77,395,412	1,224,250,781	1,368,995,030
Loans and advances to banks	66,935	-	-	66,935
Loans and advances to customers [1] *:*				
- Loans to individuals	213,865,610	67,925,875	66,718,676	348,510,161
- Loans to non-individuals	1,820,648,220	311,024,987	-	2,131,673,207
Financial assets at fair value through profit or loss:				
- Debt securities	23,416,735	4,649,878	-	28,066,613
- Derivative financial instruments	28,961,143	-	-	28,961,143
Investment securities:				
- Debt securities	1,174,225,597	1,086,335,246	202,674,226	2,463,235,069
Assets pledged as collateral:				
- Debt securities	73,400,983	13,151,718	-	86,552,701
Restricted deposits and other assets[2]	1,807,213,372	51,141,861	61,806,929	1,920,162,162
	5,246,868,046	**1,934,965,808**	**1,926,502,022**	**9,108,335,876**

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-2023

In thousands of Nigerian naira

	Nigeria	Rest of Africa	Outside Africa	Total
Financial guarantees	380,682,902	65,807,351	177,446,830	623,937,083
Other contingents	2,633,613	18,796,256	14,927,443	36,357,312
	383,316,515	**84,603,607**	**192,374,273**	**660,294,395**

Contingencies are disclosed on Note 42

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-2023

In thousands of Nigerian naira

Classification	Nigeria	Rest of Africa	Outside Africa	Total
Loans to individuals:				
Overdraft	38,913,443	7,605,313	44,486	46,563,242
Loans	174,952,167	60,320,562	66,528,691	301,801,420
Others	-	-	145,499	145,499
	213,865,610	**67,925,875**	**66,718,676**	**348,510,161**
Loans to non-individuals:				
Overdraft	99,191,797	61,867,334	-	161,059,131
Loans	1,691,090,800	249,157,653	-	1,940,248,453
Others[1]	30,365,623	-	-	30,365,623
	1,820,648,220	**311,024,987**	**-**	**2,131,673,207**

[1] Others include Usances and Usance Settlement.

(ii) Industry sectors

The following table breaks down the Group's credit exposure at net 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-2024
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	-	-	-	-	-	472,981,966	-	-	-	-	-	472,981,966
- Balances held with other banks	-	830,071,371	-	-	-	-	-	-	-	-	-	830,071,371
- Money market placements	-	2,840,877,776	-	-	-	-	-	-	-	-	-	2,840,877,776
Loans and advances to banks	-	87,794	-	-	-	-	-	-	-	-	-	87,794
Loans and advances to customers [3] :												
- Loans to individuals	-	-	-	-	-	-	-	-	-	388,307,536	-	388,307,536
- Loans to non-individuals	204,083,259	18,405,042	42,900,535	4,861,329	299,785,269	34,246,390	490,038,016	1,036,754,606	176,249,711	586,776	89,445,571	2,397,356,504
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	59,602,997	-	-	-	-	-	59,602,997
- Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
Investment securities:												
- Debt securities	-	35,679,130	-	-	-	4,102,805,041	-	-	-	-	1,482,714	4,139,966,885
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	114,570,075	-	-	-	-	-	114,570,075
Restricted deposits and other assets[4]	-	-	-	-	-	2,019,205,126	-	-	-	-	343,152,797	2,362,357,923
	204,083,259	**3,725,121,113**	**42,900,535**	**4,861,329**	**299,785,269**	**6,803,411,595**	**490,038,016**	**1,036,754,606**	**176,249,711**	**388,894,312**	**434,081,082**	**13,606,180,827**

[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, prepayment and stock have been excluded.

Credit Risk Exposure to off-balance sheet items

Group

Dec-2024

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	34,766	7,984,000	200,497,007	-	24,271,612	-	21,650,996	287,579,528	2,072,847	1,027,036	47,828,173	592,945,965
Other contingents	4,174	41,170,475	-	-	10,766,698	3,884,073	13,318,839	6,975	355,489	4,585,832	1,438,930	75,531,485
Total	**38,940**	**49,154,475**	**200,497,007**	**-**	**35,038,310**	**3,884,073**	**34,969,835**	**287,586,503**	**2,428,336**	**5,612,868**	**49,267,103**	**668,477,450**

[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-2024

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	-	-	-	-	-	-	-	-	-	14,782,925	-	14,782,925
Loans	-	-	-	-	-	-	-	-	-	373,399,383	-	373,399,383
Others	-	-	-	-	-	-	-	-	-	125,228	-	125,228
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**388,307,536**	**-**	**388,307,536**
Loans to non-individuals:												
Overdraft	24,723,189	2,483,919	2,596,473	246,695	25,284,046	3,604,460	18,473,441	95,926,740	778,184	586,776	35,317,630	210,021,553
Loans	179,360,070	15,921,123	40,304,047	4,614,634	274,498,806	30,641,930	461,770,550	940,823,695	175,471,527	-	54,096,998	2,177,503,380
Others	-	-	15	-	2,417	-	9,794,025	4,171	-	-	30,943	9,831,571
	204,083,259	**18,405,042**	**42,900,535**	**4,861,329**	**299,785,269**	**34,246,390**	**490,038,016**	**1,036,754,606**	**176,249,711**	**586,776**	**89,445,571**	**2,397,356,504**

[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-2023

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	-	-	-	-	-	238,378,190	-	-	-	-	-	238,378,190
- Balances held with other banks	-	493,734,665	-	-	-	-	-	-	-	-	-	493,734,665
- Money market placements	-	1,368,995,030	-	-	-	-	-	-	-	-	-	1,368,995,030
Loans and advances to banks	-	66,935	-	-	-	-	-	-	-	-	-	66,935
Loans and advances to customers [3] :												
- Loans to individuals	-	-	-	-	-	-	-	-	-	348,510,161	-	348,510,161
- Loans to non-individuals	187,471,015	14,638,155	20,820,372	17,150,827	168,044,322	17,012,134	308,866,944	1,043,550,457	196,814,945	1,593,903	155,710,133	2,131,673,207
Financial assets at fair value through profit or loss:												
- Debt securities	-	-	-	-	-	28,066,613	-	-	-	-	-	28,066,613
- Derivative financial instruments	-	28,961,143	-	-	-	-	-	-	-	-	-	28,961,143
Investment securities:												
- Debt securities	-	-	-	-	-	2,462,132,704	-	-	-	-	1,102,365	2,463,235,069
Assets pledged as collateral:												
- Debt securities	-	-	-	-	-	86,552,701	-	-	-	-	-	86,552,701
Restricted deposits and other assets[4]	-	-	-	-	-	1,701,497,776	-	-	-	-	218,664,386	1,920,162,162
	187,471,015	**1,906,395,928**	**20,820,372**	**17,150,827**	**168,044,322**	**4,533,640,118**	**308,866,944**	**1,043,550,457**	**196,814,945**	**350,104,064**	**375,476,884**	**9,108,335,876**

[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, prepayment and stock have been excluded.

Credit Risk Exposure to off-balance sheet items

Group

Dec-2023

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	2,170,291	179,354,580	163,415,921	-	20,552,885	-	948,542	200,551,648	3,876,970	189,195	52,877,051	623,937,083
Other contingents	97,478	15,960,278	191,372	-	663,695	2,465,362	3,532,804	170,129	2,103,540	4,643,259	6,529,395	36,357,312
Total	**2,267,769**	**195,314,858**	**163,607,293**	**-**	**21,216,580**	**2,465,362**	**4,481,346**	**200,721,777**	**5,980,510**	**4,832,454**	**59,406,446**	**660,294,395**

[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-2023

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	-	-	-	-	-	-	-	-	-	46,563,242	-	46,563,242
Loans	-	-	-	-	-	-	-	-	-	301,801,420	-	301,801,420
Others	-	-	-	-	-	-	-	-	-	145,499	-	145,499
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**348,510,161**	**-**	**348,510,161**
Loans to non-individuals:												
Overdraft	6,427,984	2,498,159	2,352,080	349,619	29,854,121	586,164	23,168,174	62,673,549	4,737,827	1,593,903	26,817,551	161,059,131
Loans	180,657,699	12,139,996	18,468,292	16,801,208	137,080,641	16,425,970	284,780,437	980,730,497	192,067,948	-	101,095,765	1,940,248,453
Others	385,332	-	-	-	1,109,560	-	918,333	146,411	9,170	-	27,796,817	30,365,623
	187,471,015	**14,638,155**	**20,820,372**	**17,150,827**	**168,044,322**	**17,012,134**	**308,866,944**	**1,043,550,457**	**196,814,945**	**1,593,903**	**155,710,133**	**2,131,673,207**

[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-2024
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	343,144,382	-	-	343,144,382
Very Strong Capacity	724,785,523	-	-	724,785,523
Strong Repayment Capacity	1,146,210,142	-	-	1,146,210,142
Acceptable risk	479,807,494	-	-	479,807,494
Significant increase in credit risk	-	75,184,232	-	75,184,232
Default	-	-	151,152,466	151,152,466
Total	**2,693,947,541**	**75,184,232**	**151,152,466**	**2,920,284,239**

Group
Dec-2023
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	194,816,921	-	-	194,816,921
Very Strong Capacity	710,439,385	-	-	710,439,385
Strong Repayment Capacity	742,512,384	-	-	742,512,384
Acceptable risk	432,136,387	-	-	432,136,387
Significant increase in credit risk	-	425,137,931	-	425,137,931
Default	-	-	109,581,813	109,581,813
Total	**2,079,905,077**	**425,137,931**	**109,581,813**	**2,614,624,821**

Maximum exposure to credit risk - Money Market Placements

Group
Dec-2024
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	2,844,526,719	-	-	2,844,526,719

Group
Dec-2023
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,371,081,069	-	-	1,371,081,069

Maximum exposure to credit risk - Investment securities

Group
Dec-2024
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	POCI	Grand Total
Exceptional Capacity	4,078,664,288	-	-	103,541,115	4,182,205,403

Group
Dec-2023
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	2,513,270,460	-	-	2,513,270,460

On 09 October 2024, the Group exchanged its existing eligible Ghana Eurobonds bonds for a new set of bonds using the par option. The exchange was considered a substantial modification of the existing terms of bonds held, therefore, required the derecognition of the existing bonds and recognition of the new bonds at fair value.

Maximum exposure to credit risk - Restricted deposits and other assets

Group
Dec-2024
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	2,424,839,614	-	-	2,424,839,614

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

Group
Dec-2023
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	1,970,128,403	-	-	1,970,128,403

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

Maximum exposure to credit risk - off balance sheet

Group
Dec-2024
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	668,477,450	-	-	668,477,450

Group
Dec-2023
In thousands of Nigerian naira

Rating	Stage 1	Stage 2	Stage 3	Grand Total
Exceptional Capacity	660,294,395	-	-	660,294,395

Disclosures of various factors that impact the ECL Model as at 31 December 2024.
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 - 27.5%; normal - 47%; and downturn - 22.5%.

The following macro-economic forecasts under the different scenarios were adopted for individual customers:

Macro-Economic variable assumptions:

	Scenario	**2025**	**2026**	**2027**
Exchange rate (₦/USD)	Upturn	1,400.00	1,380.00	1,250.00
	Normal	1,500.00	1,450.00	1,350.00
	Downturn	1,702.12	1,600.00	1,500.00
Inflation rate (%)	Upturn	21.77	15.60	14.03
	Normal	25.00	17.50	15.00
	Downturn	28.23	22.50	19.97
Unemployment (%)	Upturn	37.12	36.91	37.08
	Normal	43.00	43.00	43.00
	Downturn	48.88	49.09	48.92
GDP growth rate (%)	Upturn	5.04	5.66	6.05
	Normal	3.70	4.40	4.78
	Downturn	2.36	1.76	3.14

The following macro-economic forecasts under the different scenarios were adopted for corporate customers:

Macro-Economic variable assumptions:

	Scenario	**2025**	**2026**	**2027**
Exchange rate (₦/USD)	Upturn	1,400.00	1,380.00	1,250.00
	Normal	1,500.00	1,450.00	1,350.00
	Downturn	1,702.12	1,600.00	1,500.00
Inflation rate (%)	Upturn	21.77	15.60	14.03
	Normal	25.00	17.50	15.00
	Downturn	28.23	22.50	19.97
Crude oil prices (USD/barrel)	Upturn	85.32	89.67	83.11
	Normal	74.00	79.00	73.00
	Downturn	62.68	68.33	62.89
Crude oil Production (barrel)	Upturn	1,707,210	2,300,000	2,540,000
	Normal	1,500,000	2,100,000	2,350,000
	Downturn	688,444	1,900,000	2,160,000
GDP growth rate (%)	Upturn	5.04	5.66	6.05
	Normal	3.70	4.40	4.78
	Downturn	2.36	1.76	3.14

Disclosures of various factors that impact the Subsidiaries ECL Model as at 31 December 2024.

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	Rwanda	Gambia
Normal	Exchange rate (Per US$)	1.320	14.90	123.00	22.44	1,382.99	69.89
	inflation rate	2.60%	21.90%	6.20%	21.74%	6.80%	10.30%
	unemployment rate	4.40%	4.20%	7.00%	3.50%	15.30%	4.30%
	Residential Property Prices	n/a	n/a	n/a	n/a	n/a	n/a
	GDP	1.50%	4.40%	6.00%	4.52%	8.11%	5.70%
Upturn	Exchange rate (Per US$)	1.250	13.80	115.00	24.10	1,435.76	68.50
	inflation rate	3.00%	20.80%	5.00%	22.87%	5.70%	500.00%
	unemployment rate	4.20%	3.50%	6.00%	4.00%	13.90%	4.00%
	Residential Property Prices	n/a	n/a	n/a	n/a	n/a	n/a
	GDP	1.60%	5.50%	5.50%	4.00%	8.70%	5.90%
Downturn	Exchange rate (Per US$)	1.440	15.50	120.00	24.50	1,504.30	71.00
	inflation rate	2.00%	25.50%	7.00%	26.87%	10.20%	12.00%
	unemployment rate	4.50%	5.30%	8.00%	3.60%	18.60%	5.60%
	Residential Property Prices	n/a	n/a	n/a	n/a	n/a	n/a
	GDP	1.00%	3.50%	6.50%	3.60%	5.80%	5.50%

Macro-Economic variable assumptions for corporate customers:

Scenario	Macroeconomic Variable	United Kingdom	Ghana	Kenya	Serria-Leone	Rwanda	Gambia
Normal	Exchange rate (Per US$)	0.01	14.90	123.00	22.44	1,382.99	69.89
	inflation rate	2.60%	21.90%	6.20%	21.74%	4.10%	10.30%
	GDP	1.50%	4.40%	6.00%	4.52%	8.10%	5.70%
	Crude($/pbl)	n/a	75.50	80	N/A	n/a	n/a
Upturn	Exchange rate (Per US$)	1.07	13.80	115.00	24.10	1,435.76	68.50
	inflation rate	4.53%	20.80%	5.00%	22.87%	3.00%	500.00%
	GDP	1.60%	5.50%	5.50%	4.00%	8.70%	5.90%
	Crude($/pbl)	n/a	88.50	75	n/a	n/a	n/a
Downturn	Exchange rate (Per US$)	1.45	15.50	120.00	24.50	1,504.30	71.00
	inflation	6.14%	25.50%	7.00%	26.87%	7.50%	12.00%
	GDP	1.00%	3.50%	6.50%	3.60%	5.80%	5.50%
	Crude($/pbl)	n/a	72.50	85	n/a	n/a	n/a

(vii) Impairment and provisioning policies

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

(1) Loan Categorization

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

- **Stage 1 Loans and Advances:**

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

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

- **Stage 2 Loans and Advances:**

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

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

- **Stage 3 Loans and Advances:**

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

(2) Allowances for impairment

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

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

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

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

Realizable collaterals are important component of cash flows.

(3) Loans with renegotiated terms

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

(4) Governance structure around the ECL model:

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

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

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

iii) **The Managing Director (MD):** The Managing Director presides over the review of facilities over ₦500 million. The Managing Director may also decide to retain the oversight on the performance of all facilities irrespective of the amount.

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

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

(5) Policy around rebuttal:

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

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

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

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

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

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

(i) Credit quality of Stage 1 Loans and advances

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

Group
Dec-2024
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	92,739	133,145,083	125,228	7,627,995	202,151,079	2,258	-	-	343,144,382
Very strong capacity	1,524,304	33,374,394	-	11,904,501	668,262,865	9,719,459	-	-	724,785,523
Strong repayment capacity	8,292,812	159,491,392	-	132,292,308	846,126,052	7,578	-	-	1,146,210,142
Acceptable risk	3,703,959	41,683,965	-	30,163,450	404,123,408	131,299	1,413	-	479,807,494
Total	**13,613,814**	**367,694,834**	**125,228**	**181,988,254**	**2,120,663,404**	**9,860,594**	**1,413**	**-**	**2,693,947,541**

Group
Dec-2023
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	160,643	64,413,354	146,026	6,776,147	123,102,486	218,265	-	-	194,816,921
Very strong capacity	737,126	5,324,481	-	7,429,315	684,288,041	12,660,422	-	-	710,439,385
Strong repayment capacity	2,916,631	190,458,146	-	103,535,684	428,263,080	17,338,807	36	-	742,512,384
Acceptable risk	41,100,943	13,830,572	-	32,023,877	345,123,446	56,239	1,310	-	432,136,387
Total	**44,915,343**	**274,026,553**	**146,026**	**149,765,023**	**1,580,777,053**	**30,273,733**	**1,346**	**-**	**2,079,905,077**

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

Group
Dec-2024
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	5,069,242	54,456,908	-	59,526,150
Overdraft	2,047,941	13,609,929	212	15,658,082
	7,117,183	**68,066,837**	**212**	**75,184,232**
Impairment:				
Loans	117,828	8,368,255	-	8,486,083
Overdraft	219,963	495,929	-	715,892
	337,791	**8,864,184**	**-**	**9,201,975**
Net Amount:				
Loans	4,951,414	46,088,653	-	51,040,067
Overdraft	1,827,978	13,114,000	212	14,942,190
	6,779,392	**59,202,653**	**212**	**65,982,257**
FV of collateral[1]:				
Loans	8,546,600	78,862,755	-	87,409,355
Overdraft	3,452,772	35,896,031	-	39,348,803
	11,999,372	**114,758,786**	**-**	**126,758,158**
Amount of undercollateralisation:				
Others	-	-	-	-
	-	**-**	**212**	**-**
Net Loans	**6,779,392**	**59,202,653**	**212**	**65,982,257**
Amount of undercollateralisation on net loans	**-**	**-**	**212**	**-**

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

Group
Dec-2023
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross Loans:				
Loans	20,557,599	389,243,027	-	409,800,626
Overdraft	958,466	13,951,690	-	14,910,156
Others	-	427,149	-	427,149
	21,516,065	**403,621,866**	**-**	**425,137,931**
Impairment:				
Loans	145,553	49,316,062	-	49,461,615
Overdraft	119,274	1,272,182	-	1,391,456
	264,827	**50,588,244**	**-**	**50,853,071**
Net Amount:				
Loans	20,412,046	339,926,965	-	360,339,011
Overdraft	839,192	12,679,508	-	13,518,700
Others	-	427,149	-	427,149
	21,251,238	**353,033,622**	**-**	**374,284,860**
FV of collateral[1]:				
Loans	314,530,450	6,125,533,838	-	6,440,064,288
Overdraft	14,664,492	49,286,633	-	63,951,125
Others	-	578,087	-	578,087
	329,194,942	**6,175,398,558**	**-**	**6,504,593,500**
Amount of undercollateralisation:				
Overdraft	-	-	-	-
	-	**-**	**-**	**-**
Net Loans	**21,251,238**	**353,033,622**	**-**	**374,284,860**
Amount of undercollateralisation on net loans	**-**	**-**	**-**	**-**

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

(iii) **Stage 3 Loans and Advances to Customers**

The breakdown of gross amount of Stage 3 Loans, along with the fair value of related collateral held by the Group as security, are as follows:

Group
Dec-2024
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross loans:				
Loans	25,383,194	86,983,649	162,924	112,529,767
Overdraft	2,573,042	36,043,569	-	38,616,611
Others	-	6,088	-	6,088
	27,956,236	**123,033,306**	**162,924**	**151,152,466**
Impairment:				
Loans	20,184,010	54,278,858	76,688	74,539,556
Overdraft	2,528,142	10,357,119	-	12,885,261
Others	-	-	-	-
	22,712,152	**64,635,977**	**76,688**	**87,424,817**
Net Amount:				
Loans	5,199,184	32,704,791	86,236	37,990,211
Overdraft	44,900	25,686,450	-	25,731,350
Others	-	6,088	-	6,088
	5,244,084	**58,397,329**	**86,236**	**63,727,649**
FV of collateral[1]:				
Loans	17,252,392	40,318,705	105,081	57,676,178
Overdraft	1,748,839	47,794,628	-	49,543,467
Others	-	1,686,248	-	1,686,248
FV of collateral	**19,001,231**	**89,799,581**	**105,081**	**108,905,893**
Amount of undercollateralisation:				
Loans	8,130,802	46,664,944	57,843	54,853,589
Overdraft	824,203	-	-	-
Others	-	-	-	-
	8,955,005	33,233,725	57,843	42,246,573
Net Loans	**5,244,084**	**58,397,329**	**86,236**	**63,727,649**
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-2023
In thousands of Nigerian Naira

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross loans:				
Loans	12,928,221	71,880,915	153,681	84,962,817
Overdraft	2,204,866	22,410,891	-	24,615,757
Others	-	3,239	-	3,239
	15,133,087	**94,295,045**	**153,681**	**109,581,813**
Impairment:				
Loans	2,819,650	41,599,307	88,000	44,506,957
Overdraft	424,567	18,552,777	-	18,977,344
	3,244,217	**60,152,084**	**88,000**	**63,484,301**
Net Amount:				
Loans	10,108,571	30,281,608	65,681	40,455,860
Overdraft	1,780,299	3,858,114	-	5,638,413
Others	-	3,239	-	3,239
	11,888,870	**34,142,961**	**65,681**	**46,097,512**
FV of collateral[1]:				
Loans	16,232,783	117,546,098	105,081	133,883,962
Overdraft	2,768,448	44,001,730	-	46,770,178
Others	-	998,947	-	998,947
FV of collateral	**19,001,231**	**162,546,775**	**105,081**	**181,653,087**
Amount of undercollateralisation:				
Loans	-	-	48,600	-
Overdraft	-	-	-	-
Others	-	-	-	-
	-	**-**	**48,600**	**-**
Net Loans	**11,888,870**	**34,142,961**	**65,681**	**46,097,512**
Amount of undercollateralisation on net loans	-	-	-	-

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

Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is assessed by reference to market price or indexes of similar assets.

Categorization of Loans and advances

The table below analyses the Group's Loans and advances based on the categorization by Performance of the Loans and the allowances taken on them.

Dec-2024

	Group				Company			
	Dec-2024				Dec-2024			
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	381,433,876	2,312,512,252	1,413	2,693,947,541	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	7,117,183	68,066,837	212	75,184,232	-	-	-	-
Stage 3 - Non Performing Loans	27,956,236	123,033,306	162,924	151,152,466	-	-	-	-
Gross Loans and Advances	**416,507,295**	**2,503,612,395**	**164,549**	**2,920,284,239**	**-**	**-**	**-**	**-**
Less allowances for impairment:								
Stage 1 - 12 months ECL	5,149,816	32,755,730	67	37,905,613	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	337,791	8,864,184	-	9,201,975	-	-	-	-
Stage 3 - Non Performing Loans	22,712,152	64,635,977	76,688	87,424,817	-	-	-	-
Total allowance	**28,199,759**	**106,255,891**	**76,755**	**134,532,405**	**-**	**-**	**-**	**-**
Net Loans and Advances	**388,307,536**	**2,397,356,504**	**87,794**	**2,785,751,834**	**-**	**-**	**-**	**-**

Dec-2023

	Group				Company			
	Dec-2023				Dec-2023			
	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	319,087,922	1,760,815,809	1,346	2,079,905,077	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	21,516,065	403,621,866	-	425,137,931	-	-	-	-
Stage 3 - Non Performing Loans	15,133,087	94,295,045	153,681	109,581,813	-	-	-	-
Gross Loans and Advances	**355,737,074**	**2,258,732,720**	**155,027**	**2,614,624,821**	**-**	**-**	**-**	**-**
Less allowances for impairment:								
Stage 1 - 12 months ECL	3,717,869	16,319,185	92	20,037,146	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	264,827	50,588,244	-	50,853,071	-	-	-	-
Stage 3 - Non Performing Loans	3,244,217	60,152,084	88,000	63,484,301	-	-	-	-
Total allowance	**7,226,913**	**127,059,513**	**88,092**	**134,374,518**	**-**	**-**	**-**	**-**
Net Loans and Advances	**348,510,161**	**2,131,673,207**	**66,935**	**2,480,250,303**	**-**	**-**	**-**	**-**

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

Dec-2024

In thousands of Nigerian Naira	Group Dec-2024 Loans to Individual	Group Dec-2024 Loans to non-Individual	Group Dec-2024 Loans to Banks	Group Dec-2024 Total	Company Dec-2024 Loans to Individual	Company Dec-2024 Loans to non-Individual	Company Dec-2024 Loans to Banks	Company Dec-2024 Total
Loans	367,694,976	2,120,663,416	-	2,488,358,392	-	-	-	-
Overdrafts	13,613,672	181,988,086	1,413	195,603,171	-	-	-	-
Others	125,228	9,860,750	-	9,985,978	-	-	-	-
Stage 1 - 12 Months ECL	**381,433,876**	**2,312,512,252**	**1,413**	**2,693,947,541**	**-**	**-**	**-**	**-**
Loans	5,069,242	54,456,908	-	59,526,150	-	-	-	-
Overdrafts	2,047,941	13,609,929	212	15,658,082	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	**7,117,183**	**68,066,837**	**212**	**75,184,232**	**-**	**-**	**-**	**-**
Loans	25,383,194	86,983,649	162,924	112,529,767	-	-	-	-
Overdrafts	2,573,042	36,043,569	-	38,616,611	-	-	-	-
Others	-	6,088	-	6,088	-	-	-	-
Stage 3 - Non Performing Loans	**27,956,236**	**123,033,306**	**162,924**	**151,152,466**	**-**	**-**	**-**	**-**
Total Loans and Advances	**416,507,295**	**2,503,612,395**	**164,549**	**2,920,284,239**	**-**	**-**	**-**	**-**

The impairment allowance on loans is further analysed as follows:

	Group Dec-2024 Loans to Individual	Group Dec-2024 Loans to non-Individual	Group Dec-2024 Loans to Banks	Group Dec-2024 Total	Company Dec-2024 Loans to Individual	Company Dec-2024 Loans to non-Individual	Company Dec-2024 Loans to Banks	Company Dec-2024 Total
Stage 1: 12 Months ECL								
Loans	4,446,191	21,953,480	-	26,399,671	-	-	-	-
Overdrafts	703,625	10,766,983	67	11,470,675	-	-	-	-
Others	-	35,267	-	35,267	-	-	-	-
	5,149,816	**32,755,730**	**67**	**37,905,613**	**-**	**-**	**-**	**-**
Stage 2: Life Time ECL Not Credit Impaired								
Loans	117,828	8,368,255	-	8,486,083	-	-	-	-
Overdrafts	219,963	495,929	-	715,892	-	-	-	-
Others	-	-	-	-	-	-	-	-
	337,791	**8,864,184**	**-**	**9,201,975**	**-**	**-**	**-**	**-**
Stage 3: Non Performing Loans								
Loans	20,184,010	54,278,858	76,688	74,539,556	-	-	-	-
Overdrafts	2,528,142	10,357,119	-	12,885,261	-	-	-	-
Others	-	-	-	-	-	-	-	-
	22,712,152	**64,635,977**	**76,688**	**87,424,817**	**-**	**-**	**-**	**-**
Total allowance	**28,199,759**	**106,255,891**	**76,755**	**134,532,405**	**-**	**-**	**-**	**-**

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

Dec-2023

In thousands of Nigerian Naira	Group Dec-2023 Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Company Dec-2023 Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Loans	274,026,705	1,580,777,089	-	1,854,803,794	-	-	-	-
Overdrafts	44,915,718	149,764,832	1,346	194,681,896	-	-	-	-
Others	145,499	30,273,888	-	30,419,387	-	-	-	-
Stage 1 - 12 Months ECL	**319,087,922**	**1,760,815,809**	**1,346**	**2,079,905,077**	**-**	**-**	**-**	**-**
Loans	20,557,599	389,243,027	-	409,800,626	-	-	-	-
Overdrafts	958,466	13,951,690	-	14,910,156	-	-	-	-
Stage 2 - Life Time ECL Not Credit Impaired	**21,516,065**	**403,621,866**	**-**	**425,137,931**	**-**	**-**	**-**	**-**
Loans	12,928,221	71,880,915	153,681	84,962,817	-	-	-	-
Overdrafts	2,204,866	22,410,891	-	24,615,757	-	-	-	-
Others	-	3,239	-	3,239	-	-	-	-
Stage 3 - Non Performing Loans	**15,133,087**	**94,295,045**	**153,681**	**109,581,813**	**-**	**-**	**-**	**-**
Total Loans and Advances	**355,737,074**	**2,258,732,720**	**155,027**	**2,614,624,821**	**-**	**-**	**-**	**-**

The impairment allowance on loans is further analysed as follows:

	Group Dec-2023 Loans to Individual	Loans to non-Individual	Loans to Banks	Total	Company Dec-2023 Loans to Individual	Loans to non-Individual	Loans to Banks	Total
Stage 1: 12 Months ECL								
Loans	2,745,902	10,737,209	-	13,483,111	-	-	-	-
Overdrafts	971,967	5,243,323	92	6,215,382	-	-	-	-
Others	-	338,653	-	338,653	-	-	-	-
	3,717,869	**16,319,185**	**92**	**20,037,146**	**-**	**-**	**-**	**-**
Stage 2: Life Time ECL Not Credit Impaired								
Loans	145,553	49,316,062	-	49,461,615	-	-	-	-
Overdrafts	119,274	1,272,182	-	1,391,456	-	-	-	-
Others	-	-	-	-	-	-	-	-
	264,827	**50,588,244**	**-**	**50,853,071**	**-**	**-**	**-**	**-**
Stage 3: Non Performing Loans								
Loans	2,819,650	41,599,307	88,000	44,506,957	-	-	-	-
Overdrafts	424,567	18,552,777	-	18,977,344	-	-	-	-
Others	-	-	-	-	-	-	-	-
	3,244,217	**60,152,084**	**88,000**	**63,484,301**	**-**	**-**	**-**	**-**
Total allowance	**7,226,913**	**127,059,513**	**88,092**	**134,374,518**	**-**	**-**	**-**	**-**

(v) Credit collateral

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

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

All collateral offered must have the following attributes:

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

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

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

- Mortgages over residential properties.

- Charges over business premises, fixed and floating assets as well as inventory.

- Charges over financial instruments such as equities, treasury bills etc.

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

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

Notes to the financial statements

Summary of collaterals pledged by customers against loans and advances

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

Group
Dec-2024

	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	2,693,946,128	10,109,366,350	1,413	-
Against Stage 2 Loans and Advances	75,184,020	126,758,158	212	-
Against Stage 3 Loans and Advances	150,989,542	108,800,812	162,924	105,081
Total	**2,920,119,690**	**10,344,925,320**	**164,549**	**105,081**

Group
Dec-2023

	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	2,079,903,731	16,001,252,689	1,346	169
Against Stage 2 Loans and Advances	425,137,931	6,504,593,500	-	-
Against Stage 3 Loans and Advances	109,428,132	181,548,006	153,681	105,081
Total	**2,614,469,794**	**22,687,394,195**	**155,027**	**105,250**

Notes to the financial statements

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

Group

Dec-2024 *In thousands of Nigerian Naira*	**Loans and advances to customers Dec-2024**	**Loans and advances to banks Dec-2024**
Against Stage 1 Loans and Advances:		
Property	9,245,226,428	-
Equities	168,404,041	-
Cash	436,641,198	-
Guarantees	90,667,770	-
Negative pledge	4,393,413	-
ATC*, stock hypothecation and ISPO*	18,301,418	
Others #	145,732,082	-
Total	**10,109,366,350**	**-**
Against Stage 2 Loans and Advances:		
Property	108,142,287	-
Equities	1,407,603	-
Cash	4,710,435	-
Guarantees	150,187	-
Others #	12,347,646	-
Total	**126,758,158**	**-**
Against Stage 3 Loans and Advances:		
Property	62,990,891	-
Equities	23,539,621	105,081
Cash	1,519,486	-
Guarantees	2,306,754	-
Others #	18,444,060	-
Total	**108,800,812**	**105,081**
Grand total	**10,344,925,320**	**105,081**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

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

Notes to the financial statements

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

Group

Dec-2023 *In thousands of Nigerian Naira*	**Loans and advances to customers Dec-2023**	**Loans and advances to banks Dec-2023**
Against Stage 1 Loans and Advances:		
Property	15,282,926,439	-
Equities	165,836,209	-
Treasury bills	5,280,336	-
Cash	135,123,203	-
Guarantees	173,602,834	-
Negative pledge	3,573,167	-
ATC*, stock hypothecation and ISPO*	17,522,896	
Others #	217,387,605	169
Total	**16,001,252,689**	**169**
Against Stage 2 Loans and Advances:		
Property	6,451,660,243	-
Equities	141,001	-
Cash	29,679,069	-
Others #	23,113,187	-
Total	**6,504,593,500**	**-**
Against Stage 3 Loans and Advances:		
Property	143,234,545	105,081
Equities	21,266	-
Cash	35,898,285	-
Others #	2,393,910	-
Total	**181,548,006**	**105,081**
Grand total	**22,687,394,195**	**105,250**

*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-2024

	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	8,805,290,620	419,856,413	20,079,395	9,245,226,428	-	-	-	-
Equities	167,965,013	439,028	-	168,404,041	-	-	-	-
Cash	299,691,935	134,657,392	2,291,871	436,641,198	-	-	-	-
Guarantees	89,473,237	364,477	830,056	90,667,770	-	-	-	-
Negative Pledge	4,393,413	-	-	4,393,413	-	-	-	-
ATC*, stock hypothecation and ISPO*	15,737,211	2,564,207	-	18,301,418	-	-	-	-
Others #	139,829,120	5,199,042	703,920	145,732,082	-	-	-	-
Total	**9,522,380,549**	**563,080,559**	**23,905,242**	**10,109,366,350**	**-**	**-**	**-**	**-**
Against Stage 2 Loans and Advances:								
Property	82,183,141	25,959,146	-	108,142,287	-	-	-	-
Equities	-	1,407,603	-	1,407,603	-	-	-	-
Cash	4,698,844	11,591	-	4,710,435	-	-	-	-
Guarantees	150,187	-	-	150,187	-	-	-	-
Others #	377,183	11,970,463	-	12,347,646	-	-	-	-
Total	**87,409,355**	**39,348,803**	**-**	**126,758,158**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	37,854,630	24,448,961	687,300	62,990,891	-	-	-	-
Equities	18,387,398	4,153,275	998,948	23,539,621	105,081	-	-	105,081
Cash	1,275,452	244,034	-	1,519,486	-	-	-	-
Guarantees	-	2,306,754	-	2,306,754	-	-	-	-
Others #	53,617	18,390,443	-	18,444,060	-	-	-	-
Total	**57,571,097**	**49,543,467**	**1,686,248**	**108,800,812**	**105,081**	**-**	**-**	**105,081**
Grand total	**9,667,361,001**	**651,972,829**	**25,591,490**	**10,344,925,320**	**105,081**	**-**	**-**	**105,081**

*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-2023

	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	15,019,697,343	169,120,922	94,108,174	15,282,926,439	-	-	-	-
Equities	164,276,740	397,058	1,162,411	165,836,209	-	-	-	-
Cash	116,007,542	5,887,092	13,228,569	135,123,203	-	-	-	-
Guarantees	171,067,774	1,479,092	1,055,968	173,602,834	-	-	-	-
Negative Pledge	1,960,674	635,442	977,051	3,573,167	-	-	-	-
Treasury Bills	5,280,336		-	5,280,336	-	-	-	-
ATC*, stock hypothecation and ISPO*	16,676,615	846,281	-	17,522,896	-	-	-	-
Others #	160,331,856	56,004,224	1,051,525	217,387,605	-	169	-	169
Total	**15,655,298,880**	**234,370,111**	**111,583,698**	**16,001,252,689**	**-**	**169**	**-**	**169**
Against Stage 2 Loans and Advances:								
Property	6,410,895,798	40,764,445	-	6,451,660,243	-	-	-	-
Equities	-	141,001	-	141,001	-	-	-	-
Cash	29,065,171	35,811	578,087	29,679,069	-	-	-	-
Others #	103,319	23,009,868	-	23,113,187	-	-	-	-
Total	**6,440,064,288**	**63,951,125**	**578,087**	**6,504,593,500**	**-**	**-**	**-**	**-**
Against Stage 3 Loans and Advances:								
Property	98,322,120	43,913,478	998,947	143,234,545	105,081	-	-	105,081
Equities	-	21,266	-	21,266	-	-	-	-
Cash	34,921,597	976,688	-	35,898,285	-	-	-	-
Others #	535,164	1,858,746	-	2,393,910	-	-	-	-
Total	**133,778,881**	**46,770,178**	**998,947**	**181,548,006**	**105,081**	**-**	**-**	**105,081**
Grand total	**22,229,142,049**	**345,091,414**	**113,160,732**	**22,687,394,195**	**105,081**	**169**	**-**	**105,250**

*ISPO: Irrevocable standing payment order

*ATC: Authority to collect

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

Notes to the financial statements

(b) Credit risk (continued)

Debt securities

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

Group
Dec-2024

In thousands of Nigerian Naira	**Financial assets at fair value through profit or loss**	**Investment securities**	**Assets pledged as collateral**	**Total**
Federal government bonds	20,208,276	1,365,146,980	-	1,385,355,256
State government bonds	-	1,485,591	-	1,485,591
Treasury bills	33,178,856	2,712,051,155	114,570,075	2,859,800,086
Corporate bonds	-	1,482,714	-	1,482,714
Euro bond	6,211,395	59,800,445	-	66,011,840
Commercial Paper	-	-	-	-
Promissory Notes	4,470	-	-	4,470
	59,602,997	**4,139,966,885**	**114,570,075**	**4,314,139,957**

The Group's investment in risk-free Government securities constitutes 99.9% of debt instruments portfolio (December 2023: 98.8%). Investment in Corporate and State Government bonds accounts for the outstanding 0.1% (December 2023: 1.2%).

Group
Dec-2023

In thousands of Nigerian Naira	**Financial assets at fair value through profit or loss**	**Investment securities**	**Assets pledged as collateral**	**Total**
Federal government bonds	16,648,838	613,457,466	-	630,106,304
State government bonds	-	1,719,519	-	1,719,519
Corporate bonds	-	1,102,366	-	1,102,366
Promissory Notes	3,789	1,362	-	5,151
Commercial Paper	-	27,532,674	-	27,532,674
Euro Bond	3,622,871	64,953,018	-	68,575,889
Treasury bills	7,791,115	1,219,626,082	86,552,701	1,313,969,898
Special Bills	-	534,842,582	-	534,842,582
	28,066,613	**2,463,235,069**	**86,552,701**	**2,577,854,383**

(g) Liquidity Risk

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

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

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

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

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

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

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

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

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

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

8. Monitoring the level of undrawn commitments.

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

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

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

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

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

on a timely basis.

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

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

(i) Funding approach

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

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

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

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

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

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

(ii) Exposure to Liquidity Risk

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

	Dec-24	Dec-23
At end of year	49.19%	31.08%
Average for the year	44.25%	36.14%
Maximum for the year	50.48%	38.03%
Minimum for the year	38.61%	31.08%
Regulatory requirement	30.00%	30.00%

Liquidity ratio which is a measure of liquidity risk is calculated as a ratio of local currency liquid assets expressed as a percentage of its local currency customer deposits.

Financial risk management (continued)

The following tables show the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial assets and liabilities.

(iii) Gross nominal (undiscounted) maturities of financial assets and liabilities

Group
Dec-2024

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	22	4,673,048,120	4,677,680,693	4,401,873,638	187,736,570	88,070,485	-	-
Financial assets at fair value through profit or loss	23	59,602,997	63,366,445	27,108,003	2,415,674	15,686,147	4,790,746	13,365,875
Derivative financial assets	24	-	-	-	-	-	-	-
Investment securities:	-							
– Fair Value through other comprehensive Income[2]	25	2,492,242,832	2,786,896,444	1,060,731,472	410,704,652	786,853,722	482,202,032	46,404,566
– Held at amortised cost	25	1,647,724,053	1,648,586,308	487,448,708	67,637,664	407,093,041	489,389,484	197,017,411
Assets pledged as collateral	26	114,570,075	118,845,358	117,845,358	-	1,000,000	-	-
Loans and advances to banks	27	87,794	87,795	87,795	-	-	-	-
Loans and advances to customers	28	2,785,664,040	3,170,640,427	1,045,774,477	319,143,676	669,381,694	1,120,766,239	15,574,341
Restricted deposits and other assets[3]	33	2,398,662,985	2,398,663,239	1,927,803,752	283,125,191	151,429,234	36,305,062	-
		14,171,602,896	**14,864,766,709**	**9,068,673,203**	**1,270,763,427**	**2,119,514,323**	**2,133,453,563**	**272,362,193**
Financial liabilities								
Deposits from banks	34	388,420,244	388,421,161	337,800,311	37,855,341	12,765,509	-	-
Deposits from customers	35	10,013,021,406	10,014,669,755	9,615,659,093	127,078,378	267,237,529	4,540,362	154,393
Financial liabilities at fair value through profit or loss	36	51,174,468	62,592,790	373,236	-	-	62,219,554	-
Derivative financial liabilities	24	10,759,624	11,301,600	11,301,600	-	-	-	-
Other liabilities[4]	37	927,420,257	1,014,367,358	474,841,692	198,054,424	262,445,793	54,825,450	24,200,000
Other borrowed funds	39	310,021,046	317,665,633	39,114,322	256,788,485	2,451,166	10,836,557	8,475,103
		11,700,817,045	**11,809,018,297**	**10,479,090,254**	**619,776,628**	**544,899,997**	**132,421,923**	**32,829,496**
Gap (asset - liabilities)				(1,410,417,051)	650,986,799	1,574,614,326	2,001,031,640	239,532,697
Cumulative liquidity gap				(1,410,417,051)	(759,430,251)	815,184,075	2,816,215,715	3,055,748,412

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded.

[3] Excludes Prepayments and Stock

[4] Excludes deferred Income, impairment on contingents and provision for litigations

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

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

The Gross nominal maturity of other liabilities is further analysed into:

Gross nominal (undiscounted) maturities of financial assets and liabilities
Group
Dec-2023

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	22	2,309,618,698	2,322,807,626	2,011,006,481	168,188,678	143,612,467	-	-
Financial assets at fair value through profit or loss	23	28,066,613	53,051,140	9,199,112	480,250	3,727,462	2,972,313	36,672,003
Derivative financial assets	24	28,961,143	149,688,735	104,417,000	-	45,271,735	-	-
Investment securities:	-							
– Fair value through profit or loss[2]	25	-	-	-	-	-	-	-
– Fair Value through other comprehensive Income[2]	25	893,612,112	938,627,081	442,486,673	61,098,810	349,987,947	59,105,968	25,947,683
– Held at amortised cost	25	1,571,317,478	1,585,821,193	731,778,408	262,266,586	243,186,613	269,758,430	78,831,156
Assets pledged as collateral	26	86,552,701	92,145,718	13,151,718	-	78,994,000	-	-
Loans and advances to banks	27	66,935	66,935	66,935	-	-	-	-
Loans and advances to customers	28	2,480,183,368	2,782,676,274	1,176,369,253	304,401,404	322,558,747	908,053,553	71,293,317
Restricted deposits and other assets[3]	33	1,944,380,766	1,944,380,768	1,905,549,781	9,072,410	5,539,973	24,218,604	-
		9,342,759,814	**9,869,265,470**	**6,394,025,361**	**805,508,138**	**1,192,878,944**	**1,264,108,868**	**212,744,159**
Financial liabilities								
Deposits from banks	34	136,053,409	136,053,408	127,022,100	4,105,140	4,926,168	-	-
Deposits from customers	35	7,410,834,190	7,412,132,868	7,214,942,520	65,254,074	120,035,280	11,773,746	127,248
Financial liabilities at fair value through profit or loss	36	809,342	2,837,378	-	-	250,000	-	2,587,378
Derivative financial liabilities	24	-	-	-	-	-	-	-
Other liabilities[4]	37	417,433,890	460,555,870	264,897,140	113,148,381	22,640,726	35,669,622	24,200,000
Other borrowed funds	39	72,119,485	72,119,488	46,003,236	1,430,596	3,254,948	12,330,669	9,100,039
		8,037,250,316	**8,083,699,012**	**7,652,864,996**	**183,938,191**	**151,107,122**	**59,774,037**	**36,014,665**
Gap (asset - liabilities)				(1,258,839,635)	621,569,947	1,041,771,822	1,204,334,831	176,729,494
Cumulative liquidity gap				(1,258,839,635)	(637,269,688)	404,502,134	1,608,836,964	1,785,566,458

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded.
[3] Excludes Prepayments and Stock
[4] Excludes deferred income, impairment on contingents and provision for litigations
Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

Gross nominal (undiscounted) maturities of financial assets and liabilities
Company
Dec-2024

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	210,095,331	210,095,331	210,095,331	-	-	-	-
Restricted deposits and other assets[3]	33	250,238,501	250,238,501	-	250,238,501	-	-	-
		460,333,832	**460,333,832**	**210,095,331**	**250,238,501**	**-**	**-**	**-**
Financial liabilities								
Other liabilities[4]	37	221,179,425	221,179,425	-	-	221,179,425	-	-
		221,179,425	**221,179,425**	**-**	**-**	**221,179,425**	**-**	**-**
Gap (asset - liabilities)				210,095,331	250,238,501	(221,179,425)	-	-
Cumulative liquidity gap				210,095,331	460,333,832	239,154,407	239,154,407	239,154,407

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded.

[3] Excludes Prepayments and Stock

[4] Excludes deferred income, impairment on contingents and provision for litigations

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

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

Gross nominal (undiscounted) maturities of financial assets and liabilities
Company
Dec-2023

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	60,169	60,169	60,169	-	-	-	-
		60,169	**60,169**	**60,169**	**-**	**-**	**-**	**-**
Financial liabilities								
Other liabilities[4]	38	16,483,941	16,483,941	-	-	16,483,941	-	-
		16,483,941	**16,483,941**	**-**	**-**	**16,483,941**	**-**	**-**
Gap (asset - liabilities)				60,169	-	(16,483,941)	-	-
Cumulative liquidity gap				60,169	60,169	(16,423,772)	(16,423,772)	(16,423,772)

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded.

[3] Excludes Prepayments and Stock

[4] Excludes deferred income, impairment on contingents and provision for litigations

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

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

Financial risk management (continued)

(i) Residual contractual maturities of financial assets and liabilities

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk which is managed through a series of measures, tests and reports that are largely based on contractual maturity. The following table shows the contractual maturities at year 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-2024

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	22	4,673,048,120	4,401,589,919	186,138,603	85,319,598	-	-
Financial assets at fair value through profit or loss	23	59,602,997	35,916,480	2,226,027	11,862,775	3,533,274	6,064,441
Derivative financial assets	24	-	-	-	-	-	-
Investment securities:							
– Fair Value through other comprehensive Income[2]	25	2,492,242,832	1,032,514,072	385,123,384	688,260,749	363,130,192	23,214,435
– Held at amortised cost	25	1,647,724,053	487,585,766	67,637,664	407,093,041	489,389,484	196,018,098
Assets pledged as collateral	26	114,570,075	113,729,714	-	840,361	-	-
Loans and advances to banks	27	87,794	87,794	-	-	-	-
Loans and advances to customers	28	2,785,664,040	947,086,595	274,041,337	611,039,262	937,922,767	15,574,079
Restricted deposits and other assets[3]	33	2,398,662,985	2,178,041,998	32,886,691	151,429,234	36,305,062	-
		14,171,602,896	**9,196,552,338**	**948,053,706**	**1,955,845,020**	**1,830,280,779**	**240,871,053**
Financial liabilities							
Deposits from banks	34	388,420,244	337,799,394	37,855,341	12,765,509	-	-
Deposits from customers	35	10,013,021,406	9,614,220,333	126,954,787	267,153,316	4,539,503	153,467
Financial liabilities at fair value through profit or loss	36	51,174,468	342,354	-	-	50,832,114	-
Derivative financial liabilities	24	10,759,624	10,759,624	-	-	-	-
Other liabilities[4]	37	927,420,257	465,983,968	74,989,046	346,181,337	34,265,906	6,000,000
Other borrowed funds	39	310,021,046	37,205,371	255,364,715	1,477,006	8,125,785	7,848,169
		11,700,817,045	**10,466,311,044**	**495,163,889**	**627,577,168**	**97,763,308**	**14,001,636**
Gap (asset - liabilities)			(1,269,758,706)	452,889,817	1,328,267,852	1,732,517,471	226,869,417
Cumulative liquidity gap			(1,269,758,706)	(816,868,889)	511,398,963	2,243,916,434	2,470,785,851

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under liquidity consideration.

[3] Excludes prepayments and Stock

[4] Excludes deferred income, provision for litigations , impairment on contingents

Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

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-2024

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	42	592,945,965	71,946,308	53,401,245	95,346,030	24,103,482	348,148,900
Clean line facilities and letters of credit	42	26,580,227	9,092,551	6,068,821	8,521,090	2,897,765	-
Other commitments	42	48,951,258	48,951,258	-	-	-	-
		668,477,450	**129,990,117**	**59,470,066**	**103,867,120**	**27,001,247**	**348,148,900**

[1] Includes balances with no specific contractual maturities

Residual contractual maturities of financial assets and liabilities
Group
Dec-2023

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	22	2,309,618,698	2,005,936,198	165,661,126	138,021,374	-	-
Financial assets at fair value through profit or loss	23	28,066,613	9,196,810	463,191	3,460,104	2,043,317	12,903,191
Derivative financial assets	24	28,961,143	21,033,029	-	7,928,114	-	-
Investment securities:	-						
– Fair Value through other comprehensive Income[2]	25	891,917,591	441,126,511	60,598,796	327,443,972	52,604,009	10,144,303
– Held at amortised cost	25	1,571,317,478	723,995,645	256,934,217	243,186,188	269,758,430	77,442,998
Assets pledged as collateral	26	86,552,701	13,151,718	-	73,400,983	-	-
Loans and advances to banks	27	66,935	66,935	-	-	-	-
Loans and advances to customers	28	2,480,183,368	1,125,784,410	269,327,283	272,026,795	747,206,870	65,838,010
Restricted deposits and other assets[3]	33	1,944,380,766	1,905,549,778	9,072,410	5,539,974	24,218,604	-
		9,341,065,293	**6,245,841,034**	**762,057,023**	**1,071,007,504**	**1,095,831,230**	**166,328,502**
Financial liabilities							
Deposits from banks	34	136,053,409	127,022,101	4,105,140	4,926,168	-	-
Deposits from customers	35	7,410,834,190	7,213,944,537	65,076,876	119,916,336	11,773,746	122,695
Financial liabilities at fair value through profit or loss	36	809,342	-	-	220,220	-	589,122
Derivative financial liabilities	24	-	-	-	-	-	-
Other liabilities[4]	37	417,433,890	262,181,685	101,763,270	25,195,421	22,293,514	6,000,000
Other borrowed funds	39	72,119,485	46,003,234	1,430,596	3,254,947	12,330,669	9,100,039
		8,037,250,316	**7,649,151,557**	**172,375,882**	**153,513,092**	**46,397,929**	**15,811,856**
Gap (asset - liabilities)			(1,403,310,523)	589,681,141	917,494,412	1,049,433,301	150,516,646
Cumulative liquidity gap			(1,403,310,523)	(813,629,382)	103,865,030	1,153,298,331	1,303,814,977

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under liquidity consideration.
[3] Excludes prepayments and Stock
[4] Excludes deferred income , 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

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-2023

In thousands of Nigerian Naira	Note	Carrying amount	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Transaction related bonds and guarantees	42	623,937,083	231,332,230	36,614,302	54,931,037	65,696,974	235,362,540
Clean line facilities and letters of credit	42	19,416,461	13,806,112	1,174,549	3,017,820	1,417,980	-
Other commitments	42	16,940,851	16,940,851	-	-	-	-
		660,294,395	**262,079,193**	**37,788,851**	**57,948,857**	**67,114,954**	**235,362,540**

[1] Includes balances with no specific contractual maturities

Residual contractual maturities of financial assets and liabilities

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk which is managed through a series of measures, tests and reports that are largely based on contractual maturity. The following table shows the contractual maturities at period end of the Group's financial assets and liabilities and represents actual and in some cases assumed obligation expected for the assets or liability to be recovered or settled. These figures do not include elements of future incomes or costs.

Company
Dec-2024

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	210,095,331	210,095,331	-	-	-	-
Restricted deposits and other assets[3]	33	250,238,501	-	250,238,501	-	-	-
		460,333,832	**210,095,331**	**250,238,501**	**-**	**-**	**-**
Financial liabilities							
Other liabilities[4]	37	221,179,425	-	-	221,179,425	-	-
		221,179,425	**-**	**-**	**221,179,425**	**-**	**-**
Gap (asset - liabilities)			210,095,331	250,238,501	(221,179,425)	-	-
Cumulative liquidity gap			210,095,331	460,333,832	239,154,407	239,154,407	239,154,407

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under liquidity consideration.
[3] Excludes prepayments and Stock
[4] Excludes deferred income, provision for litigations and 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 financial assets and liabilities

Company
Dec-2023

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	60,169	60,169	-	-	-	-
		60,169	**60,169**	**-**	**-**	**-**	**-**
Financial liabilities							
Other liabilities[4]	38	16,483,941	-	-	16,483,941	-	-
		16,483,941	**-**	**-**	**16,483,941**	**-**	**-**
Gap (asset - liabilities)			60,169	-	(16,483,941)	-	-
Cumulative liquidity gap			60,169	60,169	(16,423,772)	(16,423,772)	(16,423,772)

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under liquidity consideration.

[3] Excludes prepayments and Stock

[4] Excludes deferred income and provision for litigations

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

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

(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-2024

In thousands of Nigerian Naira	*Note*	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
Financial assets							
Cash and bank balances	22	4,673,048,120	4,376,387,766	203,297,497	93,362,857	-	-
Financial assets at fair value through profit or loss	23	59,602,997	35,916,480	2,226,027	11,862,775	3,533,274	6,064,441
Derivative financial assets	24	-	-	-	-	-	-
Investment securities:							
– Fair Value through other comprehensive Income[1]	25	2,492,242,832	1,032,514,072	385,123,384	688,260,749	363,130,192	23,214,435
– Held at amortised cost	25	1,647,724,053	397,220,792	105,289,742	459,805,937	489,389,484	196,018,098
Assets pledged as collateral	26	114,570,075	113,729,714	-	840,361	-	-
Loans and advances to banks	27	87,794	87,794	-	-	-	-
Loans and advances to customers	28	2,785,664,040	947,086,595	274,041,337	611,039,262	937,922,767	15,574,079
Restricted deposits and other assets[2]	33	2,398,662,985	2,178,041,998	32,886,691	151,429,234	36,305,062	-
		14,171,602,896	**9,080,985,211**	**1,002,864,678**	**2,016,601,175**	**1,830,280,779**	**240,871,053**
Financial liabilities							
Deposits from banks	34	388,420,244	337,799,394	37,855,341	12,765,509	-	-
Deposits from customers	35	10,013,021,406	9,552,706,622	159,330,421	296,291,393	4,539,503	153,467
Financial liabilities at fair value through profit or loss	36	51,174,468	342,354	-	-	50,832,114	-
Derivative financial liabilities	24	10,759,624	10,759,624	-	-	-	-
Other liabilities[3]	37	927,420,257	465,028,685	75,944,329	346,181,337	34,265,906	6,000,000
Other borrowed funds	39	310,021,046	37,205,371	255,364,715	1,477,006	8,125,785	7,848,169
		11,700,817,045	**10,403,842,050**	**528,494,806**	**656,715,245**	**97,763,308**	**14,001,636**
		2,470,785,851	**(1,322,856,839)**	**474,369,872**	**1,359,885,930**	**1,732,517,471**	**226,869,417**

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

[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-2023

In thousands of Nigerian Naira	*Note*	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
Financial assets							
Cash and bank balances	22	2,309,618,698	2,005,936,198	165,661,126	138,021,374	-	-
Financial assets at fair value through profit or loss	23	28,066,613	9,196,810	463,191	3,460,104	2,043,317	12,903,191
Derivative financial assets	24	28,961,143	21,033,029	-	7,928,114	-	-
Investment securities:	-						
– Fair Value through other comprehensive Income[1]	25	891,917,591	441,126,511	60,598,796	327,443,972	52,604,009	10,144,303
– Held at amortised cost	25	1,571,317,478	723,995,646	256,934,216	243,186,188	269,758,430	77,442,998
Assets pledged as collateral	26	86,552,701	13,151,718	-	73,400,983	-	-
Loans and advances to banks	27	66,935	66,935	-	-	-	-
Loans and advances to customers	28	2,480,183,368	1,125,784,410	269,327,283	272,026,795	747,206,870	65,838,010
Restricted deposits and other assets[2]	33	1,944,380,766	1,905,549,778	9,072,410	5,539,974	24,218,604	-
		9,341,065,293	**6,245,841,035**	**762,057,022**	**1,071,007,504**	**1,095,831,230**	**166,328,502**
Financial liabilities							
Deposits from banks	34	136,053,409	127,022,101	4,105,140	4,926,168	-	-
Deposits from customers	35	7,410,834,190	7,213,944,537	65,076,876	119,916,336	11,773,746	122,695
Financial liabilities at fair value through profit or loss	36	809,342	-	-	220,220	-	589,122
Other liabilities[3]	37	417,433,890	262,181,685	101,763,270	25,195,421	22,293,514	6,000,000
Other borrowed funds	39	72,119,485	46,003,234	1,430,596	3,254,947	12,330,669	9,100,039
		8,037,250,316	**7,649,151,557**	**172,375,882**	**153,513,092**	**46,397,929**	**15,811,856**
		1,303,814,977	**(1,403,310,522)**	**589,681,140**	**917,494,412**	**1,049,433,301**	**150,516,646**

[1] Excludes equity securities. [2] Excludes prepayments, and Stocks
[3] Excludes deferred income and provision for litigations

Repricing period of financial assets and liabilities

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

Company
Dec-2024

In thousands of Nigerian Naira	*Note*	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
Financial assets							
Cash and bank balances	23	210,095,331	210,095,331	-	-	-	-
Restricted deposits and other assets[2]	33	250,238,501	-	250,238,501	-	-	-
		460,333,832	**210,095,331**	**250,238,501**	**-**	**-**	**-**
Financial liabilities							
Other liabilities[3]	37	221,179,425	-	-	221,179,425	-	-
		221,179,425	**-**	**-**	**221,179,425**	**-**	**-**
		239,154,407	**210,095,331**	**250,238,501**	**(221,179,425)**	**-**	**-**

[1] Excludes equity securities.
[2] Excludes prepayments, Stocks
[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 Parent can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Parent can vary the terms of the underlying financial asset or liabilities and analyses the Parent's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Company
Dec-2023

In thousands of Nigerian Naira	*Note*	**Carrying amount**	**Less than 3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Financial assets							
Cash and bank balances	23	60,169	60,169	-	-	-	-
		60,169	**60,169**	**-**	**-**	**-**	**-**
Financial liabilities							
Other liabilities[3]	38	16,483,941	-	-	16,483,941	-	-
		16,483,941	**-**	**-**	**16,483,941**	**-**	**-**
		(16,423,772)	**60,169**	**-**	**(16,483,941)**	**-**	**-**

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

[3] Excludes deferred income and provision for litigations

(h) Settlement Risk

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

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

(i) Market Risk

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

(i) Management of Market Risk

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

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

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

(ii) Exposure to Market Risks – Trading Book

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

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

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

(iii) Exposure to Interest Rate Risk – Banking Book

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

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

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

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

Value-at-Risk (VaR)

The Group applies VaR, a statistical risk measure, to estimate the maximum potential loss 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.

The Group uses the analytical variance-covariance method to estimate VaR, which takes cognizance of factor sensitivities of the trading portfolio, the volatilities and correlations of market risk factor. The model is employed across the Group and applies observable historical rates, yields and prices for the previous 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, the Group believes VaR statistics can be used more effectively as indicators of trends in risk-taking within a firm, rather than as a basis for inferring differences in risk-taking across firms.

The Group trades on foreign currencies, Bonds and Treasury bills instruments, while its subsidiaries trade mainly in bills and bonds and an insignificant amount of foreign currencies. The resultant risk exposures are interest and foreign exchange risks.

The table below presents, risk by category, average VaR and end of period-end VaR as well as the high and low VaR for the period.

Group VaR by risk type			**Dec-2024**	
In thousands of Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	723,642	7,747,128	0	266,849
Interest rate risk	334,032	1,834,250	22,682	949,235
Total	**1,057,674**	**9,581,378**	**22,682**	**1,216,084**

Group VaR by risk type			**Dec-2023**	
In thousands of Naira	**Average**	**High**	**Low**	**At reporting date**
Foreign exchange risk	5,565	50,043	0	0
Interest rate risk	1,048,933	12,341,831	14,099	100,952
Total	**1,054,498**	**12,391,874**	**14,099**	**100,952**

(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 2024, 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 2023 – 100 basis points) with all other variables held constant, resulted in the impact on profit or loss as set out in the table on page 186.

- 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 basis points used for the sensitivity analysis of interest rates and their impacts on the Group's major assets and liabilities, the followings were considered:

- The range of the prime lending rate on loans and advances has been maintained within 100-basis point during the reporting period.

- 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-24 Pre-tax	Dec-24 Post-tax	Dec-23 Pre-tax	Dec-23 Post-tax
Decrease	**(85,470,417)**	**(75,828,317)**	**(43,219,508)**	**(33,741,470)**
Asset	(108,913,681)	(96,626,896)	(58,005,083)	(45,284,568)
Liabilities	23,443,264	20,798,580	14,785,576	11,543,099
Increase	**85,470,417**	**75,828,317**	**43,219,508**	**33,741,470**
Asset	108,913,681	96,626,896	58,005,083	45,284,568
Liabilities	(23,443,264)	(20,798,580)	(14,785,576)	(11,543,099)

Parent

In thousands of Nigerian Naira	Dec-24 Pre-tax	Dec-24 Post-tax	Dec-23 Pre-tax	Dec-23 Post-tax
Decrease	**(57,812,965)**	**(53,766,057)**	**(28,324,119)**	**(22,551,664)**
Asset	(74,027,623)	(68,845,689)	(39,692,477)	(31,603,150)
Liabilities	16,214,658	15,079,632	11,368,358	9,051,487
Increase	**57,812,965**	**53,766,057**	**28,324,119**	**22,551,664**
Asset	74,027,623	68,845,689	39,692,477	31,603,150
Liabilities	(16,214,658)	(15,079,632)	(11,368,358)	(9,051,487)

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-24 Pre-tax	Dec-24 Post-tax	Dec-23 Pre-tax	Dec-23 Post-tax
Decrease				
Assets				
Cash and bank balances	(33,421,642)	(29,651,275)	(9,426,895)	(7,359,577)
Loans and advances to banks	(1,443)	(1,280)	(1,610,844)	(1,257,586)
Loans and advances to customers	(37,403,110)	(33,183,586)	(22,978,852)	(17,939,590)
Financial assets held for trading	(471,077)	(417,934)	(1,071,038)	(836,159)
Investment securities	(36,509,673)	(32,390,939)	(22,060,645)	(17,222,746)
Assets pledged as collateral	(1,106,736)	(981,883)	(856,809)	(668,911)
	(108,913,681)	**(96,626,896)**	**(58,005,083)**	**(45,284,568)**
Liabilities				

Deposits from banks	63,336	56,191	66,016	51,539
Deposits from customers	20,211,709	17,931,583	13,545,935	10,575,311
Financial liabilities held for trading	63,250	56,115	112,822	88,080
Debt Securities	-	-	-	-
Other borrowed funds	3,104,969	2,754,691	1,060,803	828,169
	23,443,264	**20,798,580**	**14,785,576**	**11,543,099**
Total	**(85,470,417)**	**(75,828,317)**	**(43,219,508)**	**(33,741,470)**
Increase				
Assets				
Cash and bank balances	33,421,642	29,651,275	9,426,895	7,359,577
Loans and advances to banks	1,443	1,280	1,610,844	1,257,586
Loans and advances to customers	37,403,110	33,183,586	22,978,852	17,939,590
Financial assets held for trading	471,077	417,934	1,071,038	836,159
Investment securities	36,509,673	32,390,939	22,060,645	17,222,746
Assets pledged as collateral	1,106,736	981,883	856,809	668,911
	108,913,681	**96,626,896**	**58,005,083**	**45,284,568**
Liabilities				
Deposits from banks	(63,336)	(56,191)	(66,016)	(51,539)
Deposits from customers	(20,211,709)	(17,931,583)	(13,545,935)	(10,575,311)
Financial liabilities held for trading	(63,250)	(56,115)	(112,822)	(88,080)
Debt securities	-	-	-	-
Other borrowed funds	(3,104,969)	(2,754,691)	(1,060,803)	(828,169)
	(23,443,264)	**(20,798,580)**	**(14,785,576)**	**(11,543,099)**
Total	**85,470,417**	**75,828,317**	**43,219,508**	**33,741,470**

Parent

In thousands of Nigerian Naira	**Dec-24 Pre-tax**	**Dec-24 Post-tax**	**Dec-23 Pre-tax**	**Dec-23 Post-tax**
Decrease				
Assets				
Cash and bank balances	(23,052,108)	(21,438,460)	(8,568,308)	(6,822,087)
Loans and advances to Banks	(1,443)	(1,342)	(1,610,844)	(1,282,554)
Loans and advances to Customers	(31,431,658)	(29,231,442)	(18,516,829)	(14,743,100)
Financial assets held for trading	(305,363)	(283,988)	(1,024,539)	(815,738)
Investment securities	(18,425,829)	(17,136,021)	(9,246,665)	(7,362,195)
Assets pledged as collateral	(811,222)	(754,437)	(725,292)	(577,477)
	(74,027,623)	**(68,845,689)**	**(39,692,477)**	**(31,603,150)**
Liabilities				
Deposits from banks	6,456	6,004	1,828	1,455
Deposits from customers	13,042,239	12,129,282	10,202,307	8,123,077
Financial liabilities held for trading	63,250	58,823	112,822	89,829
Other borrowed funds	3,102,713	2,885,523	1,051,402	837,126
	16,214,658	**15,079,632**	**11,368,358**	**9,051,487**
Total	**(57,812,965)**	**(53,766,057)**	**(28,324,119)**	**(22,551,664)**

Increase				
Assets				
Cash and bank balances	23,052,108	21,438,460	8,568,308	6,822,087
Loans and advances to Banks	1,443	1,342	1,610,844	1,282,554
Loans and advances to Customers	31,431,658	29,231,442	18,516,829	14,743,100
Financial assets held for trading	305,363	283,988	1,024,539	815,738
Investment securities	18,425,829	17,136,021	9,246,665	7,362,195
Assets pledged as collateral	811,222	754,437	725,292	577,477
	74,027,623	**68,845,689**	**39,692,477**	**31,603,150**
Liabilities				
Deposits from banks	(6,456)	(6,004)	(1,828)	(1,455)
Deposits from customers	(13,042,239)	(12,129,282)	(10,202,307)	(8,123,077)
Financial liabilities held for trading	(63,250)	(58,823)	(112,822)	(89,829)
Other borrowed funds	(3,102,713)	(2,885,523)	(1,051,402)	(837,126)
	(16,214,658)	**(15,079,632)**	**(11,368,358)**	**(9,051,487)**
Total	**57,812,965**	**53,766,057**	**28,324,119**	**22,551,664**

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 2024, 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-24 Pre-tax**	**Dec-24 Post-tax**	**Dec-23 Pre-tax**	**Dec-23 Post-tax**
Decrease	3,103,483	2,753,373	779,722	689,119
Increase	(3,103,483)	(2,753,373)	(779,722)	(689,119)

Parent

In thousands of Nigerian Naira	**Dec-24 Pre-tax**	**Dec-24 Post-tax**	**Dec-23 Pre-tax**	**Dec-23 Post-tax**
Decrease	3,103,483	2,886,240	770,321	711,546
Increase	(3,103,483)	(2,886,240)	(770,321)	(711,546)

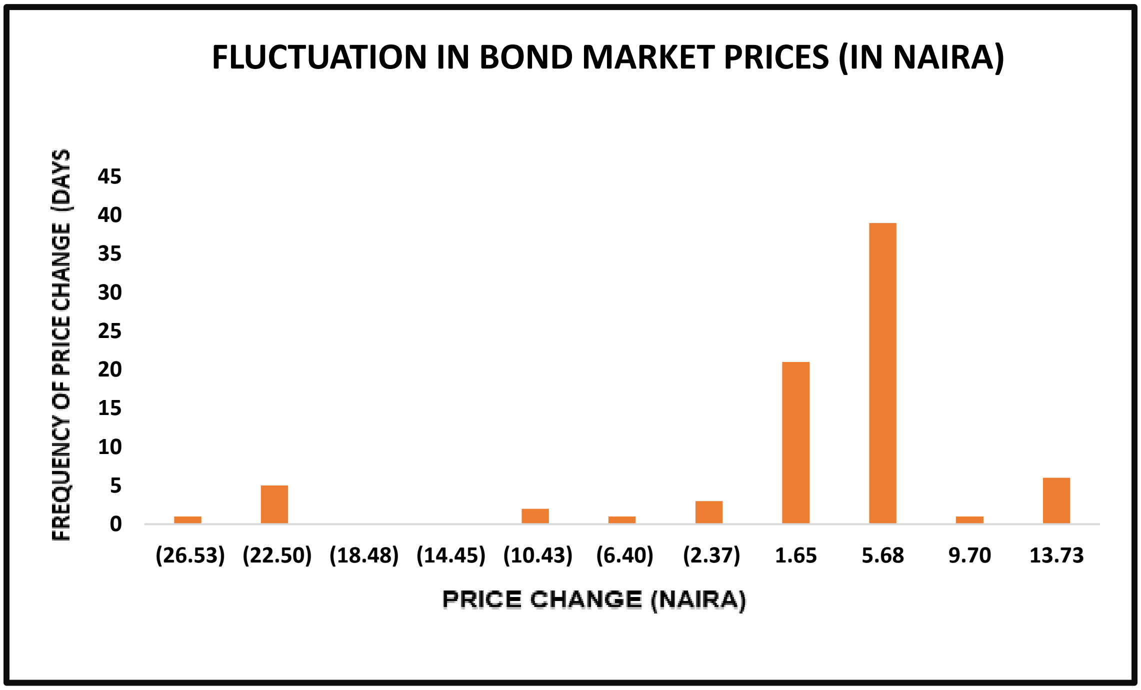
(v) Sensitivity Analysis of Fair Value Through Other Comprehensive Income Portfolio to Price

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 2024 and the comparative period in 2023. The Group carried out the following in determining sensitivity of its other comprehensive income to fluctuations in market prices of the financial assets:

Bonds to be Fair Valued through Other Comprehensive Income

- Daily bond prices were obtained and trended for the different series of Bonds in issue as at the reporting date.
- A reasonably possible change of (+13.73/-26.53) 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 (+13.73/-26.53) 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 Dec 2024, when price of bonds designated as FVOCI increased or decreased by one Naira with all other variables held constant, would have been as set out in the tables below:

Group	**Dec-24**	**Dec-24**	**Dec-23**	**Dec-23**
In thousands of Nigerian Naira	**Pre-tax**	**Post-tax**	**Pre-tax**	**Post-tax**
Decrease	(7,351,442)	(6,632,779)	(5,498,019)	(4,859,149)
Increase	3,804,572	3,432,644	7,020,944	6,205,110

Parent	**Dec-24**	**Dec-24**	**Dec-23**	**Dec-23**
In thousands of Nigerian Naira	**Pre-tax**	**Post-tax**	**Pre-tax**	**Post-tax**
Decrease	(2,955,037)	(2,761,056)	(5,211,657)	(4,814,008)
Increase	1,529,313	1,428,922	6,655,262	6,147,466

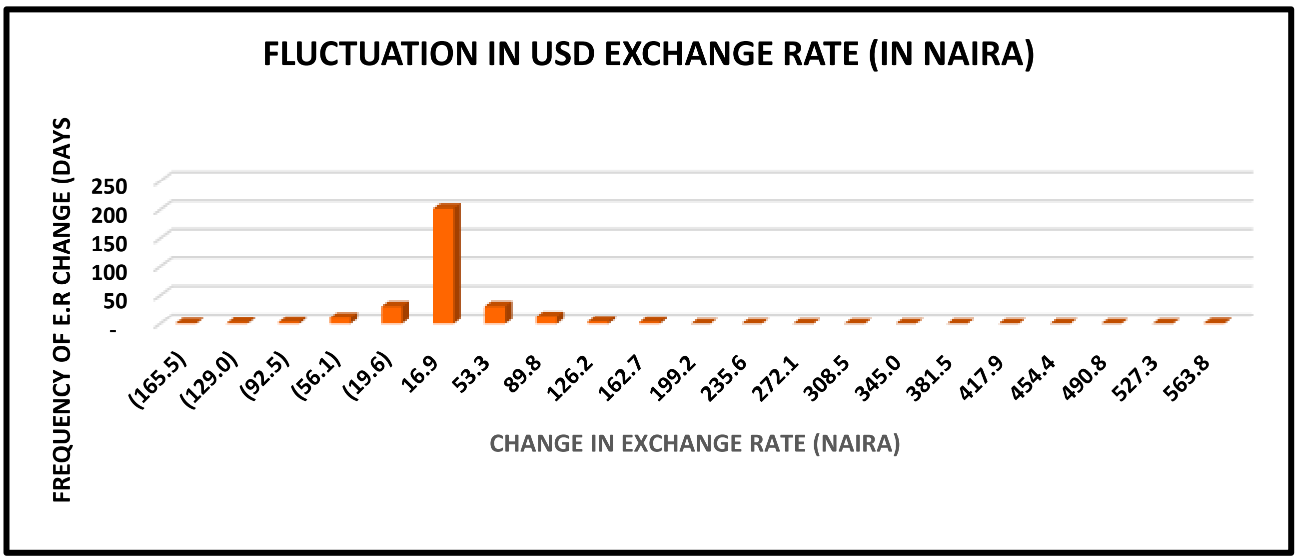
(iv) Exposure to foreign currency risk

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 -165.45/563.69 (Dec 2023 – 216.91/237.52) was determined based on the distribution of 12-month daily change in exchange rates.
- The change in exchange rates was then applied to the bank's dollar position at the end of the period.



As at 31 December 2024, if Naira had strengthened/weakened by -165.45/563.69 against the Dollar with all other variables held constant, the pre-tax and post-tax profit for the ended period would have (decreased)/increased 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-2024 Pre-tax	Dec-2024 Post-tax	Dec-2023 Pre-tax	Dec-2023 Post-tax
Decrease	14,564,598	12,921,535	(94,205,834)	(80,082,224)
Increase	(49,621,748)	(44,023,813)	103,157,073	87,691,468

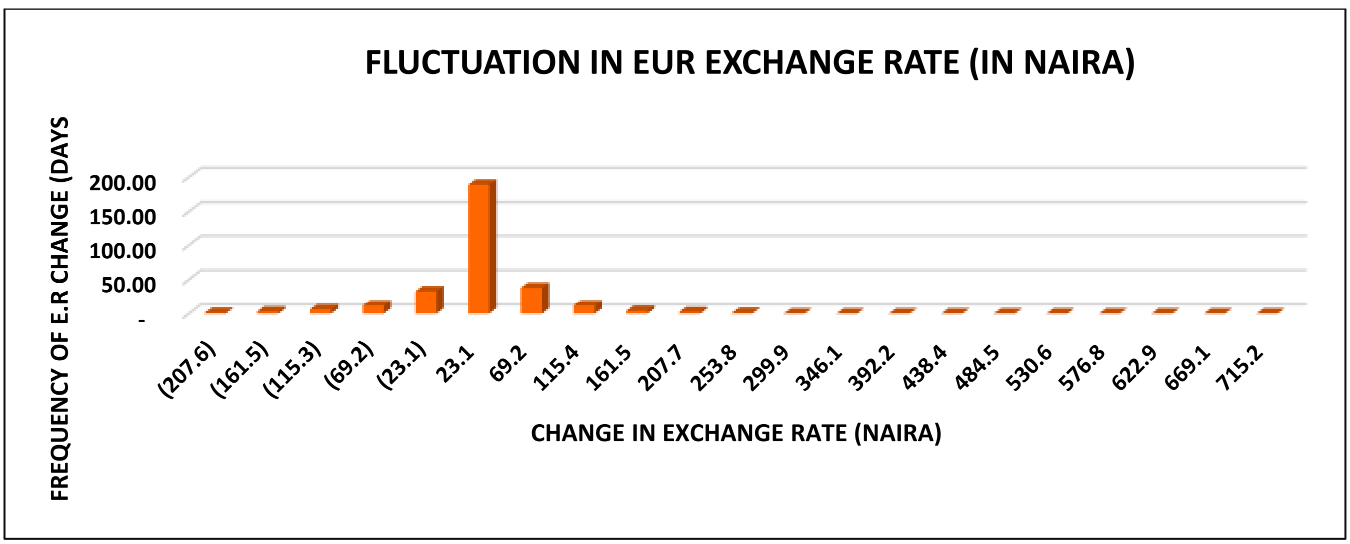
Parent

In thousands of Nigerian Naira	Dec-2024 Pre-tax	Dec-2024 Post-tax	Dec-2023 Pre-tax	Dec-2023 Post-tax
Decrease	14,570,330	13,550,407	(94,197,385)	(82,983,703)
Increase	(49,641,277)	(46,166,388)	103,147,821	90,868,638

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 -207.61/715.27 (Dec 2023: -270.80/309.15) was determined based on the distribution of 12-month daily change in exchange rates.
- The chosen reasonable change in exchange rates was then applied to the bank’s position as at end of the period.



As at 31 December 2024, if Naira had strengthened/weakened by -207.61/715.27 against the Pounds with all other variables held constant the pre-tax and post-tax profit for the ended period would have (decreased)/increased 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-2024 Pre-tax	Dec-2024 Post-tax	Dec-2023 Pre-tax	Dec-2023 Post-tax
Decrease	46,350	41,121	(4,569,797)	(3,884,680)
Increase	(159,685)	(141,671)	5,216,979	4,434,834

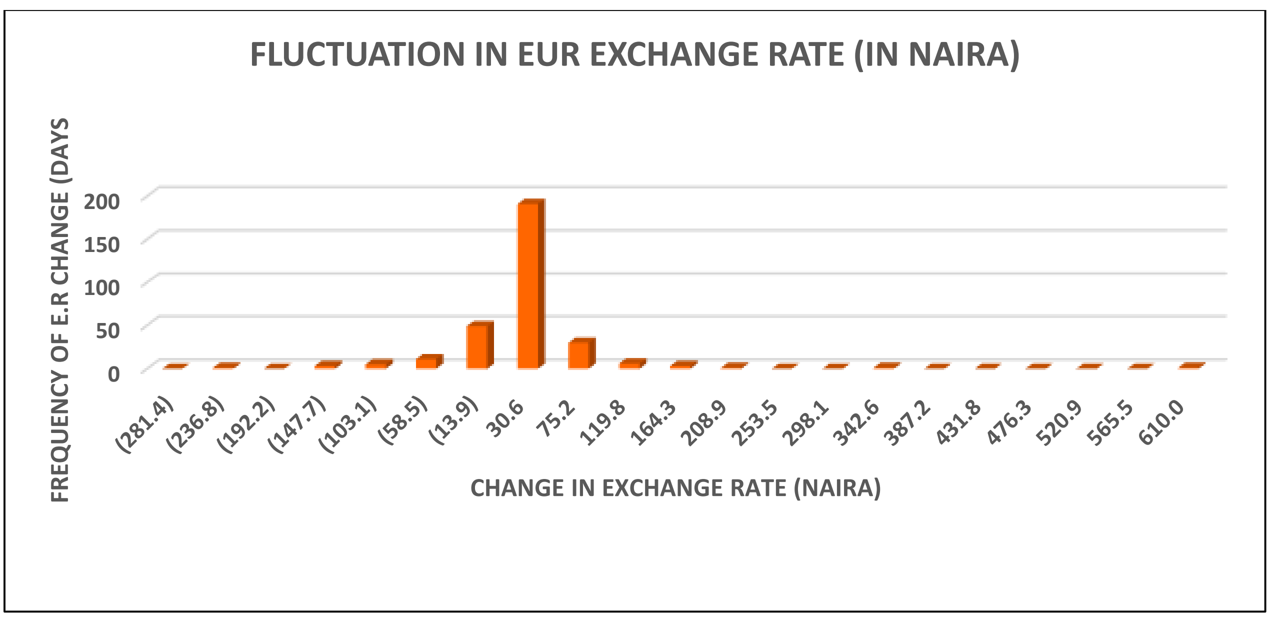
Parent

In thousands of Nigerian Naira	Dec-2024 Pre-tax	Dec-2024 Post-tax	Dec-2023 Pre-tax	Dec-2023 Post-tax
Decrease	53,605	49,852	(4,560,256)	(4,017,382)
Increase	(184,678)	(171,751)	5,206,086	4,586,330

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 -281.36/609.97 (Dec 2023 -235.12/265.26) was determined based on the distribution of 12-month daily change in exchange rates.
- The chosen reasonable change in exchange rates was then applied to the bank's position as at the end of the period.



As at 31 December 2024, if Naira had strengthened/weakened by -281.36/609.97 against the Euro with all other variables held constant, the pre-tax and post-tax profit for the ended period would have (decreased)/increased 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-2024 Pre-tax	Dec-2024 Post-tax	Dec-2023 Pre-tax	Dec-2023 Post-tax
Decrease	53,066	47,080	(2,113,249)	(1,796,424)
Increase	(115,045)	(102,067)	2,384,143	2,026,705

Parent

In thousands of Nigerian Naira	Dec-2024 Pre-tax	Dec-2024 Post-tax	Dec-2023 Pre-tax	Dec-2023 Post-tax
Decrease	51,027	47,455	(2,112,844)	(1,861,321)
Increase	(110,625)	(102,881)	2,383,685	2,099,921

Foreign Exchange Profit or Loss (Other Currencies)

As at 31 December 2024, if Naira had strengthened/weakened by -240.94/270.64 (Dec 2023: -240.94/270.64) against the other currencies with all other variables held constant the pre-tax and post-tax profit for the period, 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-2024 Pre-tax	Dec-2024 Post-tax	Dec-2023 Pre-tax	Dec-2023 Post-tax
Decrease	(32,168)	(28,539)	(19,564,874)	(16,631,652)
Increase	92,850	82,376	21,976,576	18,681,785

Parent

In thousands of Nigerian Naira	Dec-2024 Pre-tax	Dec-2024 Post-tax	Dec-2023 Pre-tax	Dec-2023 Post-tax
Decrease	15,374	14,298	(19,565,929)	(17,236,713)
Increase	(44,375)	(41,269)	21,977,762	19,361,430

(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 Bank carried out a sensitivity analysis to determine the effects that market risk exposures may have on the fair value of the Bank's derivative financial instruments and results of operations. To perform the sensitivity analysis, daily U.S. Dollar exchange rates were obtained from the Investors & Exporters FX Window (I & E FX Window) and trended with all other variables kept constant. A proportional foreign exchange rate movement of ±₦0.5 (Dec-2023: ±₦0.5) depreciation of the Nigerian Naira and ±₦0.5 (Dec-2023: ±₦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 31st December 2024 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 2023: ±₦0.5) favourable or unfavourable change in foreign currency exchange rates should not be construed as a prediction by the Bank 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 mark et events.

The net impact of sensitivity for both favorable and unfavorable exchange rate of ±₦0.5 will be ₦95,204,428.98 and (₦95,204,428.98) respectively.

Group
Dec-24
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	0	0	Asset	95,204	0	78,201	0
Derivative Liabilities	307,000,000	(10,759,624)	Liability	0	(95,204)	0	(78,201)

Dec-23
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	329,280,930	28,961,143	Asset	34,416	(34,416)	29,849	(29,849)
Derivative Liabilities	0	0	Liability	0	0	0	0

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. Inflation, given its significant impact on purchasing power of individual borrowers and ultimately, the capacity to repay obligations.
II. 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

- 100 basis points Increase / decrease in GDP growth rate over forecasted GDP growth rate.
- 300 basis points Decrease / Increase in inflation rate over Inflation rate forecast.
- 100 basis points Decrease / 100 basis points Increase in interest rate over Interest rate forecast
- Decrease / Increase in USD/NGN exchange rate by ₦200 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 2024 and 31 December 2023 that would result from the possible changes in these parameters from the actual assumptions used in the Group's economic variables assumption.

Group

Dec-2024

In thousands of naira	Improvement		Worsening	
	Pre-Tax	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(2,680,899)	(1,876,629)	4,659,561	3,261,693
CORPORATE	4,350,433	3,045,303	21,538,157	15,076,710
PUBLIC SECTOR	(572,973)	(401,081)	266,749	186,724
RETAIL	(4,135,602)	(2,894,921)	2,851,717	1,996,202
SME	(4,087,679)	(2,861,375)	1,599,763	1,119,834
	(7,126,720)	**(4,988,704)**	**30,915,948**	**21,641,163**

Group

Dec-2023

In thousands of naira	Improvement		Worsening	
	Pre-Tax	**Post Tax**	**Pre-Tax**	**Post Tax**
COMMERCIAL	(2,124,370)	(1,487,059)	7,961,657	5,573,160
CORPORATE	(24,485,684)	(17,139,979)	(3,907,484)	(2,735,239)
PUBLIC SECTOR	(800,383)	(560,268)	10,951,174	7,665,822
RETAIL	(5,658,232)	(3,960,762)	37,584,494	26,309,145
SME	(1,846,035)	(1,292,225)	11,882,831	8,317,982
	(34,914,705)	**(24,440,293)**	**64,472,672**	**45,130,870**

The table below summaries the Group's financial instruments at carrying amount, categorised by currency:

Group
Dec-2024
Financial instruments by currency

In thousands of Nigerian Naira	*Note*	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	22	4,673,048,120	332,694,580	3,543,670,519	223,159,909	149,006,929	424,516,183
Financial assets at fair value through profit or loss	23	59,602,997	36,820,157	6,211,395	-	-	16,571,445
Derivative financial assets	24	-	-	-	-	-	-
Investment securities:	-						
– Fair Value through other comprehensive Income	25	2,492,242,832	1,630,530,761	496,140,443	53,325,766	15,813,356	296,432,506
– Held at amortised cost	25	1,647,724,053	136,871,038	358,530,346	-	-	1,152,322,669
Assets pledged as collateral	26	114,570,075	85,018,714	-	-	-	29,551,361
Loans and advances to banks	27	87,794	87,794	-	-	-	-
Loans and advances to customers	28	2,785,664,040	1,147,635,396	1,086,678,152	121,450,297	6,046,485	423,853,710
Restricted deposits and other assets[1]	33	2,398,662,985	2,030,622,155	257,690,589	496,811	16,818,281	93,035,149
		14,171,602,896	**5,400,280,595**	**5,748,921,444**	**398,432,783**	**187,685,051**	**2,436,283,023**
Deposits from banks	34	388,420,244	7,169,206	223,094,089	13,715,605	30,400,208	114,041,136
Deposits from customers	35	10,013,021,406	3,938,645,578	3,908,745,015	276,440,783	137,537,213	1,751,652,817
Financial liabilities at fair value through profit or loss	36	51,174,468	51,174,468	-	-	-	-
Derivative financial liabilities	24	10,759,624	-	10,759,624	-	-	-
Other liabilities[2]	37	927,420,257	450,797,113	325,631,445	29,002,189	509,247	121,480,263
Other borrowed funds	39	310,021,046	309,795,457	-	-	-	225,589
		11,700,817,045	**4,757,581,822**	**4,468,230,173**	**319,158,577**	**168,446,668**	**1,987,399,805**
Financial Instrument Gap		**2,470,785,851**	**642,698,773**	**1,280,691,271**	**79,274,206**	**19,238,383**	**448,883,218**

[1] Excludes prepayments and Stocks

[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-2023
Financial instruments by currency

In thousands of Nigerian Naira	*Note*	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	22	2,309,618,698	117,315,006	1,722,532,568	167,160,664	116,595,091	186,015,369
Financial assets at fair value through profit or loss	23	28,066,613	19,793,864	3,622,871	-	-	4,649,878
Derivative financial assets	24	28,961,143	28,961,143	-	-	-	-
Investment securities:	-						
– Fair value through profit or loss	25	-	-	-	-	-	-
– Fair Value through other comprehensive Income	25	891,917,591	531,255,946	192,895,379	32,113,625	-	135,652,641
– Held at amortised cost	25	1,571,317,478	584,421,792	296,375,303	-	-	690,520,383
Assets pledged as collateral	26	86,552,701	73,400,983	-	-	-	13,151,718
Loans and advances to banks	27	66,935	66,904	31	-	-	-
Loans and advances to customers	28	2,480,183,368	1,098,705,445	1,054,686,650	67,119,541	2,743,195	256,928,537
Restricted deposits and other assets[1]	33	1,944,380,766	1,830,725,505	66,961,863	19,605	7,490,043	39,183,750
		9,341,065,293	**4,284,646,588**	**3,337,074,665**	**266,413,435**	**126,828,329**	**1,326,102,276**
Deposits from banks	34	136,053,409	7,645,080	55,657,267	6,143,367	16,523,031	50,084,664
Deposits from customers	35	7,410,834,190	3,877,896,009	2,290,811,906	176,176,266	89,567,289	976,382,720
Financial liabilities at fair value through profit or loss	36	809,342	809,342	-	-	-	-
Derivative financial liabilities	24	-	-	-	-	-	-
Other liabilities[2]	37	417,433,890	146,122,923	194,760,644	18,593,265	1,927,573	56,029,485
Other borrowed funds	39	72,119,485	71,702,605	-	-	-	416,880
		8,037,250,316	**4,104,175,959**	**2,541,229,817**	**200,912,898**	**108,017,893**	**1,082,913,749**
Financial Instrument Gap		**1,303,814,977**	**180,470,629**	**795,844,848**	**65,500,537**	**18,810,436**	**243,188,527**

[1] Excludes prepayments and Stocks

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Company
Dec-2024
Financial instruments by currency
In thousands of Nigerian Naira

	Note	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	23	210,095,331	210,095,331	-	-	-	-
Restricted deposits and other assets[1]	33	250,238,501	250,238,501	-	-	-	-
		460,333,832	**460,333,832**	**-**	**-**	**-**	**-**
Other liabilities[2]	37	221,179,425	221,179,425	-	-	-	-
		221,179,425	**221,179,425**	**-**	**-**	**-**	**-**
Financial Instrument Gap		**239,154,407**	**239,154,407**	**-**	**-**	**-**	**-**

[1] Excludes prepayments and Stocks

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

Company
Dec-2023
Financial instruments by currency

In thousands of Nigerian Naira	*Note*	Total	Naira	USD	GBP	Euro	Others
Cash and bank balances	23	60,169	60,169	-	-	-	-
		60,169	**60,169**	**-**	**-**	**-**	**-**
Other liabilities[2]	38	16,483,941	16,483,941	-	-	-	-
		16,483,941	**16,483,941**	**-**	**-**	**-**	**-**
Financial Instrument Gap		**(16,423,772)**	**(16,423,772)**	**-**	**-**	**-**	**-**

[1] Excludes prepayments

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

5. Capital management and other risks

(a) Regulatory capital

Guaranty Trust Holding Company manages its capital base to achieve a prudent balance between maintaining capital ratios needed to support business growth across its Group Entities and providing competitive returns to its shareholders.

The Company's objectives when managing capital are geared towards: i) ensuring compliance with the capital requirements set by the regulators (i.e. Central Bank of Nigeria and the respective host countries where it has presence (ii) safeguarding the Group's ability to continue as a going concern and (iii) maintaining a sufficient capital base robust enough to cover all identified risks without breaching the regulatory capital requirement specified for the Company and its Banking and non-Banking Entities.

The regulatory capital requirement for the Holding company according to the CBN issued guideline for licensing and regulation of Financial Holding Companies in Nigeria and its compliance are as shown in the Table below:

Name of Entity	Paid-Up Capital ₦	Holdco Interest (%)	Equity/Equity Reserves ₦
Guaranty Trust Bank Limited	17,069,475,000	100%	17,069,475,000
Guaranty Trust Pension Managers Limited	5,625,000,000	100%	5,625,000,000
Guaranty Trust Fund Managers Limited	250,000,000	100%	250,000,000
Habari Pay	3,000,000,000	100%	3,000,000,000
Total minimum paid up Capital of all Subsidiaries	**25,944,475,000**		**25,944,475,000**
Guaranty Trust Holding Company (Share Capital and Reserves)			**346,298,636,000**
Surplus /(Deficit)			**320,354,161,000**

*The current Capital position Guaranty Trust Holding Company Plc exceeded the sum of the minimum paid up capital of all its Subsidiaries.

<u>Background</u>

The Central Bank of Nigeria (CBN) on 29th August 2014 issued Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria ("Guidelines"). According to the Guidelines, a financial holding company shall have a minimum paid up capital which shall exceed the sum of the minimum paid up capital of all its subsidiaries, as may be prescribed from time to time by the sector regulators. A review of the capital level as at 31 December 2024 shows that Guaranty Trust Holding Company complies with paragraphs 7.1 and 7.3 of the regulation, which stipulates that a financial holding company should maintain a minimum paid up capital which equals/exceeds the aggregate of the minimum paid up capital of all its subsidiaries as indicated in the above Table.

(b) Capital Adequacy Position in line with Basel II Accord

The International Convergence of Capital Measurement and Capital Standards: A Revised Framework, popularly known as the Basel II Framework was introduced in 2004 as a new set of international standards and best practices that define the minimum capital requirements for internationally active banks. The Basel II framework stipulates a minimum level of capital that banks must maintain to ensure that they can meet their obligations, cover unexpected losses; and can, very importantly, promote public confidence.

Basel II is a three-pronged approach relying on three Pillars -Minimum Capital Requirements (Pillar 1), Supervisory Review Process (Pillar 2) and Market Discipline (Pillar 3).

Pillar 1 Minimum Capital Requirements: It prescribes the capital allocation methodology against the core traditional credit, market and operational risks to ensure these are adequately measured and that banks have adequate capital to mitigate these risks.

Pillar 2 Supervisory Review: It requires banks to establish a risk management framework to identify, assess and manage major risks inherent in the institution and allocate adequate capital against those risks. It emphasizes that supervisors should be able to evaluate the soundness of these assessments.

Pillar 3 Market Discipline: It sets out to encourage market discipline by requiring a number of disclosure requirements in respect of a bank's risk exposures, risk assessment process and capital adequacy.

The CBN specifies approaches for quantifying the risk weighted assets for credit, market and operational risk for the purpose of determining regulatory capital. Although the computations are consistent with the requirements of Pillar 1 Basel II Accord, certain sections have been adjusted to reflect the peculiarities of the Nigerian environment. In compliance with CBN, the Bank adopted the Standardized Approach (SA) in determining capital charge for Credit Risk and Market Risk while capital charge for Operational Risk was determined using the Basic Indicator Approach (BIA).

Pillar 1 focuses mainly on CAR, also known as Capital to Risk (Weighted) Assets Ratio (CRAR). This is the ratio of a bank's capital to its risk. CBN requires the minimum requirement of 10% or 15% of Capital to risk weighted assets be maintained by Nigerian banks or banking groups with regional/national license and international banking license respectively.

CAR is measured as:

$$\frac{\text{Total Capital}}{\text{(Credit Risk Weighted Assets + Market Risk Weighted Assets + Operational Risk Weighted Assets)}}$$

The Bank’s regulatory capital is analysed into two tiers:

Tier 1 capital includes ordinary share capital, share premium, retained earnings, statutory reserves, and other reserves excluding regulatory reserves. Intangible assets and investments in subsidiaries were also deducted from Tier I capital for capital adequacy purposes.

Tier 2 capital comprises Fair Value Reserves.

The Bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank’s management of capital during the year.

Period under review

A fundamental part of the Group’s overall business strategy is its sound capital management practices. It adopts a capital planning process that ensures that regulatory capital remains within approved ranges or above target levels across economic and business cycles. The Group is appropriately capitalized under normal and severe scenarios as well as a range of stress events.

Stress-testing models are used to gauge vulnerability of the Group to exceptional yet possible events. The result of stress-testing reveals the minimum capital requirements of the Group in the event that unforeseen negative events crystallize. The critical objective underpinning the stress-testing exercise is to identify as early as possible, any shortfall in capital requirements of the Group and take corrective actions which may be direct or indirect.

The Group throughout the review period, operated above its targeted capitalization range and well over the CBN-mandated regulatory minimum of 16% for Domestic Systemically Important. As at December 31, 2024, the Group’s capital adequacy ratio was 39.31% (December 31, 2023- 21.94%).

The following table shows the composition of regulatory capital and risk weighted assets for the Group:

Capital adequacy ratio

	Holdco Group	
	Full Impact	Full Impact
In thousands of Nigerian Naira	**Dec-2024**	**Dec-2023**
Tier 1 capital		
Share capital	14,715,590	14,715,590
Share premium	123,471,114	123,471,114
Retained profits	1,270,753,178	360,675,171
Equity Reserve	8,875,000	8,875,000
Statutory Reserve	617,515,476	449,015,020
SMEEIS and AGSMEIS Reserves	59,224,218	53,410,653
IFRS 9 Transitional Adjustment	-	-
RRR applied for IFRS 9 Impact	-	-
Non-Controlling Interest	50,611,947	24,206,723
Tier 1 Sub-Total	**2,145,166,523**	**1,034,369,271**
Less Regulatory deductions :		
Other intangible assets	(61,950,998)	(11,127,743)
Goodwill	(19,293,116)	(19,153,538)
Deferred Tax	(28,876,962)	(12,165,129)
Treasury Shares	(11,289,600)	(8,125,998)
Under Impairment	-	-
Excess exposure(s) over single obligor without CBN approval	-	-
100% of investments in unconsolidated Banking and financial subsidiary/associate companies	-	-
Unsecured Lending to subsidiaries within the same Group	-	-
Net Total Tier 1 Capital (A)	**2,023,755,847**	**983,796,863**
Tier 2 capital		
Foreign Exchange Adjustments	182,424,542	61,690,961
Fair Value Reserves	5,949,611	18,520,363
Net Total Tier 2 Capital (B)	**188,374,153**	**80,211,324**
Total Qualifying Capital (C= A+B)	**2,212,130,000**	**1,064,008,187**
Composition of Risk-Weighted Assets		
Credit Risk	4,765,564,540	3,981,737,184
Operational Risk	838,213,293	837,713,353
Market Risk	23,955,586	29,693,869
Aggregate	**5,627,733,419**	**4,849,144,406**
Total Risk-Weighted Capital Ratio	**39.31%**	**21.94%**
Tier 1 Risk-Based Capital Ratio	**35.96%**	**20.29%**

(c) Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases, the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by the Group Enterprise Risk Management Division, and is subject to review by the Group Credit Committee or ALMAC as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Consideration is also given to synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer-term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

6. Use of estimates and judgments

These disclosures supplement the commentary on financial risk management (see note 4).

(a) Key sources of estimation uncertainty

Measurement of the expected credit losses

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, in the application of forward-looking information, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is as described in accounting policy 3b (j)(v).

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3b (j)(vii). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(b) Critical accounting judgements in applying the Group's accounting policies

Critical accounting judgements made in applying the Group's accounting policies include:

Financial asset and liability classification

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

1. In classifying financial assets as measured at amortised cost, the Group has determined that it meets the

description of financial assets set out in accounting policy **3b(j)(ii)(a).**

2. In designating financial assets as measured at FVOCI, the Group has determined that it has met the criteria for this designation set out in accounting policy **3b (j)(ii)(b).**

3. In classifying financial assets as measured at FVTPL, the Group has determined that it meets the description of financial assets set out in accounting policy **3b(j)(ii)(c).**

4. In accounting for financial liabilities as FVTPL, the Group has determined that it meets the description of financial liabilities set out in accounting policy **3b(j)(ii)(e).**

5. In carrying financial liabilities at amortised cost, the Group has determined that it meets the description of financial liabilities set out in accounting policy **3b(j)(ii)(f).**

Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

Determination of impairment of property and equipment, and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Translation of FX position during the year*:* This is referenced to the Investors & Exporters FX Window (I & E FX Window) rate quoted on FMDQ.

Defined benefits plan

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations.

The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

Impairment of Goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy in note 3(q). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of estimates. Goodwill and Goodwill Impairment testing are shown in note 32(c) below.

IFRIC 23 - Uncertain Tax Position

The tax legislation in relation to the treatment of expected credit loss on stage 2 loans is unclear with respect to whether the stage 2 impairment should be treated as specific or collective in the assessment of deferred tax.

The Group has opted to treat these stage 2 expected credit loss balances as collective in the determination and computation of deferred taxes because they are assessed as having a less significant increase in credit risk and their computation was based on lifetime expected credit losses in accordance with IFRS 9.

This treatment does not give rise to any deductible temporary difference. If the Group had not treated the stage 2 impairment as being a collective provision within the context of deferred tax assessment, a deferred tax asset of N9.6bn would not have been recognised.

Valuation of equity financial instruments

The Group's accounting policy on fair value measurements is discussed under note 3b (j)(iid).

The Group measures fair values using the following hierarchy of methods.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The table below analyses financial instruments measured at fair value at the end of the reporting year, 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-2024
In thousands of Nigerian Naira

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
-Debt securities	23	59,602,997	-	-	59,602,997
Derivative financial assets	24	-	-	-	-
Investment securities:					
-Debt securities at FVOCI	25	2,492,242,832	-	-	2,492,242,832
-Equity securities at FVOCI	25	-	-	2,159,386	2,159,386
-Equity securities FVTPL	25	-	-	5,508,086	5,508,086
Assets pledged as collateral	26	85,018,714	29,551,361	-	114,570,075
Total assets		**2,636,864,543**	**29,551,361**	**7,667,472**	**2,674,083,376**
Liabilities					
Financial liabilities at fair value through profit or loss	36	51,174,468	-	-	51,174,468
Derivative financial liabilities	24	-	10,759,624	-	10,759,624
Total liabilities		**51,174,468**	**10,759,624**	**-**	**61,934,092**

Group
Dec-2023
In thousands of Nigerian Naira

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
-Debt securities	23	28,066,613	-	-	28,066,613
Derivative financial assets	24	-	-	28,961,143	28,961,143
Investment securities:					
-Debt securities at FVOCI	25	889,918,578	1,999,013	-	891,917,591
-Equity securities at FVOCI	25	-	-	1,694,521	1,694,521
-Investment securities - FVPL Notes	25	-	-	-	-
-Equity securities FVTPL	25	-	-	3,947,850	3,947,850
Assets pledged as collateral	26	73,400,983	13,151,718	-	86,552,701
Total assets		**991,386,174**	**15,150,731**	**34,603,514**	**1,041,140,419**
Liabilities					
Financial liabilities at fair value through profit or loss	36	809,342	-	-	809,342
Total liabilities		**809,342**	**-**	**-**	**809,342**

Reconciliation of Level 3 Items

-Investment Securities (unquoted equity securities)

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Opening balance	5,642,371	5,570,263	-	-
Effect of exchange rate fluctuations	13,564	11,728	-	-
Total unrealised gains or (losses) in Profit and Loss	1,560,236	43,392	-	-
Total unrealised gains or (losses) in OCI	451,301	16,988	-	-
	7,667,472	**5,642,371**	**-**	**-**

(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.

The Group adopted discounted cash flow technique in determining the fair value of the derivative, using observable market data (Forward rate, discount rate etc.)

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.

The Group adopted discounted cashflow technique in determining the fair value of the derivative, using observable market data (Forward rate, discount rate etc) and significant unobservable input (tenor of twelve years) for FY-2023

The significant unobservable input used in the fair value measurement of the Group's derivatives in FY-2023 is the tenor of twelve years. Significant change in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. A tenor of 6 years and 1 year would result in a N48.09bn and

N126.01bn increase in the fair value. We have used 6 years and 1 year assumption to calculate as it represents the period that we deem to be reasonable.

Description of Valuation Methodology and inputs:

Discounted Cash flow Technique (DCF)

The fair value of the other unquoted equity securities was derived using the Discounted Cash Flow technique. The steps involved in estimating the fair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

Step 1: A five-year forecast of the Free Cash Flow to the Firm (FCFF) for each of the equity investments was made (see (a) below for the definition, explanation and derivation of FCFF).

Step 2: The yearly FCFF forecasts were discounted to present value using the company's WACC. (See (b) below for the definition, explanation and derivation of WACC).

Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFF by the capitalization rate (please see (c) below).

Step 4: The terminal value was discounted to present value using the company's WACC.

Step 5: The firm value was obtained by adding the present value of the five-year FCFF obtained in step (2) above to the present value of terminal value obtained in step (4) above.

Step 6: The equity value of the firm was obtained by deducting the value of the debt of the company from the firm value obtained in step (5) above (i.e. Firm value minus market value of debt = Equity value).

Step 7: The equity value per share was obtained by dividing the Equity value obtained in step (6) above by the number of shares outstanding in the company.

Step 8: The fair value of the group's investment in each of the relevant unquoted equity securities was derived by multiplying the number of the Groups' shares in the investee by the value per share obtained in step (7) above.

a. Free Cash flow to the Firm (FCFF):

A measure of financial performance that expresses the net amount of cash that is generated for the firm, consisting of expenses, taxes and changes in net working capital and investments. Free cash flow to the firm is the cash available to all investors, both equity and debt holders.

FCFF = NI + NCC + [Int x (1-tax rate)] – Changes in FCInv – Changes in WCInv

Where:

NI = Net Income

NCC = Non- Cash Charges

Int = Interest

T= tax rate

FCI = Fixed Capital Investment

WCI = Working Capital Investment

b. Weighted average Cost of Capital (WACC):

This is the average cost of both equity and debt capital used in financing a business.

WACC= {(D/D+E) x Kd(1-T)} + {(E/D+E) x Ke }
Where:
D = Value of Debt
E = Equity value
Ke = Cost of equity
Kd = Cost of debt
T = Tax rate

c. *Capitalization Rate= WACC – g*

Terminal value = ($FCFF_5$ *(1+g))/ (WACC – g)

Where:

FCFF = $Year_5$ FCFF
g = Growth rates
WACC = *Weighted average Cost of Capital*

Valuation Assumptions – Discounted Cash flow

1. The Bank applies Capital Asset Pricing Model in determining the cost of equities for its various unquoted equities which were fair valued at the reporting period.
2. The risk-free rate was determined using the yield on the 10-year Nigerian Government bond (for unquoted securities denominated in Naira) of 13.7% and the yield on the 10-year US Government bond (for unquoted securities denominated in US $) of 3.82%.
3. Market premium of 5.94% was adopted based on trend analysis and research of market premiums across the globe by Aswath Damodaran.
4. Beta = 1
5. Growth rate used is growth rate in earnings between the latest period and prior period.

The movement in equity securities at fair value through OCI during the year is as follows:

In thousands of Nigerian Naira	Group Dec-24	Group Dec-23
Balance, beginning of the year	1,694,521	1,665,805
Effect of exchange rate fluctuation	13,564	11,729
Unrealized gains or (losses) in OCI	451,301	16,987
Balance, end of the year	**2,159,386**	**1,694,521**

The movement in equity securities fair value through profit and loss during the year is as follows:

In thousands of Nigerian Naira	Group Dec-24	Group Dec-23
Balance, beginning of the year	**3,947,850**	**3,904,458**
Unrealised gains in Profit and Loss	1,560,236	43,392
Balance, end of the year	**5,508,086**	**3,947,850**

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-2024** *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)	22,704,316	(62,277,625)	(39,573,309)	-	-	(39,573,309)
Other Assets (b)	241,910,472	-	241,910,472	-	241,910,472	-
	264,614,788	**(62,277,625)**	**202,337,163**	**-**	**241,910,472**	**(39,573,309)**
Financial liabilities						
Other Liabilities (b)	241,910,472	-	241,910,472	241,910,472	-	-
	241,910,472	**-**	**241,910,472**	**241,910,472**	**-**	**-**

Group **Dec-2023** *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)	21,175,103	(54,206,215)	(33,031,112)	-	-	(33,031,112)
Other Assets (b)	61,921,974	-	61,921,974	-	61,921,974	-
	83,097,077	**(54,206,215)**	**28,890,862**	**-**	**61,921,974**	**(33,031,112)**
Financial liabilities						
Other Liabilities (b)	61,921,974	-	61,921,974	61,921,974	-	-
	61,921,974	**-**	**61,921,974**	**61,921,974**	**-**	**-**

7. Operating segments

The Group has six 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.
- **Business banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for mid-size commercial 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-2024

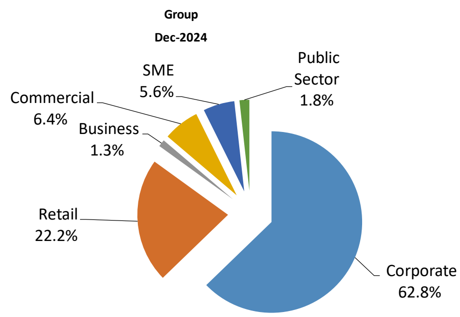
In thousands of Nigerian Naira	Corporate Banking	Retail Banking	Business Banking	Commercial Banking	SME Banking	Public Sector Banking	Total Continuing Operations	Total
Revenue:								
Derived from external customers	1,377,169,905	458,257,106	25,815,564	135,438,578	115,442,028	36,158,556	2,148,281,736	2,148,281,736
Derived from other business segments	(28,563,403)	18,277,745	1,148,170	2,933,236	4,723,962	1,480,290	-	-
Total revenue	**1,348,606,502**	**476,534,851**	**26,963,734**	**138,371,814**	**120,165,990**	**37,638,846**	**2,148,281,736**	**2,148,281,736**
Interest expenses	(231,877,728)	(35,160,068)	(1,193,491)	(4,856,913)	(6,199,358)	(3,927,933)	(283,215,490)	(283,215,490)
Fee and commission expenses	(16,814,242)	(7,045,735)	(1,013,695)	(3,233,861)	(3,136,605)	(275,658)	(31,519,796)	(31,519,796)
Net operating income	**1,099,914,532**	**434,329,048**	**24,756,548**	**130,281,040**	**110,830,027**	**33,435,255**	**1,833,546,450**	**1,833,546,450**
Expense:								
Operating expenses	(122,625,402)	(121,796,048)	(11,515,918)	(36,142,831)	(44,176,511)	(8,736,665)	(344,993,375)	(344,993,375)
Net impairment loss on financial assets	(50,755,554)	(38,227,616)	(2,794,428)	(33,360,427)	(40,386,621)	1,194,948	(164,329,699)	(164,329,699)
Depreciation and amortisation	(15,491,365)	(21,750,416)	(3,159,844)	(7,365,051)	(9,029,361)	(1,236,788)	(58,032,825)	(58,032,825)
Total cost	**(188,872,321)**	**(181,774,080)**	**(17,470,190)**	**(76,868,309)**	**(93,592,493)**	**(8,778,505)**	**(567,355,899)**	**(567,355,899)**
Profit before income tax from reportable segments	**911,042,210**	**252,554,968**	**7,286,358**	**53,412,731**	**17,237,534**	**24,656,750**	**1,266,190,551**	**1,266,190,551**
Tax	(178,256,163)	(49,911,794)	(1,439,984)	(10,555,822)	(3,406,610)	(4,872,850)	(248,443,224)	(248,443,224)
Profit after income tax from reportable segments	**732,786,047**	**202,643,174**	**5,846,374**	**42,856,909**	**13,830,924**	**19,783,900**	**1,017,747,327**	**1,017,747,327**
Assets and liabilities:								
Total assets	10,001,156,550	2,952,078,601	120,879,511	673,094,032	574,189,234	474,308,902	14,795,706,831	14,795,706,831
Total liabilities	(3,750,381,159)	(5,666,478,580)	(310,860,554)	(853,329,606)	(1,323,015,913)	(165,860,148)	(12,069,925,959)	(12,069,925,959)
Net assets/ (liabilities)	**6,250,775,391**	**(2,714,399,979)**	**(189,981,043)**	**(180,235,574)**	**(748,826,679)**	**308,448,754**	**2,725,780,872**	**2,725,780,872**
Additions to Non-Current Assets	**49,051,316**	**69,648,634**	**10,118,372**	**23,584,181**	**28,913,591**	**3,960,412**	**185,276,506**	**185,276,506**
Assets:								
Loans and advances to banks	87,794	-	-	-	-	-	87,794	87,794
Loans and advances to customers	2,428,508,797	199,584,746	1,421,377	83,677,526	29,278,867	43,192,727	2,785,664,040	2,785,664,040
Others	7,572,559,959	2,752,493,856	119,458,134	589,416,505	544,910,368	431,116,175	12,009,954,997	12,009,954,997
	10,001,156,550	**2,952,078,602**	**120,879,511**	**673,094,031**	**574,189,235**	**474,308,902**	**14,795,706,831**	**14,795,706,831**
Liabilities:								
Deposits from banks	388,420,244	-	-	-	-	-	388,420,244	388,420,244
Deposits from customers	2,225,402,517	5,272,850,167	305,901,454	800,880,496	1,246,003,352	161,983,419	10,013,021,406	10,013,021,406
Others	1,136,558,397	393,628,414	4,959,100	52,449,110	77,012,562	3,876,729	1,668,484,309	1,668,484,309
	3,750,381,158	**5,666,478,581**	**310,860,554**	**853,329,606**	**1,323,015,914**	**165,860,148**	**12,069,925,959**	**12,069,925,959**

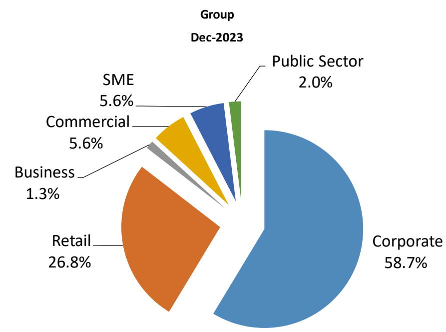
Group
Dec-2023

In thousands of Nigerian Naira	Corporate Banking	Retail Banking	Business Banking	Commercial Banking	SME Banking	Public Sector Banking	Total Continuing Operations	Total
Revenue:								
Derived from external customers	720,562,564	302,074,385	14,833,826	64,410,457	62,632,267	21,460,371	1,185,973,868	1,185,973,868
Derived from other business segments	(24,938,977)	15,773,585	1,021,060	2,161,314	4,167,417	1,815,602	-	-
Total revenue	**695,623,587**	**317,847,970**	**15,854,886**	**66,571,771**	**66,799,684**	**23,275,973**	**1,185,973,868**	**1,185,973,868**
Interest expenses	(81,890,108)	(18,791,745)	(876,162)	(4,643,851)	(3,670,288)	(4,186,390)	(114,058,543)	(114,058,543)
Fee and commission expenses	(6,303,152)	(4,119,892)	(575,104)	(1,799,231)	(1,783,707)	(152,679)	(14,733,765)	(14,733,765)
Net operating income	**607,430,327**	**294,936,333**	**14,403,620**	**60,128,689**	**61,345,689**	**18,936,904**	**1,057,181,560**	**1,057,181,560**
Expense:								
Operating expenses	(64,737,061)	(80,406,305)	(7,602,803)	(23,544,658)	(29,088,947)	(5,943,799)	(211,323,573)	(211,323,573)
Net impairment loss on financial assets	(99,041,229)	(79,166,817)	(1,020,985)	(3,510,071)	(16,382,005)	1,175,447	(197,945,659)	(197,945,659)
Depreciation and amortisation	(9,336,061)	(15,316,196)	(2,091,747)	(4,916,774)	(6,593,024)	(841,642)	(39,095,443)	(39,095,443)
Total cost	**(173,114,351)**	**(174,889,318)**	**(10,715,535)**	**(31,971,503)**	**(52,063,976)**	**(5,609,994)**	**(448,364,675)**	**(448,364,675)**
Profit before income tax from reportable segments	**434,315,976**	**120,047,015**	**3,688,085**	**28,157,186**	**9,281,713**	**13,326,910**	**608,816,885**	**608,816,885**
Tax	(50,225,062)	(13,365,879)	(410,627)	(3,134,985)	(1,033,414)	(1,483,801)	(69,653,768)	(69,653,768)
Profit after income tax from reportable segments	**384,090,914**	**106,681,136**	**3,277,458**	**25,022,201**	**8,248,299**	**11,843,109**	**539,163,117**	**539,163,117**
Dec-2023								
Assets and liabilities:								
Total assets	6,510,933,815	2,006,075,843	78,694,479	424,854,379	367,660,633	303,035,529	9,691,254,678	9,691,254,678
Total liabilities	(2,182,938,380)	(3,914,668,327)	(211,139,791)	(554,466,474)	(903,205,033)	(438,306,729)	(8,204,724,733)	(8,204,724,733)
Net assets/ (liabilities)	**4,327,995,435**	**(1,908,592,484)**	**(132,445,312)**	**(129,612,095)**	**(535,544,400)**	**(135,271,200)**	**1,486,529,945**	**1,486,529,945**
Additions to Non-Current Assets	**12,720,963**	**20,524,068**	**2,802,990**	**6,588,594**	**8,834,810**	**1,127,820**	**52,599,245**	**52,599,245**
Dec-2023								
Assets:								
Loans and advances to banks	66,935	-	-	-	-	-	66,935	66,935
Loans and advances to customers	2,146,072,930	188,041,365	308,374	68,385,981	25,192,220	52,182,498	2,480,183,368	2,480,183,368
Others	4,364,793,950	1,818,034,478	78,386,105	356,468,398	342,468,413	250,853,031	7,211,004,375	7,211,004,375
	6,510,933,815	**2,006,075,843**	**78,694,479**	**424,854,379**	**367,660,633**	**303,035,529**	**9,691,254,678**	**9,691,254,678**
Liabilities:								
Deposits from banks	136,053,409	-	-	-	-	-	136,053,409	136,053,409
Deposits from customers	1,483,966,595	3,849,977,171	202,880,420	545,631,907	894,869,484	433,508,614	7,410,834,190	7,410,834,190
Others	562,918,376	64,691,156	8,259,371	8,834,567	8,335,549	4,798,115	657,837,134	657,837,134
	2,182,938,380	**3,914,668,327**	**211,139,791**	**554,466,474**	**903,205,033**	**438,306,729**	**8,204,724,733**	**8,204,724,733**

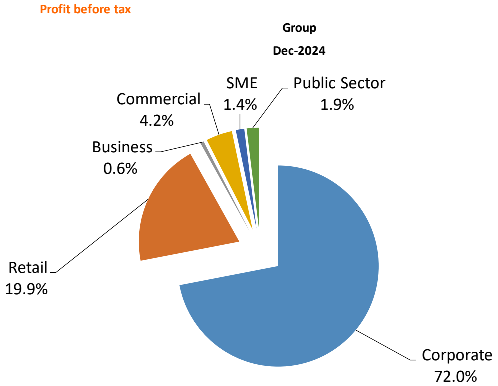
Operating segments (Continued)
Information about operating segments

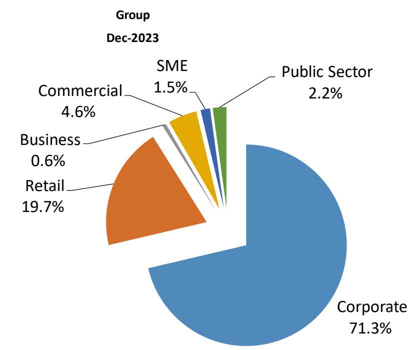
Revenue



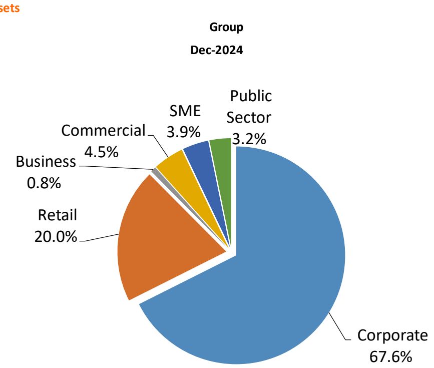


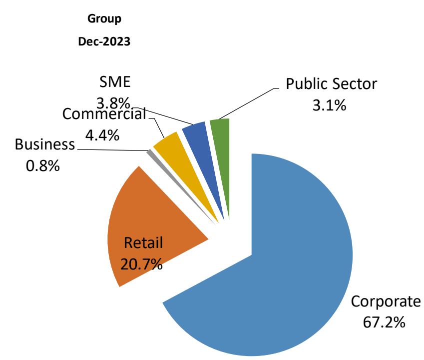
Profit before tax



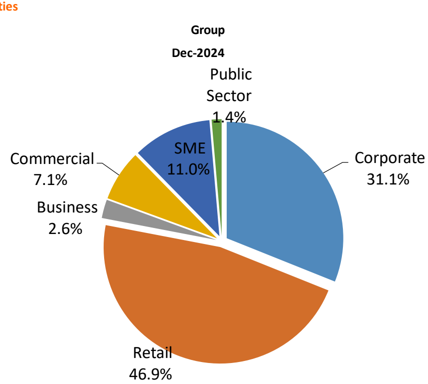


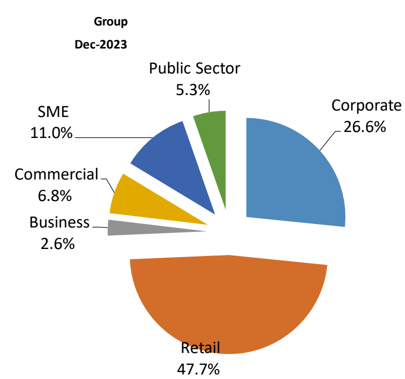
Assets





Liabilities





Operating segments (Continued)

The following is an analysis of the Group's revenue and gains from continuing operations by products and services;

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Bonds	83,060,623	12,597,013	-	-
Placements	231,118,041	63,470,018	367,664,083	109,735,273
Treasury Bills	358,909,946	91,143,098	-	-
Loans	779,833,230	422,852,876	-	-
Contingents	695,415,418	596,402,420	-	-
	2,148,337,258	**1,186,465,425**	**367,664,083**	**109,735,273**

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-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Continuing Operations:				
Total revenue from reportable segments	2,148,281,736	1,185,973,868	367,664,083	109,735,273
Consolidation and adjustments:				
- Other operating income	55,522	491,557	-	-
Revenue from continuing operations	**2,148,337,258**	**1,186,465,425**	**367,664,083**	**109,735,273**

Revenue from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Interest income	1,341,801,663	550,755,128	-	-
Fee and commission income	221,231,208	124,162,260	3,487,220	3,487,220
Net gains on financial instruments classified as held for trading	86,237,811	62,201,192	-	-
Other operating income	499,066,576	449,346,845	364,176,863	106,248,053
Revenue and gains from continuing operations	2,148,337,258	1,186,465,425	367,664,083	109,735,273
Revenue from continuing operations	**2,148,337,258**	**1,186,465,425**	**367,664,083**	**109,735,273**

Reconciliation of operating expenses

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Continuing Operations:				
Total operating expense from reportable segments	344,993,375	211,323,573	1,796,611	1,656,071
Operating expense from continuing operations	**344,993,375**	**211,323,573**	**1,796,611**	**1,656,071**

Operating expense from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Personnel expenses (See Note17)	85,397,889	45,097,281	1,474,269	1,301,639
Other operating expenses (See Note20)	259,595,486	166,226,292	322,342	354,432
	344,993,375	**211,323,573**	**1,796,611**	**1,656,071**

Reconciliation of profit or loss

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Continuing Operations:				
Total profit or loss for reportable segments	1,266,190,550	608,816,885	365,747,745	107,983,548
Consolidation and adjustments:				
- Other operating income	55,523	491,557	-	-
Profit before income tax from continuing operations	**1,266,246,073**	**609,308,442**	**365,747,745**	**107,983,548**

Reconciliation of assets

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Continuing Operations:				
Total assets for reportable segments	14,795,706,831	9,691,254,678	832,537,053	163,814,999
Consolidation and adjustments	-	-	-	-
Total assets	**14,795,706,831**	**9,691,254,678**	**832,537,053**	**163,814,999**

Reconciliation of liabilities

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Continuing Operations:				
Total liabilities for reportable segments	12,069,925,959	8,204,724,733	221,385,129	16,584,495
Consolidation and adjustments	13,763,258	9,401,874	-	-
Total liabilities	**12,083,689,217**	**8,214,126,607**	**221,385,129**	**16,584,495**

Geographical segments

The Group operates in four geographic regions, being:

- Nigeria
- Rest of West Africa (comprising Ghana, Gambia, Sierra Leone, Liberia, Cote D'Ivoire)
- East Africa (comprising Kenya, Uganda, Rwanda and Tanzania)
- Europe (UK)

Dec-2024

In thousands of Nigerian Naira	**Nigeria**	**Rest of West Africa**	**East Africa**	**Europe**	**Total Continuing Operations**	**Total**
Derived from external customers	1,527,802,434	467,852,764	86,347,509	66,334,551	2,148,337,258	2,148,337,258
Derived from other segments	-	-	-	-	-	-
Total Revenue	**1,527,802,434**	**467,852,764**	**86,347,509**	**66,334,551**	**2,148,337,258**	**2,148,337,258**
Interest expense	(165,400,835)	(86,338,230)	(16,554,247)	(14,922,178)	(283,215,490)	(283,215,490)
Fee and commission expenses	(10,109,830)	(16,614,111)	(4,795,855)	-	(31,519,796)	(31,519,796)
Net interest margin	1,352,291,769	364,900,423	64,997,407	51,412,373	1,833,601,972	1,833,601,972
Profit before income tax	**992,878,058**	**232,739,981**	**18,465,573**	**22,162,461**	**1,266,246,073**	**1,266,246,073**
Assets and liabilities:						
Total assets	9,882,208,762	3,304,463,493	701,573,136	907,461,440	14,795,706,831	14,795,706,831
Total liabilities	(8,121,437,291)	(2,469,905,281)	(609,402,301)	(882,944,344)	(12,083,689,217)	(12,083,689,217)
Net assets/(liabilities)	**1,760,771,471**	**834,558,212**	**92,170,835**	**24,517,096**	**2,712,017,614**	**2,712,017,614**

Dec-2023

In thousands of Nigerian Naira	Nigeria	Rest of West Africa	East Africa	Europe	Total Continuing Operations	Total
Derived from external customers	936,134,277	187,968,742	35,526,642	26,835,764	1,186,465,425	1,186,465,425
Derived from other segments	-	-	-	-	-	-
Total Revenue	**936,134,277**	**187,968,742**	**35,526,642**	**26,835,764**	**1,186,465,425**	**1,186,465,425**
Interest expense	(79,895,544)	(24,678,594)	(5,733,128)	(3,751,277)	(114,058,543)	(114,058,543)
Fee and commission expenses	(6,266,951)	(6,516,338)	(1,950,476)	-	(14,733,765)	(14,733,765)
Net interest margin	849,971,782	156,773,810	27,843,038	23,084,487	1,057,673,117	1,057,673,117
Profit before income tax	**478,552,412**	**105,570,933**	**13,713,201**	**11,471,896**	**609,308,442**	**609,308,442**

Dec-2023

Assets and liabilities:						
Total assets	7,106,830,917	1,734,026,184	398,434,489	451,963,088	9,691,254,678	9,691,254,678
Total liabilities	(6,142,172,579)	(1,333,767,698)	(320,279,756)	(417,906,574)	(8,214,126,607)	(8,214,126,607)
Net assets/(liabilities)	**964,658,338**	**400,258,486**	**78,154,733**	**34,056,514**	**1,477,128,071**	**1,477,128,071**

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-2024

		Carrying amount					Fair Value			
In thousands of Nigerian Naira	***Note***	**Fair value through profit or loss**	**Held at ammortised cost**	**Fair value through other comprehensive income**	**Other financial assets / liabilities at amortised cost**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total Fair value**
Cash and cash equivalents[3]	22	-	4,673,048,120	-	-	4,673,048,120	4,673,048,120	-	-	4,673,048,120
Loans and advances to banks[3]	27	-	87,794	-	-	87,794	-	87,794	-	87,794
Loans and advances to customers	28	-	2,785,664,040	-	-	2,785,664,040	-	2,498,672,487	248,841,008	2,747,513,495
Financial assets at fair value through profit or loss	23	59,602,997	-	-	-	59,602,997	59,602,997	-	-	59,602,997
Derivative financial assets	24	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	26	-	-	114,570,075	-	114,570,075	114,570,075	-	-	114,570,075
Investment securities:										
– Fair value through profit or loss	25	5,508,086	-	-	-	5,508,086	-	-	5,508,086	5,508,086
– Fair Value through other comprehensive Income	25	-	-	2,495,063,888	-	2,495,063,888	2,492,242,832	-	2,821,056	2,495,063,888
– Held at amortised cost	25	-	1,647,724,053	-	-	1,647,724,053	1,704,425,789	1,571,327	-	1,705,997,116
Restricted deposits and other assets[1]	33	-	2,398,662,985	-	-	2,398,662,985	-	2,608,415,629	-	2,608,415,629
		65,111,083	**11,505,186,992**	**2,609,633,963**	**-**	**14,179,932,038**	**9,043,889,813**	**5,108,747,237**	**257,170,150**	**14,409,807,200**
Deposits from banks	34	-	-	-	388,420,244	388,420,244	-	432,879,923	-	432,879,923
Deposits from customers	35	-	-	-	10,013,021,406	10,013,021,406	-	9,630,315,870	-	9,630,315,870
Financial liabilities at fair value through profit or loss	36	51,174,468	-	-	-	51,174,468	51,174,468	-	-	51,174,468
Derivative financial liabilities	24	10,759,624	-	-	-	10,759,624	-	10,759,624	-	10,759,624
Other borrowed funds	39	-	-	-	310,021,046	310,021,046	-	316,216,955	-	316,216,955
Other liabilities[2]	37	-	-	-	927,420,257	927,420,257	-	927,420,257	-	927,420,257
		61,934,092	**-**	**-**	**11,638,882,953**	**11,700,817,045**	**51,174,468**	**11,317,592,629**	**-**	**11,368,767,097**

[1]Excludes prepayments and stocks [2] Excludes Deferred Income and Provision for Litigations [1,2&3] it is assumed that fair value approximates the carrying amount

Group
Dec-2023

		Carrying amount					Fair Value			
In thousands of Nigerian Naira	***Note***	**Fair value through profit or loss**	**Held at ammortised cost**	**Fair value through other comprehensive income**	**Other financial assets / liabilities at amortised cost**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total Fair value**
Cash and cash equivalents[3]	22	-	2,309,618,698	-	-	2,309,618,698	2,309,618,698	-	-	2,309,618,698
Loans and advances to banks[3]	27	-	66,935	-	-	66,935	-	66,935	-	66,935
Loans and advances to customers	28	-	2,480,183,368	-	-	2,480,183,368	-	2,306,119,741	138,835,388	2,444,955,129
Financial assets at fair value through profit or loss	23	28,066,613	-	-	-	28,066,613	28,066,613	-	-	28,066,613
Derivative financial assets	24	28,961,143	-	-	-	28,961,143	-	-	28,961,143	28,961,143
Assets pledged as collateral	26	-	-	86,552,701	-	86,552,701	86,552,701	-	-	86,552,701
Investment securities:										
– Fair value through profit or loss	25	3,947,850	-	-	-	3,947,850	-	-	3,947,850	3,947,850
– Fair Value through other comprehensive Income	25	-	-	894,064,002	-	894,064,002	891,917,591	-	2,146,411	894,064,002
– Held at amortised cost	25	-	1,571,317,478	-	-	1,571,317,478	886,771,662	550,126,840	-	1,436,898,502
Restricted deposits and other assets[1]	33	-	1,944,380,766	-	-	1,944,380,766	-	1,832,120,494	-	1,832,120,494
		60,975,606	**8,305,567,245**	**980,616,703**	**-**	**9,347,159,554**	**4,202,927,265**	**4,688,434,010**	**173,890,792**	**9,065,252,067**
Deposits from banks	34	-	-	-	136,053,409	136,053,409	-	182,142,417	-	182,142,417
Deposits from customers	35	-	-	-	7,410,834,190	7,410,834,190	-	7,367,433,912	-	7,367,433,912
Financial liabilities at fair value through profit or loss	36	809,342	-	-	-	809,342	809,342	-	-	809,342
Derivative financial liabilities	24	-	-	-	-	-	-	-	-	-
Other borrowed funds	39	-	-	-	72,119,485	72,119,485	-	72,533,183	-	72,533,183
Other liabilities[2]	37	-	-	-	417,433,890	417,433,890	-	417,433,890	-	417,433,890
		809,342	**-**	**-**	**8,036,440,974**	**8,037,250,316**	**809,342**	**8,039,543,402**	**-**	**8,040,352,744**

[1]Excludes prepayments and Stocks [2] Excludes Deferred Income and Provision for Litigations [1,2&3] it is assumed that fair value approximates the carrying amount

Company
Dec-2024

In thousands of Nigerian Naira	*Note*	Carrying amount: Fair value through profit or loss	Held at ammortised cost	Fair value through other comprehensive income	Other financial assets / liabilities at amortised cost	Total carrying amount	Fair Value: Level 1	Level 2	Level 3	Total Fair value
Cash and cash equivalents[3]	23	-	210,095,331	-	-	210,095,331	210,095,331	-	-	210,095,331
Restricted deposits and other assets[1]	34	-	250,238,501	-	-	250,238,501	-	250,238,501	-	250,238,501
		-	**460,333,832**	**-**	**-**	**460,333,832**	**210,095,331**	**250,238,501**	**-**	**460,333,832**
Other liabilities[2]	37	-	-	-	221,179,425	221,179,425	-	221,179,425	-	221,179,425
		-	**-**	**-**	**221,179,425**	**221,179,425**	**-**	**221,179,425**	**-**	**221,179,425**

[2] Excludes Deferred Income and Provision for Litigations

[3] it is assumed that fair value approximates the carrying amount

Company
Dec-2023

		Carrying amount					Fair Value			
In thousands of Nigerian Naira	***Note***	**Fair value through profit or loss**	**Held at ammortised cost**	**Fair value through other comprehensive income**	**Other financial assets / liabilities at amortised cost**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total Fair value**
Cash and cash equivalents[3]	23	-	60,169	-	-	60,169	60,169	-	-	60,169
		-	**60,169**	**-**	**-**	**60,169**	**60,169**	**-**	**-**	**60,169**
Other liabilities[2]	37	-	-	-	16,483,941	16,483,941	-	16,483,941	-	16,483,941
		-	**-**	**-**	**16,483,941**	**16,483,941**	**-**	**16,483,941**	**-**	**16,483,941**

[2] Excludes Deferred Income and Provision for Litigations

[3] it is assumed that fair value approximates the carrying amount

Accounting classification measurement basis and fair values (continued)

Financial instruments at fair value (including those FVTPL and FVOCI) are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves and prices.

9 Interest income

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Interest income calculated using the effective interest method				
Loans and advances to banks	6,411,819	11,583,959	-	-
Loans and advances to customers	509,244,644	290,666,125	-	-
	515,656,463	302,250,084	-	-
Cash and cash equivalents	226,825,839	66,221,541	-	-
Investment securities:				
– Investment securities FVOCI	331,416,632	69,627,860	-	-
– Investment securities at amortised cost	231,219,793	87,176,545	-	-
Assets pledged as collateral	16,462,932	5,741,514	-	-
	1,321,581,659	531,017,544	-	-
Interest income on financial assets FVTPL				
Investment securities FVTPL	20,220,004	19,737,584	-	-
	20,220,004	19,737,584	-	-
Total interest income	**1,341,801,663**	**550,755,128**	**-**	**-**
Geographical location				
Interest income earned in Nigeria	808,191,334	344,287,126	-	-
Interest income earned outside Nigeria	533,610,329	206,468,002	-	-
	1,341,801,663	**550,755,128**	**-**	**-**

10 Interest expense

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Interest expense calculated using the effective interest method				
Deposit from banks	14,074,955	2,909,166	-	-
Deposit from customers	220,464,344	102,758,138	-	-
	234,539,299	105,667,304	-	-
Other borrowed funds	47,344,192	7,357,144	-	-
	281,883,491	**113,024,448**	**-**	**-**
Interest expense on financial liabilities FVTPL				
Financial liabilities at fair value through profit or loss	1,331,999	1,034,095	-	-
Total interest expense	**283,215,490**	**114,058,543**	**-**	**-**
Geographical location				
Interest expense paid in Nigeria	165,174,827	79,804,129	-	-
Interest expense paid outside Nigeria	118,040,663	34,254,414	-	-
	283,215,490	**114,058,543**	**-**	**-**

11 Loan impairment (reversal) / charges

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Loans and advances to banks (Note 27)	**(11,337)**	**13,420**	**-**	**-**
Stage 1 - 12 Months ECL	(25)	92	-	-
Stage 3 - Lifetime ECL Credit Impaired	(11,312)	13,328	-	-
Loans and advances to customers (Note 28)	**136,673,315**	**102,939,862**	**-**	**-**
Stage 1 - 12 Months ECL	16,069,145	9,906,858	-	-
Stage 2 - Lifetime ECL Not Credit Impaired	91,479,050	64,203,770	-	-
Stage 3 - Lifetime ECL Credit Impaired	29,125,120	28,829,234	-	-
	136,661,978	**102,953,282**	**-**	**-**

12 Fee and commission income

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Credit related fees and commissions[1]	14,695,267	9,132,471	-	-
Account maintenance charges	32,063,499	22,805,035	-	-
Corporate finance fees	4,149,816	3,389,103	-	-
Asset management fees	2,003,694	1,010,643	-	-
E-business Income	56,564,569	40,829,055	-	-
Commission on foreign exchange deals	34,813,965	14,857,965	-	-
Commission on touch points	12,579,841	3,962,147	-	-
Income from financial guarantee contracts issued	11,771,120	4,183,959	-	-
Account services, maintenance and anciliary banking charges	37,115,904	14,594,770	-	-
Shared service fees	-	-	3,487,220	3,487,220
Transfers related charges	15,473,533	9,397,112	-	-
	221,231,208	**124,162,260**	**3,487,220**	**3,487,220**

[1]Credit related fees and commissions are loans and advances related fees that are not integral part of effective interest.

13 Fee and commission expense

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Bank charges	24,637,423	12,011,817	-	-
Loan recovery expenses	6,882,373	2,721,948	-	-
	31,519,796	**14,733,765**	**-**	**-**

14 Net trading gains on financial instruments held at FVPL

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Bonds FVPL	2,076,821	182,089	-	-
Treasury bills FVPL	5,893,348	3,125,408	-	-
Special Bills	-	506	-	-
Euro Bond	1,434,744	304,107	-	-
Net foreign exchange trading gain	76,832,898	58,589,082	-	-
Net trading income	**86,237,811**	**62,201,192**	**-**	**-**

15 Other income

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Mark to market gains/(loss) on trading investments	2,023,108	(4,951,704)	-	-
Unrealised Foreign exchange revaluation gain/(loss)[1]	(1,948,497)	74,524,051	-	-
Unrealised Fair value gain on financial instrument[1]	517,500,098	367,266,907	-	-
Unrealised Loss on forward transactions[1]	(39,720,767)	(584,714)	-	-
Gain on disposal of fixed assets	187,598	11,581	-	-
Discounts and recoverables	10,375,021	5,221,553	39,698	295,808
Recoveries	10,219,297	7,611,013	-	-
Dividends income[2]	430,718	248,158	364,137,165	105,952,245
	499,066,576	**449,346,845**	**364,176,863**	**106,248,053**

[1] These gains are strictly unrealised

[2]This relates to dividend received/receivable from GTBank Nigeria for onward distribution to equity holders subject to appropriate deduction of withholding tax, and would be adjusted for the purpose of CIT Computation at Holding Company Level
Of the Dividend Income, the sum of N113,898,664,000 was received during the year while the sum of N250,238,501,000 was held as receivable from Guaranty Trust Bank Limited.

16 Net impairment charge / (reversal) on other financial assets

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Impairment charges/(reversal) on investment securities	(14,175,946)	4,570,063	-	-
Modification charge on investment securities	27,573,321	-	-	-
Impairment charges on other assets	428,992	25,478,968	-	-
Impairment charges on placements	-	1,991,892	-	-
Impairment charges on contingents	13,841,354	62,951,454	-	-
	27,667,721	**94,992,377**	**-**	**-**

The impairment relating to Ghana Eurobonds classified as purchased or originated credit-impaired financial (POCI) are immaterial.

17 Personnel expenses

(a)

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Wages and salaries	88,690,243	48,540,985	1,474,269	1,301,639
Contributions to defined contribution plans	4,878,061	2,269,725	-	-
Defined benefit costs	(4,279,719)	(1,494,892)	-	-
Cash-settled share-based payments (see 17(b) below)	(3,890,696)	(4,218,537)	-	-
	85,397,889	**45,097,281**	**1,474,269**	**1,301,639**

Cash- settled share-based payments

This relates to estimated gains at the point of exit of employees from the share based scheme, it is calculated as the difference between the Cost and expected Market price of the underlying shares purchased by employee at the point of exit discounted to present value. This is in line with IFRS 2 as these estimated gains are deemed to be directly attributable to the fact that employee within the Scheme provides services to the Bank. The estimated gain resulted from the operation of cash settled payment by the Group. The Group operates a cash-settled share based compensation plan (share appreciation rights (SARs)) and profit-sharing scheme (PSS) for its management personnel from the Administrative fee which the Scheme receives for the management of the employee shares held by SIT. The management personnel are entitled to share appreciation rights after spending ten years in the Bank while PSS is paid on a deferred basis. Qualified employees must have been in the scheme for five years and must have held the shares for at least three years. The amount of cash payment is determined based on the fair value of the shares of the Bank. The details of SARs granted at the reporting date are provided below:

In thousands	Number of shares
SARs granted to senior management employees at 31 December 2024	434,451
SARs granted to senior management employees at 31 December 2023	343,649

(b) Employee expenses for share-based payments

		Group	**Group**
In thousands of Nigerian Naira	**Note**	**Dec-2024**	**Dec-2023**
Total carrying amount of liabilities for cash-settled arrangements	37	13,763,258	9,401,874

(i) The average number of persons employed during the year was as follows:

	Group	**Group**	**Company**	**Company**
	Dec-2024	**Dec-2023**	**Dec-2024**	**Dec-2023**
	Number	Number	Number	Number
Executive directors	2	2	2	2
Management	280	268	4	5
Non-management	5,521	5,217	39	39
	5,803	**5,487**	**45**	**46**

(ii) The average number of persons in employment during the period is shown below:

	Group	**Group**	**Company**	**Company**
	Dec-2024	**Dec-2023**	**Dec-2024**	**Dec-2023**
	Number	Number	Number	Number
Administration	152	185	11	9
Commercial Banking Abuja	26	26	-	-
Commercial Banking Lagos	112	114	-	-
Commercial Banking North East	52	51	-	-
Commercial Banking North West	50	48	-	-
Commercial Banking South East	60	58	-	-
Commercial Banking South South	141	132	-	-
Communication and External Affairs	51	58	7	10
Compliance Group	116	98	5	5
Digital Banking Division	-	-	-	-
Enterprise Risk Management	153	154	6	6
Chief Executive Director	1	1	1	1
Financial Control, Group Reporting & Strategy	95	96	1	4
Human Resources	70	62	6	3
Institutional Banking	40	65	-	-
International Banking	94	97	-	-

Operations	472	410	-	-
Procurement & Expense Control	-	13	-	-
Public Sector Abuja	16	18	-	-
Public Sector Lagos	15	16	-	-
Retail Lagos	273	274	-	-
Retail Abuja	91	87	-	-
SME Division - Lagos	142	148	-	-
Foods and Beverages	29	24	-	-
Global Markets Division	-	17	-	-
Systems and Control	172	171	5	4
Technology	264	269	-	1
Transaction Services	1,692	1,612	-	-
Wholesale Banking	36	30	-	-
Commercial Banking Subsidiaries	88	87	-	-
Treasury & ALM	27	8	-	-
Corporate Bank	52	49	-	-
Energy Banking Division	30	32	-	-
Retail Subsidiaries	313	303	-	-
Agency Banking Group	7	7	-	-
Public Sector Subsidiaries	30	36	-	-
Other Support Services Subsidiaries	537	359	-	-
Business Banking	67	58	-	-
Customer Experience Management Division	158	121	-	-
Data Analytics Division	7	4	1	1
Legal Group	70	68	2	2
	5,803	**5,487**	**45**	**46**

(iii) Average number of employees other than directors, earning more than N720,000 per annum, received emoluments (excluding pension contributions and certain benefits) in the following ranges:

	Group Dec-2024 Number	Group Dec-2023 Number	Company Dec-2024 Number	Company Dec-2023 Number
N720,001 - ₦1,400,000	962	847	-	-
N1,400,001 - ₦2,050,000	398	386	-	-
N2,190,001 - ₦2,330,000	125	105	-	-
N2,330,001 - ₦2,840,000	23	13	-	-
N2,840,001 - ₦3,000,000	86	56	-	-
N3,001,001 - N3,830,000	331	460	-	-
N3,830,001 - ₦4,530,000	110	97	-	-
N4,530,001 - ₦5,930,000	1,761	1,889	-	8
N6,000,001 - N6,800,000	229	99	-	-
N6,800,001 - ₦7,300,000	24	19	-	1
N7,300,001 - ₦7,800,000	211	191	-	-
N7,800,001 - ₦8,600,000	570	366	3	-
N8,600,001 - ₦11,800,000	297	316	-	18
Above ₦11,800,000	674	641	40	17
	5,801	**5,485**	**43**	**44**

18 Depreciation and amortisation

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Amortisation of intangible assets (see note 31)	8,257,133	7,694,837	-	-
Depreciation of property and equipment and right of use assets (see note 30)	49,775,692	31,400,606	119,727	95,654
	58,032,825	**39,095,443**	**119,727**	**95,654**

19 Other operating expenses

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Finance costs[4]	2,962,443	-	-	-
Deposit insurance premium	21,929,824	17,010,713	-	-
Other insurance premium	3,866,819	1,807,311	-	-
Auditors' remuneration[1]	2,956,146	1,548,347	65,375	81,125
Professional fees and other consulting costs	5,679,653	3,011,000	9,502	85,169
AMCON expenses	36,656,104	27,309,461	-	-
Stationery and postage	3,525,431	2,121,351	2,040	7,769
Business travel expenses	3,345,023	1,829,592	-	-
Advert, promotion and corporate gifts[5]	17,417,996	8,762,339	-	-
Repairs and maintenance	17,888,273	9,277,780	14,984	5,487
Occupancy costs[2]	17,286,858	9,812,252	-	-
Directors' emoluments	2,877,283	1,274,888	107,235	83,128
Outsourcing services[3]	32,398,360	21,603,872	-	-
Technological and service related expense[6]	88,036,835	59,340,264	123,205	91,754
Shared Service Fees	261,541	261,541	-	-
Customer service related expenses	2,506,896	1,255,581	-	-
	259,595,485	**166,226,292**	**322,341**	**354,432**

[1] Auditor's remuneration represents fees for the interim and full year audits of the Group and Bank for the year ended 31 December 2024. The Company also paid the auditors professional fees for non-audit services. These services, in the Company's opinion did not impair the independence and objectivity of the external auditor. Non- audit services provided during the year are stated below.

Name **of Signer**	**FRC Number**	**Name of Firm**	**Services Rendered**	**Amount**
Anthony Oputa	FRC/2013/ICAN/00000000980	EY	RRP Validation	N6,500,000
Anthony Oputa	FRC/2013/ICAN/00000000980	EY	ICFR Certification	N35,000,000

[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] This relates to interest on lease liabilities

[5] Donation is Included as part of advert,promotion and corporate gifts

[6] Inclusive of training, other wellbeing expenses and administrative fee due to SIT for management of the shares entered by the Scheme and estimate of expenses in employee benefit being determined as required by IAS 19

20 Income tax expense

recognised in the Income statement

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
a) **Current tax expense:**				
Company income tax	175,030,980	57,289,723	-	-
Education Tax	12,708,978	4,038,803	51,426	63,199
Police Trust Fund Levy	50,233	23,840	81	102
NASENI Levy	2,511,637	1,186,607	4,026	5,078
NITDEF tax levy	10,046,549	4,767,912	16,106	20,313.00
Financial Sector Clean-up Levy	6,725,939	3,293,520	-	-
National fiscal Stabilization levy	6,725,939	3,293,520	-	-
	213,800,255	73,893,925	71,639	88,692
Windfall tax	51,249,586	-	-	-
Prior year's under provision	2,577,250	3,003,000	849,052	1,481,118
Deferred tax expense:				
Origination of temporary differences	(19,183,867)	(7,243,157)	122,203	11,862
	248,443,224	**69,653,768**	**1,042,894**	**1,581,672**

Reconciliation of effective tax rate

Group

In thousands of Nigerian Naira	Dec-2024	Dec-2024	Dec-2023	Dec-2023
Profit before income tax	1,266,246,073	-	609,308,442	-
Income tax using the domestic corporation tax rate	379,873,822	30.0%	182,792,533	30.0%
Effect of tax rates in foreign jurisdictions	(13,123,424)	-1.0%	(13,745,700)	-2.3%
Tax reliefs/WHT Credits	(3,632,848)	-0.3%	(1,739,230)	-0.3%
Non-deductible expenses[1]	18,722,890	1.5%	55,662,641	9.1%
Education tax levy	12,708,978	1.0%	4,038,803	0.7%
Police Trust Fund Levy	50,233	0.0%	23,840	0.0%
NASENI tax levy	2,511,637	0.2%	1,186,607	0.2%
NITDEF tax levy	10,046,549	0.8%	4,767,912	0.8%
Financial Sector Clean-up Levy	6,725,939	0.5%	3,293,520	0.5%
National fiscal Stabilization levy	6,725,939	0.5%	3,293,520	0.5%
Tax exempt income[2]	(194,983,395)	-15.4%	(159,573,904)	-26.2%
Deductible expenses[3]	(3,013,965)	-0.2%	(1,423,929)	-0.2%
Net capital allowance	(27,995,967)	-2.2%	(11,925,844)	-2.0%
Windfall tax[4]	51,249,586	4.0%	-	0.0%
Prior year's under provision	2,577,250	0.2%	3,003,000	0.5%
Total income tax expense	**248,443,224**	**19.6%**	**69,653,768**	**11.4%**

[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 FGN bonds etc

[3] This relates to tax impact of aligning National Information Technology Development Levy (NITDEF) as a deductible expense for tax computation purpose.

[4] In July 2024, the Nigerian government enacted the Windfall Tax Bill as an amendment to Section 29A of the Finance Act,2023, imposing tax on realised foreign exchange gains earned by the Bank. In accordance with this legislation, the Federal Inland Revenue Service (FIRS) has assessed the Bank's laibility for the windfall tax, advising a total provision of N51bn, which includes N23.7bn for the year 2023. The Bank has recognised this provision in its financial statements, reflecting its commitment to comply with tax obligations and contribute to national revenue.

Reconciliation of effective tax rate
Company

In thousands of Nigerian Naira	Dec-2024	Dec-2024	Dec-2023	Dec-2023
Profit before income tax	365,747,745		107,983,548	
Income tax using the domestic corporation tax rate	483,174	0.1%	609,391	0.6%
Tax reliefs/WHT Credits	(418,911)	-0.1%	(525,293)	-0.5%
Non-deductible expenses[1]	35,918	0.0%	28,696	0.0%
Education tax levy	51,426	0.0%	63,199	0.1%
Police Trust Fund Levy	81	0.0%	102	0.0%
NITDEF tax levy	16,106	0.0%	20,313	0.0%
NASENI tax levy	4,026	0.0%	5,078	0.0%
Tax exempt income	122,203	0.0%	11,862	0.0%
Deductible expenses[3]	(4,832)	0.0%	(6,094)	0.0%
Net capital allowance	(95,349)	0.0%	(106,700)	-0.1%
Prior year's under provision	849,052	0.2%	1,481,118	1.4%
Total income tax expense	**1,042,894**	**0.3%**	**1,581,672**	**1.5%**

[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 FGN bonds etc

[3] This relates to tax impact of aligning National Information Technology Development Levy (NITDEF) as a deductible expense for tax computation purpose.

Income tax recognised in other comprehensive income

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Income tax relating to remeasurements of post-employment benefit obligations	2,342,022	1,686,771	-	-
Income tax relating to Foreign currency translation differences for foreign operations	55,033,857	42,530,743	-	-
Income tax relating to Net change in FVOCI financial assets	(5,506,347)	3,168,510	-	-
	51,869,532	**47,386,024**	**-**	**-**

(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-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Balance, beginning of the year	41,303,351	35,307,860	88,692	-
Exchange difference on translation	2,055,955	11,771,446	-	-
Charge for the year	213,800,255	73,893,925	71,639	88,692
Windfall Tax	51,249,586	-	-	-
Prior year's under provision	2,577,251	3,003,000	849,052	1,481,118
Payments during the year	(124,320,990)	(82,672,880)	(937,744)	(1,481,118)
Balance, end of the year	**186,665,408**	**41,303,351**	**71,639**	**88,692**

21 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 N1,006,219,889,000 (Company: N364,704,851,000) and a weighted average number of ordinary shares outstanding of 28,395,020,000 (after adjusting for Treasury shares) for the Group and 29,823,493,000 for the Company.

Profit attributable to ordinary shareholders

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Net profit attributable to equity holders of the Company	1,006,219,889	534,425,317	364,704,851	106,401,876
Net profit used to determine diluted earnings per share	**1,006,219,889**	**534,425,317**	**364,704,851**	**106,401,876**

Number of ordinary shares

In thousands of shares	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Weighted average number of ordinary shares in issue	28,395,020	28,022,000	29,823,493	29,431,179
Basic earnings per share (expressed in naira per share)	35.44	19.07	12.23	3.62

The Group does not have any dilutive potential ordinary shares. Therefore, Basic EPS and Diluted EPS are the same for the Group.

22 Cash and bank balances

(a)

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Cash in hand	529,117,007	208,510,813	210,095,331	60,169
Balances held with other banks	830,071,371	493,734,665	-	-
Unrestricted balances with central banks	472,981,966	238,378,190	-	-
Money market placements	2,844,526,719	1,371,081,069	-	-
	4,676,697,063	**2,311,704,737**	**210,095,331**	**60,169**
Impairment on Placements	(3,648,943)	(2,086,039)	-	-
	4,673,048,120	**2,309,618,698**	**210,095,331**	**60,169**
Current	4,673,048,120	2,309,618,698	210,095,331	60,169
Non-current	-	-	-	-

(b) Cash and cash equivalents in statement of cash flows includes:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Cash and bank balances	4,676,697,063	2,311,704,737	210,095,331	60,169
Cash and bank balances above three months maturity	(275,107,144)	(305,768,539)	-	-
	4,401,589,919	**2,005,936,198**	**210,095,331**	**60,169**

Movement in Impairment on Cash and bank balances

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Opening balance	2,086,039	94,147	-	-
Exchange difference	1,562,904	-	-	-
Addition during the year	-	1,991,892	-	-
Closing balance	**3,648,943**	**2,086,039**	**-**	**-**

23 Financial assets at fair value through profit or loss

(a)

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Financial assets Fair Value through Profit or Loss:				
Bonds - (see note 23(b) below)	20,208,276	16,648,838	-	-
Treasury Bills - (see note 23(c) below)	33,178,856	7,791,115	-	-
Trading Euro Bonds- (see note 23(d) below)	6,211,395	3,622,871	-	-
Promissory Notes	4,470	3,789	-	-
	59,602,997	**28,066,613**	**-**	**-**
Current	50,005,282	13,120,105	-	-
Non-current	9,597,715	14,946,508	-	-

(b) Bonds FVPL are analysed below:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
FGN Bond 15.70 21-JUN-2053/30Y	-	2,427,710	-	-
FGN Sukuk 15.75 13-OCT-2033/10Y	-	6,206,557	-	-
FGN Bond 14.70 21-JUN-2033/10Y	793	506,147	-	-
FGN Bond 12.50 22-JAN-2026/10Y	-	2,183,222	-	-
FGN Bond 16.2884 17-MAR-27/10Y	190,280	-	-	-
FGN Bond 12.50 27-APR-2032/10Y	78,404	-	-	-
FGN Bond 13.98 23-FEB-2028/10Y	94,975	-	-	-
FGN Bond 19.00 21-FEB-2034/10Y	635,606	-	-	-
FGN Bond 18.50 21-FEB-2031/7Y	2,386,262	-	-	-
FGN SUKUK BOND 15.75% 13 - OCT 2033/10Y	-	413,118	-	-
FGN BOND 15.45% 21-JUN-2038/15Y	250,511	262,206	-	-
Non-Nigerian trading bonds	16,571,445	4,649,878	-	-
	20,208,276	**16,648,838**	**-**	**-**

(c) Treasury bills FVPL is analysed below:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Nigerian treasury bills' maturities:				
09-January-2025	398	-	-	-
23-January-2025	170	-	-	-
06-February-2025	2,907,865	-	-	-
20-February-2025	7,542,835	-	-	-
06-March-2025	815,588	-	-	-
27-March-2025	2,348,558	-	-	-
13-March-2025	1,466,757	-	-	-
10-April-2025	1,082,148	-	-	-
24-April-2025	336,446	-	-	-
08-May-2025	165,975	-	-	-
22-May-2025	164,796	-	-	-
05-June-2025	64,047	-	-	-
12-June-2025	88,709	-	-	-
26-June-2025	323,907	-	-	-
10-July-2025	301,169	-	-	-
07-August-2025	40,423	-	-	-
21-August-2025	2,398	-	-	-
25-August-2025	1,005,569	-	-	-
04-September-2025	1,252,017	-	-	-
11-September-2025	46,286	-	-	-
23-September-2025	41,255	-	-	-
25-September-2025	310,087	-	-	-
09-October-2025	229,168	-	-	-
23-October-2025	524,187	-	-	-
06-November-2025	175,911	-	-	-
20-November-2025	941	-	-	-
02-December-2025	3,142,780	-	-	-
04-December-2025	443,795	-	-	-
05-December-2025	1,911,297	-	-	-
09-December-2025	782,203	-	-	-
11-December-2025	432,124	-	-	-
25-January-2024	-	36,694	-	-
08-February-2024	-	2,993	-	-
22-February-2024	-	3,857	-	-
07-March-2024	-	158,484	-	-

14-March-2024	-	26,798	-	-
28-March-2024	-	1,289	-	-
11-April-2024	-	7,192	-	-
25-April-2024	-	1,184	-	-
23-May-2024	-	7,459	-	-
06-June-2024	-	19,384	-	-
13-June-2024	-	4,689	-	-
27-June-2024	-	423,284	-	-
11-July-2024	-	5,569	-	-
25-July-2024	-	4,248	-	-
06-August-2024	-	481	-	-
22-August-2024	-	64,584	-	-
05-September-2024	-	15,701	-	-
12-September-2024	-	1,055,956	-	-
26-September-2024	-	22,292	-	-
10-October-2024	-	3,247,376	-	-
24-October-2024	-	17,288	-	-
07-November-2024	-	861,223	-	-
21-November-2024	-	1,792,827	-	-
05-December-2024	-	6,384	-	-
12-December-2024	-	3,881	-	-
	33,178,856	**7,791,115**	**-**	**-**

(d) Trading Euro Bonds is analysed below:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Eurobond 6.125 28-SEP-2028/7Y	3,533,274	2,043,317	-	-
Eurobond 7.375 28-SEP-2033/12Y	2,678,121	1,579,553	-	-
	6,211,395	**3,622,871**	**-**	**-**

24 Derivative financial instruments

(a) **Group**

Dec-2024

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	307,000,000	-	(10,759,624)
Derivative liabilities	**307,000,000**	**-**	**(10,759,624)**

Group

Dec-2023

In thousands of Nigerian Naira	Notional Contract Amount	Fair Value Assets	Fair Value Liability
Foreign Exchange Derivatives:			
Foreign exchange forward	329,280,930	28,961,143	-
Derivative assets	**329,280,930**	**28,961,143**	**-**

(b) All derivatives are settled in less than one year.

(c) **Foreign exchange contracts**

The Group enters into forward foreign exchange contracts which include currency swaps and normal trading forwards designated as held for trading. A forward foreign exchange contract is an agreement by two counterparties to exchange currencies at a pre-determined rate on some future date. No funds change hands when a typical forward foreign exchange contract originates; a funds flow occurs only at the contract's stated future delivery time. Additionally the Group offers its customers derivatives in connection with their risk management objectives to transfer or reduce market risk (commodity price) for their own trading purpose. The hedge transaction with the customer is backed by visible trade transaction. The foreign currency forward and option contracts are subject to the same risk management policies. The Group's foreign exchange derivatives do not qualify for hedge accounting; therefore all gains and losses from changes in their fair values are recognised immediately in the income statement and are reported in 'Net gains/(losses) on financial instruments at fair value through profit or loss'.

25 Investment securities

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
(a) (i)				
Investment securities at fair value through OCI				
Debt securities - Treasury bills FVOCI	1,924,833,290	773,458,489	-	-
Debt securities - Bonds FVOCI	284,100,152	42,542,939	-	-
Eurobond	34,844,415	46,384,476	-	-
US Treasury Notes	248,464,975	-	-	-
Special Bills - FVOCI	-	1,999,013	-	-
Commercial Paper- FVOCI	-	27,532,674	-	-
Investment securities - Equity (See note 25(a)(ii) below	2,159,386	1,694,521	-	-
Investment in Mutual Funds	661,670	451,890	-	-
Total	**2,495,063,888**	**894,064,002**	**-**	**-**
Investment securities at fair value through profit or loss				
Investment securities - Equity	5,508,086	3,947,850	-	-
	5,508,086	**3,947,850**	**-**	**-**
Investment securities at amortised cost:				
Bonds	846,724,950	586,551,443	-	-
Treasury bills	792,020,742	450,040,761	-	-
Promissory Note	-	1,698	-	-
Special Treasury Bills - Amortized Cost	-	545,381,360	-	-
Eurobonds - Amortized Cost	24,956,030	18,568,542	-	-
Corporate bond	1,740,736	1,360,388	-	-
	1,665,442,458	**1,601,904,192**	**-**	**-**
ECL on Bonds - Amortised Cost	(12,657,506)	(13,917,397)	-	-
ECL on Treasury Bills - Amortised Cost	(4,802,877)	(3,873,168)	-	-
ECL on Corporate bond - Amortised Cost	(258,022)	(258,022)	-	-
ECL on Promissory- Amortised Cost	-	(336)	-	-
ECL on Special Treasury Bills - Amortized Cost	-	(12,537,791)	-	-
Total Investment securities at amortised cost	**1,647,724,053**	**1,571,317,478**	**-**	**-**
Total investment securities	**4,148,296,027**	**2,469,329,330**	**-**	**-**
Current	3,068,214,676	2,053,285,329	-	-
Non-current	1,080,081,351	416,044,001	-	-

The allowance for ECL relating to Ghana Eurobonds classified as purchased or originated credit-impaired financial (POCI) are immaterial.

(a) (ii) Equity investment securities is analysed below:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
FVOCI equity instrument				
- GIM UEMOA	36,548	22,984	-	-
- SANEF	50,000	50,000	-	-
- Unified Payment Services Limited[1]	912,468	713,804	-	-
- Nigeria Automated Clearing Systems	994,760	778,180	-	-
- Afrexim	165,610	129,553	-	-
	2,159,386	**1,694,521**	**-**	**-**
FVTPL equity instrument				
- Africa Finance Corporation[1]	5,508,086	3,947,850	-	-
	5,508,086	**3,947,850**	**-**	**-**
	7,667,472	**5,642,371**	**-**	**-**

[1] Unified Payment Services Limited was formerly known as Valucard Nigeria Plc

Except for African Finance Corporation (AFC) designated as FVPL, all other equity investments are designated at FVOCI.
The Group received dividend income of N407,681,000 (Dec 2023: N153,508,000) from the equity investments designated at FVOCI during the year.
Kindly refer to Note 6e for the movement in the value of equity securities at fair value during the year.

(b] (i) Impairment on investment securities

	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
ECL on Bonds- FVOCI	1,615,402	1,615,402	-	-
ECL on EuroBonds and US Treasury Notes- FVOCI	8,748,416	5,169,886	-	-
ECL on Treasury Bills- FVOCI	5,827,153	5,831,563	-	-
ECL on Promissory Notes - FVOCI	-	40,387	-	-
ECL on Commercial Paper - FVOCI	-	430,403	-	-
ECL on Special Treasury Bills - FVOCI	-	266,775	-	-
ECL on Bonds - Amortised Cost	12,657,506	13,917,397	-	-
ECL on Treasury Bills - Amortised Cost	4,802,877	3,873,168	-	-
ECL on Corporate Bond - Amortised Cost	258,022	258,022	-	-
ECL on Promissory Note - Amortized Cost	-	336	-	-
ECL on Special Treasury Bills - Amortized Cost	-	12,537,791	-	-
	33,909,376	**43,941,130**	**-**	**-**

(b] (ii) Movement in Impairment on investment securities

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Opening balance	43,941,130	37,699,629	-	-
Exchange difference	4,144,192	1,671,438	-	-
Addition during the year	(14,175,946)	4,570,063	-	-
Closing balance	**33,909,376**	**43,941,130**	**-**	**-**

26 Assets pledged as collateral

(a)

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Financial assets at FVOCI				
- Treasury bills	114,570,075	86,552,701	-	-
Total Assets Pledged as Collateral	**114,570,075**	**86,552,701**	**-**	**-**
Current	114,570,075	86,552,701	-	-
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 Group 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.

27 Loans and advances to banks

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Loans and advances to banks	164,549	155,027	-	-
Less Impairment:				
Stage 1 Loans	(67)	(92)	-	-
Stage 2 Loans	-	-	-	-
Stage 3 Loans	(76,688)	(88,000)	-	-
	87,794	**66,935**	**-**	**-**
Current	87,794	66,935	-	-
Non-current	-	-	-	-

Reconciliation of allowance accounts for losses on loans and advances to banks

Dec-2024
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 2024	92	-	88,000	88,092
Impairment reversal for the year	(25)	-	(11,312)	(11,337)
	67	**-**	**76,688**	**76,755**

Dec-2023
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 2023	-	-	74,672	74,672
Impairment reversal for the year	92	-	13,328	13,420
	92	**-**	**88,000**	**88,092**

Reconciliation of allowance accounts for losses on loans and advances to banks

Group

Dec-2024

In thousands of Nigerian Naira	Loans: Impairment on Stage 1 - 12 Months ECL	Loans: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Loans: Impairment on Stage 3 - Non Performing Loans	Loans: Total allowance for impairment	Overdrafts: Impairment on Stage 1 - 12 Months ECL	Overdrafts: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Overdrafts: Impairment on Stage 3 - Non Performing Loans	Overdrafts: Total allowance for impairment	Others: Impairment on Stage 1 - 12 Months ECL	Others: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Others: Impairment on Stage 3 - Non Performing Loans	Others: Total allowance for impairment	Total: Impairment on Stage 1 - 12 Months ECL	Total: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Total: Impairment on Stage 3 - Non Performing Loans	Total: Total allowance for impairment
Balance at 1 January 2024	-	-	88,000	88,000	92	-	-	92	-	-	-	-	92	-	88,000	88,092
Impairment allowances for the year	-	-	(11,312)	(11,312)	(25)	-	-	(25)	-	-	-	-	(25)	-	(11,312)	(11,337)
Balance, end of year	**-**	**-**	**76,688**	**76,688**	**67**	**-**	**-**	**67**	**-**	**-**	**-**	**-**	**67**	**-**	**76,688**	**76,755**

Group

Dec-2023

In thousands of Nigerian Naira	Loans: Impairment on Stage 1 - 12 Months ECL	Loans: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Loans: Impairment on Stage 3 - Non Performing Loans	Loans: Total allowance for impairment	Overdrafts: Impairment on Stage 1 - 12 Months ECL	Overdrafts: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Overdrafts: Impairment on Stage 3 - Non Performing Loans	Overdrafts: Total allowance for impairment	Others: Impairment on Stage 1 - 12 Months ECL	Others: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Others: Impairment on Stage 3 - Non Performing Loans	Others: Total allowance for impairment	Total: Impairment on Stage 1 - 12 Months ECL	Total: Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Total: Impairment on Stage 3 - Non Performing Loans	Total: Total allowance for impairment
Balance at 1 January 2023	-	-	1,605	1,605	-	-	73,067	73,067	-	-	-	-	-	-	74,672	74,672
Impairment allowances for the year	-	-	86,395	86,395	92	-	(73,067)	(72,975)	-	-	-	-	92	-	13,328	13,420
Balance, end of year	**-**	**-**	**88,000**	**88,000**	**92**	**-**	**-**	**92**	**-**	**-**	**-**	**-**	**92**	**-**	**88,000**	**88,092**

28 Loans and advances to customers

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Loans to individuals:				
Loans	398,147,412	307,512,525	-	-
Overdrafts	18,234,655	48,079,050	-	-
Others[1]	125,228	145,499	-	-
Gross loans	**416,507,295**	**355,737,074**	**-**	**-**
Loans	(4,446,191)	(2,745,902)	-	-
Overdrafts	(703,625)	(971,967)	-	-
Impairment on Stage 1 - 12 Months ECL	**(5,149,816)**	**(3,717,869)**	**-**	**-**
Loans	(117,828)	(145,553)	-	-
Overdrafts	(219,963)	(119,274)	-	-
Impairment on Stage 2 - Life Time ECL Not Credit Impaired	**(337,791)**	**(264,827)**	**-**	**-**
Loans	(20,184,010)	(2,819,650)	-	-
Overdrafts	(2,528,142)	(424,567)	-	-
Impairment on Stage 3 - Non Performing Loans	**(22,712,152)**	**(3,244,217)**	**-**	**-**
Loans	(24,748,029)	(5,711,105)	-	-
Overdrafts	(3,451,730)	(1,515,808)	-	-
Total impairment	**(28,199,759)**	**(7,226,913)**	**-**	**-**
Loans	373,399,383	301,801,420	-	-
Overdrafts	14,782,925	46,563,242	-	-
Others[1]	125,228	145,499	-	-
Carrying amount	**388,307,536**	**348,510,161**	**-**	**-**
Loans to Non-individuals:				
Loans	2,262,103,973	2,041,901,031	-	-
Overdrafts	231,641,584	186,127,413	-	-
Others[1]	9,866,838	30,704,276	-	-
Gross loans	**2,503,612,395**	**2,258,732,720**	**-**	**-**
Loans	(21,953,480)	(10,737,209)	-	-
Overdrafts	(10,766,983)	(5,243,323)	-	-
Others[1]	(35,267)	(338,653)	-	-
Impairment on Stage 1 - 12 Months ECL	**(32,755,730)**	**(16,319,185)**	**-**	**-**
Loans	(8,368,255)	(49,316,062)	-	-
Overdrafts	(495,929)	(1,272,182)	-	-
Impairment on Stage 2 - Life Time ECL Not Credit Impaired	**(8,864,184)**	**(50,588,244)**	**-**	**-**
Loans	(54,278,858)	(41,599,307)	-	-
Overdrafts	(10,357,119)	(18,552,777)	-	-
Impairment on Stage 3 - Non Performing Loans	**(64,635,977)**	**(60,152,084)**	**-**	**-**
Loans	(84,600,593)	(101,652,578)	-	-
Overdrafts	(21,620,031)	(25,068,282)	-	-
Others[1]	(35,267)	(338,653)	-	-
Total impairment	**(106,255,891)**	**(127,059,513)**	**-**	**-**
Loans	2,177,503,380	1,940,248,453	-	-
Overdrafts	210,021,553	161,059,131	-	-
Others[1]	9,831,571	30,365,623	-	-
Carrying amount	**2,397,356,504**	**2,131,673,207**	**-**	**-**
Total carrying amount (individual and non individual)	**2,785,664,040**	**2,480,183,368**	**-**	**-**

[1] Others include Usances and Usances Settlement

Current	1,832,167,194	1,667,138,488	-	-
Non-current	953,496,846	813,044,880	-	-

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS
Dec-2024
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 2024	3,717,869	264,827	3,244,217	7,226,913
Foreign currency translation impact	437,856	(44,056)	373,586	767,386
Impairment allowances for the year	994,091	117,020	19,094,349	20,205,460
Balance, end of year	**5,149,816**	**337,791**	**22,712,152**	**28,199,759**

Dec-2023
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 2023	1,428,719	165,289	23,402,513	24,996,521
Foreign currency translation impact	282,792	118,055	869,307	1,270,154
Impairment allowances for the year	2,006,358	(18,517)	(21,027,603)	(19,039,762)
Balance, end of the year	**3,717,869**	**264,827**	**3,244,217**	**7,226,913**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS
Dec-2024
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 2024	16,319,185	50,588,244	60,152,084	127,059,513
Foreign currency translation impact	1,361,491	131,539,521	70,784,273	203,685,285
Impairment allowances for the year	15,075,054	91,362,031	10,030,771	116,467,856
Transfer between stages	-	70,376,166	(70,376,166)	-
Financial assets derecognised	-	(335,001,778)	(5,954,985)	(340,956,763)
Balance, end of the year	**32,755,730**	**8,864,184**	**64,635,977**	**106,255,891**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS (Cont'd)
Dec-2023
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 2023	7,662,853	22,451,764	31,402,984	61,517,601
Foreign currency translation impact	755,832	(666,975)	72,588,225	72,677,082
Impairment allowances for the year	7,900,500	64,222,288	49,856,836	121,979,624
Transfer between stages	-	(35,418,833)	35,418,833	-
Financial assets derecognised	-	-	(129,114,794)	(129,114,794)
Balance, end of the year	**16,319,185**	**50,588,244**	**60,152,084**	**127,059,513**

Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS

Group

Dec-2024

	Loans				Overdrafts				Others				Total			
In thousands of Nigerian Naira	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment	Impairment on Stage 1 - 12 Months ECL	Impairment on Stage 2 - Life Time ECL Not Credit Impaired	Impairment on Stage 3 - Non Performing Loans	Total allowance for impairment
Balance at 1 January	2,745,902	145,553	2,819,650	5,711,104	971,967	119,274	424,567	1,515,808	-	-	-	-	3,717,869	264,827	3,244,217	7,226,913
Foreign currency translation impact	378,031	(15,368)	332,001	694,664	59,825	(28,688)	41,585	72,722	-	-	-	-	437,856	(44,056)	373,586	767,386
Impairment allowances for the year	1,322,258	(12,357)	17,032,359	18,342,261	(328,167)	129,377	2,061,990	1,863,200	-	-	-	-	994,091	117,020	19,094,349	20,205,460
Balance, end of year	**4,446,191**	**117,828**	**20,184,010**	**24,748,029**	**703,625**	**219,963**	**2,528,142**	**3,451,730**	**-**	**-**	**-**	**-**	**5,149,816**	**337,791**	**22,712,152**	**28,199,759**

Group

Dec-2023

	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	1,175,663	71,925	13,071,548	14,319,135	253,055	93,364	10,330,965	10,677,384	-	-	-	-	1,428,718	165,289	23,402,513	24,996,520
Foreign currency translation impact	208,861	64,885	755,542	1,029,288	73,931	53,171	113,765	240,867	-	-	-	-	282,792	118,056	869,307	1,270,155
Impairment allowances for the year	1,361,378	8,743	(11,007,440)	(9,637,319)	644,981	(27,261)	(10,020,163)	(9,402,443)	-	-	-	-	2,006,359	(18,518)	(21,027,603)	(19,039,762)
Balance, end of year	**2,745,902**	**145,553**	**2,819,650**	**5,711,104**	**971,967**	**119,274**	**424,567**	**1,515,808**	**-**	**-**	**-**	**-**	**3,717,869**	**264,827**	**3,244,217**	**7,226,913**

Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS

Group
Dec-2024

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	10,737,209	49,316,062	41,599,307	101,652,578	5,243,323	1,272,182	18,552,777	25,068,282	338,653	-	-	338,653	16,319,185	50,588,244	60,152,084	127,059,513
Foreign currency translation impact	912,496	131,514,827	71,325,349	203,752,672	447,529	24,694	(541,076)	(68,853)	1,466	-	-	1,466	1,361,491	131,539,521	70,784,273	203,685,285
Impairment allowances for the year	10,303,775	92,162,978	17,685,353	120,152,106	5,076,131	(800,947)	(7,654,582)	(3,379,398)	(304,852)	-	-	(304,852)	15,075,054	91,362,031	10,030,771	116,467,856
Transfer between stages	-	70,376,166	(70,376,166)	-	-	-	-	-	-	-	-	-	-	70,376,166	(70,376,166)	-
Financial assets derecognised	-	(335,001,778)	(5,954,985)	(340,956,763)	-	-	-	-	-	-	-	-	-	(335,001,778)	(5,954,985)	(340,956,763)
Balance, end of year	**21,953,480**	**8,368,255**	**54,278,858**	**84,600,593**	**10,766,983**	**495,929**	**10,357,119**	**21,620,031**	**35,267**	**-**	**-**	**35,267**	**32,755,730**	**8,864,184**	**64,635,977**	**106,255,891**

Group
Dec-2023

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	3,965,138	18,430,610	24,439,836	46,835,584	2,524,114	4,021,154	6,961,881	13,507,149	1,173,601	-	1,267	1,174,868	7,662,853	22,451,764	31,402,984	61,517,601
Foreign currency translation impact	497,300	(650,202)	71,344,043	71,191,141	242,847	(16,773)	1,244,182	1,470,256	15,685	-	-	15,685	755,832	(666,975)	72,588,225	72,677,082
Impairment allowances for the year	6,274,771	66,954,487	32,862,382	106,091,640	2,476,362	(2,732,199)	16,995,721	16,739,884	(850,633)	-	(1,267)	(851,900)	7,900,500	64,222,288	49,856,836	121,979,624
Transfer between stages	-	(35,418,833)	35,418,833	-	-	-	-	-	-	-	-	-	-	(35,418,833)	35,418,833	-
Financial assets derecognised	-	-	(122,465,787)	(122,465,787)	-	-	(6,649,007)	(6,649,007)	-	-	-	-	-	-	(129,114,794)	(129,114,794)
Balance, end of year	**10,737,209**	**49,316,062**	**41,599,307**	**101,652,578**	**5,243,323**	**1,272,182**	**18,552,777**	**25,068,282**	**338,653**	**-**	**-**	**338,653**	**16,319,185**	**50,588,244**	**60,152,084**	**127,059,513**

29 Investment in subsidiaries

(a) (i) Investment in subsidiaries comprises:

	Company Dec-2024 % ownership	Company Dec-2023 % ownership	Company Dec-2024 ₦'000	Company Dec-2023 ₦'000
GTB Nigeria	100.00	100.00	346,298,636	138,186,703
Habari Pay (Payment Company)	100.00	100.00	3,100,000	3,100,000
GT Fund Managers	100.00	100.00	4,036,560	4,036,560
GT Pension Fund Adminstrator	100.00	100.00	17,633,297	17,633,297
			371,068,493	**162,956,560**

GTBank Nigeria Limited has investment in the following subsidiaries:

	Dec-2024 % ownership	Dec-2023 % ownership
GTB Gambia	77.81	77.81
GTB Sierra Leone	83.74	83.74
GTB Ghana	98.32	98.32
GTB UK Limited	100.00	100.00
GTB Liberia Limited	99.43	99.43
GTB Cote D'Ivoire Limited	100.00	100.00
GTB Kenya Limited	76.90	76.90
GTB Tanzania	76.20	76.20

(a) (ii) The movement in investment in subsidiaries during the year is as follows:

In thousands of Nigerian Naira	Company Dec-2024	Company Dec-2023
Balance, beginning of the year	162,956,560	162,956,560
Additions during the year	208,111,933	-
Balance, end of the year	**371,068,493**	**162,956,560**

(a) (iii) Additions in December 2024 financial year relates to:
- Additional investments of N208,111,933,000 in GTB Nigeria

(a) (iv) We have taken cognisance of the inflationary environment in Ghana and Sierra Leone which was also alluded to by International Monetary Fund (IMF). In line with IAS 29, we would have been required to account for the HyperInflation in these countries. However, based on our impact assessement on the 2 Subsidiaries, we have not adjusted for the impact of IAS 29 as it does not materially affect the Consolidated Financial Statements of the Group.

Please refer to Note 43 for more information on the Group structure

Condensed results of consolidated entities

(b) Condensed results of the consolidated entities as at 31 December 2024, are as follows:

Full year profit and loss

Dec-2024		**West Africa Subsidiaries**					**East Africa Subsidiaries**		**United Kingdom**	**Non-Banking Subsidiaries**			
In thousands of Nigerian Naira	**GT Bank Nigeria**	**GT Bank Ghana**	**GT Bank Sierra Leone**	**GT Bank Liberia**	**GT Bank Gambia**	**GT Bank Cote D'Ivoire**	**GT Bank Kenya Group**	**GT Bank Tanzania**	**GT Bank UK**	**Habari Pay Ltd**	**Asset Management**	**Pension Fund**	**Staff Investment Trust**
Operating income	1,358,065,630	157,997,486	44,583,417	47,254,516	36,755,716	52,600,286	59,950,942	3,516,738	51,186,366	5,810,692	11,177,735	3,119,649	55,521
Operating expenses	(241,825,112)	(39,493,464)	(18,272,584)	(15,015,233)	(9,746,868)	(11,593,610)	(29,353,130)	(4,512,876)	(29,249,912)	(1,591,519)	(2,425,814)	(1,556,658)	-
Loan impairment charges	(113,196,198)	455,983	(2,047,186)	(8,499,674)	(118,155)	(2,120,647)	(11,010,120)	(125,981)	-	-	-	-	-
Profit before tax	**1,003,044,320**	**118,960,005**	**24,263,647**	**23,739,609**	**26,890,693**	**38,886,029**	**19,587,692**	**(1,122,119)**	**21,936,454**	**4,219,173**	**8,751,922**	**1,562,990**	**55,521**
Taxation	(168,282,476)	(47,081,573)	(6,065,923)	(4,232,125)	(7,260,478)	(1,557,548)	(6,810,476)	(28,613)	(5,724,172)	(335,603)	(21,347)	-	-
Profit after tax	**834,761,844**	**71,878,432**	**18,197,724**	**19,507,484**	**19,630,215**	**37,328,481**	**12,777,216**	**(1,150,732)**	**16,212,282**	**3,883,570**	**8,730,574**	**1,562,990**	**55,521**

Condensed financial position

Dec-2024	West Africa Subsidiaries						East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries			
In thousands of Nigerian Naira	**GT Bank Nigeria**	**GT Bank Ghana**	**GT Bank Sierra Leone**	**GT Bank Liberia**	**GT Bank Gambia**	**GT Bank Cote D'Ivoire**	**GT Bank Kenya Group**	**GT Bank Tanzania**	**GT Bank UK**	**Habari Pay Ltd**	**Asset Management**	**Pension Fund**	**Staff Investment Trust**
Assets													
Cash and bank balances	2,611,631,570	591,059,617	53,621,638	140,834,715	88,917,024	46,570,524	210,253,521	18,130,798	690,387,479	2,126,844	377,047,760	62,934	7,228,595
Loans and advances to banks	87,794	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	2,067,265,755	268,786,366	9,228,700	142,329,654	34,167,065	44,463,028	87,308,824	10,861,578	121,253,071	-	-	-	-
Financial assets at fair value through profit or loss	29,618,884	16,571,445	-	-	-	-	-	-	-	-	-	13,412,668	-
Investment securities:													
– Fair Value through other comprehensive Income	1,921,470,601	-	-	-	114,329,943	36,548	182,103,036	-	281,970,176	-	661,670	-	83,938,368
– Held at amortised cost	1,485,592	578,411,337	150,608,177	154,958,250	72,650,097	414,040,331	124,982,848	6,367,117	-	6,757,542	137,462,763	-	-
Derivative financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	62,538,955	-	-	-	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	85,018,714	29,551,361	-	-	-	-	-	-	-	-	-	-	-
Restricted deposits and other assets	2,625,725,141	65,471,104	3,318,528	35,238,995	11,306,416	11,892,674	14,066,449	1,067,097	23,814,437	1,870,892	1,167,953	361,165	-
Property and equipment	205,130,738	28,443,024	7,573,714	16,447,510	12,569,725	23,491,278	20,519,806	7,231,261	7,216,847	96,805	6,987	369,751	-
Intangible assets	55,861,865	459,261	137,854	478,920	302,794	4,001,011	415,686	334,391	-	122,830	49,672	45,755	-
Deferred tax assets	-	17,404,029	4,998,288	-	-	-	6,389,783	-	23,119	-	61,743	-	-
Total assets	**9,665,835,609**	**1,596,157,544**	**229,486,899**	**490,288,044**	**334,243,064**	**544,495,394**	**646,039,953**	**43,992,242**	**1,124,665,129**	**10,974,913**	**516,458,550**	**14,252,272**	**91,166,963**
Financed by:													
Deposits from banks	7,169,206	-	-	-	-	112,083,283	45,955	1,629,694	634,992,567	-	-	-	-
Deposits from customers	6,194,786,394	1,330,450,716	161,878,305	428,314,120	277,715,563	310,283,403	417,338,884	29,518,013	366,177,263	-	503,978,516	-	-
Financial liabilities held for trading	51,174,468	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial liabilities	10,759,624	-	-	-	-	-	-	-	-	-	-	-	-
Current income tax liabilities	172,618,701	-	5,917,786	3,619,694	1,648,980	-	2,786,130	-	-	-	-	2,476	-
Other liabilities	854,958,588	13,698,059	4,776,548	8,490,036	11,291,883	6,979,961	70,034,188	2,326,810	31,742,307	897,348	1,105,706	257,269	13,763,258
Other borrowed funds	309,795,457	-	-	-	-	-	225,589	-	-	-	-	-	-
Deferred tax liabilities	7,237,268	-	-	1,008,495	136,707	-	-	-	337,151	84,706	-	29,622	-
Total liabilities	**7,608,499,706**	**1,344,148,775**	**172,572,639**	**441,432,345**	**290,793,133**	**429,346,647**	**490,430,746**	**33,474,517**	**1,033,249,288**	**982,053**	**505,084,222**	**289,367**	**13,763,258**
Equity and reserve	2,057,335,903	252,008,769	56,914,260	48,855,699	43,449,931	115,148,747	155,609,207	10,517,725	91,415,841	9,992,860	11,374,328	13,962,905	77,403,705
	9,665,835,609	**1,596,157,544**	**229,486,899**	**490,288,044**	**334,243,064**	**544,495,394**	**646,039,953**	**43,992,242**	**1,124,665,129**	**10,974,913**	**516,458,550**	**14,252,272**	**91,166,963**

Condensed cash flow

Dec-2024		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries			
In thousands of Nigerian Naira	GT Bank Nigeria	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya Group	GT Bank Tanzania	GT Bank UK	Habari Pay Ltd	Asset Management	Pension Fund	Staff Investment Trust
Net cash flow:													
- from operating activities	578,730,294	349,401,815	54,410,847	50,413,119	63,529,567	103,143,892	(2,781,221)	(1,111,757)	198,603,367	4,963,108	313,689,816	(7,899,379)	28,064,398
- from investing activities	(887,643,881)	(14,564,400)	(48,639,614)	(32,793,652)	(20,631,674)	(91,392,259)	4,514,516	(3,337,991)	10,984,327	(6,806,109)	(3,201,541)	102,889	(26,811,096)
- from financing activities	299,087,621	(32,114,619)	-	-	(12,844,466)	-	(626,335)	-	-	-	-	-	-
Increase in cash and cash equivalents	(9,825,966)	302,722,796	5,771,233	17,619,467	30,053,427	11,751,633	1,106,960	(4,449,748)	209,587,694	(1,843,001)	310,488,275	(7,796,490)	1,253,302
Cash balance, beginning of year	1,354,132,333	236,302,190	29,686,366	72,118,873	41,460,013	22,091,058	102,692,150	12,999,125	284,347,233	3,969,845	66,559,485	7,859,424	5,975,293
Effect of exchange difference	1,094,523,234	63,881,828	18,164,039	50,761,784	17,403,583	12,727,833	106,440,333	9,581,422	196,452,551	-	-	-	-
Cash balance, end of year	**2,438,829,601**	**602,906,814**	**53,621,638**	**140,500,124**	**88,917,023**	**46,570,524**	**210,239,443**	**18,130,799**	**690,387,478**	**2,126,844**	**377,047,760**	**62,934**	**7,228,595**

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 31 December 2024, are as follows:

Profit and loss
Dec-2024

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Operating income	27,417,369	9,887,816	22,645,757
Operating expenses	(12,511,031)	(6,605,854)	(10,236,245)
Loan impairment charges	(8,165,229)	(3,050,540)	205,649
Profit before tax	6,741,109	231,422	12,615,161
Taxation	(2,263,458)	(1,014,773)	(3,532,245)
Profit after tax	4,477,651	(783,351)	9,082,916

Condensed financial position
Dec-2024

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Assets			
Cash and bank balances	109,921,362	27,897,137	72,435,022
Loans and advances to customers	33,339,029	19,693,228	34,276,567
Investment securities:			
– Fair Value through other comprehensive Income	182,103,036	-	-
– Held at amortised cost	19,838,400	36,397,904	68,746,544
Assets pledged as collateral	-	-	-
Restricted deposits and other assets	5,449,198	4,265,656	4,351,595
Investment in subsidiaries	40,093,962	-	-
Property and equipment	9,441,261	4,773,137	6,305,408
Intangible assets	77,669	30,647	48,337
Deferred tax assets	2,132,898	2,845,568	1,411,317
Total assets	**402,396,815**	**95,903,277**	**187,574,790**
Financed by:			
Deposits from banks	30,867	15,088	-
Deposits from customers	210,275,108	70,854,614	136,209,162
Other liabilities	59,630,636	2,229,143	8,174,409
Current income tax liabilities	-	-	2,786,130
Other borrowed funds	-	-	225,589
Deferred tax liabilities	-	-	-
Total liabilities	**269,936,611**	**73,098,845**	**147,395,290**
Equity and reserve	132,460,204	22,804,432	40,179,500
	402,396,815	**95,903,277**	**187,574,790**

Condensed results of the consolidated entities as at 31 December 2023, are as follows:

Dec-2023		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries			
In thousands of Nigerian Naira	GT Bank Nigeria	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya Group	GT Bank Tanzania	GT Bank UK	Habari Pay	Asset Management	Pension Fund	Staff Investment Trust
Condensed profit and loss													
Operating income	753,095,390	84,418,632	11,638,682	20,344,184	13,930,671	20,334,756	25,769,903	1,792,212	22,993,072	4,765,918	2,984,801	2,083,609	491,553
Operating expenses	(183,990,845)	(17,210,050)	(5,046,045)	(7,170,429)	(4,890,521)	(4,990,489)	(11,474,637)	(1,702,367)	(11,612,591)	(2,423,420)	(857,381)	(1,081,544)	-
Loan impairment charges	(96,492,914)	(1,338,180)	(838,429)	(2,998,900)	(76,036)	(536,913)	(556,276)	(115,633)	-	-	-	-	-
Profit/(loss) before tax	**472,611,631**	**65,870,402**	**5,754,208**	**10,174,855**	**8,964,114**	**14,807,354**	**13,738,990**	**(25,788)**	**11,380,481**	**2,342,498**	**2,127,420**	**1,002,065**	**491,553**
Taxation	(34,279,504)	(23,127,442)	(1,515,445)	(867,595)	(2,422,939)	(705,749)	(3,675,573)	(9,070)	(346,165)	(169,731)	(391,346)	(561,541)	-
Profit/(loss) after tax	**438,332,127**	**42,742,960**	**4,238,763**	**9,307,260**	**6,541,175**	**14,101,605**	**10,063,417**	**(34,858)**	**11,034,316**	**2,172,767**	**1,736,074**	**440,524**	**491,553**

Condensed results of the consolidated entities as at 31 December 2023, are as follows:

Dec-2023		**West Africa Subsidiaries**					**East Africa Subsidiaries**		**United Kingdom**	**Non-Banking Subsidiaries**			
In thousands of Nigerian Naira	**GT Bank Nigeria**	**GT Bank Ghana**	**GT Bank Sierra Leone**	**GT Bank Liberia**	**GT Bank Gambia**	**GT Bank Cote D'Ivoire**	**GT Bank Kenya Group**	**GT Bank Tanzania**	**GT Bank UK**	**Habari Pay**	**Asset Management**	**Pension Fund**	**Staff Investment Trust**
Condensed financial position													
Assets													
Cash and bank balances	1,600,954,303	236,302,190	29,686,366	72,118,873	41,460,013	22,091,058	102,692,150	12,999,125	284,347,233	3,969,845	66,559,485	7,859,424	5,975,293
Loans and advances to banks	66,935	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	2,034,513,828	136,709,553	8,676,788	84,952,666	23,135,992	35,730,243	83,516,626	6,228,477	66,719,196	-	-	-	-
Derivative financial assets	28,961,143	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	19,103,705	4,649,878	-	-	-	-	-	-	-	-	-	4,313,031	-
Investment securities:													
– Fair Value through other comprehensive Income	586,454,091	-	-	-	69,722,888	22,984	65,930,055	-	175,429,944	-	451,890	-	57,071,751
– Held at amortised cost	534,564,450	421,185,148	67,095,059	70,709,225	44,290,809	208,971,330	87,179,637	2,902,841	-	-	134,418,979	-	-
Investment in subsidiaries	62,538,955	-	-	-	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	73,400,983	11,974,997	-	-	-	-	1,176,721	-	-	-	-	-	-
Restricted deposits and other assets	1,822,886,075	22,069,352	4,229,803	13,615,721	841,913	10,433,433	8,807,455	905,432	13,792,765	2,507,614	128,923,314	351,785	-
Property and equipment	172,453,464	11,076,484	2,326,487	8,890,535	5,702,243	8,336,300	7,490,793	2,971,752	3,691,623	84,767	367	475,687	-
Intangible assets	12,006,377	320,034	136,679	385,522	182,208	66,635	457,027	224,588	-	165,999	54,188	42,708	-
Deferred tax assets	-	12,726,265	989,965	-	-	-	3,410,870	-	1,097,013	-	61,742	-	-
Total assets	**6,947,904,309**	**857,013,901**	**113,141,147**	**250,672,542**	**185,336,066**	**285,651,983**	**360,661,334**	**26,232,215**	**545,077,774**	**6,728,226**	**330,469,965**	**13,042,635**	**63,047,044**
Financed by:													
Deposits from banks	7,645,080	-	-	-	-	49,091,378	139,711	-	250,544,386	-	-	-	-
Deposits from customers	5,258,962,005	688,087,673	86,561,262	220,411,402	153,652,221	175,636,596	261,065,146	18,372,056	226,877,742	-	327,297,771	-	-
Financial liabilities held for trading	809,342	-	-	-	-	-	-	-	-	-	-	-	-
Current income tax liabilities	36,414,385	-	-	810,115	989,876	-	2,525,032	-	-	-	249,504	225,745	-
Other liabilities	417,525,131	11,464,276	1,727,158	8,123,170	2,504,586	6,009,670	15,544,673	1,274,614	18,717,405	579,132	338,718	181,028	9,401,874
Other borrowed funds	71,702,608	-	-	-	-	-	416,877	-	-	-	-	-	-
Deferred tax liabilities	16,709,957	-	-	583,272	10,439	-	-	-	21,940	39,802	-	29,622	-
Total liabilities	**5,809,768,508**	**699,551,949**	**88,288,420**	**229,927,959**	**157,157,122**	**230,737,644**	**279,691,439**	**19,646,670**	**496,161,473**	**618,934**	**327,885,992**	**436,395**	**9,401,874**
Equity and reserve	1,138,135,801	157,461,952	24,852,727	20,744,583	28,178,944	54,914,339	80,969,895	6,585,545	48,916,301	6,109,292	2,583,973	12,606,240	53,645,170
	6,947,904,309	**857,013,901**	**113,141,147**	**250,672,542**	**185,336,066**	**285,651,983**	**360,661,334**	**26,232,215**	**545,077,774**	**6,728,226**	**330,469,965**	**13,042,635**	**63,047,044**

Dec-2023		West Africa Subsidiaries					East Africa Subsidiaries		United Kingdom	Non-Banking Subsidiaries			
In thousands of Nigerian Naira	GT Bank Nigeria	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya Group	GT Bank Tanzania	GT Bank UK	Habari Pay	Asset Management	Pension Fund	Staff Investment Trust
Condensed cash flow													
Net cash flow:													
- from operating activities	234,872,523	337,907,489	26,477,463	39,356,388	26,291,733	60,928,374	74,936,950	3,224,942	(177,118,970)	641,508	132,914,743	(3,000,014)	27,686,026
- from investing activities	(367,345,419)	(257,328,054)	(24,287,507)	(12,941,471)	(18,159,684)	(57,522,110)	(47,708,158)	353,949	(52,217,482)	(10,446)	(16,251)	(134,917,754)	(24,169,080)
- from financing activities	(159,964,009)	-	-	-	-	-	(1,645,474)	-	-	-	-	-	-
Increase in cash and cash equivalents	(292,436,905)	80,579,435	2,189,956	26,414,917	8,132,049	3,406,264	25,583,318	3,578,891	(229,336,452)	631,062	132,898,492	(137,917,768)	3,516,946
Cash balance, beginning of period	1,140,424,271	95,748,106	16,012,503	22,414,132	18,111,893	9,806,647	48,297,811	5,129,128	245,790,439	3,338,783	68,177,716	11,260,469	2,458,347
Effect of exchange difference	506,144,967	41,580,365	11,550,016	24,052,124	15,225,567	8,878,147	28,807,032	4,291,105	267,893,245	-	-	-	-
Cash balance, end of year	**1,354,132,333**	**217,907,906**	**29,752,475**	**72,881,173**	**41,469,509**	**22,091,058**	**102,688,161**	**12,999,124**	**284,347,232**	**3,969,845**	**201,076,208**	**(126,657,299)**	**5,975,293**

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 31 December 2023, are as follows:

Profit and loss
Dec-2023

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Operating income	11,934,724	3,941,321	9,856,792
Operating expenses	(4,505,166)	(2,850,447)	(4,831,594)
Loan impairment charges	(977,983)	16,421	405,286
Profit before tax	**6,451,575**	**1,107,295**	**5,430,484**
Taxation	(1,544,578)	(446,006)	(1,684,989)
Profit after tax	**4,906,997**	**661,289**	**3,745,495**

Condensed financial position
Dec-2023

In thousands of Nigerian Naira	GT Bank Kenya	GT Bank Uganda	GT Bank Rwanda
Assets			
Cash and cash equivalents	28,194,132	16,686,170	57,811,848
Loans and advances to customers	37,998,415	13,870,404	31,647,807
Investment securities:			
– Fair Value through other comprehensive Income	65,930,055	-	-
– Held at amortised cost	16,219,773	23,976,596	46,983,268
Assets pledged as collateral	-	1,176,721	-
Other assets	3,411,154	2,466,835	2,929,466
Investment in subsidiaries	19,619,414	-	-
Property and equipment	2,542,436	1,537,096	3,411,261
Intangible assets	120,036	130,330	192,245
Deferred tax assets	1,044,456	1,656,612	709,802
Total assets	**175,079,871**	**61,500,764**	**143,685,697**
Financed by:			
Deposits from banks	107,913	31,798	-
Deposits from customers	108,812,937	45,892,233	106,359,976
Current income tax liabilities	-	-	2,525,032
Other liabilities	7,296,385	1,832,243	6,416,045
Deferred tax liabilities	-	-	-
Other borrowed funds	-	-	416,877
Total liabilities	**116,217,235**	**47,756,274**	**115,717,930**
Equity and reserve	58,862,636	13,744,490	27,967,767
	175,079,871	**61,500,764**	**143,685,697**

30 Property and equipment and Right of use assets

(a) Group

In thousands of Nigerian Naira	Leasehold improvement and buildings[1]	ROU Assets[3]	Furniture & equipment	Motor vehicle	Capital work-in - progress[2]	Total
Cost						
Balance at 1 January 2024	168,845,262	54,874,874	131,836,030	21,910,162	11,072,598	388,538,926
Exchange difference	19,082,966	10,199,080	24,333,975	4,711,472	3,211,186	61,538,679
Additions	4,755,562	1,765,326	67,355,193	5,837,232	50,366,837	130,080,150
Disposals	(8,825)	(809,488)	(4,846,580)	(1,648,752)	-	(7,313,645)
Transfers	4,033,120	73,750	1,294,448	469,348	(5,870,666)	-
Balance at 31 December 2024	**196,708,085**	**66,103,542**	**219,973,066**	**31,279,462**	**58,779,955**	**572,844,110**
Balance at 1 January 2023	143,453,110	46,010,683	156,667,588	16,075,926	10,558,075	372,765,382
Exchange difference	14,313,662	5,501,473	15,564,277	2,985,117	1,856,194	40,220,723
Additions	8,356,499	3,362,718	21,864,022	2,547,131	5,489,950	41,620,320
Disposals	(99,659)	-	(64,753,467)	(1,214,373)	-	(66,067,499)
Transfers	2,821,650	-	2,493,610	1,516,361	(6,831,621)	-
Balance at 31 December 2023	**168,845,262**	**54,874,874**	**131,836,030**	**21,910,162**	**11,072,598**	**388,538,926**

All Property and equipment are non-current.

[1] Of this amount as at December 2024, Leasehold improvement accounts for N45,713,363,000 (23.24%) while Buildings accounts for N150,994,722,000 (76.76%)

[2] Capital work in progess refers to capital expenditure incurred on items of Property and Equipment which are however not ready for use and as such are not being depreciated.

[3] ROU Assets include Land and Prepaid Rent on Land and Building.

Property and equipment and Right of use assets(continued)

Group

Accumulated Depreciation *In thousands of Nigerian Naira*	**Leasehold improvement and buildings**	**ROU Assets[1]**	**Furniture & equipment**	**Motor vehicle**	**Capital work-in - progress**	**Total**
Balance at 1 January 2024	43,183,186	17,489,205	88,374,096	15,193,787	-	164,240,274
Exchange difference	9,651,755	3,584,782	19,759,627	2,873,862	-	35,870,026
Charge for the year	5,013,163	5,499,609	35,260,952	4,001,968	-	49,775,692
Disposal	(4,592)	(809,488)	(4,841,084)	(1,618,767)	-	(7,273,931)
Balance at 31 December 2024	**57,843,512**	**25,764,108**	**138,553,591**	**20,450,850**	**-**	**242,612,061**
Balance at 1 January 2023	32,847,652	9,965,860	120,237,945	11,853,441	-	174,904,898
Exchange difference	6,105,397	1,864,791	13,814,038	2,149,638	-	23,933,864
Charge for the year	4,329,795	5,658,554	19,073,184	2,339,073	-	31,400,606
Disposal	(99,658)	-	(64,751,071)	(1,148,365)	-	(65,999,094)
Balance at 31 December 2023	**43,183,186**	**17,489,205**	**88,374,096**	**15,193,787**	**-**	**164,240,274**
Carrying amounts:						
Balance at 31 December 2024	**138,864,573**	**40,339,434**	**81,419,475**	**10,828,612**	**58,779,955**	**330,232,049**
Balance at 31 December 2023	**125,662,076**	**37,385,669**	**43,461,934**	**6,716,375**	**11,072,598**	**224,298,652**

Property and equipment and Right of use assets (continued)

(b) Company

In thousands of Nigerian Naira	Leasehold improvement and buildings	ROU Assets	Furniture & equipment	Motor vehicle	Capital work-in - progress[1]	Total
Cost						
Balance at 1 January 2024	154,083	443,238	420,514	-	-	1,017,835
Additions	-	-	456,185	-	-	456,185
Balance at 31 December 2024	**154,083**	**443,238**	**876,699**	**-**	**-**	**1,474,020**
Balance at 1 January 2023	154,083	443,238	420,514	-	-	1,017,835
Balance at 31 December 2023	**154,083**	**443,238**	**420,514**	**-**	**-**	**1,017,835**

All Property and equipment are non-current.

[1] Capital work in progess refers to capital expenditure incurred on items of Property and Equipment which are however not ready for use and as such are not being depreciated.

Property and equipment and Right of use assets (continued)

Parent

Accumulated Depreciation In thousands of Nigerian Naira	**Leasehold improvement and buildings**	**ROU Assets**	**Furniture & equipment**	**Motor vehicle**	**Capital work-in - progress**	**Total**
Balance at 1 January 2024	10,793	7,855	200,917	-	-	219,565
Charge for the year	4,842	7,297	107,588	-	-	119,727
Balance at 31 December 2024	**15,635**	**15,152**	**308,505**	**-**	**-**	**339,292**
Balance at 1 January 2023	6,327	1,122	116,462	-	-	123,911
Charge for the year	4,466	6,733	84,455	-	-	95,654
Balance at 31 December 2023	**10,793**	**7,855**	**200,917**	**-**	**-**	**219,565**
Carrying amounts:						
Balance at 31 Decemeber 2024	**138,448**	**428,086**	**568,194**	**-**	**-**	**1,134,728**
Balance at 31 December 2023	**143,290**	**435,383**	**219,597**	**-**	**-**	**798,270**

31 Intangible assets

(a) Group

In thousands of Nigerian Naira	Goodwill	Purchased Software	Total
Cost			
Balance at 1 January 2024	19,160,832	43,567,679	62,728,511
Exchange translation differences	132,284	9,424,913	9,557,197
Additions	-	55,196,356	55,196,356
Balance at 31 December 2024	**19,293,116**	**108,188,948**	**127,482,064**
Balance at 1 January 2023	19,115,779	40,273,538	59,389,317
Exchange translation differences	45,053	5,383,684	5,428,737
Additions	-	10,978,926	10,978,926
Derecognition	-	(13,068,469)	(13,068,469)
Balance at 31 December 2023	**19,160,832**	**43,567,679**	**62,728,511**
Amortisation and impairment losses			
Balance at 1 January 2024	-	29,652,473	29,652,473
Exchange translation differences	-	8,328,345	8,328,345
Amortisation for the year	-	8,257,133	8,257,133
Balance at 31 December 2024	**-**	**46,237,951**	**46,237,951**
Balance at 1 January 2023	-	29,977,419	29,977,419
Exchange translation differences	-	5,048,682	5,048,682
Amortisation for the year	-	7,694,837	7,694,837
Derecognition	-	(13,068,465)	(13,068,465)
Balance at 31 December 2023	**-**	**29,652,473**	**29,652,473**
Carrying amounts:			
Balance at 31 December 2024	**19,293,116**	**61,950,997**	**81,244,113**
Balance at 31 December 2023	**19,160,832**	**13,915,206**	**33,076,038**

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 2024 (December 2023: nil).

(c) Impairment testing for cash-generating units containing Goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to each of the cash-generating units or groups of cash-generating units that is expected to benefit from the synergies of the combination.

Goodwill is allocated to the Cash Generating Units (CGUs) as shown below:

In thousands of Nigerian Naira

Cash Generating Units	Dec-24	Dec-23
Rest of West Africa:		
- Corporate Banking	176,747	77,613
- Commercial Banking	11,339	5,856
- Retail Banking	51,938	24,271
East Africa		
- Corporate Banking	6,589,354	6,446,213
- Commercial Banking	422,748	486,390
- Retail Banking	1,936,330	2,015,829
	9,188,455	**9,056,171**

Cash Generating Units – Non - Banking Subsidiaries	Dec-24	Dec-23
Nigeria:		
- GTFund Manager	3,617,403	3,617,403
- GTPensions	6,487,258	6,487,258
	10,104,661	**10,104,661**

No impairment loss on goodwill was recognised for the period ended 31 December 2024 (31 December 2023: 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; 5.15per cent and 6.25 per cent for CGUs in West Africa and East Africa regions respectively and 3.3% in Nigeria. The constant growth rates are based on the long- term forecast of GTBank's growth in the countries in which the CGU's operate, centred on past performance, current industry trend and management's expectations of market development. The forecast period is based on the Group's medium to long term perspective with respect to the operations of these units.

Valuation Assumptions and Other Disclosures

For each of the CGUs to which the goodwill was allocated, the key assumptions used in Value-in-use calculations are as follows:

In the East Africa Region, the recoverable amount was derived as its the value in use which was determined by discounting the projected cash flows generated by the segments in the region with the weighted discount rate of 28.95% derived using CAPM approach. It would require over ₦35.98bnn 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 1704 basis points increase in the discount factor will make the recoverable amount of the East Africa region Commercial segment equal to its carrying amount.

2024-Key Assumptions	**West Africa**			**East Africa**			**Nigeria**	
	Corporate	**Commercial**	**Retail**	**Corporate**	**Commercial**	**Retail**	**GT Fund Manager**	**GT Pension**
Revenue Growth Rate (%)	37.50%	38.50%	39.00%	12.14%	11.64%	12.24%	37.61%	45.83%
Operating Income Growth Rate (%)	40.02%	40.52%	42.02%	23.00%	22.50%	24.50%	70.65%	45.83%
Other Operating Costs (₦'Million)	186,120	11,941	54,693	16,533	1,061	4,858	3,255	2,133
Annual Capital Expenditure (₦'Million)	41,496	2,662	12,194	(293)	(19)	(86)	7	203
Recoverable Amount (₦'Million)	952,706	61,122	279,960	151,063	9,692	44,391	138,526	37,731
Long Term Growth Rate (%)	15%- 20%	15%- 20%	15%- 20%	5%- 10%	5%- 10%	5%- 10%	20%-25%	35%-40%
Discount Rate (%)	40.07%	40.07%	40.07%	28.95%	28.95%	28.95%	37.37%	21.80%

2023-Key Assumptions	**West Africa**			**East Africa**			**Nigeria**	
	Corporate	**Commercial**	**Retail**	**Corporate**	**Commercial**	**Retail**	**GT Fund Manager**	**GT Pension**
Revenue Growth Rate (%)	15.86%	16.86%	17.36%	22.63%	22.13%	22.73%	14.75%	41.07%
Operating Income Growth Rate (%)	18.40%	18.90%	20.40%	26.13%	25.63%	27.63%	28.45%	41.07%
Other Operating Costs (₦'Million)	27,667	2,088	8,652	8,616	650	2,694	1,505	1,248
Capital Expenditure (₦'Million)	5,367	405	1,678	2,028	153	634	4	156
Recoverable Amount (₦'Million)	210,091	15,852	65,699	73,918	5,577	23,115	21,625	19,224
Long Term Growth Rate (%)	15%- 20%	15%- 20%	15%- 20%	5%- 10%	5%- 10%	5%- 10%	20%-25%	35%-40%
Discount Rate (%)	34.75%	34.75%	34.75%	33.19%	33.19%	33.19%	23.76%	29.90%

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.

32 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

Deferred tax assets

Dec-2024

In thousands of Nigerian Naira	Assets	Liabilities	Net	Income statement	OCI
Property and equipment, and software	10,879,416	-	10,879,416	5,770,450	-
Allowances for loan losses/Fraud loss provision	17,791,481	-	17,791,481	4,676,335	-
Revaluation gain and Other assets	206,065	-	206,065	78,612	-
Net deferred tax assets	**28,876,962**	**-**	**28,876,962**	**10,525,397**	**-**

Group
Deferred tax assets

Dec-2023

In thousands of Nigerian Naira	Assets	Liabilities	Net	Income statement	OCI
Property and equipment, and software	5,108,966	-	5,108,966	1,813,783	-
Allowances for loan losses/Fraud loss provision	13,115,146	-	13,115,146	5,521,608	-
Revaluation gain and Other assets	61,742	-	61,742	(76,368)	-
Net deferred tax assets	**18,285,854**	**-**	**18,285,854**	**7,237,045**	**-**

Group
Deferred tax liabilities

Dec-2024
In thousands of Nigerian Naira

	Assets	Liabilities	Net	Income statement	OCI
Property and equipment, and software	-	43,811,883	43,811,883	15,692,699	-
Fair value reserves	-	508,374	508,374	(1,281,185)	(5,506,347)
Allowances for loan losses	(9,469,685)	-	(9,469,685)	(4,606,624)	-
Defined benefit obligation/actuarial loss	(1,262,636)	-	(1,262,636)	(3,068,432)	2,342,022
Revaluation loss/(gain) and other assets	(24,619,923)	94,373,957	69,754,034	(15,394,928)	55,033,857
Net deferred tax (assets)/liabilities	**(35,352,244)**	**138,694,214**	**103,341,970**	**(8,658,470)**	**51,869,532**

Company
Deferred tax liabilities
Dec-2024
In thousands of Nigerian Naira

	Assets	Liabilities	Net	Income statement	OCI
Property and equipment, and software	-	134,065	134,065	77,620	-
Net deferred tax liabilities	**-**	**134,065**	**134,065**	**77,620**	**-**

Group
Deferred tax liabilities

Dec-2023
In thousands of Nigerian Naira

	Assets	Liabilities	Net	Income statement	OCI
Property and equipment, and software	-	27,797,697	27,797,697	6,371,952	-
Fair value reserves	-	7,233,101	7,233,101	5,103,776	3,168,510
Allowances for loan losses	(4,863,061)	-	(4,863,061)	3,479,788	-
Defined benefit obligation/actuarial loss	(536,226)	-	(536,226)	(1,975,306)	1,686,771
Revaluation loss/(gain) and other assets	(12,224,617)	42,274,011	30,049,394	(12,986,322)	42,530,743
Net deferred tax (assets)/liabilities	**(17,623,904)**	**77,304,809**	**59,680,905**	**(6,112)**	**47,386,024**

Company
Deferred tax liabilities

Dec-2023
In thousands of Nigerian Naira

	Assets	Liabilities	Net	Income statement	OCI
Property and equipment, and software	-	11,862	11,862	-	-
Net deferred tax liabilities	**-**	**11,862**	**11,862**	**-**	**-**

33 Restricted deposits and other assets

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Prepayments (See note 33(iii) below)	173,584,638	65,957,321	-	-
Accounts Receivable [1]	126,399,714	181,855,979	250,238,501	-
Stocks	1,837,031	2,477,259	-	-
Foreign Banks - cash collateral (See note 33(iv) below)	242,929,712	62,556,044	-	-
Restricted deposits with central banks (See note 33(i) below)	1,964,213,386	1,646,506,036	-	-
Contribution to AGSMEIS (See note 34(ii) below)	54,991,740	54,991,740	-	-
Recognised assets for defined benefit obligations (See note 38)	36,305,062	24,218,604	-	-
	2,600,261,283	**2,038,562,983**	**250,238,501**	**-**
Impairment on other financial assets (See note 33(v) below)	(26,176,629)	(25,747,637)	-	-
	2,574,084,654	**2,012,815,346**	**250,238,501**	**-**
Current	2,535,942,561	1,986,119,483	250,238,501	-
Non-current	38,142,093	26,695,863	-	-

[1] Account receivable for the company in the sum of N250,238,501,000 relates to Dividend Receivable from Guaranty Trust Bank Limited.

(i) Restricted deposits with central banks comprises of restricted deposits with central banks not available for use in the Group's day-to-day operations. The GTBank Nigeria had restricted balances of N1,963,565,533,000 with the Central Bank of Nigeria (CBN) as at 31 December 2024 (December 2023: N1,646,348,063,000). 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) This relates to Prepaid property and equipments and other prepaid expenses

(iv) This relates to cash collateral for trade transactions

(v) Movement in impairment of other financial assets:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Opening Balance	25,747,637	268,669	-	-
Charge for the year	428,992	25,478,968	-	-
Closing Balance	**26,176,629**	**25,747,637**	**-**	**-**

34 Deposits from banks

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Money market deposits	112,094,453	49,121,466	-	-
Other deposits from banks	276,325,791	86,931,943	-	-
	388,420,244	**136,053,409**	**-**	**-**
Current	388,420,244	136,053,409	-	-
Non-current	-	-	-	-

35 Deposits from customers

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Retail customers:				
Term deposits	742,627,683	517,940,937	-	-
Current deposits	1,921,937,346	1,280,221,534	-	-
Savings	2,569,221,110	2,120,455,235	-	-
Corporate customers:				
Term deposits	518,891,012	328,145,811	-	-
Current deposits	4,260,344,255	3,164,070,673	-	-
	10,013,021,406	**7,410,834,190**	**-**	**-**
Current	10,008,328,436	7,398,937,749	-	-
Non-current	4,692,970	11,896,441	-	-

36 Financial liabilities at fair value through profit or loss

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Bond short positions	51,174,468	589,122	-	-
Treasury bills short positions	-	220,220	-	-
	51,174,468	**809,342**	**-**	**-**
Current	51,174,468	809,342	-	-
Non-current	-	-	-	-

37 Other liabilities

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Cash settled share based payment liability (Note 37(c))	13,763,258	9,401,874	-	-
Lease liabilities (Note 37(f))	21,276,324	11,417,411	-	-
Liability for defined contribution obligations (Note 37(a))	2,137,127	1,240,914	-	-
Deferred income on financial guarantee contracts	811,683	543,253	-	-
Litigation claims provision (Note 37(d))	10,910,317	9,333,463	-	-
Certified cheques	14,892,666	11,248,125	-	-
Provision for restoration cost (Note 37(f))	279,116	306,396	-	-
Customers' deposit for foreign trade (Note 37(b))	483,842,372	118,438,562	-	-
Customers' escrow balances	49,032,323	79,863,107	-	-
Account payables	170,809,028	102,152,375	221,146,675	16,433,941
Creditors and agency services	146,222,730	82,405,798	32,750	50,000
Customers deposit for shares of other Corporates	25,165,313	959,328	-	-
Impairment on contingents (Note 37(e))	81,142,794	66,015,319	-	-
	1,020,285,051	**493,325,925**	**221,179,425**	**16,483,941**
Current	887,154,351	389,140,376	221,179,425	16,483,941
Non-current	133,130,700	104,185,549	-	-

(a) The Group 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 N483,842,372,000 reported, the sum of N242,929,712,000 represents customers cash collateral balances with the corresponding balance included in Foreign Banks - Cash Collateral in other assets. The balance of N240,912,660,000 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-2024		Dec-2023	
	Average Exercise Price Per Share	Share Rights (thousands)	Average Exercise Price Per Share	Share Rights (thousands)
At 1 January	27.36	343,649	22.54	282,874
Granted	13.26	119,521	41.64	80,261
Exercised	38.80	(28,719)	25.54	(19,487)
As at end of the year	**31.68**	**434,451**	**27.36**	**343,649**

The total unit of shares of the scheme stood at 1,472,602,940 as at December 2024 (Dec 2023: 1,409,179,046), out of which 434,450,935 (Dec 2023: 343,648,725) have been granted. Out of the 434,450,935 Share Appreciation Right (SARs) granted as at December 2024 (Dec 2023: 343,648,725 SARs), 228,862,178.58 SARs (Dec 2023: 223,416,981.88) have met the vesting criteria. SARs exercised in 2024 resulted in 28,719,094 shares (Dec 2023: 19,486,705) being granted at a weighted average price of N38.80 each (Dec 2023: N25.54 each)

The fair value of SAR was determined using a multi-factor model which entails using average share price for vested shares and multiple combination of 11.57% probability of exits, number of employees years in the scheme and in the organization for non-vested shares.

As at 31st December 2024, the impact of the SAR on the statement of financial position of the Group stood at N13,763,257,635 (Dec 2023: N9,401,873,740).

The Share Appreciation Right is a cash settled share based compensation scheme managed by a Special Purpose Vehicle (SPV) - Guaranty Trust Bank Staff Investment Trust. The scheme was introduced as a compensation plan for the bank's qualifying personnel to enhance employee retention, by offering the shares acquired by the SPV to qualifying members of staff at the prevailing net book value of the bank. Under the terms of the plan, the shares vest only if a member has spent 10 years in the bank, 5 years in the scheme and the purchased shares are up to 3 years old from the date of purchase. Upon exit if a member meets vesting conditions, the shares would be repurchased from the staff by the scheme.

The liability for the SARs is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs, by applying an option pricing model, taking into account the terms and conditions on which the SARs were granted, and the extent to which the employees have rendered services to date. The expected life used in the model has been adjusted based on management's best estimate for the effects of exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 3 years.

As at 31st December 2024, the impact of the SAR on the statement of financial position of the Group stood at N7,565,128,761 (Dec 2023:N6,153,715,005). Of this amount, the liability on vested but unexercised SARs was N7,565,128,761 (Dec 2023:N6,153,715,005)

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-2024	Dec-2023	Dec-2024	Dec-2023
2004-2009	32.46	27.43	4,027,158	3,403,631
2005-2010	31.47	27.25	584,849	506,519
2006-2011	32.27	27.51	243,704	156,559
2007-2012	31.75	27.44	520,241	296,607
2007-2013	31.81	27.39	223,006	127,542
2007-2014	33.06	27.54	88,301	73,578
2007-2016	31.09	27.36	420,391	178,456
2008-2013	31.76	27.46	130,142	167,459
2008-2014	31.66	27.34	177,290	119,533
2008-2015	33.06	27.51	117,595	97,875
2008-2017	31.78	27.48	147,332	75,470
2009-2014	33.06	27.54	18,582	15,484
2009-2015	31.87	27.34	59,820	36,280
2010-2015	31.17	27.20	156,033	91,194
2010-2017	33.06	27.54	33,523	27,933
2010-2018	32.76	27.46	92,181	75,070
2011-2016	31.61	27.39	841,045	546,487
2011-2018	31.59	27.37	156,383	81,477
2011-2019	31.22	27.29	127,238	70,084
2011-2020	31.29	27.22	232,811	155,151
2012-2017	31.70	27.47	139,580	75,816
2013-2018	31.81	27.37	728,586	473,358
2014-2019	31.53	27.35	579,585	343,141
2014-2022	31.15	27.39	43,902	19,186
2015-2020	31.70	27.41	320,653	251,765
2015-2022	-	27.40	-	100,018
2015-2023	30.86	27.21	103,127	52,358
2016-2021	31.63	27.34	680,954	494,189
2017-2022	31.13	27.24	344,054	186,752
2017-2023	-	27.24	-	12,259
2018-2023	30.89	27.23	508,321	244,049

2019-2024	31.06	27.15	522,917	259,062
2020-2025	30.61	27.07	332,490	196,094
2021-2026	30.50	27.00	332,583	203,409
2021-2029	30.50	27.00	2,862	1,002
2022-2027	30.10	27.00	180,992	86,257
2023-2028	30.10	27.00	169,162	82,415
2023-2029	30.10	27.00	17,209	3,907
2023-2032	30.10	27.00	9,677	5,108
2023-2033	30.10	27.00	74,605	9,340
2024-2029	30.10	-	239,620	-
2024-2030	30.10	-	6,020	-
2024-2034	30.10	-	28,735	-
			13,763,258	**9,401,874**

(d) Provision for litigation arose from the assessment carried out by the Solicitors of the Group of all the pending litigations the Group was involved in as at December 31, 2024. Please see Note 42 for further information on Litigations.

Movement in provision for litigation claims during the period ended is as follows:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Opening Balance	9,333,463	233,111	-	-
Increase during the year	1,576,854	9,100,352	-	-
Closing Balance	**10,910,317**	**9,333,463**	**-**	**-**

This relates to provision on pending cases that the Company is currently involved in. Please refer to Note 42 for more information.
Timing of resulting outflows of economic resources with respect to the provision can not readily be determined.

(e) **Movement in impairment on contingents during the period is as follows:**

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Opening balance	66,015,319	3,042,428	-	-
Effect of exchange rate fluctuation	1,286,121	21,437	-	-
Charge for the year ended	13,841,354	62,951,454	-	-
Closing Balance	**81,142,794**	**66,015,319**	**-**	**-**

(f) The Group leases a number of properties to serve as its branch outlets.
The Group and Company has applied 13.72% as the weighted average incremental borrowing rate to lease liability on transition date.
The present value of lease liabilities is as follows:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Less than 3 months	27,137	28,768	-	-
3-6 months	90,253	34,320	-	-
6-12 months	324,348	156,656	-	-
1-5years	2,973,636	1,194,073	-	-
More than 5 years	17,860,949	10,003,594	-	-
	21,276,323	**11,417,411**	**-**	**-**

The period of future economic outflows of the lease liabilities is analysed below:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Less than 3 months	27,399	29,078	-	-
3-6 months	91,640	34,851	-	-
6-12 months	334,315	161,503	-	-
1-5years	3,447,184	1,389,206	-	-
More than 5 years	23,549,612	13,273,128	-	-
	27,450,150	**14,887,766**	**-**	**-**

The movement in lease liabilities is shown below:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Opening Balance	11,417,411	3,947,540	-	-
Exchange difference	15,330,046	9,383,764	-	-
Finance cost	2,962,443	-	-	-
Payments	(8,433,577)	(1,913,893)	-	-
	21,276,323	**11,417,411**	**-**	**-**

The movement in provision for restoraton cost is shown below:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Opening Balance	306,396	283,371	-	-
Changes in the year	(27,280)	23,025	-	-
	279,116	306,396	-	-

38 Defined benefit obligations

The Group operates a non-contributory, funded lump sum defined benefit gratuity scheme. Employees are automatically admitted into the scheme after completing 10 consecutive years of service with the Bank. Employees' terminal benefits are calculated based on number of years of continuous service, limited to a maximum of 10 years. The defined benefit obligation valuation was carried out by Alexander Forbes Consulting Actuaries with FRC Number: FRC/2012/0000000000504.
The report was sign by Management Partner Wayne van Jaarsveld with FRC Number: FRC/2021/002/00000024507.

(a) The amounts recognised in the statement of financial position are as follows:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Present value of funded obligations	(4,208,786)	(1,787,419)	-	-
Total present value of defined benefit obligations	(4,208,786)	(1,787,419)	-	-
Fair value of plan assets	40,513,848	26,006,023	-	-
Present value of net asset	36,305,062	24,218,604	-	-
Recognized net assets for defined benefit plan	**36,305,062**	**24,218,604**	**-**	**-**

The Company has a right to the surplus on its plan assets. The defined benefit scheme is not open to asset ceiling, therefore, there is no need to determine any difference between net defined benefit asset and asset ceiling.
Recognised asset for defined benefit obligations is included within Restricted deposits and other assets in note 33.

(b) Movement in the present value of defined benefit assets:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
surplus on defined benefit obligations, beginning of year	24,218,604	16,709,808	-	-
Net Income recognised in Profit and Loss	4,279,719	2,392,316	-	-
Past Service Cost	-	(897,424)	-	-
Re-measurements recognised in Other Comprehensive Income	7,806,739	5,622,571	-	-
Contributions paid	-	391,333	-	-
Surplus for defined benefit obligations, end of year	**36,305,062**	**24,218,604**	**-**	**-**

[1]Net (Expense) / Income recognised in Profit and Loss is analysed below:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Interest income on Net defined benefit obligation[a]	4,326,717	2,441,679	-	-
Current service costs	(46,998)	(49,363)	-	-
	4,279,719	**2,392,316**	**-**	**-**

[a]Interest cost on Net Defined benefit Obligation is analysed below:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Interest income on plan assets	4,628,638	2,682,923	-	-
Interest cost on defined benefit obligation	(301,921)	(241,244)	-	-
	4,326,717	**2,441,679**	**-**	**-**

[2]Remeasurements recognised in Other Comprehensive income is analysed below:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Return on plan assets, excluding amounts included in interest expense/income	10,174,603	5,787,657	-	-
Loss due to experience variance	(45,101)	(60,028)	-	-
Gain due to economic assumptions	(1,632,056)	351,303	-	-
Loss from change in demographic assumptions	(690,707)	(456,361)	-	-
	7,806,739	**5,622,571**	**-**	**-**

(c) Plan assets consist of the following:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Equity securities:				
- Quoted	5,373,906	4,099,185	-	-
Government securities				
- Quoted	6,853,792	1,046,712	-	-
Commercial papers				
- Quoted	-	-	-	-
Cash and bank balances				
- Unquoted	28,286,151	20,860,127	-	-
	40,513,848	**26,006,023**	**-**	**-**

Group

In thousands of Nigerian Naira	Dec-2024		Dec-2023	
Equity securities	5,373,906	13%	4,099,185	16%
Government securities	6,853,792	17%	1,046,712	4%
Commercial papers	-	0%	-	0%
Cash and bank balances	28,286,151	70%	20,860,127	80%
	40,513,848	**100%**	**26,006,023**	**100%**

The defined benefit plan assets are under the management of Pension Fund Custodians - Crusader Sterling Pension Limited

The N5,373,905,000 equity investments of the scheme includes the Group's ordinary shares with a fair value of N3,679,893,950 (Dec 2023: N3,679,893,950). Additionally, out of the cash and bank balances of N28,286,150,000 an amount with a fair value of Zero balance (Dec 2023:N20,860,127,000) represents deposit with the Group.

Expected contributions to post-employment benefit plans for the year ending 31 December 2024 is Nil (December 2023: N187,085,000) while gratuity payments are estimated to be N288,014,000 (December 2023: N187,085,000)

(d) Defined benefit cost for the year ended December 2024 is expected to be as follows:

	Company Dec-2025	Company Dec-2024
Net Interest on Net benefit assets	6,394,195	4,343,461
Current service cost	(176,669)	(46,998)
Income recognised in profit or loss	6,217,526	4,296,463

Components of net interest on defined benefit liability for year ended December 2024 is estimated to be as follows:

	Company Dec-2025	Company Dec-2024
Interest income on assets	7,145,462	4,655,078
Interest cost on defined benefit obligation	(751,267)	(311,617)
Total net interest income	6,394,195	4,343,461

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-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Fair value of plan assets, beginning of the year	26,006,023	17,535,443	-	-
Contributions paid into the plan	-	391,333	-	-
Benefits paid by the plan	(295,416)	(391,333)	-	-
Actuarial loss	10,174,603	5,787,657	-	-
Return on plan assets	4,628,638	2,682,923	-	-
Fair value of plan assets, end of the year	**40,513,848**	**26,006,023**	**-**	**-**

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-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Present value of obligation, beginning of the year	1,787,419	825,635	-	-
Interest cost	301,921	241,244	-	-
Current service cost	46,998	49,363	-	-
Past service cost	-	897,424	-	-
Benefits paid	(295,416)	(391,333)	-	-
Actuarial loss/(gain) on obligation[1]	2,367,864	165,086	-	-
Present value of obligation at end of the year	**4,208,786**	**1,787,419**	**-**	**-**

[1] The actuarial loss/(gain) on obligation arose from the following:

	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Experience variance	45,101	60,028	-	-
Change in economic assumptions	1,632,056	(351,303)	-	-
Change in demographic assumptions	690,707	456,361	-	-
	2,367,864	**165,086**	**-**	**-**

(g) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Discount rate	17.7%	17.9%
Salary increase rate	10.0%	4.2%
Inflation	17.2%	17.2%
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 17.7%. 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 10.0% p.a. The inflation component has been worked out at 17.2% 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-2024
In thousands of Nigerian Naira except percentages

	Impact on defined benefit obligation		
	Change in assumption	Defined benefit obligation Increase	Decrease
Discount rate	1.00%	(3,875,646)	4,589,492
Salary increase rate	1.00%	4,616,061	(3,849,344)
Mortality rate	1 year	4,212,710	(4,205,218)

Group
Dec-2023
In thousands of Nigerian Naira except percentages

	Impact on defined benefit obligation		
	Change in assumption	Defined benefit obligation Increase	Decrease
Discount rate	1.00%	(1,677,763)	1,910,084
Salary increase rate	1.00%	1,926,613	(1,662,479)
Mortality rate	1 year	1,792,078	(1,783,215)

Company
Dec-2024
In thousands of Nigerian Naira except percentages

	Impact on defined benefit obligation		
	Change in assumption	Defined benefit obligation Increase	Decrease
Discount rate	0.00%	-	-
Salary increase rate	0.00%	-	-
Mortality rate	0.00%	-	-

Company
Dec-2023
In thousands of Nigerian Naira except percentages

	Impact on defined benefit obligation		
	Change in assumption	Defined benefit obligation Increase	Decrease
Discount rate	0.00%	-	-
Salary increase rate	0.00%	-	-
Mortality rate	0.00%	-	-

In practice, changing an actuarial assumption while holding other assumptions constant is unlikely to occur as changes in some of the assumptions may be correlated.

(i) Expected maturity analysis of undiscounted pension and post-employment benefits:

In thousands of Nigerian Naira	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Present value of the defined benefit obligation	28,456	14,642	223,360	85,317,778	85,584,236
	28,456	14,642	223,360	85,317,778	85,584,236

(j) Defined Benefit Risk Management

The Group's exposure to risks through its defined benefit plan is mitigated through a number of strategies. Most important of them is the asset-liability matching strategy. Thus, fluctuations in macro-economic variables have minimal impact on its exposure to the plan.

Over the years, the Group not only ensures that it has sufficient plan assets to fund its defined benefit obligation but also adopts a robust strategy that ensures that the macro-economic variables affecting the obligations are similar to those of the plan assets.
The significant risks inherent in the Group's defined benefit plan are detailed below:

Asset volatility

Post employment benefit obligations are calculated using a discount rate determined with reference to market yields on high quality bonds. The Group ensures that the plan assets do not underperform this yield. This is achieved through maintaining an efficient portfolio of investments in plan assets significantly made up of high quality equities and government securities. Consequently, the yield on the Group's plan assets has consistently outperformed interest cost on plan obligations. The Group also ensures that as tenured investments in plan assets mature, they are replaced with top quality investments which better match the liabilities.

Overall, the Group's defined benefit investment strategy aims at reducing investment risks while maintaining the right mix of investments in high quality equities, debt and near cash instruments void of impairment threats. The choice of investment in equities stems from the long term nature of the Group's defined benefit plan and expected maturity of the plan's liabilities.

Changes in bond yields

The rate used to discount post-employment benefit obligations is determined with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds are used. The Group is of the opinion that there is no deep market in Corporate Bonds in Nigeria and as such assumptions underlying the determination of discount rate are referenced to the yield on Nigerian Government bonds of medium duration, as compiled by the Debt Management Organisation. A decrease in Nigerian Government Bond yields will increase the plan's liabilities. However, this growth is offset by an increase in the value of the plan assets.

Inflation risk

We believe this is less a material risk given the accretion to the Group's plan assets arising from continuous contribution to the plan and improved yield. Growth in inflation, all other things being equal, should lead to increased basic salaries (which is an important determinant of the Group's defined benefit liability) and consequently higher plan liabilities. This growth in liabilities should be offset with increased plan assets.

39 Other borrowed funds

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Due to BOI (see note (i) below)	500,404	4,624,108	-	-
Due to CACS (see note (ii) below)	350,652	2,159,052	-	-
MSME Development Fund (see note (iii) below)	846	846	-	-
Excess Crude Account -Secured Loans Fund (see note (iv) below)	12,767,505	12,526,250	-	-
RSSF on lending (see note (v) below)	6,651,419	10,017,685	-	-
SANEF Intervention Fund (see note (vi) below)	703,603	835,735	-	-
NESF Fund (see note (vii) below)	5,180	170,107	-	-
Due to Anchor Borrowers' Fund (see note (viii) below)	-	40,397,274	-	-
Economic Recovery Fund (see note (ix) below)	225,589	416,877	-	-
Due To P-Aads Loan (see note (x) below)	439,572	971,551	-	-
Due To Cbn (see note (xi) below)	288,376,276	-	-	-
	310,021,046	**72,119,485**	**-**	**-**
Current	294,047,092	50,688,777	-	-
Non-current	15,973,954	21,430,708	-	-

i). The amount of N500,404,000 (December 2023: N4,624,108,000) 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.

ii). The amount of N350,652,000 (December 2023: N2,159,052,000) 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.

iii). The amount of N846,000 (December 2023: N846,000) 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.

iv). The amount of N12,767,505,000 (December 2023: N12,526,250,000) 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.

v). The amount of N6,651,419,000 (December 2023: N10,017,685,000) 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.

vi). 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 9% per annum.

vii). 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.

viii). 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%.

ix). The Economic Recovery Fund (ERF) was introduced by the Government of Rwanda with the objective of supporting the recovery of businesses adversely affected by COVID-19 so that the businesses can survive, resume operations, safeguard employment and expand domestic production of essential goods.

x). The amount of N439,572,000 (December 2023: 971,551,000) represents the outstanding balance on the on-lending facility granted by the Central Bank of Nigeria relative to Private sector led accelerated agriculture development scheme(P-AADS). This is a CBN initiative aimed at empowering 370,000 youths in the agricultural sector. This was introduced to complement AADS, which was implemented initially to address food security and youth unemployment. The maximum amount per obligor has been affixed at N2billion. The facility will be repaid from economics of production for cultivating on the cleared farm land. Collateral to be pledged will be the cleared farm land and any other acceptable type of collateral under the scheme.

xi). The amount of N288,376,276,000 (December 2023: Nil) represents the outstanding balance on Due to CBN, which represents borrowings with the financier CBN. The contractual agreement is a cross currency swap transaction for a tenor of 2 years with a maturity date of 22nd of March 2026. Interest rate on the facility is 17%.

39b Reconciliation of Financial Liabilities

Group
Dec-2024

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**72,119,485**
Cash inflow - Principal	254,785,709
Cash outflow - Principal	(50,537,692)
Cash outflow - Interest	33,566,468
Effect of exchange rate fluctuation	435,047
Other non-cash[1]	(347,971)
Closing Balance	**310,021,046**

Group
Dec-2023

In thousands of Nigerian Naira	**Long term borrowings**
Opening Balance	**126,528,105**
Cash inflow - Principal	416,877
Cash outflow - Principal	(54,480,987)
Cash outflow - Interest	(3,040,194)
Effect of exchange rate fluctuation	166,772
Other non-cash[1]	2,528,912
Closing Balance	**72,119,485**

39c **Statement of cash flow reconciliation**

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
(i) Financial assets at fair value through profit or loss				
Opening Balance	28,066,613	128,782,374	-	-
Closing Balance	(59,602,997)	(28,066,613)	-	-
Movement during the year	**(31,536,384)**	**100,715,761**	**-**	**-**
Exchange difference	1,709,126	3,218,168	-	-
Mark to Market Gains on Trading Investments	2,023,108	(4,951,705)	-	-
Recognised in cash flow statement	**(27,804,150)**	**98,982,224**	**-**	**-**
(ii) Assets pledged as collateral				
Opening Balance	86,552,701	80,909,062	-	-
Closing Balance	(114,570,075)	(86,552,701)	-	-
Movement during the year	**(28,017,374)**	**(5,643,639)**	**-**	**-**
Exchange difference	5,629,583	3,970,493	-	-
Recognised in cash flow statement	**(22,387,791)**	**(1,673,146)**	**-**	**-**
(iii) Loans and advances to banks				
Opening Balance	66,935	54,765	-	-
Closing Balance	(87,794)	(66,935)	-	-
Movement during the year	**(20,859)**	**(12,170)**	**-**	**-**
Impairment on financial assets	11,337	(13,420)	-	-
Opening Balance of placements(more than 3mths)	303,682,500	25,022,530	-	-
Closing Balance of placements(more than 3mths)	(271,458,201)	(303,682,500)	-	-
Movement in Interest Receivables on Placements	2,358,067	-	-	-
Impairment reversal on placements	-	(1,991,892)	-	-
Recognised in cash flow statement	**34,572,844**	**(280,677,452)**	**-**	**-**
(iv) Loans and advances to customers				
Opening Balance	2,480,183,368	1,885,798,639	-	-
Closing Balance	(2,785,664,040)	(2,480,183,368)	-	-
Movement during the year	**(305,480,672)**	**(594,384,729)**	**-**	**-**
Exchange difference	282,815,078	209,599,833	-	-
Impairment Charge	(136,673,315)	(102,939,861)	-	-
Exchange gain or loss	520,176,241	746,792,940	-	-
Movement in Interest Receivables on Loans advances to customers	(71,587,878)	78,619,181	-	-
Recognised in cash flow statement	**289,249,454**	**337,687,364**	**-**	**-**
(v) Restricted deposits and other assets				
Opening Balance	2,012,815,346	1,232,611,251	-	144,538
Closing Balance	(2,574,084,654)	(2,012,815,346)	-	-
Movement during the year	**(561,269,308)**	**(780,204,095)**	**-**	**144,538**
Impairment Charges on Other Assets	(428,992)	(25,478,968)	-	-
Non- cash component of Defined benefit	5,464,717	12,629,528	-	-
Derivatives fair value changes	-	584,714	-	-
Deferred tax impact of actuarial gains and losses	2,342,022	1,686,771	-	-
Effect Exchange fluctuation	103,440,069	119,668,098	-	-
Recognised in cash flow statement	**(450,451,492)**	**(671,113,952)**	**-**	**144,538**

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
(vi) Deposits from banks				
Opening Balance	(136,053,409)	(125,229,187)	-	-
Closing Balance	388,420,244	136,053,409	-	-
Movement during the year	**252,366,835**	**10,824,222**	**-**	**-**
Exchange Difference	(196,577,665)	(221,769,234)	-	-
Recognised in cash flow statement	**55,789,170**	**(210,945,012)**	**-**	**-**
(vii) Deposits from customers				
Opening Balance	(7,410,834,190)	(4,485,113,979)	-	-
Closing Balance	10,013,021,406	7,410,834,190	-	-
Movement during the year	**2,602,187,216**	**2,925,720,211**	**-**	**-**
Effect of exchange fluctuation	(2,077,708,869)	(1,355,899,109)	-	-
Movement in Interest payable	(313,487)	1,015,950	-	-
Recognised in cash flow statement	**524,164,860**	**1,570,837,052**	**-**	**-**
(viii) Financial Liabilities at fair value through profit or loss				
Opening Balance	(809,342)	(1,830,228)	-	-
Closing Balance	51,174,468	809,342	-	-
Recognised in cash flow statement	**50,365,126**	**(1,020,886)**	**-**	**-**
(ix) Other liabilities				
Opening Balance	(493,325,925)	(724,902,202)	(16,483,941)	(26,043,503)
Closing Balance	1,020,285,051	493,325,925	221,179,425	16,483,941
Movement during the year	**526,959,126**	**(231,576,277)**	**204,695,484**	**(9,559,562)**
Exchange Difference	(188,160,822)	(27,384,156)	-	-
Impairment charge on Contigent and Litigation	(13,841,353)	(62,951,455)	-	-
Litigation Claims Provision	(1,576,854)	(9,100,352)	-	-
Restoration cost of Lease Liabilities	27,280	(23,025)	-	-
Lease Liability	8,433,577	1,913,893	-	-
Recognised in cash flow statement	**331,840,954**	**(329,121,372)**	**204,695,484**	**(9,559,562)**
(x) Interest Received				
Interest Income	1,341,801,663	550,755,128	-	-
Movement in interest receivables	(63,207,813)	(86,808,633)	-	-
Exchange Difference	96,818,245	68,711,364	-	-
Recognised in cash flow statement	**1,375,412,095**	**532,657,859**	**-**	**-**
(xi) Interest Paid				
Interest Expense	(283,215,490)	(114,058,543)	-	-
Movement in interest payables	(311,218)	(1,520,226)	-	-
Interest Payable Accrued during the year	35,372,575	2,931,536	-	-
Interest Paid on other borrowed fund	(1,529,374)	(3,442,818)	-	-
Recognised in cash flow statement	**(249,683,507)**	**(116,090,051)**	**-**	**-**

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023

(xii) Impairment on financial assets

Impairment on Loans and Advance to Banks	(11,337)	13,420	-	-
Impairment on Loans and Advance to Customers	136,673,315	102,939,861	-	-
Impairment on Other Assets	428,992	25,478,968	-	-
Modification charge on other financial assets	27,573,321	-	-	-
Impairment charge on Contingents	13,841,354	62,951,454	-	-
Impairment charge on Investment Securities	(14,175,946)	4,570,064	-	-
Impairment reversal on Placement	-	1,991,892	-	-
Recognised in cash flow statement	**164,329,699**	**197,945,659**	**-**	**-**

(xiii) Redemption of investment securities

Opening Balance of FVOCI Investment Securities	894,064,002	357,704,355	-	-
Closing Balance of FVOCI Investment Securities	(2,495,063,888)	(894,064,002)	-	-
Opening Balance of FVPL Investment Securities	3,947,850	3,904,458	-	-
Closing Balance of FVPL Investment Securities	(5,508,086)	(3,947,850)	-	-
Opening Balance of Amortised cost Investment Securities	1,571,317,478	863,421,522	-	-
Closing Balance of Amortised Cost Investment Securities	(1,647,724,053)	(1,571,317,478)	-	-
Movement during the year	**(1,678,966,697)**	**(1,244,298,995)**	**-**	**-**
Exchange Difference	700,775,900	319,623,034	-	-
Income tax relating to Net change in fair value of available for sale	(5,443,542)	3,054,132	-	-
Fair value adjustment	(12,396,842)	7,410,176	-	-
Movement in Interest Receivables on Investment Securities	16,216,662	-	-	-
Impairment charges on investment securities	(13,397,375)	(4,570,063)	-	-
purchase of investment securities	5,055,861,698	3,867,163,867	-	-
Recognised in cash flow statement	**4,062,649,804**	**2,948,382,151**	**-**	**-**

(xiv) Purchase of investment securities

Purchase of FVOCI Bills	(1,845,954,529)	(606,622,105)	-	-
Purchase of FVOCI Bonds	(615,483,500)	(57,811,115)	-	-
Purchase of Special bills	(410,849,259)	(2,325,792,985)	-	-
Purchase of promisory Notes	-	(1,909,000)	-	-
Purchase of Commercial paper	-	(54,537,969)	-	-
Purchase of subsidiary's investment securities	(2,183,574,410)	(820,490,693)	-	-
Recognised in cash flow statement	**(5,055,861,698)**	**(3,867,163,867)**	**-**	**-**

40 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-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Issued and fully paid:				
34,138,949,684 ordinary shares of 50 kobo each (31 December 2023: 29,431,179,224 ordinary shares of 50k each)	17,069,475	14,715,590	17,069,475	14,715,590

To meet the minimum capital requirement of the Central Bank of Nigeria, the Group raised additional 4.71bn ordinary shares at N44.50k during the year. Regulatory approval was obtained on December 13, 2024.

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
32,784,550,397 ordinary shares (Non-GDR) of 50k each (31 December 2023: 28,076,330,837)	16,392,275	14,038,166	16,392,275	14,038,166
1,354,399,287 ordinary shares (GDR) of 50k each (31 December 2023: 1,354,848,387)	677,200	677,424	677,200	677,424
	17,069,475	**14,715,590**	**17,069,475**	**14,715,590**

The movement on the value of issued and fully paid-up share capital (Non GDR and GDR) account during the year ended was as follows:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Balance, beginning of year	14,715,590	14,715,590	14,715,590	14,715,590
Increase in the year	2,353,885	-	2,353,885	-
Balance, end of year	**17,069,475**	**14,715,590**	**17,069,475**	**14,715,590**

Share capital

Movement in the components of share capital for the Group is as shown below:

	(thousands)	Ordinary shares	Share premium	Treasury shares
At January 2023	29,431,180	14,715,590	123,471,114	(8,125,998)
At 31 Decemeber 2023	**29,431,180**	**14,715,590**	**123,471,114**	**(8,125,998)**
Increase during the year	4,707,770	2,353,885	205,758,047	-
Purchases of treasury shares	-	-	-	(3,163,602)
At 31 December 2024	**34,138,950**	**17,069,475**	**329,229,161**	**(11,289,600)**

Further breakdown of the increase in capital during the year

In thousands of Nigerian Naira	
Capital Raised	209,495,785
Transaction cost	(1,383,853)
Net capital raised	**208,111,932**

The net capital raised is applied as follows:	
Share Capital	2,353,885
Share premium	205,758,047
Increased during the year	**208,111,932**

Share premium

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

Other regulatory reserves

The other regulatory reserve includes movements in the statutory reserves, the small and medium enterprises equity investment reserve and Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS).

(i) **Statutory Reserves**: Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. In the current year, the Company appropriated N141,058,255,000 representing 15% of its profit after tax to statutory reserves. Total statutory reserves was N628,865,926,000 at the end of the year.

(ii) **Small and medium enterprises equity investment reserve (SMEEIS)**: The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this requirement is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable. Total SMEEIS reserves was N4,232,478,000 at the end of the year.

(iii) **Treasury shares:** Treasury shares in the sum of N11,289,600,000 (31 December 2023:N8,125,998,000) represents the Company's shares held by the Staff Investment Trust as at 31 December 2024

(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 Group's total balance in Regulatory Risk Reserve is N75,110,626,000.

(vi) **Retained earnings**: Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

(vii) **Non-controlling interests**

The analysis of non-controlling interest per subsidiary is as shown below:

	Group Dec-2024 %	Group Dec-2023 %	Group Dec-2024 ₦'000	Group Dec-2023 ₦'000
GTB (Gambia) Limited	22.19	22.19	9,932,580	5,370,793
GTB (Sierra Leone) Limited	16.26	16.26	8,577,654	3,570,193
GTB (Ghana) Limited	1.68	1.68	4,254,347	2,433,527
GTB Liberia	0.57	0.57	262,223	116,746
GTB Kenya Limited	23.10	23.10	31,657,412	16,680,965
GTB Tanzania	23.80	23.80	2,075,517	1,314,097
			56,759,733	**29,486,321**

Please refer to Note 43 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-2024	
In thousands of Nigerian Naira	**SMEEIS Reserves**	**AGSMEIS Reserves**	**Total**
Opening Balance	4,232,478	55,010,215	59,242,693
Total comprehensive income for the year:			
Transfers for the year	-	21,898,131	21,898,131
Total transactions with equity holders	**-**	**21,898,131**	**21,898,131**
Balance as at 31 December 2024	**4,232,478**	**76,908,346**	**81,140,824**

In thousands of Nigerian Naira	SMEEIS Reserves	Group Dec-2023 AGSMEIS	Total
Opening Balance	4,232,478	49,178,175	53,410,653
Total comprehensive income for the year:			
Transfers for the year	-	5,832,040	5,832,040
Total transactions with equity holders	**-**	**5,832,040**	**5,832,040**
Balance as at 31 December 2023	**4,232,478**	**55,010,215**	**59,242,693**

41 **Dividends**

The following dividends were declared and paid by the Group during the year :

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Balance, beginning of year	-	-	-	-
Final dividend declared for FY-2022& FY-2023[1]	79,910,665	84,601,004	79,464,184	82,407,301
Interim dividend declared for H1-2023 & H1-2024[2]	29,431,179	14,715,590	29,431,179	14,715,590
Payment during the period-Final & Interim	(109,341,844)	(99,316,594)	(108,895,363)	(97,122,891)
Balance, end of year	**-**	**-**	**-**	**-**

[1] This relates to the Final dividend declared for 2022 and 2023 financial year in the Sum of N2.80k and N2.70K on the issued ordinary shares of 29,431,179,224 of 50k each respectively

[2]This relates to the interim dividend declared for H1-2023 and H1-2024 financial year in the Sum of N0.50k and N1.00k on the issued ordinary shares of 29,431,179,224 of 50k each.

*Subsequent to the balance sheet date of FY-2024, the Board of directors proposed a Final dividend of N7.03k per share (Dec 2023: N2.70k per share) on the issued ordinary shares of 34,138,949,684 of 50k each.

42 **Contingencies**

Claims and litigation

The Group in its ordinary course of business, is presently involved in 1051 cases as a defendant (31 December 2023: 1064) and 466 as a plaintiff (31 December 2023: 486). The total amount claimed in the 1051 cases against the Bank is estimated at ₦427.9 Billion and $83.96 Million (31 December 2023: ₦599.2 Billion and $92.07Million) while the total amount claimed in the 466 cases instituted by the Bank is ₦201.89 Billion (31 December 2023: ₦236.58 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 ₦10.9 Billion (31 December 2023: ₦9.33 Billion). This probable liability has been fully provided for by the Bank (please refer to Note37d).

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-2024**	**Group Dec-2023**	**Company Dec-2024**	**Company Dec-2023**
Contingent liabilities:				
Transaction related bonds and guarantees	592,945,965	623,937,083	-	-
	592,945,965	**623,937,083**	**-**	**-**
Commitments:				
Clean line facilities and letters of credit	26,580,227	19,416,461	-	-
Other commitments	48,951,258	16,940,851	-	-
	75,531,485	**36,357,312**	**-**	**-**

(ai) **Loan commitments**

Loan commitments are irrevocable commitments to provide credits under pre-specified terms and conditions. At the reporting date, the Gtbank Nigeria had loan commitments amounting to N732.2 billion (December 2023: N499.8 billion) in respect of various loan contracts.

43. Group entities

The Group is controlled by Guaranty Trust Holding Company Plc “the ultimate Parent” (incorporated in Nigeria). The controlling interest of Guaranty Trust Holding Company Plc in the Group entities is disclosed in the table below:

	Dec-2024	Dec-2023	Dec-2024	Dec-2023
	% ownership	% ownership	₦'000	₦'000
GTBank Nigeria Limited*	100.00	100.00	346,298,636	138,186,703
Habari Pay	100.00	100.00	3,100,000	3,100,000
GT Fund Managers	100.00	100.00	4,036,560	4,036,560
GT Pension Fund Administrator	100.00	100.00	17,633,296	17,633,296
			371,068,493	**162,956,559**

*GTBank Nigeria Limited has investment in the following subsidiaries:

		Country of incorporation	Ownership Interest	NCI	Ownership interest	NCI
			Dec-24	Dec-24	Dec-23	Dec-23
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	76.90%	23.10%	76.90%	23.10%
8	Guaranty Trust Bank Tanzania Limited	Tanzania	76.20%	23.80%	76.20%	23.80%
	Special purpose entity:					
	Staff Investment Trust	Nigeria	100.00%	0.00%	100.00%	0.00%

ii	Indirect investment in Subsidiaries					
		Country of incorporation	Ownership interest	NCI	Ownership interest	NCI
			Dec-24	Dec-24	Dec-23	Dec-23
1	Guaranty Trust Bank Rwanda Limited	Rwanda	67.20%	32.80%	67.20%	32.80%
2	Guaranty Trust Bank Uganda Limited	Uganda	70.00%	30.00%	70.00%	30.00%

The subsidiaries and sub-subsidiaries of GTBank Nigeria Limited are all involved in banking business only.

(a) GTB Gambia was incorporated in April 2001 and commenced operations in March 2002.

(b) GTB Sierra Leone was incorporated in September 2001 and commenced operations in January 2002.

(c) Guaranty Trust Bank (Ghana) was incorporated in October 2004 and commenced operations in March 2006.

(d) Guaranty Trust Bank (UK) Limited was incorporated in February 2007 and commenced operations in January 2008.

(e) Guaranty Trust Bank (Liberia) Limited was incorporated in September 2008 and commenced operations in March 2009.

(f) Guaranty Trust Bank (Cote D'Ivoire) is Guaranty Trust Bank Plc's first subsidiary in Francophone West Africa. The Bank was licensed by the Central Bank of Cote D'Ivoire to offer banking services to the Ivorian public and commenced operations on April 16, 2012.

(g) The Bank extended its regional presence in Africa in December 2013 by acquiring 70% stake in Fina Bank Limited, a commercial bank incorporated in Kenya with subsidiaries in Uganda and Rwanda. The bank has been re-branded as Guaranty Trust Bank Kenya Limited.

(h) Guaranty Trust Bank (Tanzania) was incorporated in July 14th 2016 and commenced operations in December 2017 to spread its delivery of superior financial services to its East African customers.

(i) Staff Investment Trust (SIT) is the Special Purpose Vehicle (SPV) set up to operate the Share-Based Payment compensation scheme of the Bank.

Non -controlling interest of significant subsidiaries

The following relates to the Company's accumulated non-controlling interest and profit or loss allocated to non-controlling interest for significant subsidiaries for the year ended 31 December 2024:

	Significant subsidiaries	Principal place of business	Accumulated Non-controlling Interest		Profit or loss Allocated to Non-controlling Interest	
	In thousands of Nigerian Naira		**Dec-24**	**Dec-23**	**Dec-24**	**Dec-23**
1	Guaranty Trust Bank Gambia Limited	Gambia	9,932,580	5,370,793	4,356,318	1,451,613
2	Guaranty Trust Bank Sierra Leone Ltd	Sierra Leone	8,577,654	3,570,193	2,958,837	689,197
3	Guaranty Trust Bank Ghana Limited	Ghana	4,254,347	2,433,527	1,471,430	719,295
4	Guaranty Trust Bank Liberia Limited	Liberia	262,223	116,746	110,542	52,741
5	Guaranty Trust Bank Kenya Limited	Kenya	31,657,412	16,634,784	2,951,418	2,170,622
6	Guaranty Trust Bank Tanzania Limited	Tanzania	2,075,517	1,314,097	(265,585)	(8,045)

44. Related parties

(a) **Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or another party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

(b) **Subsidiaries**

Transactions between the Company and its subsidiaries also meet the definition of related party transactions. These transactions are eliminated on consolidation; hence, they are not disclosed in the consolidated financial statements.

As at 31 December 2024, GTBank Limited had receivables from its subsidiaries, which is shown below;

	Receivables from Subsidiaries	
In Nigerian Naira	**Dec-24**	**Dec-23**
GTBank Kenya	3,124,150	358,716
GTBank Sierra Leone	8,744,297	14,306,973
GTBank Gambia	27,080,742	6,126,844
GTBank Ghana	-	8,714,709
GTBank UK	8,181,986	2,446,120
GTBank Liberia	1,789,875	194,226
GTBank Tanzania	20,739,131	83,362,250

GTBank Limited also received interest of ₦226,008,000 on its placement with GTBank UK (Dec 2023: ₦91,415,000).

(c) **Transactions with key management personnel**

The Group's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management include the close family members of key personnel and any entity over which they exercise control. The key management personnel have been identified as the Assistant General Managers, Deputy General Managers, General Managers, Executive and Non-Executive directors of the Group. Close family members are those family members who may be expected to influence, or be influenced by that individual in their dealings with Guaranty Trust Holding Company Plc and its subsidiaries.

(d) **Risk assets outstanding 31 December 2024**

During the year the Group granted various credit facilities to companies whose directors are also directors of Company (Director Related) 'or related to a Key Management Personnel (Insider Related) at rates and terms comparable to other facilities in the Bank's portfolio. An aggregate of N177,375,000 (31 December 2023:N253,375,000) was outstanding on these facilities at the end of the year.

Name of company /individual	**Relationship**	**Facility type**	**Status**	**Nature of Security**	**Group**	**Group**
In thousands of Nigerian Naira					**Dec-2024**	**Dec-2023**
Hassan Ibrahim	Director related (Bank)	Credit Card	Performing	Legal Mortgage	52,227	228,282
Rockwood Trading Company Ltd	Director related (Holdco)	Over Draft	Performing	Cash	51,158	3,657
Hassan Ibrahim	Director related (Bank)	Term Loan	Performing	Legal Mortgage	73,990	21,436
					177,375	**253,375**

(e) Director/insiders related deposit liabiilties

Name of company/Individual	Relationship	Type of Deposit	Group	Group
In thousands of Nigerian Naira			Dec-2024	Dec-2023
Hassan Ibrahim	Director related (Bank)	Demand Deposit	-	10,870
Jaykay Pharmacy Limited	Director related (Holdco)	Demand Deposit	43	42
Hydrodive Nigeria Limited	Director related (Bank)	Demand Deposit	4,825,201	1,927,906
Barau Suleiman	Director related (Holdco)	Demand Deposit	162,409	-
Martins, Agnes Olatokunbo	Director related (Bank)	Demand Deposit	701,948	-
Olusanya, Olufunsho	Director related (Bank)	Demand Deposit	2,973	-
Omidire, Kolapo	Director related (Bank)	Demand Deposit	9,980	-
Oyinlola Hezekiah Adesola	Director related (Bank)	Demand Deposit	9,031	-
Jaykay Pharmaceutical & Chem.	Director related (Holdco)	Demand Deposit	4	5
Shuaib Ibrahim Dan	Director related (Bank)	Demand Deposit	25,113	-
Akpofure Imoni Lolia & Omesiri	Director related (Bank)	Demand Deposit	-	1,420
Adefala Victoria, Osondu	Director related (Bank)	Demand Deposit	3,664	3,210
Echeozo, Catherine Nwakaego	Director related (Holdco)	Demand Deposit	330	9,540
			5,740,696	**1,952,993**

(f) Subsidiaries' deposit account balances

Name of company/Individual In thousands of Nigerian Naira	Relationship	Type of Deposit	Dec-2024	Dec-2023
GTB Sierra Leone	Subsidiaries	Domicilliary	5,681	3,357
GTB Ghana	Subsidiaries	Demand Deposit	3,462	3,462
GTB Ghana	Subsidiaries	Domicilliary	182,032	107,572
GTB Rwanda	Subsidiaries	Domicilliary	59,663	1,025,327
			250,838	**1,139,718**

(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-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Secured loans	177,375	253,375	177,375	253,375

Secured loans

Secured loans In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Total deposits	5,740,696	1,952,993	5,740,696	1,952,993

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 period.

(h) **Key management personnel compensation for the period comprises:**

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Wages and salaries	1,581,577	1,439,080	399,333	361,665
Post-employment benefits	52,169	30,800	7,923	-
Share-based payments	540,806	249,841	149,985	-
Increase /(decrease) in share appreciation rights	4,925,263	3,809,529	-	-
	7,099,815	**5,529,250**	**557,241**	**361,665**

(i) (i) **Directors' remuneration**

Directors' remuneration excluding pension contributions and certain benefits was provided as follows:

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Fees as directors[1]	2,644,802	1,033,739	23,110	23,110
Other allowances[1]	232,481	241,149	84,125	60,018
	2,877,283	1,274,888	107,235	83,128
Executive compensation[2]	1,359,346	1,146,922	598,188	577,247
	4,236,629	**2,421,810**	**705,423**	**660,375**

[1] The figues above are included as part of director's remuneration disclosed in note 19 and does not constitute additional payment to directors

[2] Executive compensation are extract of the personnel expenses disclosed in note 17 and does not constitute additonal compensation paid to executives or top management staff

(ii) The directors' remuneration shown above includes:

In thousands of Nigerian Naira	Company Dec-2024	Company Dec-2023
Chairman	22,150	17,650
Highest paid director	471,075	456,529

(iii) The emoluments of all other directors fell within the following ranges:

	Company Dec-2024	Company Dec-2023
N6,500,001 - N11,000,000	-	-
N13,000,001 - N13,500,000	-	1
N13,500,001 - N22,500,000	2	2
Above N22,500,001	4	3
	6	6

45 Contraventions

INFRACTION	AMOUNT
NIGERIA	
Penalty paid in respect of 2023/2024 CBN's FX Examination on the Bank.	N18,000,000
Penalty paid in respect of Consumer Protection Regulations.	N56,000,000
Penalty paid in respect of 2024 Compliance Related/Bank e-Mail Returns	N149,250,000
Penalty paid in respect of 2024 CBN's Mystery Shopping Exercise on the Bank.	N160,400,000
GHANA	
Breaching foreign exchange market operational guidelines	N1,261,859,000
GAMBIA	
Non-attendance to a workshop on Risk Based Supervision (RBS)	N4,723,000
RWANDA	
Non compliance noted with respect to the Bank taking fees which are not allowed by the regulator.	N579,000
Non compliance with the exchange rate applied by commercial banks	N324,000
Sanction on submittion of erroneous report to the Credit Reference Bureau regarding a bounced cheque.	N579,000
Non-compliance of the charged prohibited fees relating to Financial Service Consumer Protection.	N579,000

46 Subsequent events

there were no other events subsequent, to the financial position date which require adjustments 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 Group's provisioning benchmark for loans other than specialized loans is highlighted in the table below:

No of Days Overdrawn	Classification	% Provision taken
90 – 180	Substandard	10
180 – 360	Doubtful	50
Over 360	Lost	100

As soon as an account is classified as non-performing, the interest is accounted for on non-accrual basis i.e. interest is not recognized as income but suspended.

Furthermore, if the occurrence of a loss event is certain, appropriate provisions will be made regardless of the fact that such loans does not fall in any of the above categories.

2. Specialized Loans

The provisioning policy for specialized loans covers the following:

i. Agriculture Finance

ii. Mortgage Loan

iii. Margin Loan

iv. Project Finance

v. Object Finance

vi. SME Loan

vii. Real Estate Loan (Commercial and Residential)

The Group's provisioning benchmarks are spelt out below under each of the specialized loan types:

i. Agriculture Finance

a. Agriculture Finance - short term facilities (purchase of seeds, fertilizers, WC, and other Inputs)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 1.5 years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 1.5 to 2 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 2 years	100% of total outstanding balance

b. Agriculture Finance – long term facilities (Farm development finance, purchase of machinery, livestock financing)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 2years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 2 to 3 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 3 years	100% of total outstanding balance

ii. Mortgage Loans

Category	Classification	Days past due	Treatment of Unrealised Markup / Interest income	% provision
1	Watchlist	Markup / Interest or principal Days past due by more than 90 days	Suspend	0% of total outstanding balance
2	Substandard	Markup / interest or principal past due by more than 180days	Suspend	10% of total outstanding balance
3	Doubtful	Markup / interest or principal past due by more than 1year	Suspend	Un-provided balance should not exceed 50% of NRV of security.
4	Lost	Markup / interest or principal past due by more than 2 years	Suspend	100% of total outstanding balance

iii. Margin Loans

The shares backing margin facilities shall be marked to market on a daily basis in order to determine the potential loss in the portfolio. Provisions shall be made periodically for the excess of loan balance over the market value of the underlining shares. Any increase in the mark to market value from the previous valuation shall be recognized to the extent of the previous charge-off made.

iv. Project Finance

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180days to 2years past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 2 to 3 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment overdue by 3 to 4 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 4 years	As above	100% of total outstanding balance

v. Object Finance

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180 to 1year past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 1 to 2 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment over due by 2 to 3 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 3 years	As above	100% of total outstanding balance

vi. SME Loan

a. SME Loan - SME short term facilities (Maturities of 1 year)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 1.5 years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 1.5 to 2 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 2 years	100% of total outstanding balance

b. SME Loan - SME Long term facilities (Maturities of more than 1 year)

Category	Classification	Days past due	% provision
1	Watchlist	Markup / interest or principal past due by up to 90days	0% of total outstanding balance
1A	Substandard	Markup / interest or principal past due by 90days to 1year	25% of total outstanding balance
2	Doubtful	Markup / interest or principal past due by 1 to 2years	50% of total outstanding balance
3	Very Doubtful	Markup / interest or principal past due by 2 to 3 years	75% of total outstanding balance
4	Lost	Markup / interest or principal past due by more than 3 years	100% of total outstanding balance

vii. Real Estate Loan (Commercial and Residential)

Category	Classification	Days past due	Treatment of Income	% provision
1	Watchlist	Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due	Suspend interest and realize on cash basis	0% of total outstanding balance
1A	Substandard	Repayment below 60% of amount due or installment btw 180 to 1year past due	As above	25% of total outstanding balance
2	Doubtful	Repayment below 60% of amount or installment overdue by 1 to 2 years	As above	50% of total outstanding balance
3	Very Doubtful	Repayment below 60% of amount due or installment over due by 2 to 3 years	As above	75% of total outstanding balance
4	Lost	Repayment below 60% of amount due or installment overdue by more than 3 years	As above	100% of total outstanding balance

(e) Statement of Prudential Adjustment

The GTBank Limited's provision level adequately meets the recommended provision by the Regulators. The reassessed CBN recommended provision as at Dec 31, 2024 amounted to N146,682,935,000. Of the amount recommended by the Central Bank of Nigeria, N41,042,797,000 largely relates to 2% General Loan Loss Provision on performing loans, while N2,028,242,000 relates to Other Known Losses. The Bank maintained a Regulatory Risk Reserve of N74,784,235,000 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 Dec 2024 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		103,611,896	41,042,797	144,654,693
	Provision for Other Known Losses – CBN recommended				
	- Other known losses		2,028,242	-	2,028,242
	Total recommended provision per CBN (A)		**105,640,138**	**41,042,797**	**146,682,935**
	Impairment allowance per IFRS 9:				
	(Stages 1,2,3)	(Note 27 & 28)	(89,034,143)	-	(89,034,143)
	Impairment on EuroBond and US treasury notes	(Note 25)	(8,748,416)	-	(8,748,416)
	Impairment on other financial assets	(Note 33)	(1,316,050)	-	(1,316,050)
	Impairment on Placements	(Note 22)	(3,903,968)	-	(3,903,968)
	Litigation claims provision	(Note 37)	(9,205,380)	-	(9,205,380)
	Total IFRS Provision (B)		**(112,207,957)**	-	**(112,207,957)**
	Required Amount in Risk Reserve (A-B)				34,474,978
	Amount in Regulatory Risk Reserve[1]				**74,784,235**
	(Excess)/Deficit over required regulatory provisions.				**(40,309,257)**

[1]Regulatory Risk Reserve refers to the difference between the Provision assessment under CBN Prudential Guideline and impairment assessment under IFRS

b Movement in Regulatory Reserves

	Specific	General	Others	Total
Balance as at 1 January	-	71,186,544	3,597,691	74,784,235
Movement during the year	54,107,777	(52,538,328)	(1,569,449)	-
Balance, end of the year	**54,10,7777**	**18,648,216**	**2,028,242**	**74,784,235**

Operational Risk Management

Guaranty Trust Holding Company defines Operational Risk (OpRisk) as “the direct or indirect risk of loss resulting from inadequate and/or failed internal processes, people, and systems or from external events”. These risks originate from the actions of the Company’s staff, its processes and systems, activities of interested parties and events that have direct or indirect impact on the Company.

In GTCO, Operational Risk Management involves the review and monitoring of all strategies and initiatives deployed in its people management, process engineering and re-engineering, technology investment and deployment, management of all regulatory responsibilities, engagement of third-party services, and response to major disruptions and external threats.

The Company manages Operational risk by continually using up to date qualitative and quantitative techniques while adopting various risk mitigating strategies in the day-to-day management of operational risk touch points. The following practices, tools, methodologies, and techniques have been deployed to further integrate the Operational Risk Management culture in the Company.

Risk and Control Self-Assessment (RCSA)

RCSA exercise assesses and examines operational risks at inherent and residual levels and the effectiveness of controls used to mitigate them. It is a qualitative risk identification tool deployed company-wide. A risk-based approach is in use for RCSAs to be conducted by branches, departments, groups, and divisions of the Company. All branches and Head-Office teams are required to complete the Risk Self-Assessment process at least once a year. These assessments enable risk profiling and risk mapping which provides a consolidated view of all identified operational risks emanating from the business and functional units of the Company and the effectiveness of controls adopted to mitigate the risks.

All branches and head office teams in the Company are assigned individual risk ratings upon completion of the exercise. A detailed risk register cataloguing key risks identified and controls for implementation is also developed and maintained from this process.

Risk Assessments are also carried out for the Company’s key processes, new and existing products, services, branches, and vendors/contractors.

Key Risk Indicators (KRI)

These quantitative parameters are deployed for the purpose of monitoring operational risk trends across the Company. A comprehensive KRI Dashboard set with thresholds is in place, supported by specific KRIs for key departments in the Company. Medium to High-risk trends are reported in the Monthly and Quarterly Operational Risk Status reports circulated to Board, Management, and key stakeholders.

Loss Incident Reporting

Loss incidents are reported to the Operational Risk Management Company by all business areas in the Company to enable collection of internal OpRisk losses and near misses. Additionally, all operational issues which could negatively impact on the organisation's process, people, systems, and other incidents are required to be reported by stakeholders (whether these risks crystallize into actual losses or not) making use of the available channels of communication. Owing to this, the Company maintains a robust OpRisk loss database detailing the various categories of losses and relevant OpRisk loss data within a 13-year period. Information collated is analyzed for identification of risk concentrations, appropriate OpRisk risk profiling and capital estimation.

Business Continuity Management (BCM) in line with ISO 22301:2019 Standards – In guaranteeing the resilience of the Company's business to any disruptive incidence, the Company has a robust Business Continuity Management System (BCMS). The system assures timely resumption of critical business activities with minimal financial losses or reputational damage and continuity of excellent service to the Company's customers, vendors, and regulators. GTCO has remained certified to international standard ISO 22301 compliant by the globally recognized Professional Evaluation and Certification Board (PECB) for over 10 years and has continued to improve its BCM maturity, thereby signifying that the Company has instituted internationally accepted processes, structures and systems that demonstrate its capacity to resume business within a short timeframe in the event of any business disruption.

Part of the BCMS is a Business Continuity Plan (BCP), which is reviewed and updated periodically to ensure reliability and relevance of information contained.

Various BCP testing and training programs are conducted Company-wide at predetermined and ad-hoc timelines to ensure that recovery coordinators are aware of their roles and responsibilities and ultimately guarantee that the Company remains a going concern.

Occupational Health and Safety Procedure Initiatives – In line with ISO 45001 and global best practices, the Company commits to ensuring the health, safety and welfare of all staff, customers and 3rd parties visiting the Company's premises. Branch Risk Assessments and Fire Risk Assessments are conducted to identify health and safety hazards and 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 have also been introduced to ensure staff are apprised of their roles and responsibilities during emergency evacuations.

Health and Safety related incidents reported to Operational Risk Management are thoroughly investigated for identification of causal factors and implementation of appropriate mitigants to prevent reoccurrence. In addition, awareness on health and safety issues are presented periodically on the intranet and other forums.

Safety audits are conducted on the Company by the Federal and various State Safety Commissions on the Company's occupational Health and safety management system and standards. The Company has always been certified a safety compliant organization according to the standards.

Operational Risk Champions & BCM Champions – Members of staff from various teams are selected and undergo intensive Operational Risk Management trainings. They become Operational Risk ambassadors and further enshrine the OpRisk standards, culture and practices in their various departments/ groups. The same is done in selecting Business continuity Champions (BCM).

Fraud Risk Management Initiatives – Root cause analysis of key fraud and forgery incidents (over the counter or cybercrimes) identified in the Company or predominant in local and global business environments are carried out and reported in the Operational Risk Status reports circulated to the Board, Management, and key stakeholders. Likely and unlikely loss estimations are also determined in the process as input in the OpRisk capital calculation process. The objective of Fraud Risk Management is to ensure that the processes for preventing, deterring, and detecting fraud and forgery incidents, and sanctioning offenders are efficient.

Reputational and Strategic Risk Monitoring– To ensure a holistic framework is implemented; Operational Risk Management also monitors Strategic and Reputational Risks from a broad perspective.

The Company regards Reputational Risk as the current and prospective adverse impact on earnings and capital arising from negative public opinion. It measures the change in perception of the Company by its stakeholders. It is linked with customers' expectations regarding the Company's ability to conduct business securely and responsibly. A detailed template with internal and external factors that might impact the Company adversely is used to monitor the Company's exposure to reputational risk. All adverse trends identified are reported to relevant stakeholders for timely redress.

GTCO considers strategic risk as the risks that not only affect but are created by the Company's strategic decision. It is the possibility that the Company's strategy may be inappropriate to support its long-term corporate goals due to the inadequacy of its strategic planning and/or decision-making process, inadequate implementation of such strategies and strategy failure due to unexpected circumstances.

The Company aligns strategy and risk by identifying, assessing, and managing risks and uncertainties, affected by internal and external events or factors, which could inhibit the Company's ability to achieve its strategic objectives. This is done with the goal of creating and protecting stakeholder value.

There is a specialized template deployed for tracking key business activities designed or defined by the Company to measure and monitor performance in the achievement of its strategic intent in the short, medium and long term.

Legal Risk Monitoring – Operational Risk Management monitors and identifies potential consequences of failure in our internal process and people that may lead to risk associated with legal or regulatory breaches. Trends are reported in the Monthly and Quarterly Operational Risk Status reports which is circulated to Board, Management, and key stakeholders.

Operational Risk Management Philosophy and Principles

Approach to Managing OpRisk – GTCO continually adopts operational risk procedures and practices that are "fit for purpose" this increases the efficiency and effectiveness of the Group's resources, minimize losses and utilize opportunities.

This outlook entrenches OpRisk practices in the Company's day-to-day business activities.

The Company adopts an Operational Risk Management framework that fits into its culture but also reflects sound practices recommended by various local and globally accepted regulatory agencies such as Basel II & III Accord's "Sound Practices for the Management and Supervision of Operational Risk", Committee of Sponsoring Organizations (COSO) and International Organization for Standardization (ISO).

Operational Risk Capital Calculation – In line with the directive of the CBN, the Company maintains the Basic Indicator Approach (BIA) under Basel II Pillar 1 for the calculation of its Operational Risk Economic Capital for internal risk monitoring and decision-making. However, the Company has the required OpRisk loss data to migrate to other capital calculation methods i.e., the Standardized Approach. The application of the BIA is in line with the Central Company of Nigeria's (CBN) recommendation for all Companys 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) continues to oversee the operational risk function in the Company and reviews OpRisk reports on a quarterly basis. It ensures that the OpRisk policy is robust and provides an updated framework for the Company's OpRisk profile and limits. It also determines the adequacy and completeness of the Company's risk detection, measurement systems and mitigants whilst ensuring review and approval of the Company's contingency plans for Specific risks. The Board lays down the principles on how operational risk incidents are to be identified, assessed, controlled, monitored, and measured.

The Management Risk Committee monitors and ensures the implementation of the guiding OpRisk framework across the Group. It considers and approves key decisions relating to Operational Risk before presentation to the Board. The Committee ensures that all departments in the Company are fully aware of the risks embedded in respective process flows and business activities.

All process owners are responsible for the day-to-day management of OpRisk prevalent in their respective Departments, Groups, Divisions and Regions.

The Internal Audit function conducts independent reviews on the implementation of OpRisk Policies and Procedures across the Group.

TREATMENT OF OPERATIONAL RISKS

GTCO maintains several risk treatment strategies to mitigate identified operational risks. These mitigants are applied to achieve a residual risk level aligned with the Company's risk tolerances. In line with best practices, the cost of risk treatments introduced must not exceed the reward. OpRisk treatment options adopted by the Company include Risk Acceptance / Reduction, Risk Transfer, Risk Sharing and Risk Avoidance.

Operational Risk Reporting – Weekly, Monthly and Quarterly reports are circulated to relevant stakeholders highlighting key operational risks identified for awareness and timely implementation of mitigation strategies. Reports are also generated and circulated on a need-basis.

5. Activities of Cards Operations

Within Nigeria and all other countries where we have a foothold, the Group continues to abide by strict standards and requirements for the issuance and usage of payment cards. We carry out continuous upgrades of our card systems to ensure optimal security, efficiency, cost effectiveness and best in class customer satisfaction. To reduce financial loss to both customers and the Group, we have implemented stringent fraud control measures to achieve this.

With relentless focus on delivering exceptional service to our customers, we diversified our card portfolio and offered a range of new products and services spanning various retail customer segments – from mass market to premium. Additionally, we increased operational efficiency via process automations and self-service enabled channels which created an improved customer experience.

We continually encourage the usage of our cards both locally and internationally by providing an enabling environment for smooth operations in terms of provision of modern technology, one of which is the contactless payment technology.

Presented below are the highlights of our card transaction volumes for the period ended 31 December 2024. With less stringent restriction on travel, there has been a gradual increase in international spend on our foreign currency cards, when comparing the same period last year. However, due to the volatile fluctuation in the exchange rate, we were compelled to disable our Naira denominated card products from carrying out transactions outside Nigeria.

5.1. Table below shows a summary of Card transactions

Category	No. of Transactions		Value of International Transaction		Value of Local Transactions	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
	‘000	‘000	₦'mm	₦'mm	₦'mm	₦'mm
Naira denominated debit cards	786,423	828,122	-	-	12,413,646	9,094,066
Foreign currency credit cards	479	458	91,698	85,632	-	-
Foreign currency debit cards	3,435	3,585	432,639	462,628	-	-

Breakdown of transactions done using Cards (Number of transactions)

	International Transactions				Local Transactions			
	ATM		POS/Web		ATM		POS/Web	
In thousands	**Dec-24**	**Dec-23**	**Dec-24**	**Dec-23**	**Dec-24**	**Dec-23**	**Dec-24**	**Dec-23**
Naira MasterCard debit	0	0	0	0	34,550	52,623	751,873	775,498
Foreign Currency Denominated Cards:								
MasterCard debit	110	86	2,599	2,547	-	-	-	-
MasterCard credit	7	7	246	211	-	-	-	-
Visa classic debit	27	35	705	790	-	-	-	-
Visa classic credit	4	5	161	183	-	-	-	-
World credit	0.5	0.4	13	13	-	-	-	-
Total	**148.5**	**133.4**	**3,724**	**3,744**	**34,550**	**52,623**	**751,873**	**775,498**

Breakdown of transactions done using Cards (Value of Transactions)

	International Transactions				Local Transactions			
In millions of Naira	ATM		POS/Web		ATM		POS/Web	
	Dec-24	**Dec-23**	**Dec-24**	**Dec-23**	**Dec-24**	**Dec-23**	**Dec-24**	**Dec-23**
Naira MasterCard debit	0	0	0	0	452,449	415,229	11,961,197	8,678,837
MasterCard debit	34,198	60,729	302,585	304,266	-	-	-	-
MasterCard credit	2,947	3,387	37,793	33,357	-	-	-	-
Visa classic debit	9,342	10,948	89,155	107,348	-	-	-	-
Visa classic credit	1,534	1,912	30,185	35,088	-	-	- -	
World credit	404	496	8,432	6,106	-	-	- -	
Total	**48,425**	**77,472**	**468,150**	**486,165**	**452,449**	**415,229**	**11,961,197**	**8,678,837**

5.2 Type of customers' complaints and remedial measures taken

COMPLAINTS	CATEGORY OF COMPLAINT	REASONS	REMEDIAL MEASURES
Declined Transactions	Declined Transactions on International ATMs & POS/WEB	Dynamic currency conversion transactions (Naira billing) Reduced monthly international limits on the Naira Cards Insufficient funds Restriction on international ATM withdrawals	Awareness
Complaints on delayed debits & double debits for Domestic POS & Web Transactions	Delayed Debits & Double Debits	System glitch/ Technical error from Third party processors	Continuous engagement with Third party processors to ensure adequate and effective maintenance of their systems to prevent such incidences. Escalation to the relevant department of the regulators (CBN) to assist to check the activities of processors/switches responsible for persistent incidents.
Dispense Error	ATM and POS /WEB transactions (Value not received for transactions)	This occurs when an ATM attempts to dispense cash after an account has been debited but fails due to network failure. This also occurs when a customer's account has been debited for a certain amount for goods/services 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.

Income statements

For 3 months ended 31 December 2024

In thousands of Nigerian Naira	Group Dec-2024	Group Dec-2023	Company Dec-2024	Company Dec-2023
Interest income	361,462,799	176,198,332	-	-
Interest expense	(84,352,982)	(37,040,598)	-	-
Net interest income	**277,109,817**	**139,157,734**	**-**	**-**
Loan impairment charges	(73,105,377)	(13,488,413)	-	-
Net interest income after loan impairment charges	**204,004,440**	**125,669,321**	**-**	**-**
Fee and commission income	40,998,729	32,843,664	958,986	1,133,347
Fee and commission expense	(9,842,104)	(5,894,867)	-	-
Net fee and commission income	**31,156,625**	**26,948,797**	**958,986**	**1,133,347**
Net gains on financial instruments classified as held for trading	25,964,869	33,014,561	-	-
Other income	(78,327,952)	94,075,783	279,669,681	255,729
Net impairment loss on financial assets	(27,341,401)	(35,882,823)	-	-
Personnel expenses	(13,871,788)	(7,521,182)	(457,732)	(400,648)
Depreciation and amortization	(13,525,739)	(9,391,047)	(50,584)	(23,913)
Other operating expenses	(81,278,827)	(50,808,379)	(102,742)	(51,339)
Profit before income tax	**46,780,227**	**176,105,031**	**280,017,609**	**913,176**
Income tax expense	(113,980,178)	(3,867,395)	(250,926)	(681,758)
Profit for the period	**(67,199,951)**	**172,237,636**	**279,766,683**	**231,418**
Profit attributable to:				
Equity holders of the parent entity	(69,551,232)	170,695,737	279,766,683	231,418
Non-controlling interests	2,351,281	1,541,899	-	-
	(67,199,951)	**172,237,636**	**279,766,683**	**231,418**
Earnings per share for the profit from continuing operations attributable to the equity holders of the parent entity during the period (expressed in naira per share):				
– Basic	(2.37)	6.15	8.19	0.01
– Diluted	(2.37)	6.15	8.19	0.01

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

Statements of other comprehensive income

For 3 months ended 31 December 2024

In thousands of Nigerian Naira	**Group Dec-2024**	**Group Dec-2023**	**Company Dec-2024**	**Company Dec-2023**
Profit for the period	(67,199,951)	172,237,636	279,766,683	231,418
Other comprehensive income:				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Net change in fair value of equity investments FVOCI	451,301	-	-	-
	451,301	-	-	-
Remeasurements of post-employment benefit obligations	7,806,739	5,622,571	-	-
Income tax relating to remeasurements of post-employment benefit obligations	(2,342,022)	(1,686,771)	-	-
	5,464,717	3,935,800	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation differences for foreign operations	(34,014,068)	49,357,574	-	-
Income tax relating to foreign currency translation differences for foreign operations	10,204,221	(14,807,272)	-	-
Net change in fair value of financial assets FVOCI	(17,196,945)	(7,632,281)	-	-
Income tax relating to Net change in fair value of financial assets FVOCI	5,159,083	1,113,984	-	-
	(35,847,709)	28,032,005	-	-
Other comprehensive income for the period, net of tax	(29,931,691)	31,967,805	-	-
Total comprehensive income for the period	**(97,131,642)**	**204,205,441**	**279,766,683**	**231,418**
Profit attributable to:				
Equity holders of the parent entity	(97,448,829)	200,061,725	279,766,683	231,418
Non-controlling interests	317,187	4,143,716	-	-
Total comprehensive income for the period	**(97,131,642)**	**204,205,441**	**279,766,683**	**231,418**

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

37. Involvement with Unconsolidated Structured Entities

The table below describes the various investment funds which the Group does not consolidate but in which it holds interest. The funds are not consolidated because they are held in other entities which are considered as legally separate from the Group.

Type of Investment funds	Nature and purpose	Revenues
Mutual Funds	- To generate fees arising from managing assets on behalf of third party investors. - These vehicles are financed through the issue of units to investors.	Investments in units issued by the funds from which the Group earns Management Fees
- Retirement Savings Accounts (RSAs); - Approved Existing Schemes; - Closed Pension Fund Administrators	- To generate fees arising from managing pension contributions and investing same in safe and high yield investment opportunities on behalf of Pension Contributors. - To seamlessly handle benefit payment to Retirees	Administrative and Management Fees earned by the Group on the Net asset Value of the Funds under Management

The table below sets out an anlysis of the Investment funds managed by the Group, their Assets Under Management, and the carrying amounts of interest held by the Group in the investment funds. The maximum exposure to loss is the carrying amount of the interest held by the Group.

Assets under Management (AuM)- Guaranty Trust Fund Managers Limited

In thousands of Nigerian Naira	Asset under Management			Interest Held by the Group	
Investment funds	**Dec-24**	**Dec-23**		**Dec-24**	**Dec-23**
Guaranty Trust Money Market Fund	47,886,680	20,355,812		195,108	122,794
Guaranty Trust Investment Fund 724	161,273	-		150,000	
Guaranty Trust Guaranteed Income Fund	11,846,892	11,164,911		128,324	168,704
Guaranty Trust Balanced Fund	3,106,074	2,776,814		-	-
Guaranty Trust Dollar Fund	77,300,768	25,473,343		134,609	119,373
Guaranty Trust Equity Income Fund	618,453	585,902		53,524	40,914
Kedari Investment Fund	-	0		-	-
TOTAL	**140,920,141**	**60,356,784**		**661,565**	**451,785**

Funds under Management (FuM)- Guaranty Trust Pension Managers Limited

In thousands of Nigerian Naira	Funds under Management	
	Dec-24	**Dec-24**
Retirement Savings Account Fund Classes:		
Fund I	711,088	197,167
Fund II	49,576,021	37,996,225
Fund III	11,102,196	5,943,874
Fund IV	2,026,224	1,724,829
Fund V	13,875	5,086
Fund VI	251,653	49,034
TCF[1] And Reconiliation	492,293	616,351
Privately Managed Funds:		
Approved Existing Schemes	39,116,540	33,882,334
TOTAL	**103,289,891**	**80,414,899**

1 **Transitional Contribution Fund- A Nominal Retirement Savings Account for any employee that has failed to open RSA within a period of six months, to enable the remmitance of pension contributions by Employer.**

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 Holding Company Plc** maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

Value Added Statements

For the Year ended 31 December 2024

Group

	Dec-2024				Dec-2023			
In thousands of Nigerian Naira	Continuing operations	Discontinued operations	Total	%	Continuing operations	Discontinued operations	Total	%
Gross earnings	2,148,337,258	-	2,148,337,258		1,186,465,425	-	1,186,465,425	
Interest expense:								
-Local	(165,174,827)	-	(165,174,827)		(79,804,129)	-	(79,804,129)	
- Foreign	(118,040,663)	-	(118,040,663)		(34,254,414)	-	(34,254,414)	
	1,865,121,768	-	1,865,121,768		1,072,406,882	-	1,072,406,882	
Loan impairment charges / Net impairment loss on financial assets	(164,329,699)	-	(164,329,699)		(197,945,659)	-	(197,945,659)	
	1,700,792,069	-	1,700,792,069		874,461,223	-	874,461,223	
Bought in materials and services								
- Local	(284,510,102)	-	(284,510,102)		(176,190,084)	-	(176,190,084)	
- Foreign	(6,605,180)	-	(6,605,180)		(4,769,973)	-	(4,769,973)	
Value added	**1,409,676,787**	**-**	**1,409,676,787**	**100**	**693,501,166**	**-**	**693,501,166**	**100**
Distribution								
Employees								
- Wages, salaries, pensions, gratuity and other employee benefits	85,397,889	-	85,397,889	6	45,097,281	-	45,097,281	7
Government								
- Taxation	248,443,224	-	248,443,224	18	69,653,768	-	69,653,768	10
Retained in the Group								
- For replacement of Property and equipment / intangible assets (depreciation and amortisation)	58,032,825	-	58,032,825	4	39,095,443	-	39,095,443	6
-Profit for the year (including non - controlling interest, statutory and regulatory risk reserves)	1,017,802,849	-	1,017,802,849	73	539,654,674	-	539,654,674	77
	1,409,676,787	**-**	**1,409,676,787**	**100**	**693,501,166**	**-**	**693,501,166**	**100**

Value Added Statements

For the Year ended 31 December 2024

Company

In thousands of Nigerian Naira	Dec-2024 Continuing operations	Dec-2024 Discontinued operations	Dec-2024 Total	%	Dec-2023 Continuing operations	Dec-2023 Discontinued operations	Dec-2023 Total	%
Gross earnings	367,664,083	-	367,664,083		109,735,273	-	109,735,273	
Interest expense:								
-Local	-	-	-		-	-	-	
- Foreign	-	-	-		-	-	-	
	367,664,083	-	367,664,083		109,735,273	-	109,735,273	
Loan impairment charges / Net impairment loss on financial assets	-	-	-		-	-	-	
	367,664,083	-	367,664,083		109,735,273	-	109,735,273	
Bought in materials and services								
- Local	(322,342)	-	(322,342)		(354,432)	-	(354,432)	
- Foreign	-	-	-		-	-	-	
Value added	**367,341,741**	**-**	**367,341,741**	**100**	**109,380,841**	**-**	**109,380,841**	**100**
Distribution								
Employees								
- Wages, salaries, pensions, gratuity and other employee benefits	1,474,269	-	1,474,269	-	1,301,639	-	1,301,639	1
Government								
- Taxation	1,042,894	-	1,042,894	-	1,581,672	-	1,581,672	1
Retained in the Bank								
- For replacement of Property and equipment / intangible assets (depreciation and amortisation)	119,727	-	119,727	-	95,654	-	95,654	-
- Profit for the year (including statutory and regulatory risk reserves)	364,704,851	-	364,704,851	99	106,401,876	-	106,401,876	98
	367,341,741	**-**	**367,341,741**	**99**	**109,380,841**	**-**	**109,380,841**	**100**

Five Year Financial Summary
Statements of financial Position

Group

In thousands of Nigerian Naira	Dec-2024	Dec-2023	Dec-2022	Dec-2021	Dec-2020
Assets					
Cash and bank balances	4,673,048,120	2,309,618,698	1,621,101,169	933,591,069	745,557,370
Financial assets at fair value through profit or loss	59,602,997	28,066,613	128,782,374	-	-
Financial assets held for trading	-	-	-	104,397,651	67,535,363
Derivative financial assets	-	28,961,143	33,913,351	24,913,435	26,448,550
Investment securities:					
– Fair Value through profit or loss	5,508,086	3,947,850	3,904,458	3,904,458	3,273,771
– Fair Value through other comprehensive Income	2,495,063,888	894,064,002	357,704,355	276,041,190	693,371,711
– Held at amortised cost	1,647,724,053	1,571,317,478	863,421,525	846,923,215	283,582,832
Assets pledged as collateral	114,570,075	86,552,701	80,909,062	79,273,911	62,200,326
Loans and advances to banks	87,794	66,935	54,765	115,014	99,043
Loans and advances to customers	2,785,664,040	2,480,183,368	1,885,798,639	1,802,587,381	1,662,731,699
Restricted deposits and other assets	2,574,084,654	2,012,815,346	1,232,611,251	1,137,554,208	1,226,481,116
Property and equipment	330,232,049	224,298,652	197,860,484	203,971,924	148,782,835
Intangible assets	81,244,113	33,076,038	29,411,898	19,573,604	19,872,523
Deferred tax assets	28,876,962	18,285,854	10,983,098	3,187,937	4,716,154
Total assets	**14,795,706,831**	**9,691,254,678**	**6,446,456,429**	**5,436,034,997**	**4,944,653,293**
Liabilities					
Deposits from banks	388,420,244	136,053,409	125,229,187	118,027,576	101,509,550
Deposits from customers	10,013,021,406	7,410,834,190	4,485,113,979	4,012,305,554	3,509,319,237
Financial liabilities at fair value through profit or loss	51,174,468	809,342	1,830,228	-	-
Derivative financial liabilities	10,759,624	-	4,367,494	1,580,971	2,758,698
Other liabilities	1,020,285,051	493,325,925	724,902,202	231,519,271	356,222,575
Current income tax liabilities	186,665,408	41,303,351	35,307,860	22,676,168	21,592,016
Other borrowed funds	310,021,046	72,119,485	126,528,105	153,897,499	113,894,768
Deferred tax liabilities	103,341,970	59,680,905	12,028,172	12,800,866	24,960,772
Total liabilities	**12,083,689,217**	**8,214,126,607**	**5,515,307,227**	**4,552,807,905**	**4,130,257,616**
Capital and reserves attributable to equity holders of the parent entity					
Share capital	17,069,475	14,715,590	14,715,590	14,715,590	14,715,590
Share premium	329,229,161	123,471,114	123,471,114	123,471,114	123,471,114
Treasury shares	(11,289,600)	(8,125,998)	(8,125,998)	(8,125,998)	(6,928,103)
Retained earnings	1,319,841,616	580,033,938	214,858,054	198,358,025	193,921,810
Other components of equity	1,000,407,229	737,547,106	567,085,367	535,938,145	473,434,457
Capital and reserves attributable to equity holders of the parent entity	**2,655,257,881**	**1,447,641,750**	**912,004,127**	**864,356,876**	**798,614,868**
Non-controlling interests in equity	56,759,733	29,486,321	19,145,075	18,870,216	15,780,809
Total equity	**2,712,017,614**	**1,477,128,071**	**931,149,202**	**883,227,092**	**814,395,677**
Total equity and liabilities	**14,795,706,831**	**9,691,254,678**	**6,446,456,429**	**5,436,034,997**	**4,944,653,293**

Five Year Financial Summary Cont'd
Statements of comprehensive income

Group

In thousands of Nigerian Naira	Dec-2024	Dec-2023	Dec-2022	Dec-2021	Dec-2020
Interest income	1,341,801,663	550,755,128	325,399,662	266,893,743	300,737,588
Interest expense	(283,215,490)	(114,058,543)	(66,096,535)	(46,281,121)	(47,069,441)
Net interest income	**1,058,586,173**	**436,696,585**	**259,303,127**	**220,612,622**	**253,668,147**
Loan impairment charges	(136,661,978)	(102,953,282)	(11,986,545)	(8,531,155)	(19,572,893)
Net interest income after loan impairment charges	**921,924,195**	**333,743,303**	**247,316,582**	**212,081,467**	**234,095,254**
Fee and commission income	221,231,208	124,162,260	90,612,848	74,123,774	53,179,802
Fee and commission expense	(31,519,796)	(14,733,765)	(13,155,560)	(8,472,981)	(6,244,554)
Net fee and commission income	**189,711,412**	**109,428,495**	**77,457,288**	**65,650,793**	**46,935,248**
Net gains on financial instruments classified as held for trading	86,237,811	62,201,192	40,282,341	22,390,669	24,486,177
Other income	499,066,576	449,346,845	82,940,046	84,402,399	76,826,192
Total other income	**585,304,387**	**511,548,037**	**123,222,387**	**106,793,068**	**101,312,369**
Total Operating income	1,696,939,994	954,719,835	447,996,257	384,525,328	382,342,871
Net impairment reversal / (charge) on other financial assets	(27,667,721)	(94,992,377)	(35,944,565)	(760,795)	3,190,517
Net operating income after net impairment loss on financial assets	**1,669,272,273**	**859,727,458**	**412,051,692**	**383,764,533**	**385,533,388**
Personnel expenses	(85,397,889)	(45,097,281)	(36,076,627)	(33,430,007)	(37,606,138)
Right-of-use asset depreciation	-	-	-	-	(2,108,645)
Depreciation and amortisation	(58,032,825)	(39,095,443)	(35,467,168)	(35,300,097)	(29,046,513)
Other operating expenses	(259,595,486)	(166,226,292)	(126,353,803)	(93,536,753)	(78,677,022)
Total expenses	**(403,026,200)**	**(250,419,016)**	**(197,897,598)**	**(162,266,857)**	**(147,438,318)**
Profit before income tax	**1,266,246,073**	**609,308,442**	**214,154,094**	**221,497,676**	**238,095,070**
Income tax expense	(248,443,224)	(69,653,768)	(44,980,657)	(46,658,189)	(36,655,130)
Profit for the year	**1,017,802,849**	**539,654,674**	**169,173,437**	**174,839,487**	**201,439,940**

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	35.44	19.07	5.95	6.14	7.11
– Diluted	35.44	19.07	5.95	6.14	7.11

CORPORATE SOCIAL RESPONSIBILITY REPORT

At GTCO, we believe that our success is deeply intertwined with the well-being of people we serve and the prosperity of the communities where we operate. Our Corporate Social Responsibility (CSR) initiatives are not just a facet of our business operations but a reflection of our core values and the promise we make to our customers, employees, shareholders, and the broader society. Each year, we are inspired by the positive changes we see around us and remain committed to expanding our impact, driving inclusive growth, and fostering a culture of responsibility and care.

In this report, we are proud to highlight the significant strides we have made in various CSR domains encompassing education, sports, community development, health, and financial inclusion. Each initiative is a testament to our dedication to fostering a positive impact and creating shared value.

Empowering Young Minds

Take on Squad Hackathon 1.0 for Young Innovators

In line with its mission of empowering businesses and young innovators across Africa, HabariPay's Squad launched its first-ever coding sprint, Take on Squad Hackathon 1.0. The two-day social coding event was held at the state-of-the-art GTCO Training Complex, Tayo's Plaza, Abeokuta, Ogun State.

A total of nine Teams representing different institutions of higher learning across Nigeria participated in the inaugural Take on Squad Hackathon. After a series of intense brainstorming and programming, three teams – Team Within, Team X, and Team Storepoint – emerged winners in the Hackathon. Team Storepoint, represented by Haruna Faruk and Ladipo Samuel from the University of Lagos, secured third position. Their winning solution facilitates quick access to an online marketplace for local shops and small businesses within 5 minutes, using Squad’s API to streamline the payment process. Team X, consisting of Muktar Jimoh Yusuf, Rasheed Taiwo Mudasiru, and Mukhtar Abdulfatai, from the Federal University of Technology, Minna, was runner up. Their solution leverages advanced AI and machine learning algorithms to revolutionise bundled payments. The coveted first place went to Team Within, comprising Inuoluwadunsimi Daniel Ola-oladeinde, Atayero Ayomide Samuel, and Hamzat Victor Oluwabori, students of Obafemi Awolowo University, for their innovative solution focused on streamlining school departmental payments and contributions. The top three teams were awarded ₦2.5 million, ₦1.5 million, and ₦1 million in prize money, respectively.

Take on Squad Hackathon is designed to impact young Nigerians positively by providing a platform to equip aspiring entrepreneurs and innovators with transformative technological capabilities, enabling them to collaboratively develop practical, innovative tech solutions and refine their coding skills. The winning teams will have the unique opportunity to join the Squad Hackademy where they will receive mentorship and access internship and job opportunities facilitated by Squad.

World Youth Day: YouRead Initiative

Literacy and passion for knowledge are fundamental to personal and societal growth. Through various programs and activities, we have created an engaging and supportive environment that encourages young minds to explore the joys of reading. Central to the YouRead Initiative is our commitment to celebrating and promoting the works of indigenous writers. Nigeria boasts a rich literary heritage, and it is our mission to ensure that the voices of our local authors are heard and appreciated.

For World Book Day 2024, we hosted a book reading featuring Jude Idada, the award-winning author of Boom Boom – a heartwarming children's book that vividly portrays the importance of humanistic values such as sacrifice, resilience, loyalty and trust, against the backdrop of a family's struggles with debilitating loss caused by sickle cell anaemia. Attendees at the event, mostly children, were thrilled to receive their personal copies of the book signed by the author, thus reinforcing our commitment to the promotion of literacy and the celebration of Nigerian literature.

The YouRead Initiative embodies GTCO's dedication to making a meaningful difference in the lives of young people and in the cultural landscape of Nigeria. By fostering a love for reading and promoting the works of indigenous writers, we are not only enriching individual lives but also contributing to the broader development of our communities.

Building Life-long Healthy Habits

NPA Lagos International Polo Tournament

Over the years, the Lagos Polo Club, Ikoyi, has played host to some of Polo's finest players from around the world, alongside their equine athletes, to an annual sporting fiesta – the NPA Lagos International Polo Tournament. The 2024 Lagos International Polo Tournament which coincided with the 120th anniversary of playing polo in Lagos featured a total of 39 teams competing for major honours over the course of four weeks, with the GTCO-sponsored Majekodunmi Cup as the marquee event.

In a keenly contested game, Leighton Kings defeated a hard-fighting Art Hotel Shoreline to retain the prestigious Majekodunmi Cup, with the winning goal coming off a penalty in the last seconds of the thrilling six chukkas encounter. Art Hotel Shoreline who finished runners-up in both the Majekodunmi Cup and the Independence Cup, dispatched the visiting Abuja Rubicon team to lift the Italian Ambassador's Cup and emerged the second-best performing Lagos based high-goal team of the tournament.

Our continuing support of the NPA Lagos International Polo Tournament demonstrates our unwavering commitment to offering great experiences, particularly in celebrating the rich heritage of the 'Sport of Kings'. Our partnership with the Lagos Polo Club has brought increased exposure to the sport of polo in Nigeria, contributing to the remarkable stories of sportsmanship being told across Africa.

Financial Literacy

Global Money Week

Global Money Week was celebrated from 18th to 22nd March 2024, with the theme "Protect Your Money, Secure Your Future." The annual campaign aims to raise awareness on the importance of financial literacy, ensuring that young people, from an early age, are financially aware and supported to acquire the knowledge, skills, attitudes, and behaviours necessary to make sound financial decisions, and ultimately, achieve financial well-being and resilience.

This year, we inspired young Nigerian students to understand the concepts of financial planning, savings, investment, and donations, as well as finding ways to earn while still schooling, a skill that would serve them well into the future. Our team of staff volunteers visited Government Secondary School Television, Kaduna, to provide training on financial literacy and engaged the students with an interactive presentation and a Q&A session on finance, budgeting, savings, and investment.

World Savings Day 2024

In line with our commitment to financial literacy and empowerment, GTCO celebrated World Savings Day 2024, a global initiative that underscores the importance of cultivating a savings culture. This year's theme, "The Power of Savings," highlighted the transformative potential of saving as a tool for personal empowerment, financial stability, and long-term economic growth. To maximise gains from the initiative, we partnered with schools, community groups, and youth-focused organizations to reach a diverse audience of young individuals. The event featured interactive workshops, panel discussions, and educational activities tailored to highlight the benefits of saving, budgeting, and smart financial planning. These sessions were delivered by a team of financial experts and youth advocates led by our staff members, who provided actionable insights and real-world examples to make financial concepts relatable and engaging.

The 2024 World Savings Day activities underscored the critical role of savings in shaping a secure financial future, with a focus on the youth as a key demographic for driving change.

Promoting Enterprise

2024 GTCO Food and Drink Festival: A Celebration of Authentic Flavours

The GTCO Food and Drink Festival is widely recognised as the continent's biggest food and drink fair, bringing together millions of food lovers and entrepreneurs to celebrate the rich and diverse culinary heritage of Africa with a vibrant display of flavours, aromas, and cultures.

Over the three-day period, attendees were treated to an array of culinary delights, from traditional African dishes to innovative fusion cuisines from other parts of the world. With over 200 food retailers showcasing a diverse range of mouth-watering offerings, the festival also featured live cooking demonstrations and tasting sessions. In addition to its culinary offerings, the GTCO Food and Drink Festival is renowned for its family-friendly atmosphere. A well-fitted play area kept the little ones entertained with games, interactive exhibits, and more, ensuring that the festival is an unforgettable experience for the whole family.

As a new and exciting feature, the 2024 GTCO Food and Drink Festival included a children's baking class, providing young aspiring chefs with a wonderful opportunity to discover the joys of baking, while also fostering creativity and confidence in the kitchen. From decorating cupcakes to crafting their own signature treats, the young chefs were able to showcase their culinary genius, developing valuable cooking skills in a fun and supportive environment.

2024 GTCO Fashion Weekend: Fashion Moves Forward

The GTCO Fashion Weekend has established itself as a premier fashion and lifestyle event, setting a benchmark not only in Africa but also on the global stage. This year's event, held under the theme "Fashion Moves Forward," captured the transformative power of fashion as a force that transcends self-expression to drive economic empowerment, cultural evolution, and innovation.

Now in its 7th edition, the 2024 GTCO Fashion Weekend brought together a wide array of designers, industry icons, entrepreneurs, and fashion enthusiasts from across the globe. The two-day event featured a colourful blend of runway shows, masterclasses, and curated retail exhibitions, spotlighting the creativity and entrepreneurial spirit that defines the African fashion industry.

The runway shows celebrated diversity, innovation, and craftsmanship, with collections from renowned African and international designers. Each piece told a unique story, reflecting the vibrancy of Africa's cultural heritage and its growing influence on global fashion trends. Designers used the platform to not only showcase their artistry but also to connect with a broader audience, fostering opportunities for collaboration and growth. The masterclasses featured renowned industry experts sharing insights on a range of topics including make-up artistry, hairstyling, leveraging technology to create fashion content, and scaling creative businesses. By equipping participants with practical knowledge and strategies, the sessions aimed to empower emerging designers and entrepreneurs to thrive in a competitive global market.

Attendees at the GTCO Fashion Weekend had the finest fashion retail experience with over 140 small and medium-sized businesses showcasing a rich variety of fashion and beauty products. By offering these entrepreneurs access to thousands of attendees and potential buyers, the GTCO Fashion Weekend continues to play a pivotal role in supporting local businesses and stimulating economic activity within the fashion value chain.

The continuing success of the GTCO Fashion Weekend event exemplifies our commitment to driving sustainable development by leveraging fashion as a tool for "Promoting Enterprise". We look forward to staying on this journey, driving conversations and furthering initiatives that keep fashion moving forward.

The Orange Ribbon Initiative`

2024 GTCO Autism Programme: A Spectrum of Possibilities

The Orange Ribbon Initiative is one of the ways we demonstrate our support for persons with developmental disabilities, focusing on those with autism spectrum disorder (ASD). A major component of this initiative is the annual GTCO Autism Conference, designed to amplify the challenges faced by individuals with ASD and provide practical support to help them integrate successfully into society.

The 2024 Autism Conference themed A Spectrum of Possibilities focused on acknowledging and celebrating diversity amongst every individual. Collaborating with specialists and partner organisations both within and outside Nigeria, the conference included lectures, panel discussions, and performances meticulously designed to highlight the diverse talents within the autism community. It also provided a platform for individuals with ASD and their families to connect and exchange ideas with seasoned professionals on various aspects of the autism spectrum.

Individuals impacted by autism in both urban and rural areas of Nigeria and Ghana have consistently benefited from our advocacy and intervention efforts. The conference for Nigeria took place at the Muson Centre in Lagos on July 15th and 16th, and a free one-on-one clinic was held at the Chapel of Light in Alausa, Ikeja, from July 17th to 20th. The programme for Ghana included a one-day workshop at the University of Professional Studies in Accra on August 23rd and consultations followed from August 24th to August 27th.

An Enduring Commitment to Humanitarians Causes

Partnership With the Swiss Red Cross

Our participation in the Gala Gstaad 2024, which held in the heart of the Swiss Alps, represents more than just an annual tradition; it is a testament to our enduring dedication to uplifting disadvantaged communities worldwide.

The 2024 Gala was themed “Empowering Young Mothers and Children for a better Tomorrow” to bring global attention to the plight of disadvantaged young mothers and children around the world, who face significant challenges in accessing basic healthcare, nutrition, and education. Funds raised at the Gala will contribute meaningfully to enhancing the quality of life, safety, and health of those young mothers in need of support.

While reflecting on the success of Gala Gstaad 2024, we reaffirm our dedication to fostering a more equitable world where everyone, regardless of their circumstances, can thrive.