access

DRIVING Sustainable Growth through Technology and Expansion

2020
ANNUAL REPORT
& ACCOUNTS

More than banking


access

CONTENTS

1 OVERVIEWS

2 BUSINESS

3 GOVERNANCE

4 FINANCIAL STATEMENTS

5 SHAREHOLDERS INFORMATION

6 CORPORATE INFORMATION

WELCOME

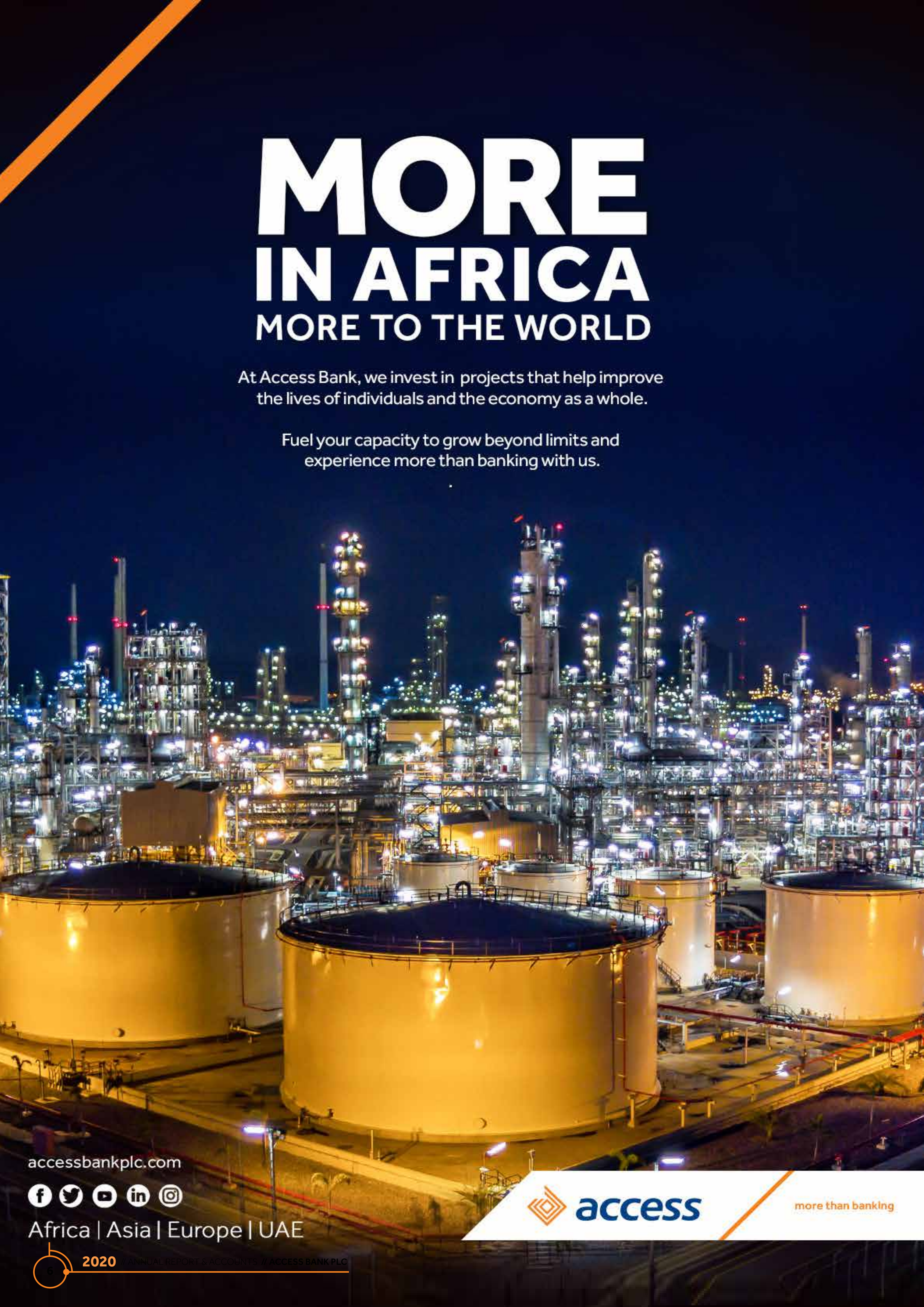
The theme of this year's report – 'Driving Sustainable Growth through Technology & Expansion' was identified based on the aspirations and projections of the Bank. It is an acknowledgment of the fact that 2020 has been the most unusual year ever to be witnessed as an institution and even as individuals.

Despite the constant need to understand and manage uncertainties that came with the ongoing Covid-19 pandemic, Access Bank proactively developed effective and timely strategies to ensure zero disruption in the delivery of service to all stakeholders.

During the year under review, the Bank relied heavily on its robust technology (digital platforms) to deliver uninterrupted services to customers in addition we continued our African expansion project, though cautiously.

Access Bank remains well positioned to maximize opportunities, given its significant traction in Nigeria and more recently, Africa. This is in addition to the Bank's existing commitment to sustainable business practices and demonstration of its ability to re-engineer the face of Africa by engaging in transactions, processes and partnerships that enable future generations to meet their needs.

Our digital vision is - To be the clear-cut digital leader in Africa even as we move closer to becoming Africa's Payment Gateway to the World.


MORE
IN AFRICA
MORE TO THE WORLD
At Access Bank, we invest in projects that help improve the lives of individuals and the economy as a whole.
Fuel your capacity to grow beyond limits and experience more than banking with us.
accessbankplc.com
Africa | Asia | Europe | UAE
access
more than banking

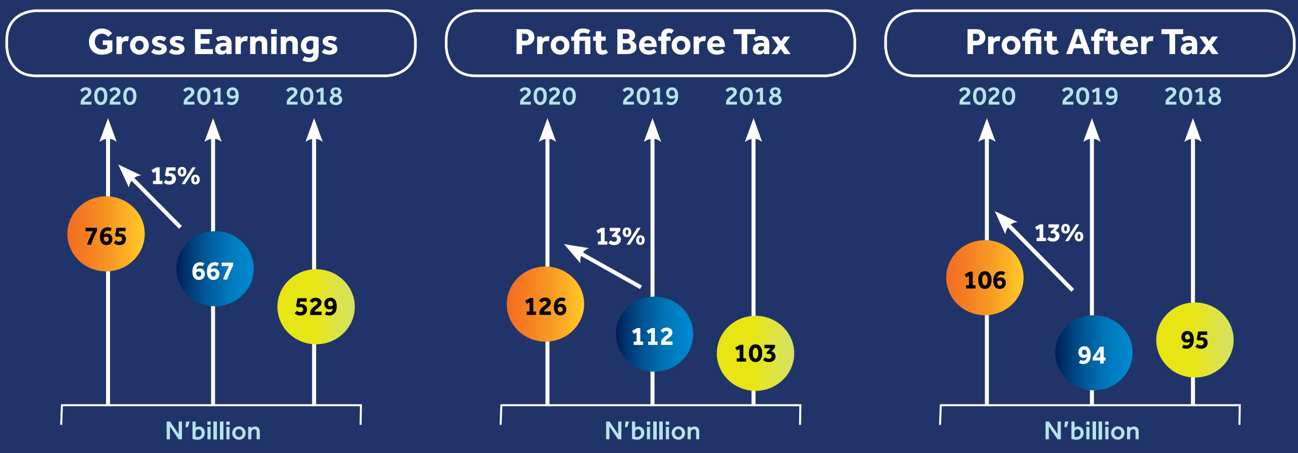
Welcome to Access Bank

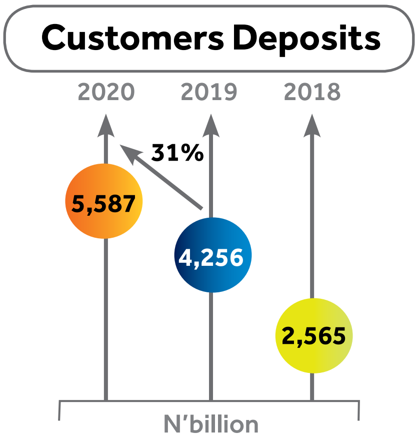
01

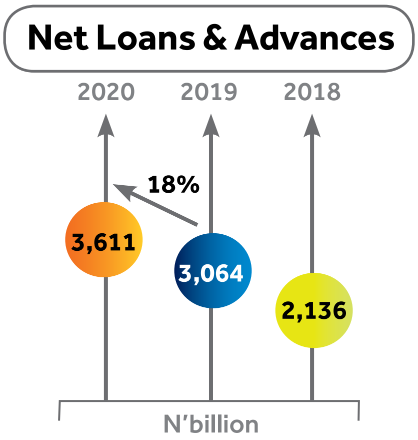
OVERVIEW

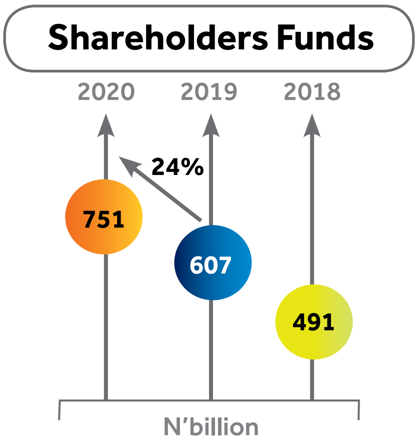
A brief review of Access Bank's Financial and Operational Achievements in the past year

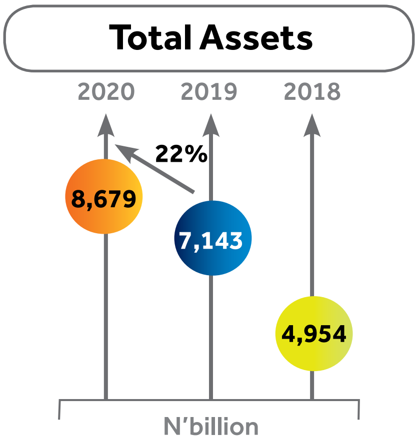
BUSINESS & FINANCIAL HIGHLIGHTS











In thousands of Naira	2020	2019	2018	Growth ('19 - '20)
Gross Earnings	764,717,441	666,753,600	528,744,579	**15%**
Profit Before Tax	125,922,129	111,925,523	103,187,703	**13%**
Profit After Tax	106,009,695	94,056,603	94,981,086	**13%**
Customers' Deposits	5,587,418,213	4,255,837,303	2,564,908,384	**31%**
Net Loans And Advances	3,610,928,334	3,064,404,788	2,136,095,776	**18%**
Shareholders Funds	751,041,245	606,739,831	490,511,755	**24%**
Total Assets	8,679,747,714	7,143,157,088	4,954,156,938	**22%**

LOCATIONS AND OFFICES

We are a leading financial institution with head office in Nigeria, driven by strong core values that enable us continuously deliver strong and sustainable performance. We are in business to help our customers build a sustainable future by offering bespoke products and solutions using highly skilled workforce across Sub-Saharan Africa, United Kingdom, and Asia.

01 OVERVIEWS

The Bank is licensed to provide international banking services and is renowned for its comprehensive range of financial product offerings. Key business segments of the Bank are: Corporate and Investment Banking, Commercial Banking, Business Banking and Personal Banking. The key customer segments include: Telecommunications, Beverages, Manufacturing, Construction, Oil & Gas, Parastatals, High Networth Individuals, Middle Income Professionals, and Financial Inclusion Customers.

We are proud of our ability to add value to clients and to leverage our unique value proposition to provide innovative solutions across the economic value chain. In deploying products and services, the Bank adheres to responsible business practices and readily commits resources to social investments in fulfillment of its corporate social responsibility objectives.

We are located in all major commercial centres and cities across Nigeria. We operate 9 subsidiaries within West Africa, East Africa and the United Kingdom. The Bank also has business offices in the Republic of China, Lebanon and India. The Access Bank (UK) Limited has a branch in United Arab Emirates.

Subsidiaries

Location	No. of branches
Ghana Number of Branches:	52
Rwanda Number of Branches:	8
Zambia Number of Branches:	9
Democratic Republic of Congo Number of Branches:	11
The Gambia Number of Branches:	6
Sierra Leone Number of Branches:	4
The United Kingdom Number of Branches:	3
Kenya Number of Branches:	28
Mozambique Number of Branches:	1
Nigeria Number of Branches:	566

Rep Office

India Rep. Office:	1
China Rep. Office:	1
Lebanon Rep. Office:	1

The Access Bank (UK) Ltd

United Arab Emirates Branch Office:	1

Overview

It has been a little over a year, since I took over the reins as your chairman and I am honoured to present our 2020 annual results to our shareholders and other stakeholders. The year was unprecedented in the annals of the world and I am extremely proud of how Access Bank navigated the immense challenges posed by the pandemic and adapted to achieve a successful financial year. The Bank delivered a solid performance across board, attesting to our ability to adapt to risk and uncertainties in a fast-changing world.

There is no doubt that many organizations and individuals have been deeply affected by the combined health and economic challenges posed by the unprecedented Covid-19 pandemic. As a Bank, we feel privileged, in line with our sustainability ethos to have played a critical role in championing the establishment of CA-Covid - a private sector coalition against Covid-19. We committed significant financial and human resources to support our esteemed customers, employees, and the communities we serve. We believe that CA-Covid has been very successful in the fight against the pandemic.

The year 2020 was characterised by a low interest rate environment, foreign exchange challenges, recession, accelerated inflation, asset quality issues and civil unrest. Operating within the complex and tumultuous landscape, the Bank remained committed to delivering steady growth by focusing on retail banking, driving financial inclusion, building its legacy across Africa, leveraging digital, seizing opportunities amidst uncertainties and positively impacting the society through responsible investing.

Despite the challenging regulatory and economic landscape, the Bank's accomplishment is a testament to the capabilities of the Board, Executive Management, and our people to deliver on the Bank's strategic objectives.

Responsible Growth

In the year, the Group delivered N764.7 billion in gross earnings driven by a disciplined focus on sustainable growth. Velocity of customer activities was strong across all our business lines, compensating for the impact of lower yields on gross earnings. We recorded an interest income of N489.2 billion in the period (a 9% decline y/y) arising from a deeply depressed yield environment. We closed with a net loan book of N3.6 trillion (a 18% growth y/y), maintaining our position as the largest lender in Nigeria, supporting business flows and value creation across the continent.

Access Bank made several investments to strengthen relationships with its customers in the year. By redefining our approach to customer service through streamlining our internal processes, and digitizing about 30% of customer journeys, we were able to improve on our customer experience. Also, we were able to manage our expenses in line with the target for 2020 despite double digit inflation and overall cost of running the enlarged enterprise. As a result, we achieved a Cost-to-Income Ratio (CIR) of 63.4% from 66.1% in 2019.

We worked hard to recover and dispose of a significant portion of our non-performing assets. With a decline in the portfolio of overdue loans, our asset quality improved across our retail and wholesale segments. Our capital and liquidity ratios were also well above regulatory limits with our capital adequacy ratio remaining strong at 20.6%.

Dividend

This is the third year of our current 5-year cyclical strategy. Our strategy implementation efforts have been fruitful, and our performance was outstanding on many fronts. Given the robust performance and the residual dividend policy of the Group, we are pleased to propose a final dividend of 55 Kobo per ordinary share, which would result in a full year dividend of 80 Kobo per ordinary share. This is pending approval at the Annual General Meeting.

Corporate Governance

We regard corporate governance as a foundation for the Bank's sustainable growth, and we make unrelenting efforts to improve our corporate governance structure. We have continued to optimize our governance mechanism to ensure methodical decision-making, effective supervision and sturdy operation. The Bank's governance model is founded on key pillars of diversity, accountability, responsibility, transparency, independence, fairness, and discipline. The Bank is listed on the Premium Board of the Nigerian Stock Exchange which requires it to comply with stringent corporate governance and disclosure requirements. The Board of Directors is critical to creating boundaries and setting the tone for Management. Accordingly, we have always aspired to have a Board that knows its subject matter, understands its governance responsibilities and adds value to the Management team.

During the year, we added new faces to the Board. We are delighted to have added Mr. Hassan Usman and Mrs. Omosalewa Fajobi as Independent Non-Executive Director and Non-Executive Director respectively. Mr. Hassan Usman is a leader with a rich blend of academic, entrepreneurial and public sector experience while Mrs. Omosalewa Fajobi is an experienced legal counsel and governance professional with a demonstrated history of working in the financial, investment and legal services industry.

We also welcomed Mr. Oluseyi Kumapayi to the Board as the Executive Director of our African subsidiaries. Prior to his appointment, he was the Group Chief Financial Officer of the Bank for 13 years with a cumulative and progressive banking experience of 20 years across finance, strategy, risk management and treasury.

They were chosen based on their exceptionally rich blend of professional, academic and corporate board experiences, which are relevant to the needs of the Board, as we prepare for the next phase of the Bank's transformation and strengthen the diversity of our Board. The Board is also committed to improving gender diversity in its composition in line with its diversity policy. As such, 25% of the Executive Management team are female while the Board has 35% female memberships above Nigeria's national average of 12%. We are convinced that this will add significant value to our quest to become Africa's Gateway to the World.

Commitment to Human Capital Development

We understand that our people are the driving force behind Access Bank's success and that being a great place to work is a driver for responsible growth. Therefore, we continue to work diligently to create a workplace where our people can flourish. Our obligation to our people includes our ongoing commitment to developing and managing talent, employee engagement, and core values anchored on diversity and inclusion.

The year 2020 was a challenging one throughout which the professionalism and expertise of our people were always top notch. I am very grateful to them for their hard work and their commitment to our customers and each other.

We remain steadfast in our commitment to attract and retain exceptional talents which will enable us continuously provide the best service to our customers.

The Future

The difficult macroeconomic environment continues to make the attainment of financial targets very difficult particularly given our moderate risk appetite. Nonetheless, we strive to more than cover our cost of capital and keep costs under control. We will grow our businesses and continue to invest in IT capacity until we become an incredibly strong bank for retail and wholesale customers around the world.

As we continue to consolidate the gains from our decisive approach to pushing our retail franchise, we have identified several opportunities within Africa and beyond, for Access Bank to deepen its financial services offerings to banked customers as well as extend financial services to the unbanked.

To capture these opportunities, the Bank will adopt a holding company structure that will tap into the market opportunities available in the regulated consumer lending market, financially excluded Africans, African electronic payments industry and Nigerian retail insurance market.

In furtherance of our vision to be the World's Most Respected African Bank and Africa's payment gateway, we commenced green field operations in Mozambique and completed the acquisition of Transnational Bank and Cavmont Bank in Kenya and Zambia respectively to strengthen and increase our market presence. In early 2021, we received regulatory approval for our proposed acquisition of Grobank in South Africa to give us an inroad into the largest economic block in Africa and one of Africa's biggest market.

Conclusion

Despite, 2021 taking off with the second phase of Covid-19 across the globe, Access Bank nevertheless enters 2021 with a robust balance sheet, deep customer relationships, a strong brand, and well-positioned businesses. Though macroeconomic challenges and uncertainties remain, I am confident that we can address our current challenges while doing the work necessary to achieve the future we have mapped out for ourselves.

The past year was filled with significant challenges, but we have emerged a better and stronger business for it. We will continue to focus on supporting our host countries while pursuing sustainable growth, exploring new opportunities, driving innovation, and striving to become a world-class and modern financial enterprise. On behalf of the Board of Directors, I would like to thank you, our shareholders, for your continued investment and unwavering commitment to Access Bank. We recognize the commitment you have made to the company, which I believe remains unwavering. In Access Bank, we remain resolute by the grace of God to always walk the path of greater achievement. I thank you all.

CHIEF EXECUTIVE'S REVIEW

Herbert **WIGWE**

Introduction

Despite a global pandemic environment, 2020 turned out to be a successful financial year for your bank. The year brought many challenges, but also reflected our ability to weather the storm and remain steadfast to our corporate objectives. This achievement is attributable to the resilience and dedication of our people and our sustainable business model. In the spirit of the passion that we hold for the wellbeing of humanity, Access Bank championed a nationwide Covid-19 response through the Coalition Against Covid-19 (CACovid), in providing succour for many Nigerians who were adversely impacted by the pandemic.

The Nigerian economy just like most global economies was vulnerable to the global economic disruption caused by Covid-19, particularly due to the pronounced decline in oil prices and risk aversion in global capital markets. These led to the weakening of the Naira, accelerated inflation, sectoral GDP contraction and investment decline, culminating into real GDP growth decline. As a result of the above, the banking industry, including Access Bank, faced several potential and imminent challenges including asset quality, profitability erosion, capital and liquidity constraints.

Even though the Bank quickly adjusted to accommodate the expected after effect of these, we were faced with some very difficult decisions to mitigate the impact of the pandemic and manage the attendant financial headwinds. In line with our mission to support our people, customers and communities, we implemented several Business Continuity Procedures (BCP) in addition to the measures already put in place by the government. The BCP measures were deployed to ensure the safety of stakeholders whilst we continue to deliver value.

Adapting to the Covid-19 Pandemic

In adapting to a new normal that emerged from the Covid -19 pandemic, we took a proactive approach to the management of the associated risks and its impact on our business, our people and customers . We established an Incident Command Centre in line with our Business Continuity Planning protocol. The command centre, as part of its first responsibility, carried out a scenario analysis based on 4 possible scenarios that were based on the severity of infection and transmission within the regions we operate.

Some of the actions to address the risks identified in the four scenarios include the use of split teams, activation of "safe haven" locations for critical functions in case of a total lockdown, activation of the work from home policy and development of a communication plan for all stake holders. We also activated a Covid-19 test centre for staff, restricted all non-essential travels, conducted periodic incident management team reviews, and included testing, treatment and management of Covid-19 in staff health insurance plan.

We also conducted Quarterly Economic Intelligence presentations with our customers to keep them abreast of the macroeconomy and its possible impact on their business. We provided advise and, in some cases, assisted clients in setting up their business continuity plans to support the survival of the businesses.

We implemented a phased re-opening plan in synchrony with relevant government agencies plan. Based on the second wave, the phased re-opening will continue to be reviewed as we continue to observe the effectiveness of the vaccine roll out.

Delivering on our 2018-2022 Strategy

Our strategic actions in the past 12 months evidence a strong focus on retail banking and financial inclusion, an African expansion strategy and a drive for scale and its economic benefits. Your bank has a real purpose, a clear strategy, strong values and improving performance.

- **African Expansion -** We know that there is a significant gap in achieving our vision to be the World's Most Respected African Bank. As such, we are extremely focused on closing this gap through a methodical and disciplined expansion of our African footprint, leveraging robust technology platforms and exceptional customer service delivery.

  Our geographical diversity is a key element of our business model providing opportunities for growth in different economies, and enhancing resilience. We have acquired exceptional capacity to successfully execute mergers and acquisitions with speed and efficiency at minimal risk while delivering value to shareholders. The series of mergers and acquisition we have undertaken since 2005 all bear testimony to this and have all been value accretive.

  In this regard, we commenced green field operations in Mozambique and completed the acquisition of Transnational Bank and Cavmont Bank in Kenya and Zambia respectively to strengthen and increase our market presence. In early 2021, we received regulatory approval for our proposed acquisition of Grobank in South Africa to give us an inroad into the largest economic block in Africa and one of Africa's biggest markets. Our acquisition of Grobank will help strengthen our foothold in the Southern African market- Africa's largest economic hub and place us in a strong position to take advantage of Africa.

- **Retail -** The retail franchise has also grown over time, with its contribution to the franchise almost doubling in 4 years on the back of a strong focus on consumer lending, payments, remittance, customer acquisition and digitization. As a result of decisive actions, the Bank is the largest issuer of Visa cards in Africa and the largest disburser of consumer loans in Nigeria.

  Our retail banking aspiration is to bank one in every two Nigerians by 2022. In 2020, we ranked number 1 in retail banking income in Nigeria with over N56.1 billion in fee income from the use of our digital banking platforms and alternative channels . This supports our aspiration to be # 1 retail bank by customer base and revenue.

  We have through the "W" Initiative, our women banking proposition provided over 1 million women with opportunities to benefit from our financial and non-financial offerings like access to market, capacity building programmes, access to discounted health and business financing. We are using our "W" Power Loan to bridge the financing gap in women businesses, giving over 1,000 women access to USD30 million in financing so far.

- **Digital –** Our aspiration is to emerge as the clear-cut digital leader in Africa. In this regard, we have leveraged technologies like Advanced Analytics, Cloud Computing, Artificial Intelligence, Machine Learning and Robotics Process Automation to re-shape our business operations and drive performance in a scalable manner.

On the strength of these, a total of 400 processes have been digitized and N33.9 trillion digital sales (transaction value) made from 1.6 billion digital transactions processed, as of December 2020. Our digital banking solution has also seen an unrivalled dominance accounting for more that 80% of digital loans in the industry, creating over 2 million loans and average daily disbursement of N1 billion to our customers.

In April 2020, we launched Facepay our premier artificial intelligence and highly secured facial-recognition payment solution that automates in-branch transactions. The solution leverages artificial intelligence and machine learning to enable users consummate transactions across our branches and merchant locations. From inception to date, total merchant transaction value is N5.4 billion with total transaction count of 95,851 and 50,781 customers and growing.

Financial Inclusion – We have taken the lead in the financial inclusion space by providing financial services to over 22 million previously underbanked individuals across the nation. This is the result of our strong collaboration with Fintechs and Telcos. The base is growing rapidly, and we are committed to ensuring that every unbanked Nigerian is financially included. We currently have an agent network of over 58,000 agents spread across Nigeria, translating to over 100% increase in the year under review. Our authorized agents process transactions quickly and seamlessly via alternative channels.

Business Overview

Your bank recorded increased profits by playing to its strengths in a challenging operating environment. The Group delivered a 15% increase in gross earnings of N764.7 billion from N666.8 billion in 2019, comprising non-interest income growth of 112% from previous levels to N130.0 billion despite the pandemic-induced disruption to businesses, currency depreciation and CBN's revised guide to bank charges. The net effect on operating income resulted in strong profit before tax of N125.9 billion against N111.9 billion in 2019. The performance in 2020 was limited by net impairment charge of about N43 billion arising principally from a Structured Trade Finance ("STF") portfolio in The Access Bank UK. The STF impairment is one-off Covid-19 related and recoverable over the next 12-18 months against insurance cover from world class insurers.

The outcome of our risk asset metrics demonstrates our continued focus on maintaining a diversified and sound risk portfolio. Prior to the merger, the Bank led in the space of Non-Performing loans Ratio (NPL) with an industry benchmark ratio of 2.5%. During the period under review, we intensified the resolution of our challenged loans, largely emanating from the merger with defunct Diamond Bank Plc. As of December 2020, our NPL Ratio declined from 10% post-merger to 4.3%, lower than the 5% regulatory guidance and those of our peers.

Capital and liquidity levels for the period also remained adequate and well above regulatory minimum requirements at 20.6% and 46.0% respectively, providing headroom and increased capacity to explore new market opportunities.

Subsidiaries contributions to Group profits validates the efficacy of our expansion strategy. Subsidiaries contribution to the Group's performance stood at 28%, recording a PBT N35.7 billion with the United Kingdom and Ghana's operations accounting for 86% of the bulk. Subsidiaries loans and deposits accounted for 24% and 19% of the Group's performance, respectively.

Human Resource Management

Access Bank is committed to creating an enabling environment for high performance as well as fostering an inclusive and flexible workplace which supports work-life balance. Accordingly, in 2020, the Bank had a retention ratio of 91%. We intensified our staff engagement effort at the wake of the Covid-19 pandemic to ensure that morale and engagement levels were not negatively impacted.

We did not only continue to support employee capacity development but also used several learning initiatives to create the much-needed awareness on non-pharmaceutical measures against Covid-19 and mental wellbeing. We invested over 600,000 learning hours and approximately N273.7 million in critical skills across the Access Group within the period.

The Bank adopts best-in-class practices which include having a clear stance on gender equality demonstrated through policies and strategies and reflected across our businesses. This we have also demonstrated through the creation of the Access Women Network in 2012 to address gender equality and women empowerment, both internally and externally and to provide women with the opportunities, tools, networks and support they require to thrive and assume leadership roles within the Bank. Currently, female employees make up 46% of the Bank's population.

Strength in Sustainability

Sustainability is at the heart of the Bank's business. As a result, the Group will continue to focus on Environmental, Social and Governance (ESG) goals because we recognize our role in preserving the environment in which we operate. Our overall ESG strategy is to positively impact the society through responsible investing, and by the manner we conduct our business especially in the appraisal of all the projects we invest in. To enable the success of the strategy, we developed an ESRM (Environment, Social and Risk Management) credit review process and a governance structure.

Based on our recognition of impact investment and the role it plays in mitigating social and environmental risks, expanding our market share and building goodwill, we have prioritized our CSR focus areas as, Health, Education, Sport, Arts, Environment and Social Welfare. In 2020, we invested over ₦10.25 billion in various CSR efforts, working with 43 NGOs across 194 communities and impacting 28,540,046 lives. Through our Employee Volunteering Scheme, employees devoted 2,781,443 + hours of their time, talents/resources in over 514 strategic community initiatives across the 6 geo-political zones in Nigeria.

As a result of our commitment to ESG, we have emerged a key player in the Nigerian Sustainable Banking Principles (NSBP) Steering Committee, the United Nations Principles for Responsible Investment (UNPRI), the Equator Principles (EP) and the UNEP-FI Task Force for Climate Change Financial Disclosures (TCFD), amongst others.

As a result, we have been recognized with several international and local ESG accolades. On September 30, 2020, the Bank became the first commercial bank in Africa to achieve the highest level of sustainability certification under the Sustainability Standards and Certification Initiative (SSCI) programme at the Sustainability Certification ceremony at the World Development Finance Forum (WDDF) in Karlsruhe, Germany. For the 5th consecutive time, Access Bank was awarded the 2020 Karlsruhe Sustainable Finance Award for 'Outstanding Business Sustainability Achievement' .

We also won the Agriculture Deal of the Year at the African Banker Award 2020, for our role in helping Singapore commodities trader - Olam, develop their rice operations in Nigeria. African Banker Award 2020 nominated us for African Bank of the Year, and I was honoured to receive the 2020 African Banker award.

The Future of Access

Access Bank is best positioned to maximize the identified opportunities in Africa on the back of a growing customer base and the move to a cashless economy. We have identified Africa to be a vast pool of opportunities with over 370 million unbanked adults, US$9.2 billion in remittances and cross border payments, 89 cities of over 1.3 billion inhabitants by 2025 and the overall African financial ecosystem. We also see opportunities coming from the new African Continental Free Trade Area (AfCFTA), as it is expected to expand intra-Africa trade to 53% by 2022, eliminate tariff on qualifying trade and increase financial flows. On the domestic front, Nigeria presents several opportunities due to its large population, huge payments and remittance flows, and an emerging insurance market.

To capture these opportunities, Access Bank will transition into a holding company structure that will enable it tap into the market opportunities that are available in the regulated banking and consumer lending market, electronic payments industry and retail insurance market. Through the restructuring, we will create new product revenues without taking incremental risks for the enterprise, ensure diversification of earnings, and support outside of Africa expansion.

The proposed payment services business will enhance channels availability, agility and security for superior customer services as it will offer a comprehensive payment processing platform for online electronic payments. In addition to the payment business, the Holding Company will also be pursuing a consumer lending business dedicated to providing financing for personal, family or household purposes. The business products will be aligned with the needs of the consumers for personal loans, mortgage financing, school fees advance and asset lease, with unique value propositions.

The insurance brokerage business will be executed through a long-term bancassurance partnership with Coronation Insurance, beyond the existing co-location agreement. It would adopt a dynamic and creative approach in providing a value-added insurance broking services to meet our customers insurance protection needs.

Conclusion

As far as our fundamentals are concerned, we are well placed to achieve significant growth in profitability with a robust balance sheet, and a strong brand. In addition to the outlined strategy, our overall focus in 2021 will be to carry out a complete service evaluation and transformation programme to build on our existing momentum and ensure our industry leadership.

We are confident that our purposeful strategy and diversified model will ensure that we remain resilient and continue to support our stakeholders and deliver sustainable returns to our shareholders.

We acknowledge that our success in 2020 would not have been possible without the hard work and determination of our colleagues. The value our employees bring cannot be underestimated. I also want to thank the management team and the Board for their generous support which has made this possible.

02

BUSINESS REVIEW

An analysis of Access Bank's Business Divisions, Risk Management Framework, Our People, Culture & Diversity and Sustainability

CORPORATE PHILOSOPHY

Our Vision

To be the World's Most Respected African Bank.

Our Mission

Setting standards for sustainable business practices that unleash the talents of our employees, deliver superior value to our customers and provide innovative solutions for the markets and communities we serve.

Excellence

- Surpassing ordinary standards to be the best in all that we do
- Setting the standard for what it means to be exceptional
- Our approach is not that of excellence at all costs– it is excellence on all fronts, so that we deliver outcomes that are economically, environmentally and socially responsible

Innovation

- Pioneering new ways of doing things, new products and services, new approaches to customers
- Being first, testing the waters and pushing boundaries
- Anticipating and responding quickly to market needs with the right technology, products and services to achieve customer objectives

Leadership

- Leading by example, leading with guts
- Being first, being the best and sometimes being the only
- Challenging the status quo

Passion for Customers

- Doing more than just delivering excellent customer service
- Helping people to clearly understand how our products and services work
- Treating customers fairly. Building long-term relationships based on trust, fairness and transparency.

Professionalism

- Putting our best foot forward in everything we do, especially in high pressure situations
- Consistently bringing the best of our knowledge and expertise to the table in all our interactions with our stakeholders
- Setting the highest standards in our work ethics, behaviours, activities and in the way we treat our customers and, just as importantly, one another

Empowered Employees

- Based on shared values and vision
- Developing our people to become world-class professionals
- Encouraging a sense of ownership at individual levels, whilst fostering team spirit and commitment to a shared vision

REPORTS OF THE EXTERNAL CONSULTANT ON CORPORATE GOVERNANCE

EY
Building a better working world

Report of External Consultants on the Board Performance Evaluation of Access Bank Plc.

We have performed the evaluation of the Board of Access Bank Plc for the year ended 31st December, 2020 in accordance with the guidelines of Section 2.8.3 of the Central Bank of Nigeria (CBN) Revised Code of Corporate Governance (CCG) 2014.

The Central Bank of Nigeria (CBN) Revised Code of Corporate Governance (CCG) 2014 mandates an annual appraisal of the Board and individual Directors of Financial Institutions with specific focus on the Board structure and composition, responsibilities, processes, relationships, individual Director's competences and respective roles in the performance of the Board. Subsection 2.8.1 of the Code requires each Board to conduct an "annual Board and Director's appraisal covering all aspects of the Board's structure, composition, responsibilities, processes, relationships and performance" while subsection 2.8.3 requires that such Evaluation should be conducted by an independent consultant.

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

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

On the basis of our work, the Board of Access Bank has complied with the requirements of the Central Bank of Nigeria (CBN) Revised Code of Corporate Governance (CCG) 2014 during the year ended 31st December, 2020.

The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Corporate Governance section of Access Bank's 2020 Annual Report.

For: Ernst & Young

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

Report of External Consultants on the Board Performance Evaluation of Access Bank Plc.

We have performed the evaluation of the Board of Access Bank Plc for the year ended 31st December, 2020 in accordance with the guidelines of Section 15.1 of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria.

The Securities and Exchange Commission (SEC) Code of Corporate Governance 2014 mandates the Board of Public Companies to undergo an annual appraisal of its own performance, that of its Committees, the Chairman and individual Directors. Subsection 15.2 of the Code requires the appraisal system to "include the criteria and key performance indicators and targets for the Board, its Committees, the Chairman and each individual Board member" while subsection 15.6 states that the services of external consultants may be engaged to facilitate the appraisal process.

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

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

On the basis of our work, the Board of Access Bank has complied with the requirements of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria during the year ended 31st December, 2020.

The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Corporate Governance section of Access Bank's 2020 Annual Report.

For: Ernst & Young

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

Report of External Consultants on the Board Performance Evaluation of Access Bank Plc.

We have performed the corporate governance review of Access Bank Plc for the year ended 31st December 2020 in accordance with the guidelines of Section 15.1 of the Nigerian Code of Corporate Governance (NCCG) 2018.

The Nigerian Code of Corporate Governance (NCCG) 2018 mandates registered companies to undergo an annual evaluation of their corporate governance practices to ensure their governance standards, practices, and processes are adequate and effective. Subsection 15.1 of the Code requires that the evaluation should be facilitated by an independent external consultant at least once in three (3) years, while subsection 15.2 states that the summary of the report of this evaluation should be included in the Company's annual report and on the investors' portal of the Company.

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

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

On the basis of our work, the Board of Access Bank has complied with the requirements of the Nigerian Code of Corporate Governance (NCCG) 2018 during the year ended 31st December 2020.

The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Corporate Governance section of Access Bank's 2020 Annual Report.

For: Ernst & Young

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

02 ||
BUSINESS
REVIEW

COMMERCIAL BANKING DIVISION

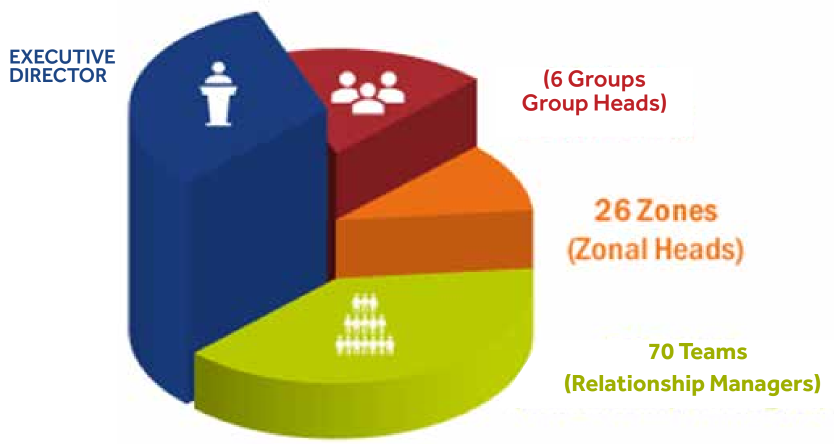
At the heart of the Bank's strategic business unit is the Commercial Banking Division. The Division has been an integral part of the Bank's history playing a significant role in corporate customer acquisition, deposit mobilization, revenue growth, innovation, and brand improvement through customer-centric operating models and bespoke financial solutions. The resolve to provide 'More than Banking' experience to its clientele base has assured the Division's place as a critical engine and driving force towards the attainment of the Bank's goals and objectives.

At the heart of the Bank's strategic business unit is the Commercial Banking Division. The Division has been an integral part of the bank's history playing significant role in corporate customer acquisition, deposit mobilization, revenue growth, innovation, and brand improvement through customer-centric operating models and bespoke financial solutions. The resolve to provide 'More than banking' experience to its clientele base has assured the Division's place as a critical engine and driving force towards the attainment of the Bank's goals and objectives.

BUSINESS MODEL

The Division operates a well-defined, value-specific and dynamic structure that expounds our customers' segmentation into sector and industry, geographical spread, nationality of business owners, annual turnover, and market reality.

The Division is headed by an Executive Director who oversees 6 Groups, 26 Zones and 70 Teams managed by Group Heads, Zonal Heads and Relationship Managers, respectively. The Division serves two major market sectors represented in all states of the federation namely: Private Sector and Public Sector.



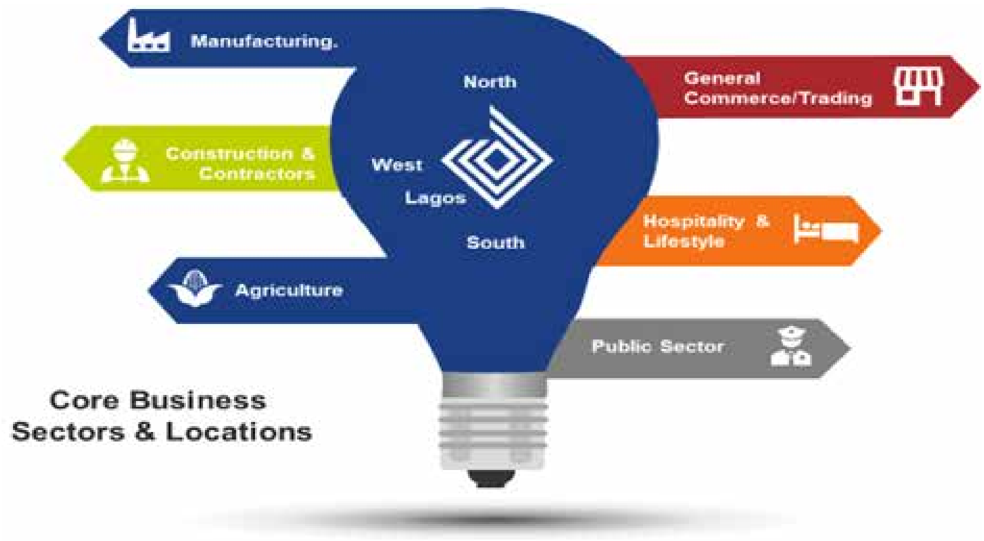
CUSTOMER MANAGEMENT

The market focus for the Private Sector encompasses businesses with annual turnover between N5 billion and N50 billion with the exception of corporates that meet the Bank's Corporate and Investment Banking customer criteria. Businesses in this category are typically local and foreign owned.

The Public Sector serves the three tiers of government namely: Federal, State and Local governments including ministries, departments, and agencies.

The heartbeat of the Commercial Banking business is our esteemed customers, and the backbone is the workforce. The workforce drives the business through diligence, commitment, vast market knowledge and passion with emphasis on expertise, competence, and sustainability.

The market segments of the core business sectors managed by the Division consists of Asian Corporates, Construction and Contractors, Hospitality and Lifestyle, Manufacturing, General Commerce and Trading.



In addition to these core business sectors, the Division operates strategic portfolios that offer unique experience and tailor-made solutions to the customers across the country through the Agricultural, Chinese and German Desks.

The Agricultural Desk drives the businesses in the entire value chain of the Agricultural sector leveraging on Federal Government (FGN) initiatives to support lending to both Private and Public sector customers.

The Chinese and German Desks supervise Chinese and German owned and managed businesses. These desks have created mutually beneficial relationships with the Chinese and German communities with milestone achievements in customer conversion, revenue, deeper relations and ease-of-doing business.

The Division also leverages on the Bank's Pan-African presence and international partnerships to support customer's business from a global perspective.

Covid-19 AND BUSINESS CONTINUITY FRAMEWORK

The world of work and office practice as we know it was profoundly altered and possibly permanently too, by Covid-19. With the health and safety of our staff as our priority, we implemented our Business Continuity Framework as a Division. The Framework provides guidelines for remote working, data privacy policies, customer service levels and staff safety.

We leveraged on our robust information technology systems and adapted our digital infrastructure in ensuring we continue to deliver optimum service to our clientele base both in the Public and Private sectors. We ensured our customers were signed on to our corporate payment solutions such as PRIMUS PLUS to ensure that their transactions and payments requirements were seamless.

Covid-19 pandemic continues to define the way we work and conduct our business hence, we have continued to work together across the 71 teams to build resilience into our operations, prune redundancies, maintain efficiency and offer superior services and experience to our valued customers.

As part of the Division's initiative, we partnered with private businesses to provide financial support to the State which in turn benefited the communities at large. We directly supported 22 states financially with a total of N475million as a division during the national lockdown.

HUMAN CAPITAL

Our strongest asset is the talent of our people and their ability to effectively utilize their skills to advance the Bank, the economy, and the communities they serve. These are true 'warriors' that embody the Bank's core values and have consistently championed the execution of its winning strategy by providing innovative, progressive, and effective solutions to the market. They comprise young, vibrant, empowered and customer-centric professional business managers, with a continuous drive to understand the needs of our customers, proffer innovative solutions to these needs and sustain enduring partnerships.

The long-term growth and success of the Division and Bank at large depend on our ability to attract and retain the right people by providing a clear and possibly accelerated growth path that is built solely on merit. This is accentuated by our commitment to providing opportunities for growth and deep learning amongst staff at all levels. Our people at all levels have been pioneers and consistent beneficiaries of the Bank's exceptional talent programme, which provides an opportunity for accelerated career growth within the Bank.

OUR CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Division has always embraced CSR initiatives as one of its key elements in sustainability building. This has in turn formed a creative way of giving back to the society and a credible means of showing unflinching support to the public.

Over the past years, the focus of our CSR activities has been on Health and Education. Consequently, we have partnered with various health centres and foundations to carry out free healthcare screening exercises as well as sponsoring major surgical operations. We have also remodelled and renovated some schools by providing a better learning environment for over 2000 students.

In line with the Bank's 2020 CSR objective which is 'To improve the lives of the poor and less privileged affected by the pandemic', our CSR efforts for 2020 were focused on social welfare programmes for households and communities as follows:

a. We provided food stuff, face masks, and hand sanitizers to teenagers at the Juvenile and Correctional Home, Sango, Ibadan in a bid to minimize the effect of the pandemic. In addition, the teenagers were trained on the making of soap and hand sanitizers.

b. We embarked on an outreach to Aladura Community, Anthony Village, Lagos, where we distributed food items to over 250 residents with children to alleviate the effects of the pandemic.

c. We adopted Local Education Authority Primary School Gosa, Abuja and renovated a block of 3 classrooms, replaced the pumping machine for their water supply and provided 60 sets of tables and chairs, facemasks, and hand sanitizers to 100 students.

FUTURE OUTLOOK

In line with the Bank's over-arching vision and strategy, the Division aspires to be a market leader within the commercial banking business segment in the Nigerian Banking Industry.

We will continue to leverage technology to deepen our expertise in target industries and enhance our customer-centric relationship management framework in our quest to create value for all stakeholders. We also intend to sustain the delivery of innovative and effective products and solutions for our customers guided by a robust risk management framework.

We remain committed to the realization of the Access Bank dream, which is to become the World's Most Respected African Bank.

02 || BUSINESS REVIEW

BUSINESS BANKING

Business Banking Division, provides tailor-made products to Small and Medium Size Enterprises with an annual turnover of less than ₦5billion, to support their growing business needs. We maintain a customer-focused and digital-led approach in delivering superior customer service in line with the Bank's five-year strategy.

Our Division has one of the highest growth potentials and remains an integral aspect of the future of the Bank, as bankable opportunities abound.

2020 - YEAR IN REVIEW

I. Business Segmentation:

To effectively serve the different and complex strata of the SME space, we segmented our business into Emerging and Prestige sub-segments. The Emerging Business covers businesses with annual turnover of less than N600 million while the BBD Prestige covers businesses with an annual turnover of more than N600 million and less than N5 billion. This ensures that we deliver value-adding and exceptional service to the delight of all our customers across this segment.

II. Engagement Strategies

Physical customer engagements were pivotal to our service delivery before March 2020 but in response to Covid-19 procedures, this was swiftly changed to online engagements at all levels. This ensured that we engaged customers throughout the lockdown period while providing them with delightful services.

III. Partnership and Collaboration

Health Care: The Division further strengthened its commitment to the Health Care Sector through Strategic Partnership with the Nigeria Medical Association. Leveraging the Health Care Intervention Fund, we were able to provide funding to indigenous pharmaceutical companies and other organizations in the health care value chain at a discounted rate. This helped them to cushion the economic impact of the Covid-19 Pandemic.

Strategic Alliance: We identified, attracted and consummated strategic alliance for Risk Sharing, Cost Sharing and Technical Assistance with Development Finance Institutions to expand lending opportunities for our customers

Creative Industry: Our commitment to the creative industry spurred our pivotal role in the planning and delivery of the Framework and Creative Industry product paper, in partnership with the CBN, Creative Services, & IT Sectors Enablement Committee (CSIEC) and the Lagos State Government. We disbursed ₦1.3 billion loans to customers under this initiative and are awaiting additional ₦3.2 billion from the CBN, to be disbursed to other customers

IV. Strengthened Digital Channels

We provided digital products that are well tailored to meet the demands of our customers which include:

Business Debit Cards

As part of our digital led approach to delivering superior customer service, we launched "Business Debit Cards" for our corporate customers in 2020, which was one of our penetrating strategies. This provided customers with a convenient and secure way to make payment for goods and services. The issuance of business debit cards to our new and existing customers was borne out of the need to provide a sense of identity and value to our SME customers.

Cashflow Lending App

As part of our efforts to provide access to finance for small and medium enterprises, to support their growth and business expansion, we launched a digital lending portal, for business owners to easily access loans, from the comfort of their homes.

Revamped Instant Business Loan

As a result of feedback from key stakeholders, we obtained an approval from the CBN to refine the product, to better meet the needs of our customers. The product is now fully automated and provides easy and fast access to loans.

'Traderlite' & 'SME Account Fusion' Launch

We launched our "Traderlite" account product, signing on over 8,500 new accounts and also successfully rolled out the "Fusion for SMEs", which allow customers access their business and personal accounts on one platform.

V. Beyond Banking Services

Our Beyond Banking services are virtual in line with the times, and have been of immense value to our customers. We held over 27 capacity building and networking programme with over 74% on digital platforms, as we transformed our product offerings online, to safeguard our customers, considering the Covid-19 pandemic.

We held the Business Club, Community Forum and Business Clinic webinars, which were prior to now traditionally in-person programme. We also optimized our online Learning Management Platform,"SME Zone", for various courses, providing valuable information for SMEs and our online community. We developed the "Ask the expert" Q & A blog, where SMEs could ask burning questions and receive immediate feedback.

VI. Value Chain and Vendor Revamp

Using analytics, we significantly increased the market share of our top corporates through improved distributorship and vendor retention programme.

VII. Awards

- o Euromoney 'Africa's Best Bank for SME' - positions the Bank as a leader in the SME banking market in Africa.
- o Brandcom 'SME Friendly Bank of the Year' award - positions the Bank as 'excellent; in upholding the highest professional standard as well as immensely contributing to SMEs growth.
- o Global Brand 'Best SME Banking Brand' award - positions the Bank as a pioneering force in facilitating the growth of SMEs in the country.

POSITIONING FOR THE FUTURE

The face of banking is changing faster than imagined and we are aware of the constant disruption to our business, due to varying factors including stiffer competitions from Fintechs. We are committed to sustainable business practices in reshaping the dynamics of the markets we play, as we identify new opportunities in these markets and other uncontested market spaces.

We have created a detailed mapping of all markets, segmenting each market in our bid to identify dominating sectors, mapping each market along our structure. Our targeted customer segments will continue to expand across the following key segments and centres of Excellence.

- Imports and Exports
- Distributive Trade
- Dealers and Distributors
- Construction and Contractors
- Media and Advertising
- Vendors
- Educational Institutions
- Healthcare Providers
- Professional Association and Firms
- Hospitality
- Travel Agencies
- Religious Organisations
- IT and Fintech
- Creative/Entertainment
- Microfinance

We remain on track to meeting our aspiration to bank 1 out of every 2 SMEs in Nigeria by 2022, as we build a distinctive Business Banking brand known for customer service excellence in Nigeria in the year 2021.

We are committed to winning mindshare through deliberate customer engagements, towards attaining market dominance, in the new normal. This creed will ensure we constantly engage our customers, in spite of the Covid-19 challenges.

Our 2021 strategic approach is hinged on the following:

- o Market dominance,
- o Sector Focused,
- o Top Market leaders' conversion and
- o Product and Channels migration

We are committed to meeting our aspiration to be the #1 SME Bank in Nigeria as we build a distinctive Business Banking brand, positioned to continuously increase the share of our customers' minds.

02 ||
BUSINESS
REVIEW

RETAIL BANKING

2020 was a defining year across industries all over the world and for us as an institution; a year that re-inforced our position, not only in the industry, but in the lives of our customers. This year presented us with many unprecedented challenges but despite the turbulence experienced through the year, we were able to rise to the challenge, adapt to a new normal and exceed expectations.

At the beginning of 2020, regulatory pricing changes were projected to negatively impact retail banking industry, especially channels income. This was closely followed by the nationwide lockdown in March induced by the Covid-19 pandemic. This led us to refocus our way of doing business, by embracing digital ways of working and ultimately ending the year with a stronger, more sustainable business than ever before.

Leveraging our greatest assets in the retail business, our people and data, we revisited the foundations of our business and enhanced everything from our business model to our propositions looking for new and sustainable ways to create and capture value. This resulted in a paradigm shift in our thinking and strengthened our customer-first, digital-first and data-led outlook.

In response to the emergent needs of our customers, our new way of thinking gave rise to the creation of new strategic business units, forged strategic partnerships, product development as well as accelerated growth across all our retail business segments. Our retail offerings and propositions were redesigned to suit the new realities of our customers without compromising service quality.

In 2020, the Retail Banking Division leveraged the following to drive the Bank's 5-year business strategy:

- New product development processes
- Data mining to unearth deep consumer insights
- Data-led and digital marketing
- Regional market activations
- Global and local partnerships
- Robust digital risk management
- Deepened relationship management.

Some major wins recorded during the year include the launch of the Accessmore mobile app, which has been crowned the best mobile banking app in the industry by customers, loaded with the most rewarding features one of which is the proprietary loyalty programme - Access Rewards. Groundbreaking payment solutions such as FacePay, a facial authentication payment solution, and SwiftPay were also added to the portfolio of digital payment solutions for SMEs. Consumer and business lending were further democratized with the introduction of Cashflow Loans, a digital loan application portal for SMEs, and the Dual Transaction Service which gives customers the option to access credit on their existing debit cards. The exponential expansion of our agent network which increased our retail financial service footprint and the introduction of the XtraWins initiative which rewarded mass market customers daily are also worthy of note.

In 2020, the Division's strategy was focused on digital banking transformation, sustainable growth and value creation for stakeholders across Africa. We have made significant progress on our journey to become The World's Most Respected African Bank and as we go into the new year, we would build on the gains, learnings and winning strategies from 2020 to meet the needs and aspirations of all our stakeholders.

SEGMENTS AND PROPOSITIONS

The way customers view their bank is changing beyond the transactional relationship. The average customer wants a bank that can help manage his finances, help him save and invest for the future and get access to lifestyle solutions. The high level expectations of our customers span all segments, from the mass market through to emerging businesses and private banking clients.

In 2020, the Division's strategy was aimed at becoming the Retail Bank of choice for all Africans. Despite the challenges posed by the global pandemic at the start of the year, we recorded accelerated growth through digital initiatives which allowed us to offer more benefits and rewards to our customers regardless of their location.

Our current level of growth is one which must be sustained to ensure consistent value creation that will help provide our stakeholders with relevant and sustainable products to achieve their goals and nurture a retail business that would save the day and propel us into attaining our vision.

XtraWins Initiative

The XtraWins initiative was launched in May 2020, as a rewards scheme focused on increasing customer interaction through the number of transacting customers, transaction count. The initiative is designed to personalise customer engagement and reward customers for doing more business with the Bank.

A total of ₦3.5 billion incremental revenue has been achieved, with an overall number of 50,100 unique winners and rewards available to up to 21,000 winners per month. This initiative has created an innovative growth channel in the digital space and has accelerated our achievements beyond the usual in-branch transactions and conventional means. It has also delivered the Bank's biggest winning campaign.

XclusivePlus Proposition

As a lifestyle proposition, we offer XclusivePlus subscribers the exceptional service and exclusive privileges they deserve. This ranges from access to local and international airport lounges to discount partnership, complimentary movie tickets and free travel insurance. Beyond these, subscribers can utilize their 'XclusivePlus VISA Signature debit cards' to enjoy both local and international benefits.

The Covid-19 pandemic inspired the launch of new digital offers to leverage sales and drive customer retention. Some of them include the data bundling offer for subscribers, access to online publications, telemedicine services and food delivery services. To ensure a seamless process for our customers, the on-boarded subscription service has now been enabled on the Accessmore mobile app.

Children, Youth and Seniors

Part of the Division's strategy is to ensure that our solutions are ingrained throughout the life stages of our customers from an early age to advanced adulthood through continuous engagement as they transition.

In 2020, retail customers derived benefits from the outlined initiatives below:

Children (Early Savers Account)

Access Bank 9ja Kids Gamification Portal: This gamification programme stood out in the face of Covid-19 as the lockdown persisted and kept children out of school. This initiative provided the children with fun and educational game content within an interactive learning environment. They were rewarded for their participation and also gained knowledge in financial literacy.

Children's Day Celebration: The retail business partnered with **Project Lead**, a Non-Governmental Organisation focused on developing leadership potential in secondary school students, to deliver tips on financial literacy, money management and goal setting in commemoration of the Children's Day celebration.

Annual Financial Literacy Celebrations: Thousands of children across the country were impacted with financial literacy skills and information by actively participating in annual celebrations such as the Global Money Week, Financial Literacy Day, World Savings Day and Children's Day.

Youth (Solo Account)

Access the Stars: In partnership with Nigerian Breweries Plc, we fuelled the actualization of the dreams of many young Nigerian aspiring artistes through the "Access the Stars" reality programme. The nationwide competition sourced the best talents and provided them a platform to showcase their musical talents in major concerts across the country. The winner was presented a grand prize of N120 million (comprising of a record contract, an SUV and cash prize).

Seniors

Virtual Free Medical Consultation & Health Talk: In commemoration of the World Senior Citizen Day, free medical consultation was made available to our senior citizens in partnership with Dana Life Care (DLC, Africa). Useful information on healthy living for the Seniors was shared and this provided an avenue to celebrate and engage our esteemed clients on the 'Evergreen' accounts and proposition designed specially for senior citizens.

Product Enhancement: An interest-bearing account variant of the Evergreen product was launched to provide our senior citizens with the opportunity to bank for free and earn interest while enjoying customized offers.

Bancassurance

Bancassurance has successfully combined insurance and financial services in Nigeria a single platform that meets the varying needs of the customer. In October, a long-term partnership with Coronation Insurance was announced. The partnership is aimed at transforming the risk management landscape in Nigeria and beyond and expanding the scope of financial services offered to our customers. This strategic move has further consolidated our position as a leader in the industry and a one-stop spot for all financial needs.

In the same vein, the HealthXtra initiative was birthed in partnership with Hygeia HMO to offer affordable health insurance benefits to our mass market customers. In August, the HealthXtra initiative was enhanced by digitizing the subscription process through a direct USSD code (*901*20#). This has provided a better user experience and has simplified the onboarding process for both BVN and non-BVN customers.

PRIVATE BANKING

Our Private Banking business prides itself in providing distinct and personalized services with pristine customer experience to our wealth management clients.

The business serves ultra-high-networth, high networth and affluent individuals by identifying and focusing on value creation specific to each segment's needs. These offerings range from the basic banking products and lifestyle services to sophisticated financing structures making us a hub for their banking and wealth management needs.

During the year, we consolidated on the gains of the business combination, with defunct Diamond Bank, to create and deploy customer engagement measures that strategically foster brand growth and long-term loyalty which goes beyond revenue extraction.

Our clients trust that we will anticipate and meet their needs in real time, as well as execute bold start-to-finish strategies to deliver a 'more than banking' client experience.

W INITIATIVE

The W Initiative is the Bank's women's market programme and has inspired, connected, and empowered women in Africa for over 14 years. The initiative has a strong presence in Nigeria, Ghana, Rwanda, and Zambia with an array of offers tailored to meet the diverse career, business and lifestyle needs of over 16 million female customers of all life and economic stages.

In line with the Bank's digital transformation strategy we introduced the "W Branded Debit Card" to provide exclusive and convenient banking for female customers. This led to a 65% increase in debit card adoption by female customers and generated over N102 billion ($255 million) in deposits.

In the wake of the Covid -19 pandemic, a virtual desk (W Cares) was introduced to manage gender-focused complaints and inquiries. Through our Ecosystem Management Unit, we also created a USSD option to automate collections for Faith Based Organizations during the nationwide lockdown.

To help facilitate women's access to discounted finance, we stimulated economic expansion by partnering with ESG (Enterprise Sustainability Group) to simplify loan application processing and tracking for women-in-business. This resulted in over N8 billion ($20 million) debt financing investment in 1,700+ women-owned enterprises and N18.8 billion ($47 million) growth in lending to 750,000 female customers.

In order to drive awareness and uptake of products, several product-based campaigns were organized during the year. These campaigns were conducted virtually, leveraging social media as a major communication tool. Some of the campaigns include the W Power Loan campaign, MHSS campaign and channels adoption campaign. Some of the flagship programmes, activities, and initiatives under the W Initiative in 2020 includes;

Womenpreneur Pitch-a-ton Africa – recorded 39,982 applications from 8 African countries, provided business capacity building for 50 female entrepreneurs through a Mini MBA from the International Finance Corporation (IFC) and produced 5 grant winners winning a total of N9.25 million.

W Webinar Series – a capacity building initiative under the W Academy introduced in response to the restriction of physical engagements due to the Covid-19 pandemic. 17 webinars were organized by the W initiative with 6,500+ registered participants across 32 countries and 4 continents.

W Health Month – provided free breast and cervical cancer screening as well as consultation for 300 women across Lagos, Port Harcourt, and Abuja.

Women-focused partnerships, alliances and subsidiary engagements - In 2020, we forged new strategic alliances with local and international organizations such as Nigerian Governors Wives Forum, Mastercard Foundation and FMO, She Trades Invest. These partnerships facilitated a global recognition as "Bank of the Year" under Non-financial services category by the Financial Alliance for Women.

The W initiative was also launched in other African markets in 2020 – Sierra Leone, DR Congo, Mozambique, and The Gambia.

Looking to the next financial year, the W Initiative is committed to sustaining the provision of suitable financial and non-financial services that will enhance the lives of women across all life stages and increase their participation in the global economy.

EMPLOYEE BANKING

The Bank serves more than 1.4 million esteemed employees from over 4,200 corporate mandates through a wide array of tailor-made products and services delivered through our Everyday Banking proposition.

Our strength in this segment was further consolidated through a variety of innovative products ranging from Dual Transaction Service on our debit cards (DTS), to PayDay Loan and other instant loans accessed via the USSD code (*901*11#) and our mobile apps. The DTS innovation gave our salaried customers the option to utilize one single card for debit and credit card transactions. With over 320,000 salaried customers profiled on the dual card service, the Bank has been able to profitably avail credit cards to eligible customers at the point of need. This has not only transformed the consumer lending space but also aligns with our e-channel adoption strategy.

In addition, by strengthening the offerings for this segment, we achieved greater awareness in the market and improved business performance. An additional 300 businesses and more than 70,000 employees in Nigeria have trusted us to provide a secure financial future by making the switch to the Everyday Banking proposition.

UNBANKED AND UNDERBANKED SEGMENTS

Direct Sales

In 2020, the Direct Sales operational model proved to be more efficient with the global socio-economic challenges due to Covid-19 pandemic notwithstanding. New ways of onboarding new customers and serving existing customers were identified and this resulted in an improved contribution to the bottom line by the Direct Sales Agents (DSAs). These achievements were driven by unique cluster identification, referrals and new-to-bank strategies which resulted in the acquisition of over 1.2 million new customers with a cumulative portfolio balance in excess of N88 billion.

The Annual Sales Conference themed "No Limits" was focused on reviewing the winning strategies for 2020 and riding on the gains to win in the coming year. Sales agents with exceptional achievements were celebrated and rewarded at the conference.

BETA Savings Proposition

The BETA proposition is designed to provide financial inclusive services to traders, artisans, market women and men who have limited or no access to financial services. These services are provided to customers through trained mobile agents who operate in markets and near market locations nationwide. The BETA savings account is secure, convenient and can be accessed through multi-channels.

In 2020, the proposition recorded a total portfolio growth of N1.7 billion and an acquisition of 191,000 new accounts.

An innovative initiative is in progress to migrate the BETA proposition in-house to the Bank's core banking application. This will serve to improve overall customer experience and profitability of the proposition.

Agency Banking

The Agency Banking business through its activities increased our retail service footprint by taking banking services to customers in their local communities and immediate environs.

We grew the agent network from a base of about 16,000 agents in January 2020 to over 52,000 agent locations all over Nigeria by December 2020, conveniently and safely offering basic banking services such as cash withdrawal, cash transfer, account opening and bill payments. The impact of the Covid-19 pandemic on access to financial services was mitigated as agents were readily available to serve customers even when the traditional branches were shut due to the lockdown and curfew imposed across the country.

A key step increased visibility for the Access Closa Agent Network was the branding and geo-tagging of our agent locations across Nigeria . In 2020, over 10,000 agent locations were branded. We also partnered with Google to geo-tag over 27,000 agent locations making it easier for customers to locate our agents on Google Map by simply searching 'Access Closa Agent'.

Daily transaction values went up from a daily average of N2 million in January 2020 to N5 billion by the end of December 2020. There was also consequential growth in revenue by over 1,600%.

We have leveraged technology and diverse strategies for the rapid adoption and growth of our agent network, designed not only to promote financial inclusion but also to empower our MSME customers and meet the needs of our growing customer base.

CHANNELS BUSINESS

Our channels business has continued to record significant growth by taking advantage of the digital explosion accelerated by the pandemic.

Digital Banking

The Central Bank of Nigeria's financial inclusion agenda has dramatically changed how financial services are being delivered to the underbanked segment of the economy.

Driving financial inclusion by providing seamless payments and championing the cashless policy and digitization of services through fast and highly secure payment platforms is at the core of the digital channels business. Through the simple, secure and user-friendly USSD service (*901#) which requires no internet connection, low-income earners who are underbanked and the unbanked have access to basic banking services on their mobile devices.

Web & App Platforms

The Accessmore Banking App was introduced to serve all our mobile banking customers in a unified platform. New and unique features such as Access Rewards (a mobile banking loyalty programme), lifestyle services, international payments and airtime top-up services have also been added to serve our growing user base of over 13.1 million retail customers.

Cards

Access Bank has over 17 million issued cards which is the highest in the Nigerian banking industry. Our card products include: Credit cards, Debit cards and Prepaid cards and their features are regularly upgraded to ensure they are delivering the best experience and can be used across all channels around the world. Our card products are available to individual and corporate customers and can also be customized on request.

Payment Acceptance Services

While the Covid-19 pandemic has directly affected every single human and brought the entire world to a shocking and uncertain standstill, it has accelerated the acceptance of digital and online payments throughout the globe.

Envisaging an increase in the demand of e-commerce services from our customers, the Bank implemented the VISA payment gateway platform (cyber source) to cater for both local and international payment acceptance.

In addition, the POS business rose to approximately 45,000 terminals. The biller solution was revamped to accommodate all types of distributorship businesses and accept payment from key distributors and retailers across the country to facilitate their revenue collection.

Corporate Disbursement

PrimusPlus continues to be one of the leading corporate digital solutions in the industry. At Access Bank, we understand the unique banking needs of our business clients and we are fully committed to providing them with world-class, innovative, competitive and flexible banking solutions to support their business goals.

This robust solution provides our business customers 24/7 access to their accounts. The unique banking solution also guarantees increased business efficiency by reducing manual processes while giving customers the ability to make payments at any time and monitor their transactions every step of the way.

Automated Teller Machines (ATMs)

With over 3,000 ATMs strategically spread across the country, the Bank continues to serve both its customers and other bank's customers. The cashless withdrawal service was introduced to enable our customers make withdrawals in the absence of their ATM cards. The Bank also collaborated with a local switch to offer the same service to customers of other banks.

INTERNATIONAL PAYMENTS REMITTANCE

Access Africa

As part of the Bank's aspirations to be Africa's Payment Gateway, AccessAfrica was developed as a platform to facilitate cross-border multi-currency funds transfers. This initiative is poised to alleviate currency volatility and international payments for Africans. It enables customers and prospective customers send near instant local currency payments to their desired beneficiaries. It has aided cross-border trade and remittance, allowing customers send local currency to other countries for beneficiaries to receive in their local currency.

The robust technology platform which powers this service is continuously being enhanced to improve customer experience and profitability as well as activate trade or non-trade corridors and facilitate the onboarding of new corridors.

AccessAfrica prides itself as a first-of-its-kind in the African banking space and continues to gain popularity across the continents. AccessAfrica continues to empower Africans in the provision of a white-label service to other service providers to consummate transactions on their customer's behalf in a safe and efficient manner taking into consideration all international compliance requirements.

The service was digitized in 2020 to ensure that users enjoy a more convenient banking experience notwithstanding Covid-19 impediments. AccessAfrica now has two additional channels and can be accessed on the Accessmore mobile app or via USSD *901#. With these enhancements, customers can carry out cross border transactions.

Remittances

Our Remittance business enables customers remit funds through International Money Transfer services to named beneficiaries. It is facilitated by cash payments and direct transfers to customer accounts of both Access Bank and other banks.

In 2020, Access Bank ranked number 2 in the industry and we plan to lead the facilitation of international remittances in 2021. We now have 10 remittance partners and hope to add more in the coming year promoting our slogan "Think Remittances, Think Access".

Our current partners are:

Western Union
MoneyGram
Ria
WorldRemit
Transfast
Paysend
Shift
Sendwave
Visa Payments
Small world

Upcoming remittance partners in 2021 are:

Naira Gram money transfer
Wari money transfer

CONSUMER LENDING BUSINESS

Traditional Lending

The Bank created several variants of home loans through the Access Home Advantage to ensure customers access more opportunities to own homes. We also committed to making the product more attractive and valuable and this put us in a better position this year.

The Covid-19 pandemic provided some unique opportunities which were tapped into through the Revamped Advance for School Fees. This initiative was aimed at providing relief for parents and guardians to pay their children and ward school fees due to the negative impact of the pandemic and has proven efficient over time.

Based on our understanding of the need to make life easier for both customers and staff, several promotional activities were rolled out in partnership with our approved vendors for Vehicle Finance to provide easy access to brand new cars. Some of the promos were: The Access More Mileage, Suzuki Ride with Us and Easy Buy Finance Scheme.

Digital Lending

'Something for Everyone' is the mantra for Retail Banking digital loan proposition and is evident in the Bank's variety of digital lending products. Our digital lending portfolio witnessed a 40% year-on-year growth in 2020 and an unrivalled dominance in the industry, disbursing approximately four (4) million loans, generating an all-time-high of N100 billion in value in 2020 for the masses, affluent and youth customers.

Since the launch of the novel PayDay digital lending product, tailored to salaried earners, the Bank has delivered an extensive variety of digital loans. The Bank's range of salaried-backed loans includes instant cash loans of up to 400% of monthly salary and Device Finance, a small asset financing scheme designed to help finance the purchase of new smartphones over a 12-month tenor. The Bank also offers digital loans against customers turnover named, Lending Against Turnover (LATO) extending credit to non-salaried customers. This has resulted in disbursement of approximately 3.1 million loans worth N70 billion Naira in value since July 2019.

Based on our understanding of the unique challenges small businesses faced in 2020, the Bank improved access to funding for this segment leveraging the LATO product and further extended the customer segment to include sole proprietors and small-scale businesses.

The digital lending bouquet also offers instant business loans to customers with high turnover further eradicating the bottleneck of lengthy traditional loan application processes. Loans for Youth Corp Members (NYSC loans) were also introduced allowing Corp members borrow against their monthly allowance. Cash-backed loans which gave customers the option to borrow against their investment in the Bank was another addition to the growing list of digital loan products.

The Bank continues to enhance the digital lending portfolio and will extend the loan offers to cater for its agents, affluent customers and other segments in the coming year.

Today, the Bank houses approximately eight (8) million pre-qualified customers for digital loans, amounting to approximately 19% of the active Nigerian working population. We aim to maximize our in-house potential and expand the eligibility funnel by another two (2) million customers in 2021 and to 30% of the active working population by 2023 by extending digital loans to third-party customers.

EMERGING BUSINESSES

Despite the tough experiences of 2020, it also presented opportunities for innovation, and growth for our emerging businesses. The Covid-19 pandemic necessitated the shift from brick and mortar outlets to digital platforms. In embracing this shift, we remained unrelenting in our passion for MSMEs and our quest to see them grow and prosper. Our doggedness earned us multiple awards such as; the Euromoney Award - Africa's best bank for SMEs 2020 and Global Brand Award - Best SME Banking Brand.

Access to Finance

We have leveraged best-in-class MSME-specific credit assessment methods which enable us to lend with ease. Using the cashflow lending methodology, we lend to MSMEs with good credit reports and those that keep proper accounting records.

Over the past 12 months, we have supported economic growth by helping 18,000+ thriving enterprises grow and create more jobs through access to finance in excess of N38 billion. More than a third of the beneficiaries of this lending methodology are women-led or owned MSMEs who have accessed finance through our award-winning W Power Loan for women; discounted financing, priced significantly below market lending rates.

We also have the Instant Business Loan, available on our Quickbucks mobile app which allows pre-qualified customers access funds quickly.

Capacity Building

Our Learning Management Platform, the AccesSMEZone is the first-of-its-kind in the Nigerian banking industry and gives our MSME customers 24/7 access to information and webinars from the comfort of their homes/businesses. It houses over 100 free courses on various business topics including Book-keeping and Financial Management, Human Resources, Taxation, We have over 120,000 SMEs onboarded and the SMEZone.

Business customers have also benefited from MSME clinics, capacity-building programme, networking opportunities and discount offerings. We recorded an increase in the reach of our capacity-building programme to 25,000 beneficiaries this year.

Social media platforms are tools for making business sales, which have further been boosted due to the pandemic. In recognition of this, Access Bank developed a secure payment platform based on insights about emerging trends as regards the payments for goods and services on social media. With the launch of SwiftPay, accepting payments from customers via social media platforms became easier and safer. The digital payment solution enables customers of MSMEs make quick, easy and secure payments on social media platforms (Instagram, Twitter, Facebook, WhatsApp).

In partnership with the Office of the Vice President and the Lagos State Government in Q1 2020, we funded the development of a shared facility for the fashion industry with the sum of N50 million. It is a fashion hub where entrepreneurs can have access to end-to-end machines for design, print, sewing and embroidery of various kinds of clothing and accessories.

Strategic Partnerships

To enable us truly support MSMEs even beyond our expertise or scope, we sealed strategic alliances with experts in various fields to provide essential business services needed by MSMEs to thrive. These partnerships include:

Legal practitioners: to provide business registration services at discounted rates. Over 5,000 businesses have been registered leveraging these partnerships

Facebook Training: to provide trainings on digital marketing for businesses. Our MSME customers have been trained for free leveraging this partnership.

Medical Credit Fund: (a Dutch NGO headquartered in Netherlands): to provide technical assistance to MSMEs in the Health Sector as well as facilitate the attainment of international quality standards. Over 700 health care facilities have benefitted from this partnership.

Web designers: to provide discounted website service. Over 50 websites have been developed on this platform this year.

Our Covid-19 Support for MSMEs

The Covid-19 pandemic adversely affected businesses of all kinds particularly MSMEs. In order to support the continuity of our SME customers' businesses, we took some strategic decision as highlighted below:

- We transitioned all our Beyond Banking services which were in-person activities to virtual holding Business Webinars and Clinics every month
- We also developed a workplan for SMEs newsletter - an intervention series to help MSMEs survive amidst the pandemic
- Our 'Ask an expert' Q&A online blog was developed on the AccesSMEZone
- Our Website service was enhanced to accommodate the increase in requests
- Over 25,000 customers have been impacted by our Digital Beyond Banking Covid support
- Moratorium on loan repayments
- A 90-day moratorium granted to borrowing customers adversely affected by the pandemic
- Access to working capital finance
- Easy access to loans provided to supermarkets, grocery stores, pharmacies and SMEs identified in the resilient sectors. Over N3 billion has been disbursed so far to the SMEs.
- In partnership with Central Bank of Nigeria (CBN), Access Bank is at the forefront of the CBN Health Sector Intervention Fund

PARTNERSHIPS & DIGITAL CAPABILITIES

In this time of unprecedent transformation by massive digitization, the Bank instituted a strategic business unit focused on helping customers succeed with technology. Since inception, we have worked with partners to create technology powered solutions for customers and businesses, leveraging the variety of technology capabilities within the Bank.

In 2020, we forged new partnerships with technology leaders to deliver cutting edge digital solutions that provide the following benefits for our customers: improved time to value through collaborative execution; access to debt capital for partners and third-party companies, ease of integration to the Bank's platforms and new products and services evolution.

The Partnerships and Digital Ecosystems Group draws from the experiences and competencies of its multidisciplinary teams to provide innovative digital financial solutions for partners and customers. In the first few months of its operation, the Group launched viable products and services, began to generate revenue within the first two months and became profitable in less than six months.

Going into the new year, the Group will remain committed to providing solutions that will spur the growth within the ecosystem and increase participation in the global economy.

02 ||
BUSINESS
REVIEW

CORPORATE AND INVESTMENT BANKING

The Corporate and Investment Banking Division is made up of four business groups: Corporate Banking, Global Transaction Banking, Project & Structured Finance and Treasury & Global Markets. As a team, we work in solving problem statements of our corporate, financial institution clients as well as investment managers.

Corporate Banking Group

We are organized to serve the largest companies and corporate clients across Africa, many of whom are multinational entities operating within the following sectors - oil & gas, telecommunications, food and beverages, cement & metal fabrication, transportation, and financial institutions. With a team of sector specialists, we provide a comprehensive range of financial services and products to these clients.

Oil & Gas | Transport & Logistics | Telecoms & power | Financial Institutions | FMCG Beverages & Personal Care | FMCG Food & Trading | Cement & Metal Fabrication

Our overall objective is to help our corporate clients increase their revenues or reduce their operating costs, thereby improving overall performance. Our execution strategy is around an integrated support of the unique value chain of each corporate client, deepening relationships and connecting our clients with the capabilities and solutions they need to drive their businesses. We take pride in building strong relationships with our clients with extensions to their stakeholders which enables the delivery of our strategy in line with long-term values and in a sustainable way.

Today, our workforce of over 200 members support over 500 key clients from 3 locations in Nigeria (Lagos, Port Harcourt and Abuja), 7 business locations across Africa and a business office in London.

Over
500
corporate clients bank with us

35%

We have relationships with 35% of the corporates on the Nigerian Stock Exchange excluding banks.

Project & Structured Finance (PSF)

Project Finance

Structured Funding

The Project & Structured Finance (PSF) Group is a leading and evolving solutions driven financial advisory, project financing, debt arranging, and agency services provider. The Group has been repositioned to support the Bank's clients by providing a full range of tailored financial solutions, leveraging the expertise of its experienced staff and strong relationships with local and international financial institutions as well as professional service firms.

Collaborating with other Strategic Business Units and leveraging our expertise and strategic relationships with several Development Finance Institutions (DFIs) and Export Credit Agencies (ECAs), the Group provides medium to long term alternative, innovative and sustainable funding solutions at very competitive pricing to eligible clients.

Illustratively, PSF successfully consummated a EUR60 million on-lending facility to support SME projects in Nigeria; raised US$160.5 million Trade Finance Facility to provide financing support to Manufacturing, Agriculture, Agro- processing, intra-African trade, value-added exports, Power, Energy and ICT sectors in Nigeria among other strategic deals and transactions. The Group also raised US$35 million on-lending facility to support renewable energy and energy efficient projects. In addition, US$93.8 million Tier II Facility was successfully raised by the Group to support the Bank's activities as well as a US$50 million Working Capital Facility.

Treasury

Treasury & Global markets

Our Treasury and Global market business serve institutional clients and investors with sales and trading services, liquidity, hedging strategies, industry-leading insights, analytics and competitive pricing to our institutional clients across our global network.

We offer a comprehensive range of foreign exchange services to retail, local and international corporates, and public sector clients to enable them effectively manage their foreign exchange risk exposure. Over the past year, we enhanced our foreign currency trade and settlement platform, AccessFX; offering market participants real-time price discovery and liquidity on G10 currencies.

Through our suite of tailored fixed income services, we provide market-making, financing and securities settlement services to local and global institutional investor clients in support of their investing and trading activities.

Going forward, we remain committed to creating best in class Treasury product offerings and services to our clients as we support the Bank's vision to be the World's Most Respected African Bank.

Supporting clients during periods of crisis has always been a hallmark of our business. In times of crisis, leadership matters. We were with our clients and their customers during partial lockdown as we opened our various branches and made available at optimum our platforms for continued flow of business.

Business Performance

The Corporate and Investment Bank had a stellar performance in 2020. Overall, we achieved a growth of ₦550 billion in customers deposits and over ₦62 billions in loans and advances primarily from the Corporate Banking sector. On the Corporate Banking business, we have continued to place emphasis on low-cost deposit mobilization, improve deposit retention as a means to further improve deposit mix and cost of funds.

The Division delivered broad-based adjusted revenue growth across all industry focused segments such as Treasury and Global Markets, Project and Structured Finance, Oil & Gas, Cement and Metal Fabrication, Transport and Logistics, Telecoms & Power, FMCG – Beverages & Personal Care, FMCG – Food & Trade and Financial Institutions (FI) in 2020. This performance has been helped by positive results from restructuring which we carried out in 2019 with the addition of a Client Service Team (CST) which supports the relationship teams in serving our corporate clients from the perspective of Trade, Collections, Suppliers and Government Payments in form of taxes and levels as well as corporate payment of their utilities.

Performance from our Treasury and Global Market reflected on-going economic uncertainty and spread compression with added market volatility. The later worked in our favor in strong returns across various products.

2021 outlook

The Covid-19 pandemic has created significant disruption for our staff, corporate clients and their value chain particularly in Nigeria. We continue as a business to support all our connections during these trying times. We acknowledge that these are difficult times and we are poised to continue to attend to the difficult questions in relation to our clients' businesses.


future forward
technology
for your safety
Because we are safer than ever.
Our commitment to your safety continually informs our investment in newer technologies.
#CommittedtoGivingMore
Scan to download AccessMore app
App Store
Google Play
More Information:
01- 2712005, 01- 2712006, 01- 2712007.
accessbankplc.com
Facebook.com/accessbankplc | Twitter.com/myaccessbank
Youtube.com/accessbankplc | LinkedIn.accessbankplc
Instagram/myaccessbank
access
more than banking

02 ||
BUSINESS
REVIEW

TRANSACTION SERVICES, SETTLEMENT BANKING AND IT

The Transaction Services, Settlement, Channels & Digital Support functions provide the operational support for activities across the Bank's physical and digital channels. The outbreak of the pandemic in 2020 presented opportunity for the review of our service delivery model across all touch points, relying more on the use of our digital platforms in enhancing the operational efficiency required to serve customers in a safe and secure manner.

With a focus on operational excellence, efficiency and availability of our channels, service delivery and continuous process improvements, we automated over 130 processes and had Robotics Process Automation (RPA) deployed for 60 processes as we enhanced our capacity to process the increased transactions from the digital platforms.

The combination of the above mentioned initiatives resulted in more than 32% growth in the transactions processed across our digital channels while maintaining safe operations across over 500 physical branch locations and business offices through which cash management and payment services were provided to customers.

In line with the Bank's overall objective of driving sustainable growth using technology, the operations across the African subsidiaries continued to be aligned across all our host countries.

In continuation of our culture of capacity building, we ensured that our people were trained through digital and virtual learning programmes in such a way that the restrictions to physical interactions did not adversely impact the workplace learning of our people.

In the post Covid 2021, we will focus on the shift in customer preference for our digital channels occasioned by the pandemic and will deepen our use of technology to serve our customers across all touch points. Our focus will be on simplifying our processes, building resilience in our operations, and providing our customers with an enjoyable experience at every interaction with us in our quest to become the World's Most Respected African Bank.

Information Technology

The advent of disruptive technologies such as Artificial Intelligence and Advanced Data Analytics has led to an increase in operational efficiency and revenue in the financial service industries across the globe.

With the help of technology, organizations have employed methodologies to ensure sustainable productivity, and provide quality service to their customers during the pandemic.

By focusing and investing in technology, we have carried out the Bank's business continuity plan to ensure that optimal services are being rendered to customers. During the year, we developed a number of innovative digital products for customers, enhanced cyber security to mitigate against cyber threats, automated more operational activities, and maintained optimal availability on all digital channels and platforms.

Operational and Cost Efficiency

During the year, and in line with our strategic intent, measures were taken to ensure sustainability and efficiency in the running of the Bank's operations with a significant reduction in cost. We carried out several process enhancements across all functions including Conduct and Compliance, Human Resources, Risk Management, Operations and Corporate Counsel. Automation eliminated the manual processing of Settlement and Reconciliation files with an average record of a million entries per processing, and improved productivity and error processing by over 50 percent as staff are able to focus on more strategic functions, while robots increasingly run the manual processes.

In the area of operations, we improved on our End-of-Day and End-of-Month timing significantly with many of our subsidiaries now running their End-of-Day operations well under 30 minutes. We concluded the deployment of Dynamics 365, our Enterprise Resource Planning solution, across four subsidiaries.

Currently, we have enrolled over six million customers on our USSD platform, and over two million on our PayDay Loan platform.

Digital Initiatives and Achievements

In 2020, we implemented a number of digital initiatives in line with our strategic plan to become "Africa's Gateway to the World". Using a 5-pronged programme approach – Retail, Payments, Digital, Corporate and Channels – and despite the challenges of a novel work structure due to the Covid-19 health guidelines, we were able to successfully deliver 218 projects. This was a remarkable achievement under the circumstances, considering only 77 Projects were delivered in 2019. Highlights of our deliveries include the customer centric Access More mobile banking app, the upgrade of Access Mobile, and Cardless withdrawals. These projects underscore our commitment to providing a seamless Omni-channel experience for customers. On the payments front, we delivered Access Africa (sprints 5 to 9), Dual Transaction Service and onboarding of International money transfer organisations like Paysend, MoneyGram, Shift and SmallWorld. Under the retail programme, and in line with the Bank's strategy, we delivered 16 projects aimed at the retail customer segment, some of which are CashFlow Lending, Central (Digital Market Place), Instant Business Loans and Third-Party Lending via QuickBucks, amongst many others. Consolidating its leadership in domestic wholesale banking, with the belief that a focus on corporate clients is an expedient and cost-efficient strategy in the short to medium term, we delivered the Cash Pooling Payment Platform Sprint 1 Solution for RwandAir and Schlumberger, enhancements to TradePlus and Primus Plus– Third Party Lending Solution, and Customized MT940 statements to enable our corporate customers achieve their aims. We also upgraded our core banking infrastructure in three subsidiaries and delivered the Passport Custodial service to assist the Federal Government of Nigeria in the safe re-opening of the nation's airspace for international travel.

To end the year on a high note, we were awarded the Digital Banking Summit award in the category for 'Best IT Risk and Security Initiatives of the Year', underscoring the recognition of our collective effort in delivering world class IT services, while managing risks and security.

Other IT Projects and Programmes

As part of the Access Bank's growth objective to be the World's Most Respected African Bank, we entered two new markets, Kenya, Mozambique, and standardised the core banking platforms of the new entities. To deepen our local presence and competitive digital drive, we also successfully migrated two subsdiaries - Sierra Leone and The Gambia - to our core banking platform.

Under the Bank's 5-pronged programme, the Corporate Programme supported the Bank's objective to lead in domestic wholesale banking. We undertook 4 strategic external-facing projects for some of our large corporates, with the auto sweep service functionality for one large corporate, resulting in the routing of over ₦88 billion through the Bank.

Under the Payments Programme, which is critical to our international business platform, we delivered Access Africa for offering cross-border services to other banks, FinTechs and partners which achieved a revenue target of $2 million in 2020 and acquired over 400 new accounts within 6 months of go-live.

The Retail Programme is geared towards delivering exceptional customer service across all channels, to enable the Bank penetrate new markets. With a focus on directing value towards our core banking base, and generating attractive per-client revenue, the CashFlow Lending programme linked the cashflow lending application to FinTrak 360, generating an income stream of over N4 billion, and an additional 1,955 booked loans, within 6 months of launch. Similarly, the deployment of the Agency Banking application provided an opportunity for the Bank to deepen its distribution footprint and grow its customer base, resulting in additional revenue from deposit withdrawal and bills payment, while adding 240,795 new accounts in the one-year post launch. Working with large Telcos, we developed products to drive financial inclusion through the provision of simple to use wallet accounts (hybrid savings accounts) for customers, which spawned a 49% increase in revenue, adding N496 Million to the business, whilst attracting 305,884 new customers. The delivery of Instant Business Loans on QuickBucks Programme for SMEs seeking instant business loans was another popular programme in terms of customer uptake, resulting in over ₦2 billion loans booked by Q3 2020. Other notable programmes include the Bancassurance Fusion Project which refers Access Bank customers to Coronation Insurance for insurance products, the PayDay Advance product offering for Rwandan salary account holders and the Access Money Wallet revamp to further drive the Bank's financial inclusion objective.

Under the Channels Programme, we delivered a single upgrade to the Diamond and Access Mobile apps, increasing transaction count by 54% in the 6 months post launch, and revenue from transactions by 32% to over ₦225 million. The Bank is also proud to have launched the next generation of secure payments and customer biometric enrolment platform in Africa, FacePay, leveraging market leading facial recognition technology.

Data Engineering and Analytics

The pandemic has accelerated digital channels adoption by majority of the Bank's customers. This has increased the data available for analysis and reporting which has been put to good work in identifying opportunities and setting strategic direction. As an example, data was used in the gamification campaign which generated over ₦1.8 Billion in revenue. Outcomes of our data analytics efforts led to improved revenue monitoring, increased NIP success rates and customer acquisition and retention, enriched customer data management insights, and enhanced asset and liability management.

Governance, Standards and Business Continuity

The Bank took measures to ensure strict adherence to global standards and best practices in carrying out operations. One notable achievement is the implementation and certification of the ISO 20000 IT Service Management System Standard to provide our customers with efficient and optimal levels of service in accordance with the international standard.

In line with Business Continuity standards, we carried out a disaster recovery test on our core banking application to ensure that the Bank can function optimally in the event of a disaster. We also carried out Business Continuity tests on our power infrastructure and network links affirming the Bank's readiness and functional capability to provide optimal and satisfactory service to customers in the event of disasters.

02 || BUSINESS REVIEW

DIGITAL BANKING

Our strategy of being a digitally led Bank was tested by the Covid-19 pandemic. The pandemic which was a health crisis that metamorphosed into an economic crisis presented a challenge for financial services providers across the globe and Access Bank was not left out, being that financial service providers were expected to keep providing services to customers with minimal or no disruption in the wake of the pandemic.

Access Bank leveraged the pandemic to accelerate the execution of its digital strategy and deliver optimised and uninterrupted services to customers during the period. The Bank delivered unparalleled and uninterrupted digital banking services through its various channels which witnessed a spike in the volume of digital transactions and also experienced an unprecedented increase in sign up of customers.

In the year under review, we continued with our focused digitalisation efforts, innovating on several products and initiatives as highlighted herein:

AccessMore

We released our next generation mobile banking super app, named AccessMore in March 2020, in line with our strategy to provide an all-inclusive platform that offers an endearing user interface, unprecedented levels of personalisation and mobile banking features that are unparalleled for smartphone users in Africa. AccessMore focuses on providing interactions beyond conventional mobile banking, which includes understanding and incorporating the desires and lifestyle of consumers into banking.

As the name implies, the platform provides 'More' than regular mobile banking services, with several market leading features included in the app. The features include but are not limited to: Nearby Payments, Access Reward platform, Instant Loans, Instant Account opening, Bill payments, Funds transfer, Investment, Cheque management and instant me, money transfer across defferent geographics.

FacePay

FacePay is Africa's first facial recognition payment solution that leverages artificial intelligence and machine learning to provide unparalleled levels of authentication using biometric data and best in class innovation to facilitate secure payments and transactions. With FacePay, a customer just needs to turn up to any participating store or Access branch to access banking services or pay for goods and services – no cards, phones or cash required. FacePay enables seamless and secure merchant payments, reduces queues and turnaround time at branches through instant verification of customers and promotes financial inclusion thereby providing value to an underserved market.

Access Rewards:

Access rewards is the first of its kind digital loyalty programme in Africa. It is a digital instant reward and loyalty platform that allows customers to earn points that can be redeemed on the Mobile App. Access Rewards increases customer engagement and utilization of digital channels through gamification. It also provides incentives for making payments using the AccessMore app.

Fast Orders

Fast Orders is an innovative Quick Response ordering solution that enables customers make contactless sit-in, take-out and online orders in restaurants and other merchant locations. The solution provides an innovative acceptance method for merchants and reduces in-store queues while providing convenience for consumers.

WhatsApp Banking

WhatsApp Banking is integrated with the current framework for WhatsApp and can be used instantly for a wide range of services. Our WhatsApp Banking solution leverages social media influence to enable our customers carry out their banking services within a familiar app. Account Opening, Bank Verification Number Checks, Balance Enquiry, PayDay Loan and profile update are also part of the features.

PayDay Loan

PayDay loan is an instant loan application and disbursement platform that offers loans to both Access Bank and Non-Access Bank customers. Qualified customers can have the loan disbursed into their account within 10 seconds of applying. Loan eligibility is dependent on the average monthly salary and a specified percentage of the applicant's monthly salary. Customers can access the PayDay loan product through various digital platforms, such as USSD (*901*11#), Mobile banking, Internet banking, ATMs, WhatsApp Banking and QuickBucks loan app. Repayment is in 30 days or salary payment date, whichever comes first.

Tamada:

Our Artificial Intelligence Personal Banker bot, 'Tamada' is a conversational and transactional chatbot, capable of chatting with customers on random topics and providing their transactional needs. It provides an expanded range of features, ranging from regular banking services to weather forecast, sports update, traffic update, investment advice, Cash out services, News update and Customer Support live chat.

Africa FinTech Foundry

As part of our drive to lead the FinTech space in Africa, Africa Fintech Foundry (AFF) is the Fintech initiative of Access Bank that invests in Pan-African start-ups. The Foundry also organises the following events:

Hackathons, Corporates & Tech Hub Collaboration

To support the communities that we serve in solving their technology challenges, we organise Hackathons, which bring together talented developers, designers, problem-solvers, out-of-the-box thinkers, dreamers, doers, makers, and code pundits to solve clearly defined problems over an intense weekend.

Our last Hackathon was targeted at developing a loan default prediction model to reduce non-performing loans (NPL) and an alternative credit scoring model driven by the transaction details and history of all customers.

Outlook for 2021
Africa FinTech Foundry Roundtable

The Africa Fintech Foundry Roundtable is a bi-annual event that brings together thought leaders and other ecosystem participants to provide professional opinions and steer the lead for digital ecosystem in Africa. The last edition brought technology subject matter experts to discuss the losses and gains of 2020 and offer expert opinions on how businesses can leverage digital technologies to become more resilient in 2021.

Disrupt Conference

The Disrupt Conference is the largest technology conference in Africa that brings innovators, tech enthusiasts and other industry experts together to discuss emerging trends and proffer solutions to problems.

Next rated technology start-ups come together to showcase their current buzzing technology ideas to stakeholders in the technology space ranging from Venture Capitalists, Start-up founders among others.

As a world class institution, Access Bank constantly seeks to build on previous achievements, ensuring continuous delivery of bespoke innovative solutions to meet customers' dynamic needs. We also consolidate our winnings by expanding the scale of our products and platforms while leveraging various technologies such as Data Analytics, Cloud Computing, Artificial Intelligence and Robotics Process Automation, to deliver unparalleled value to its customers and stakeholders.

Accelerator Programme

The accelerator programme grants technology start-ups in all sectors access to mentorship from leading industry experts and investors and content that can help structure their businesses for scale. During the year under review, we supported three start-ups. However, we plan to triple the number of start-ups that will be accepted into the programme in 2021 thereby accelerating 10 start-ups.

A pitch will be set aside before the programme begins to evaluate start-ups and allow them pitch their products. The top 10 start-ups will be picked to join the accelerator programme.

After the accelerator programme, a Demo day will be held to enable them secure funding from interested investors.

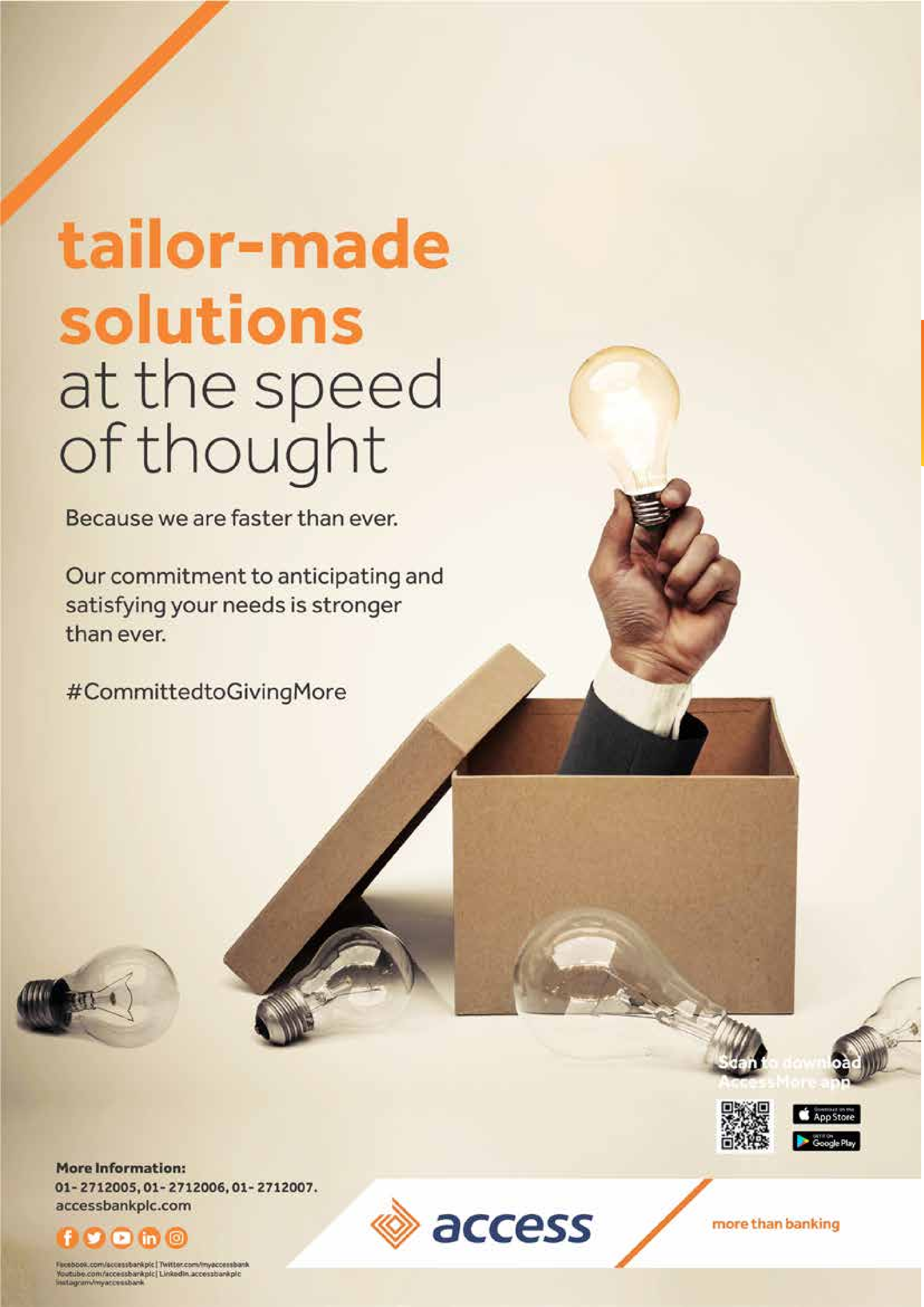
Awards

In recognition of our strides in the digital banking landscape, we received the following awards

- Asian Banker Awards: Best Digital Bank in Africa 2020
- EMEA Finance Banking Award: Most Innovative Bank in Africa 2020
- International Centre for Strategic Alliances: Best IT Risk and Security initiatives for 2020

In conclusion, despite the challenges that Covid-19 presented, we were able to deliver outstanding and innovative results and we are confident that 2021 will present a brighter outlook for us to unleash possibilities and solutions that our customers and the ecosystem at large require.

Digitally Yours



tailor-made solutions
at the speed of thought
Because we are faster than ever.
Our commitment to anticipating and satisfying your needs is stronger than ever.
#CommittedtoGivingMore
Scan to download AccessMore app
App Store
Google Play
More Information:
01- 2712005, 01- 2712006, 01- 2712007.
accessbankplc.com
Facebook.com/accessbankplc | Twitter.com/myaccessbank
Youtube.com/accessbankplc | LinkedIn.accessbankplc
Instagram/myaccessbank
access
more than banking

02 ||
BUSINESS
REVIEW

OUR PEOPLE, CULTURE AND DIVERSITY

OUR PEOPLE

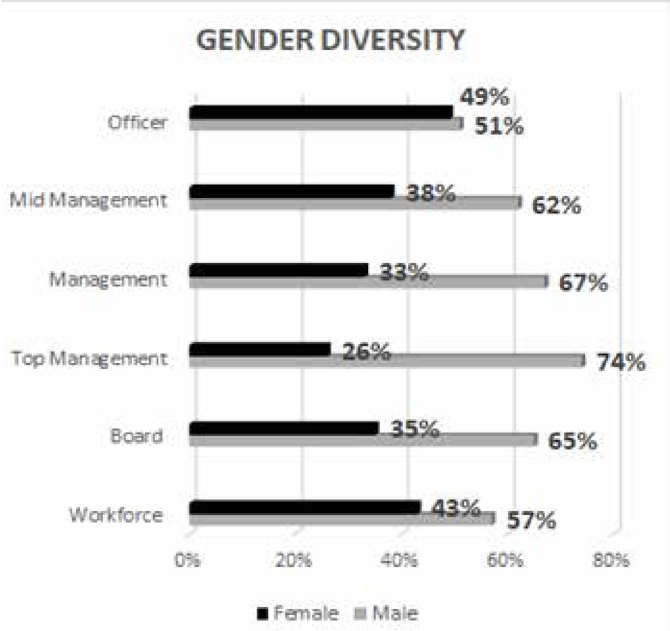
These difficult times buttress the fact that our people remain our most important asset.

The capabilities and character of our vast and diverse team, use of technology and innovation contributed signfantly to the Bank's achievement in 2020. In recognistion of their contributions to the group performance, 800 employees were promoted during the period

The Bank is an equal opportunity employer and remain committed to fostering and preserving a culture of diversity and inclusion. We do not discriminate against any employee or job applicant based on gender identity, nationality, religious preference, ethnicity, race, disability, and other characteristics that make our employees unique. As an equal opportunity employer, our employees cut across all continents.

Some facts about us

270	Graduate Hires
370	Interns
800	Promotions
48	Average training hours per annum per employee
2,781,443	Employee volunteering hours
5,047,722	Lives impacted through employee volunteering.



We Care for Our Employees

Our people management strategy in 2020 was focused on employee engagement, health and safety. We remained committed to doing all that is required to keep our employees and their loved ones safe. In this regard, we modified our operations to include remote working for over 70% of our employees by providing them with requisite work tools. For those that worked from the office, we reinforced personal and office hygiene measures to keep them, their colleagues, and customers safe. We reconfigured our workspace to comply with the physical distancing imperatives of the Covid-19 pandemic ensuring safety of employees and customers. We closed our offices to non-essential visitors and intensified daily cleaning of all offices and branches. In addition, we embarked on regular and robust sensitization of our employees and customers through several media on the need to observe Covid-19 safety protocols. Other measures taken are as follows:

- Provision of face masks, sanitizers and intensified Covid-19 awareness.
- Launched employee campaign aimed at increasing their mental health awareness during the Covid-19 lock down. There were also virtual fitness events which provided opportunity for employees to keep fit during the lockdown.

We C.L.A.P

We Care Lead Appreciate & Perform (C.L.A.P) is an employee rewards and recognition programme intended to drive productivity by encouraging employees to deliver on the Bank's strategic objectives. This is done to demonstrate that we appreciate those who lead and perform. In this regard, the Bank celebrates milestones and recognises outstanding performances by employees who go the extra mile.

Some of the ways we have demonstrated that We Care for employees are:

1. Giving gifts to employees who get married.
2. Giving gifts to employees on Child birth
3. CEO awards where employees and teams with outstanding performance are recognized and rewarded.
4. Long service awards to celebrate landmark anniversaries in the Bank.
5. Bereavement token to employees at the loss of an immediate family member
6. Allocation of CLAP coins to birthday celebrants since Covid-19 made physical delivery of cakes impossible.
7. Periodic pulse surveys to measure employee sentiments and introduce intervention for areas of dissatisfaction.
8. Provision of data bundles at a subsidized rate for employees who work remotely.

Employee Volunteering

As part of our sustainability strategy, we continue to support our employees in giving back to their communities. Our employees have accepted the wider role of helping to address societal challenges like poverty, climate change and inequality. Some of our employees volunteering activities in 2020 were focused on Education– (Entrepreneurship, School building and taking street children back to school), Social Welfare– (Empowerment and Covid-19 Palliatives) Environment – (Renewables, Tree planting, waste management) and Health - (Hospital facilities, health & awareness programme). Over 5 million lives were impacted in 2020, indicating 491% higher than that of

2019, constituting over 69,000 volunteering hours.

Building Capabilities

The advent of Covid-19 pandemic tested the adaptive capacity of the Bank's learning and development function. We leveraged our robust digital platforms to deliver trainings that enhanced our people's digital, analytic, functional and leadership capabilities. We delivered 604,877 training hours representing 117% above pre-Covid plan of 515,000 training hours.

Leadership Development

All Senior management staff comprising Assistant General Managers to General Managers participated in corporate philosophy and vision sharing workshop which they cascaded across the Bank to ensure unity of purpose and reaffirmation of our resilience in dealing with emerging challenges in the operating environment. We partnered with IBM to deploy design thinking and professional skills courses for current and Next Generation Leaders in the Bank. This is in addition to a bouquet of on-line leadership courses offered by Ivy League schools

Building employees of today and the future

In addition to developing the functional and leadership skills of our employees who are the Bank's most priced assets , the unique challenges of 2020 presented a great opportunity to demonstrate love and care to them. This was done through implementation of a number of wellness programmes including mental health, depression and stress management.

Demonstrating care through learning

To sustain the Bank's growth trajectory and position our talents for the future, we hosted a number of Microsoft and Edx organized digital and analytics courses to engender the right mind set amongst employees and provide core technical skills for those in Information Technology and Cyber Security functions.

02 ||
BUSINESS
REVIEW

SUSTAINABILITY REPORT

SCOPE OF THE REPORT

Access Bank is committed to providing prompt and transparent disclosure in order to earn the long-term trust of its stakeholders and achieve sustainable growth that benefits society. We advance our Sustainability activities by establishing lasting relationships with our stakeholders through appropriate disclosure, reporting, and dialogue. This report covers the Sustainability activities of Access Bank in the year 2020.

Structure And Profile

Access Bank Plc is a leading full-service commercial Bank operating through a network of more than 600 branches and service outlets, spanning three continents, 12 countries and 31 million customers. The Bank has subsidiaries in Sub-Saharan Africa and the United Kingdom (with a branch in Dubai, UAE) and representative offices in China, Lebanon and India. The Bank wa listed on the Nigerian Stock Exchange in 1998.

The Bank is a diversified financial institution which combines a strong retail customer franchise and digital platform with deep corporate banking expertise and proven risk and capital management capabilities. The Bank serves its various markets through four business segments: Retail, Business, Commercial and Corporate. The Bank has about 1,000,000 shareholders (including several Nigerian and International Institutional Investors) and has enjoyed what is arguably Africa's most successful banking growth trajectory in the last 19 years. Following its merger with Diamond Bank in March 2019, Access Bank became Africa's largest retail bank by retail customer base.

As part of its continued growth strategy, Access Bank is focused on mainstreaming sustainable business practices into its operations. The Bank strives to deliver sustainable economic growth that is profitable, environmentally responsible and socially relevant in helping customers to access more and achieve their dreams.

Sustainability Strategy

The Bank integrates sustainability into its core businesses by incorporating Economic & Social Governance considerations into risk management processes, product design, purpose statements and long-term strategies. Sustainability has been part of our core values for more than 12 years, as we strive to act responsibly for all our stakeholders. It helps us to predict and mitigate risks in our operations and business performance.

Access Bank aligned its sustainability strategy with its corporate objectives by reviewing its corporate philosophy in line with its sustainability agenda. The Bank's sustainability vision, "To be the Most Sustainable and Respected Bank in Africa, financing and facilitating brighter futures for all our stakeholders through innovative services and best in class operations", directly builds on the corporate vision, "to be the World's Most Respected African Bank", embedding the concept of sustainability and shared value at the core.

This vision is hinged on the Bank's strategy, and aims to finance a sustainable future for all, harnessing global and local partnerships to develop and execute strategic interventions to address sustainability challenges in line with international best practices (e.g. SDGs, Paris Agreement, NSBPs). It emphasizes on fostering growth and creating wealth sustainably, promoting human dignity, environmental conservation and generally improving quality of lives.

Sustainability is integrated into Access Bank's planning and management process, supporting the achievement of its vision and mission, because sustainability influences all key components of 'respect'. Based on Accenture's corporate trust research and Fortune's 'Most Respected Companies' methodology, 'respect model' was developed for Access Bank, which demonstrates the importance of sustainability across all defined elements.

The alignment is further reinforced through implementing a robust sustainability strategy framework directly supporting the corporate strategy. This framework indicates key aspects of sustainability - relationship with corporate strategy, sustainability vision, key impact areas and supporting capabilities.

Underpinning the sustainability vision and strategy, are international principles and standards that support the design of best-in-class local policies that enable effective mainstreaming of sustainability in the Bank for strategic growth and long-term success. The Bank's policies and frameworks continue to facilitate the achievement of its vision, enabling the Bank, its people and processes to address key issues such as supply chain management, human rights, environmental management, ethics, compliance and corruption, data security and privacy, diversity and equality, amongst others. The strict adherence to these policies, is one way to ensure that the Bank remains a responsible corporate citizen.

Inherent in the Bank's 5-year strategy (2018 - 2022), is the sustainability transformation agenda, which rests on key levers to achieve an enlarged, efficient and digitally led tier one financial institution. In line with this, sustainability remains a critical bedrock in the merger between Access Bank and Diamond Bank. This is evident in the automation of all Bank's processes; deliberate strategy for increased agency banking to reach unbanked segments; zero downsizing of employees; restructured sustainability champion's network; among others.

Overall, sustainability is identified as a lever to achieving the Bank's corporate vision and strategy. This drives the Bank to ensure clear-cut competitive advantage; reduce Greenhouse gas emission, drive financial inclusion, enhanced customer focus; break new barriers and most importantly, 'lead sustainably'. Sustainability is embedded in the Bank's DNA, incorporating environmental social and governance considerations into business decision-making processes. This starts at the top with Board oversight and trickles down to every employee as sustainability is embedded in the KPI's of all staff.

Our Customers

Our success depends on our customers and suppliers choosing us. Our strength lies in working closely with them to create value and trust, together with superior products, service and ideas.

Our People

Our success comes from our people. We work in a safe and satisfying environment. We choose to treat each other with trust and respect and maintain a healthy balance between work and family life. Our experience, teamwork and ability to deliver inspired solutions are our most valued and rewarded strengths.

Our Shareholders

Our success is made possible by the shareholders and lenders who choose to invest in us. In return, we commit to continuing profitability and growth in value, which together make us all stronger.

Our Communities

Our success relies on communities supporting our business and products. In turn, we care for the environment, create wealth, respect local values and encourage involvement. Our strength is in choosing to do what is right.

OUR SUSTAINABILITY JOURNEY

Sustainability is part of Access Bank's history, as the Bank has been a pioneering force in sustainable banking since 2002. The Bank's trailblazing approach formally began 12 years ago, before sustainable finance became a public agenda in Nigeria and prior to the development of Nigerian Sustainable Banking Principles.

We convened the first-ever Nigeria Sustainable Finance Week under the theme, "Moving Frontiers – Sustainable Finance", in collaboration with the United Nations Environment Programme Finance Initiative (UNEP FI) and The Netherlands Development Company (FMO) in 2011, with the aim of educating stakeholders in the Nigerian financial sector about opportunities in sustainable finance. During the period, we became the first financial institution in Nigeria to deploy a customized Sustainable Finance toolkit to assist in screening projects to identify potential environmental and social (E&S) risks.

Through the years, we have shown an unwavering commitment to sustainability evident in our leadership role in developing the Nigerian Sustainable Banking Principles (NSBPs) in 2012– a set of nine principles by which all banks in Nigeria are encouraged to live the sustainability ethos. We have maintained our position as the Chair of the NSBP Implementation Steering Committee, providing leadership, guidance and support to other Nigerian banks.

Following the unveiling of the "W" initiative – a one-stop focal point for all Access Bank's women empowerment offerings in 2014, we also launched the Maternal Health Support Scheme (MHSS) aimed at offering discounted financing for medical procedures peculiar to fertility treatments and newborn babies.

In 2016, we commenced a strategic partnership with Aspire Coronation Trust (ACT) Foundation, through which we provide funding for the delivery of grants to non-profit organizations across Africa. The funding we provide, has facilitated the support of non-profits to achieve their goals to improve health outcomes, build leadership capacity and support income generating activities.

In 2017, we launched our Employee Volunteering Awareness Day (EVAD) – a day set aside to commemorate the efforts of our employee volunteers whilst creating awareness on the need for strategic community investment initiatives. We also commenced the 'Save Today Take Tomorrow' campaign which is focused on driving financial inclusion and stimulating a savings culture among families.

Working with UNEPFI and 27 other global banks as the only sub-Saharan African bank, we developed the Global Principles for Responsible Banking in 2018. The Principles aim to provide the banking industry with a single framework that embeds sustainability at all levels and business areas of the bank, in line with society's goals, as conveyed in the Sustainable Development Goals, the Paris Climate Agreement and significant sustainability frameworks.

Following the merger with Diamond Bank in 2019, Access Bank formalized its sustainability statement of purpose "impacting lives positively now and in the future" and reflected this in its brand strategy. The Access More campaign was therefore launched to communicate the sustainability statement of purpose which reflects more than 'banking' – more access to inclusion, more access to finance, more access to green products/services, more access to quality education, more access to quality healthcare, more access to safe water, amongst others.

In 2020, we became the first commercial bank in Africa to be certified under the Sustainability Standards & Certification Initiative (SSCI) by the European Organization for Sustainable Development (EOSD). SSCI ensures that the work and strategies of certified institutions are congruent with the global Sustainable Development Goals (SDGs) and national development agendas.

We are determined to make a meaningful impact around the world and have received global recognition for our sustainability strides which are backed by the local and internationals awards won. This has continued to strengthen our position as industry leaders in the country, with several awards received in 2020 for our significant contributions towards achieving a sustainable economy. During the year, we emerged the first African financial institution to win the Karlsruhe Sustainable Finance Awards for Outstanding Business Sustainability Achievement five times in a row.

STAKEHOLDER ENGAGEMENTS

Access Bank is part of a greater socio-economic ecosystem and we recognise that we depend on robust relationships with all other stakeholders in order to deliver on our purpose of using our financial expertise to do good for individuals, families, businesses and society.

Engagement is an integral part of developing an understanding of our stakeholders' needs, interests and expectations and assists the bank with strategic, sustainable decision-making. Our stakeholders are employees, customers, suppliers, investors, regulators, communities and other entities that can affect or be affected by our activities and operations.

Collaboration and regular interaction with all stakeholder groups are essential to the Bank's long-term resilience and to the effectiveness of our integrated sustainability approach. Stakeholder engagement is undertaken with a far broader aim than merely communicating 'to' various stakeholder groups. Rather, Access Bank considers its various stakeholders as key partners in its endeavours.

The policy and strategy are communicated to our employees through daily feedback and employee surveys, Happy Hour sessions, retreats, recognition and awards. Through daily, two-way interactions, customer surveys, forums and the Voice of the Customer Solution, we understood and responded to the needs and primary interest of our customers.

Communication of our policies and strategies is made to our customers through daily interactions at our branch offices, on our website, through customer surveys, events, meetings and business forums, periodic publications like the customers' digest and other publications, social media, discussions and focus groups.

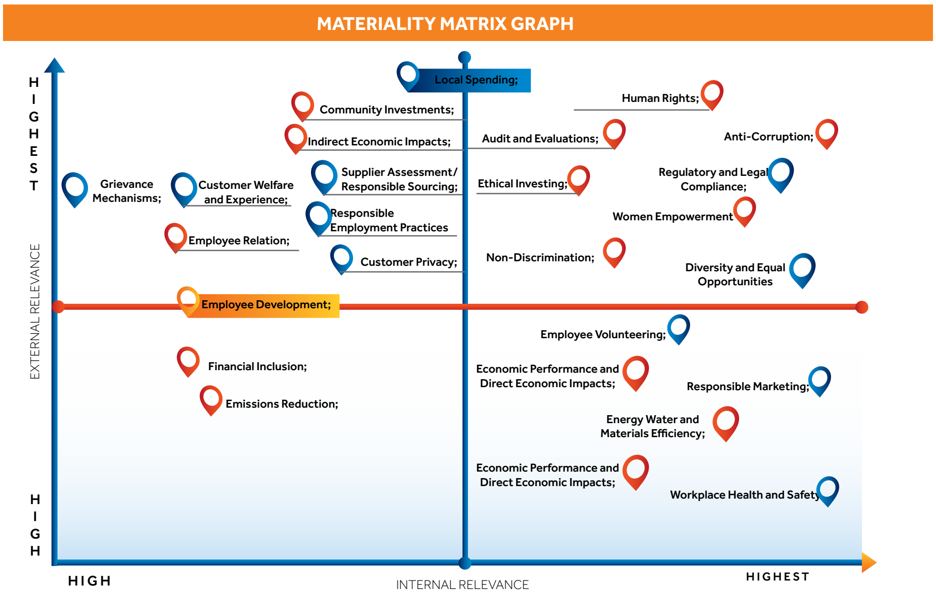
We also communicate these policies and strategies to our shareholders and investors through our annual reports and accounts, public announcement of quarterly results, Annual General Meetings (AGMs), shareholder association meetings and deal/non-deal roadshows. We communicate our sustainability policies and strategies to our suppliers through e-mails and letters, forums, events and exhibitions, visits to their business sites etc. To our communities, we communicate our sustainability policies and strategies through community outreaches, our employee volunteering initiatives, partnerships with community-facing Non-Governmental Organisations (NGOs), charitable donations and sponsorships.

With our regulators, we communicate through regulatory consultations, industry working groups and committee meetings, onsite meetings/supervisory visits by representatives of regulatory bodies and so on. The Bank provides periodic reports to other voluntary, regulatory bodies, coalitions and organizations such as the UNGC, Equator Principles, UNPRI, IFC, DEG, AfDB, FMO to whom we are either active members of or from whom we receive international financing and other regulatory support. We report half-yearly, and as required, in compliance with the Nigeria Sustainable Banking Principles in the bi-annual NSBP reports to the CBN.

The purpose of these key engagements is to help the business prosper by understanding the needs and expectations of our stakeholders for strategic planning and decision-making to achieve market success.

MATERIALITY

Our materiality process identifies the issues that are important to our stakeholders and those that are imperative to achieving our business goals. Through our continuous stakeholder engagements, we zero in on these crucial issues and we are continually improving on these topics.



STAKEHOLDER INCLUSIVENESS

Access Bank believes that the long-term profitability of our business and corporate existence is interdependent on the shared value we continue to create, not only for our shareholders but also for our customers, employees, the local communities where we operate and other stakeholders. Ultimately, we subscribe to the principle of optimizing revenue for the business through innovative strategies while simultaneously addressing societal needs. We continuously engage our various stakeholders to gain insights on matters that are important to them as they relate to our business goals. We, together with our stakeholders, seek ways to achieve these goals in mutually beneficial ways.

Issues Raised and Our Responses

Stakeholders	Material Issues raised	Our responses
Shareholders and Investors	Strategy	Strategy: To grow our footprint in Africa's trade hubs and global gateway markets by 2022. Following the attainment of one of our key strategic priorities with the Diamond Bank merger, the imminent focus is on growing our retail franchise by leveraging digital technology. This allows the Bank to tap into the financially excluded segment of the market in line with our ambition to become Africa's payment gateway to the world.
	Capital	Capital: The Group has a well-designed capital management plan to maximize shareholder value. This includes optimizing our capital structure to take advantage of attractive opportunities, even in a downturn.
	Operational efficiency	Operational efficiency: This remains an imperative for the Bank given our size and future growth aspiration. Post-merger, we will intensify our cost-cutting efforts to reflect our aspiration to be more efficient and nimbler by 2022.
	Risk management	Risk and management: As a Bank underpinned by the highest standards of risk management and compliance, we continue to focus on robust risk management practices in line with regulatory requirements as well as global principles and standards as regards risk management. Our success greatly underscores our adherence to ethical behaviour and global standards.
	Brand value and reputation	Brand value and reputation: Access Bank has built a formidable banking brand and a reputation that transcends the local market, showing resilient and consistent growth even in uncertain times.
	Human capital	Human capital: The Bank is consistently supported by a highly-skilled, disciplined, ethical and diverse workforce. We are committed to the development of our people, growing a talent pool and training our team to harness their potentials.
	Sustainability	Sustainability: We are an African bank with a global reach and a purpose to drive sustainable economic growth across our continent. Our commitment to sustainable banking is as strong as ever. We take seriously our role as a flag-bearer for responsible business and we continue to work with governments to build awareness and raise standards for the industry.

Customers	Delayed Service Delivery/Issue Resolution Inability to access services, loans, and applications Fraud complaints	We strengthened our processes to prevent future delays in service delivery. We developed more sustainable resolution mechanisms. We improved efficiency of the Ombudsman process to increase first-time resolution (FTR). We trained staff across functions to improve service delivery. We investigated complaints where required.
Employees	Resistance to change post-merger Employee recognition Employee productivity Employee welfare	The Annual CEO Awards took place in Nigeria and across our subsidiaries in other jurisdictions to recognize and reward employees for various outstanding achievements. The Bank organized a Change Management workshop involving employees in Nigeria and across our subsidiaries. The Head of Group Human Resources and members of the Culture team went on a branch visitation exercise in Nigeria and in our subsidiaries abroad to check employee pulses and take note of issues affecting productivity. Training, mentorship and leadership programmes were organised by the Access Women Network. The HR facilitated 85 performance management workshops across 36 locations to ensure employees understood the performance management process. An employee rewards and recognition initiative – We C.L.A.P. – was introduced to increase employee engagement so that employees are happy and proud to deliver on the Bank's promise to offer "more than banking" to both internal and external stakeholders.
Communities	Empowerment of women and young girls Malaria, and HIV prevalence in communities Empowerment of non-governmental (NGOs) and civil society organizations (CSOs) Empowerment of people living with disabilities (PLWD)	We established the Girl Talk Show to address issues faced by young girls. Back on Track programme was organised to empower women with skills and seed funds. Advocacy and education programmes were held to bring awareness to people in communities about malaria and HIV prevention. Capacity building programmes were held to empower NGOs and CSOs with the right skills. We established the Digital Inclusion Hub to build the ICT skills of persons living with disabillities.

Media	Issues around post-merger integration and customer experience as a result of increased customer base.	We constantly engaged with our customers and other stakeholders, helping them understand that the Bank will continue to invest in technology and innovative products and services to ensure customers enjoy a great experience, and have access to world-class services.
Regulators	Fraud, corruption and money laundering Financial sustainability	We invested in improving our digital infrastructure to ensure that our processes and administrative activities are properly monitored. We invested in developing the skills of our employees and partner organizations through trainings on anti-corruption, bribery and money-laundering detection and prevention. We ensured compliance with regulatory requirements of the Central Bank of Nigeria, Securities and Exchange Commission, Nigerian Stock Exchange, Financial Reporting Council and all other relevant regulators.
Suppliers	Pricing Delivery period Health, safety and security measures put in place Service Level Agreement Business Continuity Process. Membership and alliance with OEMs (Original Equipment Manufacturer) Partnership with international organizations. etc	Responses are usually tailored to requirements by the Bank and regulatory body/bodies.

ECONOMIC SUSTAINABILITY AND NATIONAL SUSTAINABLE DEVELOPMENT

At Access Bank, we believe in helping businesses grow, by eliminating the barriers to financial inclusion through our wide range of financial products which are best suited to the peculiar needs of individuals, businesses, institutions and governments, thereby achieving our goal to facilitate and finance sustainable economic growth. We are at the vanguard of sustainability regulation and thought leadership, leading the way in sustainable finance by delivering value-adding products and services which contribute to the economic and social progress of the communities where we are present, whilst considering our environmental impact on all stakeholders.

At the heart of our strategy is the strong belief that we can finance the future of our numerous stakeholders – customers, employees, suppliers, and shareholders. The markets in which we operate are among the most challenging in the world, with multiple developmental issues. Whilst these challenges create opportunities, we are devoting our resources to achieving results and making impact through the power of finance. As a result, we promote access to banking along with social inclusion, while contributing to the development of the communities where we are present and preserving the environment.

We demonstrate our continued dedication to financial sustainability, responsible and inclusive finance, and sustainable development through our strategic partnerships and collaboration with formidable institutions. Addressing responsible business needs of the communities in which we operate and providing genuine solutions that help improve such communities are of utmost importance to us.

Access Bank became the first Nigerian financial institution to issue a Green Bond in March 2019. Through this, Access Bank further enhanced its portfolio to support the transition to a sustainable future for the economy and society. The climate bond issuance solidified Access Bank's position as a leader in sustainable finance in Nigeria and Africa. It has helped in enabling environmentally friendly investors to meet their investment objectives whilst simultaneously facilitating the growth of the sustainable finance market in Nigeria and supporting the development of a low carbon economy.

SOCIAL SUSTAINABILITY

At Access Bank, our goal is to facilitate and finance sustainable economic growth – leading the way on sustainable finance, financial inclusion, helping to develop enterprises and being at the forefront of sustainability regulation and thought leadership. This has empowered us to make strategic social investments.

HUMAN RIGHTS

Access Bank fully demonstrates respect for human rights and all related charters on the subject. Our Bank's documented Human Rights policy guides our organisation-wide actions in a manner akin to the Universal Declaration of Human Rights. We demonstrate our respect for the rights of all people, through our gender-inclusive, equal opportunities and non-discriminatory workplace culture. At Access Bank, we respect the rights of all people, men, women, old, young, People Living with HIV/AIDS (PLWHA), disabled, amongst others.

In addition, we also promote human rights compliance through our lending decisions and supply chain relationships. Respectively, our procurement and credit risk teams, adopt due diligence processes which ensure that the Bank does not conduct business with prospective borrowers or vendors that have questionable human rights records. Access Bank was the first Nigerian bank to have a fully operational workplace policy on HIV/AIDS. We pioneered the HIV/ AIDS Workplace Policy Programme across all our subsidiaries.

We have continued to maintain a grievance mechanism on human rights, among other issues, through our whistleblowing line, through which our internal and external stakeholders can report any human rights abuses. Clearly, the availability of this line has strongly guarded and prevented members of the Bank's staff from indulging in human rights abuses.

WOMEN EMPOWERMENT AND GENDER INCLUSIVENESS

Access Bank recognises the importance of maintaining and increasing the diversity of our workforce. Our people and culture are crucial to the success of our business and it is our ambition to be the most accessible, inclusive and sought-after employer. We want Access Bank to be a workplace where everyone is valued as an individual and has equal access to opportunities. We work to ensure that colleagues are welcomed, respected, supported and able to be their authentic selves.

Our leadership is actively involved in the initiation and implementation of strategies, policies, programmes and resources for diversity and inclusiveness. We remain focused on improving gender diversity at all levels, focusing on the workplace, marketplace and community. Through participation in a number of external partnerships, we promote equality across the industry and wider business environment. We engage with our colleagues to further our diversity agenda in several ways.

ACCESS WOMEN NETWORK (AWN)

The Access Women Network was formed to support, develop, promote and retain female employees in the Bank. We understand that gender equality can only be achieved with a focus on all genders. AWN provides a support network especially to all female employees, ensuring gender equality through policies such as the Human Rights Policy –harassment, paternity leave, 6 months' maternity leave as well as mentoring and leadership programmes.

In 2020, Access Women Network increased its efforts to ensure that women across the Group were impacted in one way or the other, especially with the Covid-19 pandemic and resultant lockdown in most areas of our operations. Some of which include:

- AWN Toastmasters which continued at various times throughout the year.
- Project "Make a Family Happy" to raise funds to feed 500 families was carried out in June 2020.
- AWN webinar titled "The future is female, are you ready?" on July 29, 2020. The main speaker was Audrey Mothupi, the Chief Executive Officer of the Systemic Logic Group
- AWN Webinar titled "Making your money work for you" on September 11, 2020. The keynote speaker at this event was - James Maduekeh and the panelists – Ifueko Oduekun, Dharmit Cumar, Franklin Ayensu-Nyarko, and Oluseun Onasoga.
- Free Breast Cancer Screening for AWN Members in the month of October at selected locations.
- Zaron Virtual Experience with AWN, a free online makeup training, held on November 21, 2020
- The annual Orange Lecture which held on November 25, 2020 themed 'Orange the World: Fund, Respond, Prevent, Collect!'. Speakers at this session include Justice Olubunmi Fadipe, Judge, Lagos State High Court Division, Ini Abasi-Leye, Mental Health Therapist and GBV Survivor and the Bank's Njideka Esomeju, Head of Personal Banking Division.

COMMUNITY INVESTMENT

Over the years Access Bank has made deliberate efforts to support the growth, development and prosperity of the communities and societies within which we operate. We recognize the importance of impact investment and the role it plays in mitigating social and environmental risks, expanding our market share and building goodwill; hence we support various initiatives, projects, organizations and events that are focused on impacting the communities that we live and operate in positively. These investment initiatives are centred on our commitment to empower local communities and strengthen existing relationships with our partner organizations.

As such, we have invested over N10.25 billion in various corporate social responsibility efforts since 2015 which has impacted 1,316 communities and reached 30,075,356 lives and 793 NGOs. These projects have been in our CSR priority areas which are; Health, Education, Sport, Arts, Environment, Women Empowerment and Social Welfare. Some of our community programmes are as follows.

HIV Testing Services (HTS) at the Access Bank Lagos City Marathon

Access Bank as the host of the 2020 Access Bank Lagos City Marathon (ABLCM) themed 'More than a Race' and as co-Chair, NiBUCAA (Nigerian Business Coalition against AIDS) leveraged the marathon platform to create awareness around HIV prevention, conduct counselling and testing exercises for athletes at the marathon.

The Bank's Sustainability Champions were involved in galvanising athletes to participate in the 2020 HTS at the 2020 ABLCM. HIV testing & counselling were conducted for athletes at the 2020 Lagos City Marathon from February 3-8 ,2020.

Description	
Goal	To promote messages on HIV prevention, provide HIV counselling, testing and referrals to athletes and community members around the race path. To achieve this goal, HIV counselling and testing were carried out by experienced and trained counsellors and testers who provided adequate information and support about all aspects of HIV counselling and testing. In addition, a video documentary on HIV prevention and education was produced for advocacy and promotion during the programme.
Outcome	• 3,235 people were counselled and tested • 879 females were counselled and tested • 2,356 males were counselled and tested • 11 HIV reactive cases were discovered (5 Male and 6 Female) • 10,000 condoms were distributed • Positive HIV persons were referred to nearest health facilities close to them for management and therapy with a counsellor tester assigned for follow up on regular treatment as scheduled by the doctor • 10,000 Information, Education and communication material distributed • Over 10,000 views of HIV video documentary screened

The END Fund- Sensitization on Neglected Tropical Diseases

Access Bank partnered with The END Fund, a private philanthropic initiative solely dedicated to ending the five most common neglected tropical diseases (NTDs), at the 2020 Lagos City Marathon to raise awareness on the NTDs.

- Over 2,118 participants at the marathon were also educated directly on parasitic diseases and infections, including River Blindness, Lymphatic Filariasis (Elephantiasis), Trachoma, Intestinal worms and Schistosomiasis (Snail Fever).

World Kidney Day Programme

The World Kidney Day was commemorated in partnership with Kidney Foundation for Africa (KFA). The Bank hosted the "Chronic Kidney Disease- Stop the Epidemic in Africa" programme on March 12,2020 at the Eko Hotel & Suites and a Kidney walk on March 13,2020.

The conference and the walk were aimed at raising conversations in Nigeria and encouraging early prevention of the disease.

The programme attracted key stakeholders in the health sector.

Description	
Goal	To raise awareness on the importance of kidneys to our overall health and reduce the frequency and impact of kidney disease and its associated problems worldwide. To achieve this goal, a stakeholder panel session, press conference and Kidney awareness walk was held in Lagos.
Outcome	• 180 participants educated with information on Kidney prevention and treatment measures • Information on screening of all patients with diabetes and hypertension to detect kidney disease provided for medical professionals and health facilities in Nigeria • Over 195 people participated in the Kidney walk to raise awareness on the importance of kidney to the body and reduction of its associated problem worldwide. • The Lagos State ably represented by the First Lady, Lagos State, Ibironke Sanwo-Olu committed to intensify awareness among Lagos residents on the devastating effect of kidney disease. • Acceleration of kidney prevention, treatment and awareness under the THEMES Agenda (a policy thrust for Traffic Management and Transportation; Health and Environment; Education and Technology; Making Lagos a 21st Century Economy; Entertainment and Tourism; as well as Security and Governance) of the Lagos State Government

End Female Genital Mutilation (FGM)

Access Bank FGM programme was held across three states in Nigeria, Osun, Ekiti and Oyo States on February 6, 2020.

Description	
Goal	To build the capacity of young girls and women, religious and community leaders as champions towards the abandonment of FGM practice in communities across Osun, Oyo and Ekiti States. To achieve this goal, traditional, government and community leaders were engaged in a dialogue session toward advocating for abandonment of FGM in local communities, secondary school girls were educated on the myths and dangers of FGM, and information and education materials were also distributed.
Outcome	• Direct Outcome: 2,000 young girls, community development associations, traditional Rulers and Policy makers equipped with knowledge of how to end FGM across Oyo, Ekiti and Osun State • Indirect Outcome: 100,000 Nigerians reached with online information, education and communication material

International Women's Day

To accelerate women and girl's participation in mainstream development, Access Bank in partnership with Xploit Consult, an organization focused on programmes aimed at achieving the Sustainable Development Goals (SDGs) commemorated the 2020 International Women's Day themed "Each for Equal".

The Access Bank programme was themed "Women and Girls in Nigeria: Increasing participation in mainstream development". The programme aimed to reduce stereotypes, improve situation and celebrate women's achievement.

The programme attracted key stakeholders in the gender and education space.

Description	
Goal	• To create an action plan towards reducing the gender gap in Nigeria by 2030 and a mentoring platform between female professionals and young school girls. To achieve this goal, a workshop and interactive panel session was held in Abuja .The workshop involved female professionals and key stakeholders from all walks of life to develop a workplan towards closing gender gaps in Nigeria and an essay competition amongst Secondary school female students on the theme " An Equal World : Fostering economic growth through equitable participation".
Outcome	• Over 83 participants were educated on gender equality and women's right.

	• An action plan created to reduce gender gap in Nigeria by 2030 (A Brainstorming platform where female professionals proffer solutions that aid closing the gender gap). • 3 schools came out tops for the essay competition and were rewarded with cash prizes, while other schools were awarded with school bags and certificates. • Mentor-mentee platform created- To match young girls with appropriate female mentors who will provide guidance along different career paths.

Code4Impact

Code4Impact is a collaborative initiative between Access Bank and a non-profit HACEY Health Initiative. Girls and young women are recruited to build digital and analytical competency through practical training. The aim is to encourage more women to confidently choose careers in science, technology, engineering, and mathematics. The trainees build digital literacy through rigorous sessions on web development, game development, mobile app and microelectronics.

Over 10,000 STEM experts have graduated from this programme and adding and creating value to the organisations that they go on to join and build.

Code4Impact was heralded as such a success that it went on to inspire the highly sought-after Nigeria Women Techsters programme which has trained over 2,000 women and girls across the country.

Back on Track Programme

In a bid to empower women and create opportunities for them to live a healthy and productive life, Access Bank partnered with HACEY Health Initiative on the Back on Track Programme (BTP). This programme empowered disadvantaged young girls and women with vocational and business skills required to set up their own businesses as well as information on sexual and reproductive health and rights.

Description	
Goal	To empower disadvantaged young girls with vocational skills vital to setting a business and information on sexual, re productive health and rights in Ebonyi State. To achieve this goal, sessions on 'sexual and reproductive health and rights and production of soap and disinfectant' were held.
Outcome	• Trained 200 women on vocational, agriculture business and life skills • Business management training and mentoring Networking and marketing workshop

Project Agbebi - Maternal and Child Health Programme

Project Agbebi was created to address the incidence of maternal and child mortality in South-East Nigeria. Abnormal maternal mortality rates and new-born deaths have remained a vital public health concern in Nigeria especially when paired with the human capital loss that affects both the family and community as a result of these deaths. Nigeria accounts for 20% of global maternal deaths with a maternal mortality ratio of 8 deaths per 1,000 live births which happen to be one of the highest in the world.

Access Bank in partnership with HACEYHealth Initiative a non-governmental (NGO) focused on health implemented the maternal and child health programme in Ebonyi State.

Description	
Goal	To reduce the incidence of maternal and child mortality in South East Nigeria. To achieve this goal, we provided capacity building programme for health care providers and Birth Attendants. To achieve this goal, Sterilized Birthing Kits were distributed, stakeholder engagement and community dialogues were held and information, education and communication material distributed .
Activities	Capacity Building: Trained primary health care providers and Birth Attendants as Health Promoters to promote ante and post-natal care uptake, home care and better service delivery, Proper hygiene practice and preventing infection during pregnancy, behaviour change communication and follow-up and referral for pregnant women and new-born.

Outcome	• Education: Created information, communication and education tools such as videos, radio messages, fliers and posters to improve health seeking behaviour for pregnant women and women with children under 5.
	• Distribution of Sterilized Birthing Kits: Trained and distributed safe birthing kits to reduce infection during pregnancy. Pick-up points are established within the community to ensure that availability is not an issue and women and health providers always have access. • Stakeholder engagement and community dialogues – Dialogue sessions between primary health care providers and community birth attendants to facilitate effective referral services between them, community enlightenment and engagement with leaders to improve women accessing healthcare. • 2,000 lives saved; pregnant women, mothers of children under 5 and children under 5 were the major beneficiaries of this programme

Succour for people living with sickle cell amidst Covid-19

Access Bank partnered with Temitayo Help Foundation, a non-governmental organization, to provide succour to people living with Sickle Cell Anaemia Disease in Lagos. and the poor in the society.

Description	
Goal	To provide succour to persons/patients living with sickle cell disease and vulnerable families living with SCD in society amid Covid-19 pandemic
Outcome	• Food items and relief materials distributed to 500 people living with SCDs • 500 people sensitized on Covid-19 prevention and treatment education

Malaria Awareness Programme

To commemorate the 2020 World Malaria Day, Access Bank partnered with Corporate Alliance against Malaria in Africa (CAMA) to deliver malaria prevention, control and treatment programme amidst Covid-19 in 5 communities across Oyo, Lagos and Ogun State namely Ogo-oluwa, Eredo, Iberekodo in Lagos; Aremo and Oke-Ado in Oyo State and Ibafo in Ogun State.

Description	
Goal	To lead and support innovative malaria prevention, control and treatment measures across communities in Nigeria
Outcome	1,600 Long Lasting Insecticide Nets distributed across 5 communities in Lagos, Oyo and Ogun State 10,000 Information, Education and Communication materials distributed across 5 communities in Lagos, Oyo and Ogun States 5,000 pregnant women and mothers with children under 5 reached with malaria treatment and information Over 200,000 people were reached through online malaria campaign.

Covid Response for Street Children and Children in Shelters

Amidst the Covid-19 pandemic in Nigeria, Access Bank partnered with Care Initiative to birth the 'School in the Street' Covid-19 Response programme. The programme was implemented across Lagos and Ogun States.

Description	
Goal	To provide support for street children and orphanages in order to keep them safe amidst Covid-19.
Outcome	• 700 street children and 300 children in shelters and Orphanages educated on Covid-19 with the use of information, education and communication materials. • Provided one meal a day for 700 street children over a two weeks period. • Distributed raw food items for 300 children in orphanages • Distributed hygiene materials to 700 street children • Distributed hygiene material for 300 children in orphanages

World-Wide Life Champions Programme

Access Bank in partnership with Glow Initiative for Economic Empowerment implemented the Save Wild Life programme in Enugu State. The programme held across 4 communities in Enugu State which include Orieani Amechi, Udeji Amechi, Enugu Ngwo and Garriki Awkunanwaw.

Description	
Goal	To build knowledge, positive attitude and practices towards wildlife conservation amongst local community dwellers, institute conservation clubs in schools to sensitize youths and advocate actions for effective wildlife conservation
Outcome	A Save Wild Life in Enugu policy brief developed and presented for government stakeholders-Commissioner for Agriculture and Natural Resources, Enugu State 250 Hunter and Farmers educated on Making Conservation a habit at Ngwo Community 280 community secondary school student educated on Save Wild Life in Enugu and to institute Conservation clubs in schools across 4 communities. Strategic discussion held with the Ministry of Environment to include Wild life Protection into law.

Succour for Community of Vulnerable People amidst Coronavirus

Access Bank in collaboration with Xploit Consult implemented programmes aimed at driving positive change in the lives of vulnerable groups which include widows, orphans, Internally Displaced Persons, Senior Citizens and People Living with Disabilities amidst Coronavirus lockdown restrictions in communities across Abuja. The programme was implemented across 5 communities namely; Dawaki, Dutse Alhaji, Dutse Makaranta, Dutse Bakuma, and Byazhin.

Description	
Goal	To drive positive change in the lives of vulnerable groups across communities amidst Covid-19 in Abuja.
Outcome	500 food palliatives distributed across 5 communities in Abuja (100 food package each for widow, orphans, IDPs, Elderlies and Disabled in each of the 5 communities) 1,000 face masks distributed across 5 communities in Abuja (200 face mask for widows, orphans, IDPs, Elderlies and Disabled in each of the 5 communities)
	Covid-19 prevention control and treatment sensitization done across 5 communities

Access 9ija Kids

In Nigeria and across the world, governments are implementing strategic measures to reduce and mitigate the risk and spread of the Covid-19 pandemic, one of which is the stay-at-home practice resulting in the closure of schools, offices and trading centers amongst others.

To ensure children are engaged and educated, Access Bank partnered with 9iJa Kids to deliver online financial literacy and educational gamification modules to children. The programme delivered six gamified educational learning modules which were hosted on the Access Bank website over a twelve-week period. The modules included; Kiddiepreneur 101, Solve that problem, Who wants to be a Brainiac, Nigerian facts, Timmy in charge and 9ija citizenship test.

The top five players on the leaderboard won an exciting prize and the winners were announced three times in a week on the Bank's social media platforms. Prizes were redeemed through the Access Bank Early Savers account, further encouraging an early savings culture among children.

Description	
Goal	To empower young people for the future by investing in their knowledge, improving their capabilities and developing products and services tailored to meet their needs to inculcate early savings habit.
Outcome	Over 1,700 children have played the Access9ija Kids online financial literacy games Over 150 children received prizes via the Access Bank Early Savers account and recognized on the Access Bank social media platform Over 50,000 Nigerian were provided with financial literacy education via the Access Bank social media platform, online media platform and print media.

Family Clean Cooking Programme for Underprivileged Households

Access Bank partnered with SME Funds a social enterprise focused on ending poverty through the promotion of sustainable enterprise development to develop the Family Clean Cooking Support Programme for underprivileged households across Nigeria amidst Covid-19.

Description	
Goal	To empower families with clean cooking technologies amidst Covid-19 lockdown restrictions across Nigeria.
Outcome	• Over 2,000 families reached across Nigeria with clean stove and bio gels • 900 Small business owners reached with clean stove and bio gels • 100 cities and communities reached
	• 1940 female beneficiaries and 560 male beneficiaries of clean stove and bio-gels • 5,000 Bio gels distributed • 1,500 male clean stove users

Green Social Entrepreneurship Programme

Access Bank partnered with SME Funds to develop the Green Social Entrepreneurship Programme (GSEP). The programme focused on empowering entrepreneurs with clean cooking stove technology aimed at replacing existing cooking technologies that are harmful to health and environment.

The Clean Stove technology makes it economically feasible to convert waste-based biomass to biofuel. The Clean Stove make use of Bio Gels. The Bio Gels are made from Water Hyacinth, Biocremol, Caustic soda, fragrance, chlorophyll.

The Green Social Entrepreneurship programme aligns with the following Sustainable Development Goals: SDGs 1, 2, 5, 7 and 13.

Description	
Goal	• To empower women and youths to become 'Social Entrepreneurs' whilst driving the utilization of innovative green cooking technology in Lagos and Ogun States. To achieve this goal, capacity building programme on Digital Marketing, Lead Generation and Sales for social entrepreneurs was held, Green hubs were created and tactics to making the delivery of the energy finance programme better.
Outcome	• 238 social entrepreneurs fully empowered with funds and have commenced their clean stove technology business.
	• 7,500 Liters of Bio Gel produced and distributed • 70% women are now engaged in the clean stove technology business (167 women and 71 men)
Impact	• 598 households now make use of the clean stove technologies across Nigeria • 287 Metric tonnes of Co2 displaced as a result of the use of clean stove technology • 2,100 people have been reached with the use of clean stove technology. • Single Burner stove utilizes 288 Litres of Bio gel per year (for a family of 6) and 23.1Metric tonnes of C02 emission saved per stove • Double Burner stove utilizes 480 litres of Kike Biogel for a year (for a family of 6) and 38.4 metric tonnes of CO2 emission saved per stove

#FollowDisACT Campaign

The International Day of Persons Living with Disabilities (PLWDs) is observed to promote the full and equal participation of persons with disabilities to take action for the inclusion of PWDs in all aspect of development

Access Bank partnered with project Enable to commemorate the 2020 PLWD day themed "Building Back Better: Towards a disability inclusive, accessible and sustainable post Covid-19 world".

Description	Activities
Goal	To showcase the ideas, businesses and productivity of the disability community in Nigeria towards amplifying their voices and strengthening the institutional capacity of the community. • Unveiled most inspiring persons with disabilities list & documentary series as part of its #FollowDisACT Campaign
	• A business pitch competition for PLWDS to showcase and support the business ideas of young entrepreneurs. Launch of Business Support Programme faculty chaired by Head Sustainability, Access Bank, Omobolanle Victor-Laniyan and the General Manager of the Lagos State's Office for Disability Affairs, Mr. Dare Dairo
Location	• Lagos

ACT Foundation Grantee Programme

Access Bank has been in partnership with the Aspire Coronation Trust Foundation (ACT) Foundation to accelerate impact in the areas of environment, health, entrepreneurship and leadership. As at Q2,2020, projects were implemented across 27 states in Nigeria and 3 countries in Africa. 23 out of 28 organizations funded in 2019 fully completed their programmes as at Q2,2020 whilst the remaining organizations are expected to complete their projects.

As at Q4, 2020, 17 non-governmental organizations received grants in the areas of environment, health, entrepreneurship and leadership. The targeted number of beneficiaries impacted was about 304,760 lives.

Since inception of this partnership with the Foundation, about 990,265 individuals have been impacted both directly and indirectly. The Foundation also supported the Private Sector Coalition against Covid-19 (CACovid) and made strategic plans for the grant received from Novartis Nigeria for the implementation of ACT Foundation's programmes for fighting the Coronavirus pandemic.

ALL4ONE Community Project

The EndSARS is a decentralised social movement against police brutality in Nigeria. The slogan calls for an end to the Special Anti-Robbery Squad (SARS), a notorious unit of the Nigerian Police with a long record of abuses. In 2017, a protest started as a Twitter campaign - hashtag #ENDSARS to demand Nigerian government to disband the unit. As such, the movement experienced a revitalisation in October 2020, with mass demonstrations across major cities in Nigeria. Within a few days of renewed protests, the Nigerian Police Force announced it was dissolving SARS on Sunday, 11 October 2020, a move that was widely received as a triumph of the protests.

Following the hijack of the protest that led to the loss of lives, destruction of properties and facilities, Access Bank as a responsible corporate citizen initiated the All4One Project. One focus of the All4One project is targeted at supporting, building and rebuilding local communities affected by the negative impact of the protest. In addition, the All4One community project programme aims at impacting lives and businesses positively, rebuilding communities and reviving communal spirit amongst Nigerians.

The goal of the All4One project is to provide grants for Individuals and Micro businesses that have been impacted negatively by the EndSars protest. The grant programme was two pronged including; Individuals- Indigent Individuals, Students, Unemployed Individuals and Micro businesses- Market women, Caterers, Photographers, Barbers, Hair dressers and Artisans. In 2020, 51 businesses were given grants under the All4One community project.

EMPLOYEE VOLUNTEERING

Employee volunteering is an innovative way for businesses to invest in their people and local communities. Employees are guided and advised on how to impact communities in these focus areas, donating their time, skills and resources during work hours to tackle local social issues. The past year showed the passion and commitment of our employees to community investment and this was reflected in the calibre of projects various groups embarked on.

Employees have volunteered a total of 2,781,443 hours in over 514 strategic community initiatives across the 6 geo-political zones since 2015. We have achieved 100% employee participation in the Access Bank's Employee Volunteering initiative empowering employees to contribute to the sustainable development of communities.

Our employees, through the Employee Volunteering Scheme, contribute ideas, skills and resources to addressing social, environmental and economic issues whilst gaining hands – on experience and fulfilment as positive role models in the society. Some of the notable initiatives from the Employee Volunteering Scheme in 2020 are:

Conduct & Compliance

The Conduct & Compliance Group adopted St Peter Nursery/Primary School, Ebute Metta, Lagos State. The Group worked closely with the Lagos State Government agencies to deliver this project. As such, the Group carried out a holistic renovation of the school buildings, enhanced the infrastructural facilities of the schools including the complete transformation of old chalk boards to marker boards. Employees within the Group committed over 2,500 hours towards the project. Additionally, the project provided an opportunity for quality education to about 500 initially displaced pupils and conducive working environment for their teachers and other non-teaching staff.

Internal Audit

The Internal Audit Group adopted Akodu Primary School Mushin, Lagos. The project focused on improving the learning environment for students of the school in order to enhance their academic performance. The Group carried out a holistic renovation of the school classrooms blocks, and roofing of three classrooms that were in a bad state. The Group expended about 2,118 hours toward this project. Additionally, over 500 people (student and teachers) of the schools have benefitted as a result of a conducing learning environment.

Global Transanction Banking

The Global Transaction Banking Group adopted the Orile Agege Primary Health Centre. The Group project focused on alleviating the effect of disrupted power supply on public health especially in this time of a ravaging pandemic: "Covid 19". The Group deployed the installation of renewable energy solutions- quality solar systems in the health facility.

Employees within the Group committed over 250 hours toward the project. Additionally, the project is expected to benefit over 20,000 people that would visit the facility overtime.

Human Resources & Executive Office

In 2020, the Group Human Resources & Executive Office partnered with Bethesda Child Support Agency to cater for the education of under-privileged children. The project focused on mentoring of children, providing educational scholarships for the under-privileged children, remuneration of the trainers, provision of educational materials and provision of feeding (1 meal per child per day) and other essentials. Employees within the Group committed over of 1,821 hours towards this project. The project has benefitted over 800 children across Nigeria.

GOVERNANCE

The governance framework enables the Board to perform its oversight functions on the Bank and its subsidiaries, while also ensuring our regulatory compliance. Our subsidiaries in different market jurisdictions also align their governance frameworks with that of the Bank, in addition to complying with the statutory and regulatory requirements of their host countries. The Board is aware that effective corporate governance is essential to the sustainable growth of the Group. This is why it prioritizes deepening the principles of corporate governance across the Group. Our corporate behaviour is underpinned by our core values of innovation, excellence, leadership, passion for customers, professionalism and empowered employees.

Access Bank's highest decision-making body is its Board of Directors, which makes the key decisions concerning the Group, excluding matters designated for the Bank's general stakeholder's meeting. The Board focuses on matters related to strategy, policies, corporate culture, and organizational structure. It also approves and monitors the risk framework and appetite of the Group. Access Bank's governance framework is guided by the Central Bank of Nigeria's Code of Corporate Governance for Banks and Discount Houses in Nigeria (the CBN Code), the Securities and Exchange Commission's Code of Corporate Governance for Public Companies (the SEC Code), the Financial Reporting Council's Nigerian Code of Corporate Governance and the Post-Listing Rules of the Nigerian Stock Exchange. These, as well as the Board Charter and the Bank's Memorandum and Articles of Association, collectively provide the foundation for our sound corporate governance.

ETHICS, ANTI-CORRUPTION & WHISTLE-BLOWING

Ethical conduct and professionalism are fundamental attributes that underly the corporate culture at Access Bank. Our corporate culture and values are governed by ethical practices, which are mutually reinforced by our Code of Conduct. We have defined organisational principles that everyone – including not only the Board, management and employees but also our vendors and suppliers – is expected to abide by. Among these principles are non-discrimination, equal opportunities, work-life balance, occupational risk-prevention, respect for people, compliance with sustainability policies and environmental protection.

In order to enable staff and other members of the public to report unethical activities affecting Access Bank, we have deployed a robust whistle-blower system, outsourced to the KPMG Ethics Line. This line enables our internal and external stakeholders to report unethical activities affecting Access Bank, so that the Bank can take measures to address them before they escalate into future liabilities, business threats and losses. Details of the whistle-blowing channels are provided below:

The KPMG Ethics Lines and email:

- E-mail: kpmgethicsline@ng.kpmg.com
- Toll-free numbers for calls from MTN numbers only: 0703-000-0026; 0703-000-0027
- Toll-free number for calls from Airtel numbers only: 0708 060 1222; 0808-822-8888
- Toll-free number for calls from 9MOBILE numbers only: 0809 993 6366

In order to instil the highest ethical and legal standards as well as comply with applicable international laws, we have appointed Anti-Bribery Compliance Officers across our branches nationwide. We also further strengthened the implementation of our Anti-Bribery Policy with related policy documents such as the Code of Ethics and Compliance Manual, thus making them applicable to all our primary stakeholders and business partners, particularly our staff, vendors and contractors.

ENVIRONMENTAL SUSTAINABILITY

A robust environmental management strategy is a key pilllar of Access Bank's sustainability. Having a prosperous environment is the bedrock for a prosperous life. Environmental conservation is such an integral component of our work that we ensure we screen all our activities for the impact on the planet. We are driven by the positive impacts witnessed globally and the momentum being gained across board. We remain committed to working with impactful stakeholders to collectively tackle issues concerning our shared environment. As such, we engage in activities that not only reverse the damage already done but prevent harm to the environment entirely.

As one of Africa's foremost Bank's in sustainability with a widely dispersed presence, we are continuously working to minimise our environmental footprint in all of our expressions. In 2020, the Bank in collaboration with the United Nations Environmental Programme Finance Initiative, joined the Target Setting Working Group on Financial Inclusion, Reporting and Biodiversity for the implementation of the Global Principles for Responsible Banking. As a leader in Sustainable Banking, Access Bank co-led the Target Setting Working Group on financial inclusion. These Principles serve as guidance and frameworks for sustainable Banking in financial institutions across the world.

The early shutdown policy remained in effect in the Head Offices and annexes, ensuring staff members shut down systems at 7pm and 6pm for branches.

We continued improving our waste recycling across the new Head Office, branches and annexes. The Oniru Head Office was also equipped with state-of-the-art technology to ensure seamless environmental protection. Some of these include LED lights, motion-sensor lights and taps, and centralised air conditioning units.

In 2020, the Bank recorded an increase of 311 solar powered ATM's, bringing the total number of ATM's powered by clean energy to 601. The Bank doubled the number of branches that are entirely solar-powered, while 58 branches are fuelled with alternative energy. This is one of our strategies to reduce our carbon emissions whilst maximising our operating capacity. In line with the "reduce, reuse, recycle" ethos, we maintained communications to ensure all staff are thoughtful in the way they work, print, meet, and operate.

These strategic initiatives enabled us to achieve greater levels of effectiveness in our environmental management performance.

Sustainable Waste Management

Since 2016, Access Bank has been championing environmentally and socially conscious waste disposal practices in key locations, starting with the Lagos Island region, its Head office, and annexes. An integral component of sustainable waste management includes the recycling of paper, plastic, glass and aluminium cans. Being the most established recycling initiative in the Nigerian Banking Industry, we have nurtured our initiative such that it has grown from strength the strength.

In 2017, our recycling initiative grew to include 37 more locations in areas with a high volume of customers. We recognised the need to train our staff such that they cultivate a feeling of shared responsibility and ownership over the initiative. The trainings also enlightened staff to view all materials, including 'waste', as potentially valuable resources. It is always important for us to empower our stakeholders. Thus, The Bank recognised the need for our vendors to upgrade their recycling trucks to enable them maximise their capacity. This empowered the local recycling companies to further improve their capacities and become even more effective stewards of the environment.

Based on the successes witnessed in the previous year, we were encouraged to further expand in August 2018. Recycling bins were placed in an additional 45 recycling locations to divert useful materials away from our clogged landfills and back into usable products. This expansion saw a 5.3% reduction in waste-to-landfill at these 69 recycling locations. Our collaboration with local partners enabled us to build scalable end-to-end structures thus bolstering recycling efforts. This collaboration was so fruitful that the structures have now been adopted in industry.

In 2019, we consolidated our efforts from previous years and further improved the efficiency of our waste management initiatives. Our more concentrated locations recorded a 5.5% increase in the amount of waste recycled, showing the improvements in efficiency. We continued impacting our stakeholders by supporting them to recycle at locations like the 2019 Access Bank Lagos City Marathon. The Bank held meetings and trainings for our sustainability champions, cleaners, vendors, and other stakeholders that are pivotal to the success of the initiative.

In 2020, we consolidated our efforts and upcycled our old waste tyres to furniture and also converted the old paper materials from the old brands, old newspapers to pencils. The 10,028 pencils were distributed across schools in 10 States in Nigeria. Additionally, the Bank recycled a total of 7,892.03kg of cans, paper, cans and glass.

Alternative Energy

Alternative sources of energy have long been deemed as an essential switch for those looking to power the future. It is for this reason that Access Bank is continuously seizing opportunities to harness energy derived from environmentally conscious means.

Presently, the Bank has:

- 601 solar-powered ATMs nationwide
- LED lights in all its facilities in Nigeria
- Motion-sensitive lights and taps at its Head Office
- Regular reporting, monitoring, and evaluation of electricity consumption across branches

These switches have led to drastic reduction in our carbon emissions.

Resource Efficiency

Access Bank has taken a critical look into all of our processes, not just limited to our external processes, but internally also.

In addition to the implementation of materials to aid our environmental sustainability, we have automated several processes that not only improve efficiency, but also limit our impact on the environment.

As part of our commitment to our sustainability goals, we introduced the 'No Paper Initiative'. This Initiative aims to help reduce our paper usage by getting us to think more about the implications of our actions on our environment.

Some of the activities under this initiative include:

- Automated Memo Approval System-Process Maker
- Automated payment system- Dynamics 365
- Use of Diligent BoardBook - An automated and secured system, hence helping to significantly reduce the quantity of documents printed for Board meetings

The 'No Paper Initiative' has facilitated further reduction in our paper consumption and ensured the sustainability of our environment.

Water Efficiency

Access Bank appreciates the fact that water is one of the world's most valuable resources and believes that we must treat it as such. As water is a finite resource that is primarily accessed and misused by the most privileged in society, we must be responsible custodians of the luxury of clean water.

Staff members are continuously engaged about the importance of conservatively consuming water. We took practical steps like installing water efficient flush systems and automatic taps to make it easy for staff to consume water mindfully.

As a result of our pre-emptive interventions, despite us doubling in size, our water usage saw a decrease of 15.94% in 2020 as compared to 2019.

SUSTAINABILITY THOUGHT LEADERSHIP

At Access Bank, strategic partnerships at the global, regional, national and local level based on a shared commitment to sustainability, are prioritized, as they directly create opportunities and accelerate the impacts of its sustainability agenda. In the over 12 years of its sustainability journey, the Bank has continued to capitalize on its existing partnerships and forge new alliances with leading organizations in the public and private sectors, and the civil society to achieve significant impact and sustainable development on a larger scale.

The Bank continues to lead efforts in sustainable development across multi-sector or industry platforms and prove its deep commitment to the tenets of sustainability through its leadership, active participation and support roles in sustainability-focused organizations, driving innovation and initiatives. Examples of the Bank's leadership roles include:

- Chair, NSBP Implementation Steering Committee
- Co-Chair, Corporate Alliance on Malaria in Africa
- Board Member, UN Global Compact Local Network (Network)
- Leadership Group Member, UN Women Empowerment Principles
- Board Member, Private Sector Health Alliance of Nigeria
- Co-Chair, Nigeria Business Coalition Against AIDS

- Member, Private Sector Delegation to the Global Fund Board
- Member, WeConnect National Advisory Board, Nigeria
- Gold Member, Nigerian Conservation Foundation
- Partner, Global Business Coalition on Health

Sustainability Standards & Certification Initiative

Sustainability Standards and Certification Initiative (SSCI) are voluntary, third-party assessment of norms and standards relating to environmental, social, ethical and safety issues, adopted by companies to demonstrate the performance of their organizations or products in specific areas. The European Organization for Sustainable Development (EOSD) and its stakeholders nominated Access Bank as the first African commercial bank to be certified on the SSCI standards. Access Bank is the first African commercial bank to undergo this certification process, and hopefully the first African financial institution to be certified.

Access Bank participated in the virtual high-level forum on Financing 4.0 themed "Shaping the future of National DFIs and Value-Driven Financial Institutions in the Post-Coronavirus World" that held on May 6, 2020 alongside other C-level executives in the global sustainability financial space across Europe, Asia and Africa.

UNEP FI Global Principles for Responsible Banking

The Principles of Responsible Banking were developed by 28 banks including Access Bank under the flagship of UNEPFI. Access Bank served as the only West African Bank as well as Africa's consultative lead during this process. Access Bank officially became a Founding Signatory in September 2019 at the UNGA in New York where we mobilized 6 Nigerian banks to sign and adopt the Principles.

Following the signing, the Principles have become an official commitment and banks have 4 years to ensure full alignment. To this end, Access Bank spent the first year, 2020 carrying out a status analysis, impact and portfolio assessment in line with industry, country and global sustainability commitments and in accordance with the recommendations on implementation. We also commenced the process of stakeholder mapping and enhancing our stakeholder engagement strategy. The Board Committee responsible for sustainability oversight oversees the implementation of the Principles within the Bank.

Additionally, Access Bank joined and served on 2 Working Groups in 2020: Reporting; and Target- setting: Financial Inclusion (Access Bank serves as the sub-group Lead); Gender Diversity and Biodiversity. Access Bank continues to contribute to the conversations on the Next Steps for the Principles as regards Reporting and Target-Setting.

We remain committed to the Principles of Responsible Banking, reporting and publicly communicating our progress.

Nigerian Business Coalition Against AIDS (NiBUCAA)

The Nigerian Business Coalition Against AIDS (NiBUCAA) is a business membership organization that serves as the voice of the private sector response to HIV and AIDS in Nigeria. The Coalition was formed to position the private sector in leveraging on their unique strengths and proficiencies to advancing HIV programmes and eliminate the impact of HIV and AIDS in the workplace and society in general. Access Bank is a signatory of NIBUCAA, providing private sector insights and shaping the dialogue around programmes for HIV/AIDS in Nigeria. Following the value added and the Bank's influence on the organization after two years as a member, the GMD/CEO, Herbert Wigwe was appointed to serve as the co-chair in 2016.

Access Bank remains co-chair of NiBUCAA, providing support for organizational programmes, hosting and facilitating stakeholder engagements. In 2019, Access Bank led the Coalition to galvanizing corporate organizations to join NiBUCAA, create awareness and enlist new organizations as members of the coalition. To this end, a cocktail CEO Partnership event was held in Lagos on January 5, 2019 with a focus on the need to contribute to global efforts to eradicate HIV/AIDS.

In February 2020, NiBUCAA leveraged on the Bank's position as sponsor of the Access Bank Lagos City Marathon, to provide HIV Testing Services to attendees at the annual sporting event to 3224 beneficiaries, where 10 positive cases were recorded and referred to treatment centers for commencement of treatment. In March 2020, Access Bank supported the Coalition's presentation to the NSBP Steering Committee as a means of further galvanising private sector response towards HIV/AIDS.

Through the course of the year, the Bank supported the coalition in the commemoration of notable days such as the Global Non-Discrimination Day and World AIDS day by bringing together key stakeholders to advocate for equal treatment and opportunity as well as inclusion on matters of health and other services for citizens. The Bank continues to work with NiBUCAA, pushing key initiatives, in support of people living with the virus, and advocating for zero discrimination against people living with HIV as well as the need for a multi-faceted effort to eradicate HIV/AIDS.

United Nations Global Compact (UNGC)

UNGC is a voluntary corporate initiative based on commitments by organizations to collaboratively and innovatively implement universal sustainability principles to support the goals of the United Nations. The aim of the UNGC is to mobilize a global movement of sustainable companies and stakeholders by supporting companies to carry out their business operations responsibly and to take strategic actions to advance broader societal goals using a principles-based approach.

The Global Compact Nigerian Network (GCNN) was established in 2006 and currently comprises over 100 participants from various sectors including banks. Access Bank was the first commercial Bank in Nigeria to become a signatory to the UNGC Principles in April 2006. In 2015, the Bank became a member of the Steering Committee and pioneer member of the environment work stream. Ultimately, Access Bank was appointed as co-Chair on the UNGC Local Network in Nigeria, a position held until 2018 when the Bank stepped down and continued as a Board Member.

As a Board Member, Access Bank actively participated in the Board Meetings to create a strategic plan and direction that will drive the objectives and activities for the Local Network going forward. In addition to the active participation at all GCNN engagements, the Bank continued demonstrating its commitment to environmental stewardship and responsibility by aligning its business strategy and operations to the UNGC Principles with sustainability disclosures made to the Network.

In 2020, Access Bank worked with GCNN on a number of initiatives, some of which include:

- Participation as a speaker in the UN WEPS Gaps Analysis Training in February 2020, in-person which was hosted by the Nigerian Stock Exchange as part of the 2020 UNGC/NSE International Women's Day Event.
- Participation at the training workshop on the SDG Action Manager in March 2020
- Participation as a speaker at the 20th Anniversary Leaders' Summit in June 2020, which held virtually.

United Nations General Assembly (UNGA) 2020

Access Bank participated at the 2020 UNGA on the Global Impact Forum as part of the UN Global Compact's Uniting Business Live series of events. This session explored how both the public and private sectors can promote multilateralism and precautionary approaches to limit environmental degradation through innovative practices.

2020 Sustainability Awareness Week

Access Bank commemorates Sustainability Awareness Week (SAW) to promote understanding of sustainability within the Bank and beyond. It entails a week of activities and engagements aimed at encouraging staff and customers to get involved in sustainable development.

The 2020 Sustainability Awareness Week which was the first-ever virtual session themed: 'Sustainability as a Pathway to a Resilient Future'.

The SAW held across the Bank's subsidiaries and in Nigeria from December 14-18, 2020.

The week focused on the following but not limited to:

- Training on Impact Assessment and Reporting
- Recycling and Reuse of technology:

2020 SPEAKING ENGAGEMENTS

As a result of the Covid-19 pandemic, several pre-planned in-person engagements were cancelled from March 2020 and this gave rise to virtual sessions. Access Bank was represented at a number of these sessions organised by notable sustainability partners all through the year. These include:

- PwC's International Women's Day themed "I am Generation Equality: Realizing Women's Rights" on March 6, 2020
- Virtual Panel Discussion On "Covid-19 and Business Continuity: How Can Sustainability Professionals Contribute" on April 15, 2020
- Webinar on "Sustaining Malaria Intervention Amid Covid-19" by CAMA on April 23
- Webinar Speaker Guide | "Reimagining Commitment to Fighting HIV, TB and Malaria During Covid-19: Focus on the Private Sector" by GBCHealth on July 16

SUSTAINABILITY RECOGNITION AND AWARDS

As a sustainability leader in Africa, Access Bank was invited to participate in the Sustainability Certification under the Sustainability Standards and Certification Initiative (SSCI). Only reputable financial institutions from around the world are pre-qualified for the SSCI certification programme and are required to have demonstrated strong commitment to sustainability.

On September 30, 2020, the Bank was presented with the certificate for achieving the highest level of sustainability certification under the SSCI programme during the Sustainability Certification ceremony at the World Development Finance Forum (WDFF) in Karlsruhe, Germany. This makes Access Bank the first commercial bank in Africa to achieve this certification.

In recognition of our strategic collaborations and efforts in promoting sustainable development in Africa and the world, we received numerous awards from prestigious awarding bodies, both local and international. Some of our most notable recognitions in the year 2020 include:

AWARD	ORGANISATION	DESCRIPTION
Best CSR Bank	Global Brands Awards	In recognition of the Bank's unwavering commitment in embedding sustainability into its core business strategy and DNA that helps address issues across its business operations and value chain.
Best Digital Bank in Africa	Asian Banker Awards	This award recognizes the bank as a leader in offering digital solutions through innovative and strategic products and services.
Best Brand in Sustainability	Brandcom Awards	In recognition of the Bank's unwavering commitment in embedding sustainability into its core business strategy and DNA that helps address issues across its business operations and value chain.
SME Friendly Bank of the Year	Brandcom Awards	In recognition of the Bank's support to assist SME's growth and success in the economy
Outstanding Business Sustainability	Karlsruhe Sustainable Finance Awards	In recognition of Access Bank's success in incorporating economic, social and environmental aspects/metrics in the corporate strategy and business processes. This was due to the Bank's efforts and contributions towards impactful sustainability initiatives.
Best Bank, Nigeria	International Investors Awards	In recognition of the bank's excellence in incorporating economic, social and environmental aspects in the corporate strategy and business processes.
Sustainable Bank of the Year, Africa	International Investors Awards	This award was presented to the bank for its unwavering commitment to embedding sustainability into its core business strategy and DNA that helps address issues across its business operations and value chain, thereby attracting ESG investors and improving its public image.
Outstanding Female Friendly Bank of The Year	WIMCA Awards	This was presented to the Bank for driving the economic empowerment of women through its products, services, policies and practices.

recognized for excellence

World's Safest Bank Award

We have been identified as one of the World's Safest Banks by Global Finance. Thank you for making this happen.

accessbankplc.com

Facebook.com/accessbankplc | Twitter.com/myaccessbank
Youtube.com/accessbankplc | LinkedIn/accessbankplc
Instagram/myaccessbank

access

more than banking

02 || BUSINESS REVIEW

RISK MANAGEMENT

"

The Nigerian economy, like most nations across the world, faced turbulence in 2020 due to the novel virus, Covid-19. To a surprise, the economy exited recession in Q4 2020, when GDP grew by 0.11% having contracted for two consecutive quarters in Q2 and Q3 2020 with growth rates of -6.1% and -3.6%, respectively. The improvement in the Q4 GDP number reflects the impact of significant injection of intervention funds by the Central Bank of Nigeria (CBN) into sectors worst hit by the pandemic.

The growth recovery also stemmed from the re-opening of business activities as movement restrictions were eased and less volatile oil prices due to expectations of further production cuts by the Organisation of Petroleum Exporting Countries (OPEC). The main sectoral drivers for growth in Q4 2020 were Agriculture, Telecommunications, Broadcasting, Real Estate, Manufacturing and Construction. For full year 2020, the economy contracted by -1.86% which is less than the International Monetary Fund's (IMF) estimate of -4.3%. The real GDP growth rate for Q1 2021 is expected to remain positive albeit very low due to lingering structural challenges. Nevertheless, fiscal and monetary measures, commencement of AfCFTA, border reopening, higher oil prices and availability of vaccines are expected to aid economic recovery in 2021.

Oil prices which remained volatile for much of 2020, began to creep upwards towards the end of the year due to the optimism of the Covid-19 vaccine rollout, stimulus injection by central banks and crude oil production restrictions by OPEC and its partners. Crude oil prices (Bonny Light) sold for $50.59 per barrel at the end of 2020 from $41.62 at H1 2020. However, the devastating impact of the Covid-19 pandemic on global economic activities and crude oil price volatility continued to put pressure on foreign exchange stability which necessitated several exchange rate adjustments in March, July and in August 2020 by the Central Bank of Nigeria. The official exchange rate weakened moving from N306/$ in January 2020 to N379/$ in December 2020, indicating a Naira devaluation of 23.8%. In addition, pressures from the World Bank led to price adjustments in the exchange rate with Naira at the Exporters/Importers Window moving from N363.75/$1 in January 2020 to N400.73/$1 in December 2020. At the start of 2020, the nation's foreign reserves stood at $38.5 billion but dropped to $33.4 billion due to the collapse in oil prices following the initial disagreement between OPEC and Russia to extend crude oil production cuts. However, reserve levels ascended afterwards following the uptick in oil prices and the disbursement of $1.3 billion by the International Monetary Fund (IMF) as emergency funding to support the fight against Covid-19. Accretion of the foreign reserves in Q1 2021 is expected as the oil prices look northward supported by the more widespread rollout of the Covid-19 vaccine. Other reserve drivers will include the impact of the new diaspora remittance policy on FX inflows and inflows from approved foreign loans.

Nigeria's annual inflation rate continued to rise in 2020 reaching 15.75% in December 2020 from 12.13% in January. The increase was attributed to supply chain disruptions from the global pandemic, food supply pressures, cost reflective rise in electricity tariff, increase in fuel price and the passthrough effect of the currency devaluation on the general price level.

The CBN's benchmark interest rate, the monetary policy rate (MPR), dropped from 13.5% in January 2020 to 11.5% by December 2020. The decision to reduce the anchor lending rate stemmed from need to stimulate credit expansion to the sectors of the economy worst hit by the pandemic and to offer impetus for output growth and economic recovery. Cash Reserve Ratio (CRR) was increased to 27.5% from 22.5% at the start of the year. Treasury bills yields remained on low levels throughout the year. The Federal Government's debt grew by 8.3% from N28.6 trillion in Q1 2020 to N31 trillion in Q2 2020. A disaggregation of the total public debt indicated that N11.4 trillion (36.77%) was external while N19.6 trillion (63.23%) was domestic.

Given the above pandemic and macroeconomic conditions, the following actions and initiatives were deployed to ensure robust and resilient risk outcomes:

- We deepened our scenario analysis and stress testing modeling activities to enhance risk identification and mitigation steps.
- Our end-to-end credit automation also enabled the Bank to seamlessly embrace online and real time workflows to support our lending processes.
- Adoption of automated alerts that supported proactive risk monitoring and remediation.

To limit the impact of the pandemic on the Bank's operations, group-wide Business Continuity Plan (BCP) actions were also taken to safeguard the workforce, our customers and vendors whilst providing key services. Some of the actions included; strengthening of our online service platforms, implementation of Work-From-Home (WFH) and Online Collaboration Policy, continuous health and safety awareness for staff and customers, provision of dedicated residential facilities (safe havens) for critical service staff and enforced compliance with Covid-19 safety protocol in all our locations. These actions helped to sustain services to our customers even at the peak of the pandemic.

ENTERPRISE-WIDE RISK MANAGEMENT

We remain committed to sustainable enterprise-wide risk management practices to drive institutional gowth.

With our promise of being more than just a bank, our Enterprise-wide Risk Management (ERM) Policy is hinged on the establishment of a group-wide risk oversight, monitoring and reporting that fosters risk integration. This ensures that the Bank strives for sustainable financial success while strengthening its relationship with a diverse group of stakeholders.

Helping our stakeholders achieve their ambitions lies at the heart of our processes. We apply a bespoke risk management framework in identifying, assessing, monitoring, controlling and reporting the inherent and residual risks associated with the pursuit of these ambitions and ensuring they are achieved the right way.

Risk strategies and policies are set by the Board of Directors of Access Bank. These policies, which define acceptable levels of risk for day-to-day operations as well as the willingness of Access Bank to assume risk, weighed against the expected rewards, are detailed in the Enterprise-Wide Risk Management (ERM) Policy. The ERM is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and actively managing these risks in a cost-effective manner. Specific policies are also in place for managing risks in the different core risk areas of credit, compliance, market, operational, liquidity, strategic, reputational risks, Information and Cyber Security amongst others.

The Bank's overall risk tolerance is established in the context of our earning power, capital and diversified business model. The organisational structure and business strategy, on the other hand, are aligned with our risk management philosophy.

The Bank uses regular review of risk exposure limits, risk control and self-assessment to position itself against adverse scenarios. This is an invaluable tool with which the Bank predicted and successfully managed both the local and global recessions which continued to impact the macro-economy. Market volatilities and economic uncertainties are typically contained because the Group regularly subjects its exposures to a range of stress tests across a wide variety of products, currencies, portfolios and customer segments.

The Risk Management Division headed by the Chief Risk Officer is part of the second line of defence. It supports the Bank's risk policy by constantly monitoring risk, identify ing and quantifying significant risk exposures and acting upon such exposures as necessary.

Access Bank approaches risk, capital and value management robustly and we believe that our initiatives and practices to-date have positioned the Group at the leading edge of risk management.

RISK MANAGEMENT PHILOSOPHY, CULTURE, APPETITE AND OBJECTIVES

Our Risk Culture Statement:

At Access Bank, we embrace a moderate risk appetite, whilst delivering strategic objectives. We anticipate the risks in our activities and reward behaviour that aligns with our core values, controls and regulations. Challenges are discussed in an open environment of partnership and shared responsibility.

Access Bank's Risk Management philosophy and culture remain fundamental to the delivery of our strategic objectives and are at the core of the Group's operating structure. We seek to limit adverse variations in earnings and capital by managing risk exposures within our moderate risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity.

The Bank's risk management process has continued to achieve desired results as evidenced by improved risk ratios and independent risk ratings. In line with the bank's core value of excellence, its Risk Management group is continuously evolving and improving, given the context that all market developments, those of extreme nature, need to be anticipated always. Hence, the moderate risk appetite as our guide. Executive Management has remained closely involved with important risk management initiatives, which have focused particularly on preserving appropriate levels of asset quality, liquidity and capital as well as managing the risk portfolios.

Risk management is fundamental to the Group's decision-making and management process. It is embedded in the role of all employees via the organisational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

Access Bank considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterise how it considers risk in everything it does, from strategy development and implementation to its day-to-day activities. In this regard, the Bank's risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation.

The Bank believes that enterprise risk management provides superior capabilities to identify and assess the full spectrum of risks and enables staff at all levels to better understand and manage risks. This ensures that:

- Risk acceptance is done in a responsible manner;
- The Executives and the Board of the Bank have adequate risk management support;
- Uncertain outcomes are better anticipated;
- Accountability is strengthened; and
- Stewardship is enhanced.

The Bank identifies the following attributes as guiding principles for its risk culture.

a) Management and staff:

- Consider all forms of risk in decision-making;
- Create and evaluate business-unit and Bank-wide risk profiles to consider what is best for their individual business units/department and what is best for the

Bank as a whole;

- Adopt a portfolio view of risk in addition to understanding individual risk elements;
- Retain ownership and accountability for risk and risk management at the business unit or other points of influence level;
- Accept that enterprise-wide risk management is mandatory and not optional;
- Document and report all significant risks and enterprise-wide risk management deficiencies;
- Adopt a holistic and integrated approach to risk management and bring all risks together under one or a limited number of oversight functions;
- Empower risk officers to perform their duties professionally and independently without undue interference;
- Ensure a clearly defined risk management governance structure;
- Strive to maintain a conservative balance between risk and profit considerations; and
- Continue to demonstrate appropriate standards of behaviour in the development of strategy and pursuit of objectives.

b) Risk officers partner with other stakeholders within and outside the Bank and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.

c) The Bank partners with its customers to improve their attitude to risk management and encourages them to build corporate governance culture into their business management

d) Risk management is governed by well-defined policies, which are clearly communicated across the Bank.

e) Equal attention is paid to both quantifiable and non-quantifiable risks.

f) The Bank avoids products and businesses it does not understand.

GROUP RISK OVERSIGHT APPROACH

Managing risk is a fundamental part of banking. Access Bank manages risk as part of a long-term strategy of resilience. Risk management is embedded in all levels of Access Bank's organisation and is part of the daily business activities and strategic planning to have a sustainable competitive advantage.

To achieve its risk management objectives, the Bank relies on a risk management framework that comprises risk policies and procedures formulated for the assessment, measurement, monitoring and reporting of risks including limits set to manage the exposure to quantifiable risks. The Bank recognises that effective risk management is based on a sound risk culture, which is characterised, amongst others, by a high level of awareness concerning risk and risk management in the organisation.

Our risk governance framework, of which risk appetite framework is a significant element, ensures the appropriate oversight of and accountability for the effective management of risk. Our oversight starts with the strategy setting and business planning process. These plans help us articulate our appetite for risk, which is then set as risk appetite limits for each business unit to work within.

We actively promote a strong risk culture where employees are encouraged to take accountability for identifying and escalating risks.

Expectations on risk culture are regularly communicated by senior management, reinforced through policies and training, and considered in the performance assessment and compensation processes.

The Chief Risk Officer coordinates the process of monitoring and reporting risks across the Bank and subsidiaries.

Internal Audit has the responsibility of auditing the risk management and control function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Audit also tests the adequacy of internal control and makes appropriate recommendations where necessary.

STRATEGY AND BUSINESS PLANNING

Our risk management function is aligned with our strategy of building a sustainable gateway to the world. Consistent with the objective of delivering long-term sustainable value for our stakeholders, we continue to pursue a prudent risk policy, bringing balance and focus to our activities.

Underpinning that ambition is the delivery of excellent customer service through our business segments. Our business model and strategy are built on capturing the opportunities inherent in our business by developing deep relationships with clients in the markets and communities we serve. Each business function proactively identifies and assesses its risks and takes ownership of the controls put in place to manage those risks.

The Bank has multiple initiatives underway to improve infrastructure for risk management, data quality, stress testing and reporting.

Our integrated Governance, Risk and Compliance (GRC) system encapsulates the operationalization of our ERM Framework, aids the risk management oversight of the Bank's businesses across functions and the markets in which we operate. The integration of key activities and synchronization of information enhances our decision-making process across these functions. This in turn improves our business agility and competitive advantage. This allows us to offer differentiated products to our customers across all touchpoints.

We continue to focus on early identification of emerging risks so that we can manage any areas of weakness on a proactive basis.

RISK APPETITE

Taking all relevant risks and stakeholders into consideration, Access Bank's risk appetite, which is owned by the Board of Directors, expresses the aggregate level of risk that we are willing to assume in the context of achieving our strategic objectives.

Risk appetite is derived using both quantitative and qualitative criteria. Risk appetite in relation to the major risks to which the Bank is exposed is regulated by limits and thresholds. These metrics aid in reaching our financial targets and guiding the Bank's profitability profile.

In accordance with the Bank's risk appetite, we are strongly committed to maintaining a moderate risk profile, which has been defined and cascaded in a measurable manner. The risk profile is managed based on an integrated risk management framework. In this framework, all types of risks are identified to provide one integrated view on the risk profile for the Bank as a whole.

RISK MANAGEMENT OBJECTIVES

The broad risk management objectives of the Bank are:

- To identify and manage existing and new risks in a planned and coordinated manner with minimal disruption and cost;
- To protect against unforeseen losses and ensure stability of earnings;
- To maximize earnings potential and opportunities;
- To maximize share price and stakeholder protection;
- To enhance credit ratings, as well as depositor, analyst, investor and regulator perception; and
- To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions.

SCOPE OF RISKS

Within its risk management framework, Access Bank identifies the following key risk categories among others;

- Credit risk
- Operational risk
- Market and liquidity risk
- Capital Risk
- Legal and compliance risk
- Information and Cyber Security risk
- Environmental and Social risk
- Reputational risk
- Strategic risk

These risks and the respective framework for their management are detailed in the enterprise-wide risk management framework.

THE BOARD AND MANAGEMENT COMMITTEES

The Board has ultimate responsibility for the Bank's risk organisation and for ensuring satisfactory internal control. It carries out its oversight function through its standing committees. Each has a charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure, and reporting lines to the Board.

In line with best practice, the Chairman of the Board does not sit on any of the Committees. The Board has seven standing committees: The Board Risk Management Committee, the Board Audit Committee, the Board Governance, Nomination and Remuneration Committee, the Board Credit and Finance Committee, the Board Digital and IT Committee, the Board Technical Committee on Retail Expansion and Board Human Resources and Sustainability Committee.

The Management committees which exist in the Bank include: The Executive Committee (EXCO), Enterprise Risk Management Committee (ERMC), Management Credit Committee (MCC), Group Assets & Liabilities Committee (Group ALCO), Digital Steering Committee (DSC), Information Security Council (ISC) and Operational Risk Management Committee (ORMC).

Without prejudice to the roles of these committees, the full Board retains ultimate responsibility for risk management.

CREDIT RISK MANAGEMENT

In Access Bank everyone is involved in Risk Management with the ultimate responsibility residing with the Board. We operate the 3 lines of defence model which enhances the understanding of risk management and control by clarifying roles and duties. The risk management process of the Bank is well fortified to mitigate the threats imposed by impact of Covid-19 or any other risk event on the Bank's business.

The management of the Bank took a proactive approach to protect its loan book from the impact of Covid 19 on the Bank's books by analyzing the extent of the pandemic on different sectors and sub sectors of the economy. This enabled us to understand our customer's challenges and potential outlook. We took steps to lessen the burden of loan repayment on our borrowers and preserve the risk assets quality of the Bank, working within regulatory guidance.

The Risk Management Division has continued to take advantage of advancement and innovation in the technology space to automate the management of risk. Credit and analytics tools were deployed recently to enhance the credit decision making and monitoring process in the Bank.

PRINCIPAL CREDIT POLICIES

The following are some of the principal credit policies of the Bank:

Credit Risk Management Policy: The core objective is to enable maximisation of returns on a risk adjusted basis from banking book credit risk exposures that are brought under the ambit of Credit Risk Management Policy. This is done by putting in place robust credit risk management systems consisting of risk identification, risk measurement, setting of exposure and risk limits, risk monitoring and control as well as reporting of credit risk in the banking book.

Credit Risk Rating Policy: The objective of this policy is to ensure reliable and consistent Obligor Risk Ratings (ORRs) and Facility Risk Ratings (FRRs) and to provide guidelines for risk rating for retail and non-retail exposures in the banking book covering credit and investment books of the Bank.

RESPONSIBILITIES OF BUSINESS UNITS AND INDEPENDENT CREDIT RISK MANAGEMENT

In Access Bank, Business Units and Independent Credit Risk Management have a joint responsibility for the overall accuracy of risk ratings assigned to obligors and facilities. Business Relationship Managers are responsible for deriving the Obligor Risk Rating ('ORR') and Facility Risk Rating ('FRR') using approved methodologies. However, independent credit risk management validates such ratings.

Notwithstanding who derives the risk rating, Credit Risk Management is responsible for reviewing and ensuring the correctness of the ORR and FRR assigned to borrowers and facilities. This review includes ensuring the ongoing consistency of the business' Risk Rating Process with the Bank's Risk Rating Policy; ongoing appropriate application of the risk rating process and tools; review of judgmental and qualitative inputs into the risk rating process; ensuring the timeliness and thoroughness of risk rating reviews; and ensuring that the documentation of the risk rating process is complete and current.

Credit Risk Management has the final authority if there is a question about a specific rating.

CREDIT PROCESS

The Bank's credit process starts with portfolio planning and target market identification. Within identified target markets, credits are initiated by relationship managers. The proposed credits are subjected to review and approvals by applicable credit approval authorities. Further to appropriate approvals, loans are disbursed to beneficiaries.

Ongoing management of loans is undertaken by both relationship management teams and our Credit Risk Management Group. The process is applied across the Bank and in the subsidiaries.

If a preliminary analysis of a loan request by the account manager indicates that it merits further scrutiny, it is then analysed in greater detail by the account manager, with further detailed review by Credit Risk Management. The concurrence of Credit Risk Management must be obtained for any credit extension. If the loan application passes the detailed analysis, it is submitted to the appropriate approval authority based on the size and risk rating of facilities.

The standard credit evaluation process is based both on quantitative figures from the Financial Statements and on an array of qualitative factors. Information on the borrower is collected as well as pertinent macroeconomic data, such as an outlook for the relevant sector. These factors are assessed by the analyst and all individuals involved in the credit approval process, relying not only on quantitative factors but also on extensive knowledge of the company in question and its management.

Risk Rating Scale and external rating equivalence

Access Bank operates a 12-grade numeric risk rating scale. The risk rating scale runs from 1 to 8. Rating 1 represents the best obligors and facilities, while rating 8 represents the worst obligors and facilities. The risk rating scale incorporates sub-grades and full grades reflective of realistic credit migration patterns.

The risk rating scale and the external rating equivalent is detailed below:

Access Bank risk Rating	External Rating Equivalent	Grade
1	AAA	Investment Grade
2+	AA	
2	A	
2-	BBB	
3+	BB+	Standard Grade
3	BB	
3-	BB-	
4	B	Non-Investment Grade
5	B-	
6	CCC	
7	C	
8	D	

TRAINING / CERTIFICATION

In line with the CBN's competency framework, members of the Group have consistently upgraded their competency level by passing necessary certification examinations like Certified Risk Manager (Risk Management Association of Nigeria), ACIB (CIBN), ICAN, ACCA, CFA and other relevant professional certifications.

The Bank has ongoing partnerships with renowned international firms like Dun and Bradstreet, KPMG and Moody's Analytics for training in Credit Risk Analysis and Financial Risk Management for the first and second lines of defence. These are outside regular training conducted within the Group to enhance staff capacity in handling transactions in the dynamic business environment and ever-evolving banking industry.

CREDIT OFFICER RISK RATING

To reshape the understanding of risk, the Bank developed a Credit Officer Risk Rating model which assigns rating to credit officers based on the quality and performance of risk asset portfolio managed by the individual officer. This puts the Bank in a more disciplined position in the credit appraisal and approval processes.

CREDIT RISK CONTROL AND MITIGATION

AUTHORITY LIMITS ON CREDIT

The highest credit approval authority is the Board of Directors, supported by the Board Credit and Finance Committee and followed by the Management Credit Committee. Individuals are also assigned credit approval authorities in line with the Bank's criteria for such delegation set out in its Credit Risk and Portfolio Management Plan. The principle of central management of risk and decision authority is maintained by the Bank, subject to local regulatory and market requirements in each country.

The credit approval limits of the principal officers of the Group are shown in the table below:

In addition, approval and exposure limits based on internal Obligor Risk Ratings have been approved by the Board for the relevant approving authorities and credit committees as shown in the second table below:

APPROVING AUTHORITY	APPROVED LIMIT (New Requests) (NGN)	APPROVED LIMIT (Renewing of existing credit) (NGN)
Executive Director	150 million	200 million
Group Deputy Managing Director	400 million	500 million
Group Managing Director/CEO	500 million	600 million

Access Bank Risk Rating	Exposure Limit (ORR-based LLL) (NGN)	Management Credit Committee Approval Limit (NGN)	Board Credit & Finance Committee Approval Limit (NGN)	Board of Directors Limit
1	41 billion	20 billion	40 billion	Legal lending limit
2+	33 billion	15 billion	30 billion	
2	25 billion	5 billion	15 billion	
2-	16 billion	2 billion	10 billion	
3+	3 billion	1 billion	10 billion	
3	1.7 billion	0.8 billion	10 billion	
3-	0.8 billion	0.5 billion	2 billion	
4		Above 0.1 billion		

COLLATERAL POLICIES

It is the Group's policy that all credit exposures are adequately collateralised. Credit risk mitigation is an activity of reducing credit risk in an exposure or transferring it to counterparty, at facility level, by a safety net of tangible and realisable securities including approved third-party guarantees/ insurance.

However, the primary consideration for approving credits is hinged largely on the obligor's financial strength and debt-servicing capacity. The guidelines relating to risk mitigants as incorporated in the guidance note of Basel Committee on Banking Supervision ('BCBS') on "Principles for the Management of Credit Risk" are to be taken into consideration while using a credit risk mitigant to control credit risk.

The Bank utilizes transaction structure, collateral and guarantees to help mitigate risks (both identified and inherent) in individual credits but transactions should be entered into primarily on the strength of the borrower's repayment capacity. Collateral cannot be a substitute for a comprehensive assessment of the borrower or the counterparty, nor can it compensate for insufficient information. It is recognised that any credit enforcement actions (e.g. foreclosure proceedings) can eliminate the profit margin on the transaction. In addition, we are mindful that the value of collateral may well be impaired by the same factors that have led to the diminished recoverability of the credit.

The range of collaterals acceptable to the Bank include:

- Mortgage on landed property (Legal Mortgage/Mortgage Debenture)
- Debenture/Charge on assets (Fixed and/or Floating)
- Cash/Money Market Investment (Letter of lien and Set-Off over fixed deposits/money market investments)
- Treasury bills and other government securities.
- Chattel/vessel Mortgage.
- Legal ownership of financed assets.

OPERATIONAL RISK MANAGEMENT

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Our definition of operational risk excludes regulatory risks, strategic risks and potential losses related solely to judgments about taking credit, market, interest rate, liquidity, or insurance risks.

It also includes the reputation and franchise risks associated with business practices or market conduct in which the Bank is involved. Operational risk is inherent in Access Bank's global business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management.

This framework includes:

- Recognised ownership of the risk by the businesses;
- Oversight by independent risk management; and
- Independent review by Internal Audit.

We seek to minimise exposure to operational risk, subject to cost trade-offs. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring. Our operational risk strategy seeks to minimise the impact that operational risk can have on shareholders' value. The Bank's strategy is to:

- Reduce the likelihood of occurrence of expected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation to earnings;
- Minimise the impact of unexpected and catastrophic events and related costs through risk financing strategies that would support the Bank's long-term growth, cash flow management and balance sheet protection;
- Eliminate inefficiencies, improve productivity, optimise capital requirements and improve overall performance through the institution of well designed and implemented internal controls.

In order to create and promote a culture that emphasizes effective operational management and adherence to operating controls, there are three distinct levels of operational risk governance structure in Access Bank Plc.

Level 1 refers to the oversight function carried out by the Board of Directors, Board Risk Management Committee and the Executive Management. Responsibilities at this level include ensuring effective management of operational risk and adherence to the approved operational risk policies.

Level 2 refers to the management function carried out by the Operational Risk Management Group. It has direct responsibility for formulating and implementing the Bank's operational risk management framework including methodologies, policies and procedures approved by the Board.

Level 3 refers to the operational function carried out by all business units and support functions in the Bank. These units/functions are fully responsible and accountable for the management of operational risk in their units. They work in liaison with Operational Risk Management Group to define and review controls to mitigate identified risks. Internal Audit Group provides independent assessment and evaluation of the Bank's operational risk management framework. This periodic confirmation of the existence and utilisation of controls in compliance with approved policies and procedures, provides assurance as to the effectiveness of the Bank's operational risk management framework. Some of the tools being used to assess, measure and monitor operational risks in the Bank include; a loss database of operational risk events; an effective risk and control self-assessment process that helps to analyse business activities and identify operational risks that could affect the achievement of business objectives; and key risk indicators which are used to monitor operational risks on an ongoing basis.

ALLOCATING CAPITAL TO BUSINESS UNITS

An allocation methodology is applied for allocating capital to business units. For each business unit, the allocation takes into consideration not only the size of the business unit, but also measures the business unit's control environment, namely; open audit findings, Risk and Control Self Accessment results, and loss experience. This translates to a risk-sensitive allocation with the opportunity afforded to business units to identify actions to positively impact on their respective allocated operational risk capital.

INSURANCE MITIGATION

Insurance policies are used to mitigate operational risks. These policies are current and remain applicable at the Bank and Group Level. Insurance coverage is purchased at Group or cluster level to discharge statutory and regulatory duties, or to meet counterparty commitments and stakeholder expectations. The primary insurance policies managed by the Group are:

- Comprehensive crime and electronic crime;
- Directors' and officers' liability; and
- Professional indemnity.

MARKET RISK MANAGEMENT

The Bank's capital and earnings are exposed to risk due to adverse changes in market prices. As a result a robust market risk management framework is in place to reduce exposure to changes in interest rate, foreign exchange, equity prices and commodity prices.

The objective is not to completely avoid these risks but to ensure exposure to these risks through our trading and banking book positions are kept within the Bank's defined risk appetite and tolerance.

MARKET RISK POLICY MANAGEMENT AND CONTROL

Over the years, the Nigerian financial market has witnessed a dramatic expansion in the array of financial services and products. This tremendous growth in scale and scope has also generated new risks with global consequences, especially market risk, necessitating an assessment of exposures to the volatility of the underlying risk drivers. This has prompted the upgrading of the Market Risk Policy; Asset and Liability Management Policy; Liquidity Policy; Stress Testing Policy, etc, to ensure the risks faced across business activities and on an aggregate basis are within the Bank's stipulated risk appetite. These policies have been benchmarked with industry and international best practices and CBN regulations.

The Bank runs an integrated and straight through processing treasury system for enabling efficient monitoring and management of interest rate and foreign exchange risks.

Liquidity, Exchange Rate, and Interest Rate risks are managed through various approaches, viz. Liquidity Gap Analysis, Dynamic Cash Flow Analysis, Liquidity Ratios, Value at Risk (VaR), Earnings at Risk (EaR) and Sensitivity Analysis. The primary aim of these processes is risk forecasting and impact mitigation through management action and portfolio rebalancing.

The Bank regularly conducts stress testing to monitor its vulnerability to unfavorable shocks. It monitors and controls its risk, using various internal and regulatory risk limits for trading book and banking book which are set according to several criteria including economic scenario, business strategy, management experience, peer analysis and the Bank's risk appetite.

BANKING BOOK

Market risk management actively manages the Banking book to optimise its income potential. This risk arises from the mismatch between the future yield on assets and their funding cost, due to interest rate changes. The Bank uses a variety of tools to track and manage this risk:

- Re-pricing gap analysis
- Liquidity gap analysis
- Earnings-at-Risk (EAR) using various interest rate forecasts
- Sensitivity Analysis

INTEREST RATE RISK

Interest rate risk is the exposure of the Bank's financial condition to adverse movements in interest rates, yield curves and credit spreads. The Bank is exposed to interest rate risk through the interest-bearing assets and liabilities in its trading and banking books.

i. RE-PRICING AND LIQUIDITY GAP ANALYSIS

Access Bank's objective for management of interest rate risk in the banking book is to manage interest rate mismatch and lower interest rate risk over an interest rate cycle. This is achieved by hedging material exposures with the external market.

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. In the case of floating rated assets and liabilities, the Bank is exposed to basis risk, which is the difference in re-pricing characteristics of the various floating rate indices, such as the savings rate and 90-day NIBOR and different types of interest.

Non-traded interest rate risk arises in the banking book from the provision of retail and wholesale (non-traded) banking products and services, as well as from certain structural exposures within the Groups balance sheet, mainly due to re-pricing timing differences between assets, liabilities and equities. These risks impact both the earnings and the economic value of the Group. Overall, non-trading interest rate risk positions are managed by Treasury, which uses investment securities, advances to banks and deposits from banks to manage the overall position arising from the Group's non-trading activities.

ii. EARNINGS-AT-RISK APPROACH

Earnings at risk is the potential change in net income due to adverse movements in interest rates over a defined period. It guides the Bank to understand the impact a change in interest rates can make on its position and projected cash flow.

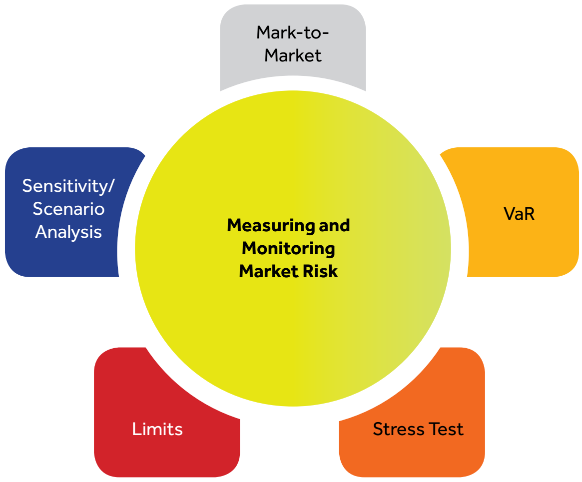
The Bank has limits drawn for this risk measure. They are designed to monitor and control the risk to our projected earnings using various rate scenarios and assumptions. The limit is expressed as a change in projected earnings over a specified time horizon and rate scenario. Scenarios adopted by the Bank include parallel and non-parallel shifts in yield.

iii. SENSITIVITY ANALYSIS

The Bank employs the use of scenario and sensitivity analysis in evaluating its exposures per time. Scenario analysis is the process of predicting the possible balance sheet impact to changes that may occur to existing variables whilst sensitivity analysis is the study of how the outcome of a decision changes due to variations in input.

TRADING PORTFOLIO

The measurement and control techniques used to measure, and control traded market risk (interest rate and foreign exchange risk) include daily valuation of positions, limit monitoring, gap analysis, sensitivity analysis, Value at Risk, stress testing, etc.



LIMITS

The Bank uses risk limits to restrict the size of investments that their traders can take for proprietary and non-proprietary purposes. Limiting the size of investments is one of the primary ways the Bank controls risk and capital consumption. The following limits currently exist;

Fixed income and FX Net Open Position Limits (NOPL): The Bank, in keeping with the prudence concept, sets its policy limit for Open Position at a level lower than the maximum NOPL approved by the regulatory authority. In setting the internal NOPL, the following considerations are imperative:

- The Regulatory NOPL;
- The Bank's tolerance and appetite for FX risk;
- The size and depth of the FX market in Nigeria;
- The degree of volatility of traded currencies; and
- The Bank's desired positioning in the relevant FX market with requirements for international business support.

Inter-bank placement and takings Limit: In line with the Bank's drive to be a top liquidity provider in the financial market, stringent controls have been set to ensure that any takings from interbank are preceded by proper authorization, to reduce the risks that come with huge interbank borrowing.

Management Action Trigger (MAT): This establishes decision points to confirm the Board of Directors' tolerance for accepting trading risk losses on a cumulative basis. MAT therefore, considers actual cumulative profit/loss as well as potential losses and the loss tolerance is defined as a percentage of Gross Earnings.

Stop Loss Limit: This limit sets a maximum tolerable unrealised profit/loss to date which will trigger the closing or reduction of a position to avoid any further loss based on existing exposures.

Dealer Limits: This limit sets a maximum transaction limit by a dealer. It is based on experience and knowledge of the dealer.

Value-at-Risk Limit: The VaR limit is based on 99% confidence level over a 1 day holding period on the trading book. In line with the Bank's risk appetite, treasury losses are not expected to exceed 1% of total portfolio.

Duration Limit

The Bank utilizes duration to measure the sensitivity of the price of assets in its portfolio to changes in interest rate. The Bank has duration limits for the varying asset classes in its investment/trading portfolio.

MARK TO MARKET (MTM)

The marking-to-market technique establishes the potential profit and loss by revaluing money market exposures to prevailing market prices. When no market prices are available for a specific contract period, mark-to-model is used to derive the relevant market prices. It is the Bank's policy to revalue all exposures categorised under the securities trading portfolio daily. As a general guide, marking to market is performed independently of the trading unit i.e. prices/rates are obtained from external sources.

STRESS TESTING

A consistent stress testing methodology is applied to trading and non-trading books. The stress testing methodology assumes that the scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs.

Losses beyond the confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations. Market Risk complements the VaR measurement by regular stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible.

Stress testing is an integral part of the market risk management framework and considers both historical market events and forward-looking scenarios. Stress testing provides an indication of the potential size of losses that could arise in extreme conditions. It helps to identify risk concentrations across business lines and assist senior management in capital planning decisions.

Liquidity Risk Management

Liquidity risk is the potential that the Bank may be unable to meet expected or unexpected current or future cash flows and collateral needs without affecting its daily operations or its financial condition. The Bank is managed to preserve a high degree of liquidity so that it can meet the requirements of its customers always, including during periods of financial stress.

The Bank has developed a liquidity management framework based on a statistical model underpinned by conservative assumptions about cash inflows and the liquidity of liabilities. In addition, liquidity stress tests assuming extreme withdrawal scenarios are performed. These stress tests specify additional liquidity requirements to be met by holdings of liquid assets.

The Bank's liquidity has consistently been materially above the minimum liquidity ratio and the requirements of its stress tests. The Group ALCO, in conjunction with the Board and its committees, monitors our liquidity position and reviews the impact of strategic decisions on our liquidity. Liquidity positions are measured by calculating the Bank's net liquidity gap and by comparing selected ratios with targets as specified in the Liquidity Risk Management Manual.

CONTINGENCY FUNDING PLAN

Access Bank has a contingency funding plan which incorporates early warning indicators to monitor market conditions. The Bank monitors its liquidity position and funding strategies on an ongoing basis, but recognises that unexpected events, economic or market conditions, earnings problems or situations beyond its control could cause either a short or long-term liquidity crisis. It reviews its contingency funding plan annually.

The contingency funding plan covers: the available sources of contingent funding to supplement cash flow shortages; the lead times to obtain such funding; the roles and responsibilities of those involved in the contingency plans; and the communication and escalation requirements when early warning indicators signal deteriorating market conditions. Both short term and long-term funding crises are addressed in the contingency funding plan.

CAPITAL RISK MANAGEMENT

Capital risk is the risk of possible erosion of the Bank's capital base due to poor capital management.

Capital management objectives:

The Group has several capital management objectives:

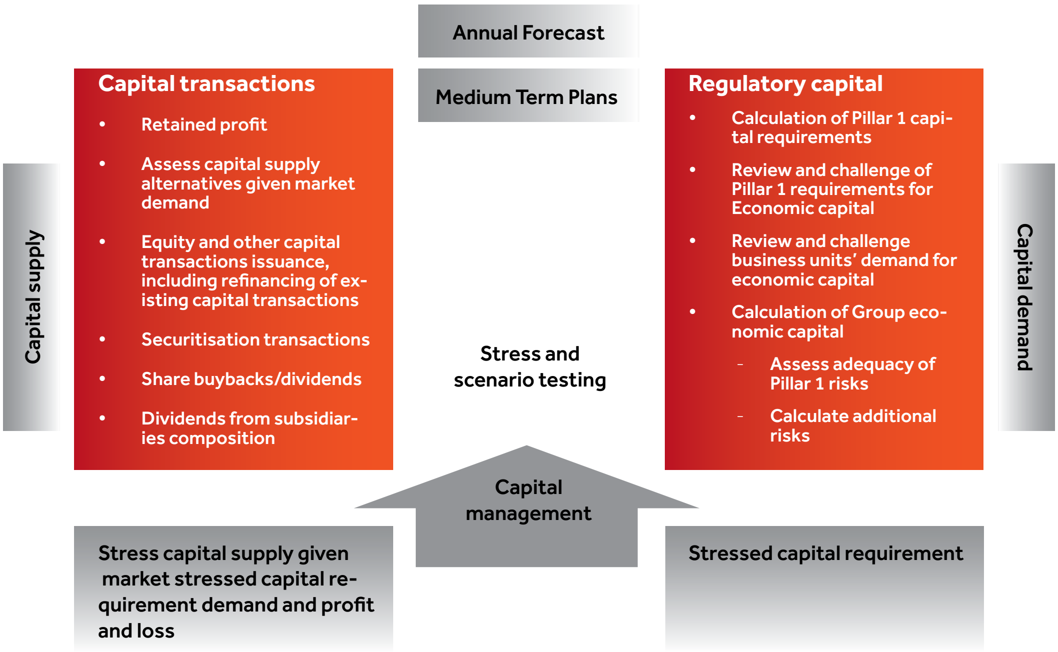
- To meet the capital ratios required by its regulators and the Group's Board.

- To maintain an adequate level of available capital resources as cover for the economic capital (EC) requirements.
- To generate enough capital to support asset growth.

CAPITAL MANAGEMENT STRATEGY:

The Group's capital management strategy is focused on maximizing shareholder value by optimising the level and mix of capital resources. Decisions on the allocation of capital resources are based on several factors including return on economic capital (EC) and on regulatory capital (RC), and are part of the internal capital adequacy assessment process (ICAAP).

Capital Management Process



IMPORTANCE OF CAPITAL MANAGEMENT

Capital management is critical to the Bank's survival. Hence, capital is managed as a Board level priority in the Group. The Board is responsible for assessing and approving the Group's capital management policy, capital target levels and capital strategy. A capital management framework provides effective capital planning, capital issuance, alignment to Basel accord, economic capital utilisation and economic profit (EP) performance measurement criteria. The diagram above illustrates the process the Group follows to ensure end-to-end integration of the Group's strategy, risk management and financial processes into the capital management process. The purpose is to ensure that capital consumption in the business divisions is planned for and reflected in their performance measurement, which in turn translates into management performance assessment, product pricing requirements and achievement of the overall strategy within the Group's risk appetite.

ENTERPRISE-WIDE SCENARIO AND STRESS TESTING

Access Bank uses robust and appropriate scenario stress testing to assess the potential impact on the Group's capital adequacy and strategic plans. Our stress testing and scenario analysis programme are central to the monitoring of strategic and potential risks. It highlights the vulnerabilities of our business and capital plans to the adverse effect of extreme but plausible events. As a part of our core risk management practices, the Bank conducts enterprise-wide stress tests on a periodic basis to better understand earnings, capital and liquidity sensitivities to certain economic scenarios, including economic conditions that are more severe than anticipated. We leveraged the Bank's ICAAP in the selection of our scenarios and improved on them to ensure that they refelect recent macro-economic developments. The outcome of the testing and analysis is also used to assess the potential impact of the relevant scenarios on the demand for regulatory capital compared with its supply. These enterprise-wide stress tests provide an understanding of the potential impacts on our risk profile, capital and liquidity. It generates and considers pertinent and plausible scenarios that have the potential to adversely affect our business. Stress testing and scenario analysis are used to assess the financial and management capability of Access Bank to continue operating effectively under extreme but plausible trading conditions. Such conditions may arise from economic, legal, political, environmental and social factors. Scenarios are carefully selected by a group drawn from senior business development, risk and finance executives. Impacts on each line of business from each scenario are then analysed and determined, primarily leveraging the models and processes utilised in everyday management routines. Impacts are assessed along with potential mitigating actions that may be taken in each scenario. Analyses from such stress scenarios are compiled and reviewed through our Group Asset and Liability Committee, and the Enterprise Risk Management Committee. These are then incorporated alongside other core business processes into decision making by management and the Board. Our scenario and stress testing procedures were significantly enhanced during the recent pandemic and its macroeconomic fallouts, and the management actions that arose from them were pivotal in enabling the Bank to mitigate and optimise risk outcomes and capital.

COMPLIANCE RISK MANAGEMENT

The Bank's compliance function organizes and sets priorities for the management of its compliance risk in a way that is consistent with risk management strategy and structures.

The compliance function recently had its Compliance Maturity Assessment done by Messrs. PWC by benchmarking against ISO 19600 principles. The integrated compliance function working closely with Internal Audit and Risk Management to achieve risk convergence provided backbone for integrated assurance and higher visibility of risk management and control consciousness across the Group.

The compliance function has continued to redefine and fine-tune its approach and continued to improve on its advisory role with intense focus on regulatory intelligence gathering, compliance monitoring, compliance testing and closer cooperation with business units within the Bank. The Group on the other hand acts as a contact point for compliance inquiries from staff members and recently introduced the Business Unit Compliance Officers to strengthen and deepen the cooperation with the first line of defence and the implantation of Quality Assurance in all applicable Groups within the Bank.

We enhanced the monitoring to online real time to catch up with the current digital banking environment. We receive alerts of transactions on a risk-based approach by focusing on the high-risk areas thereby spotting non-conformities on time and have also enhanced our Compliance management standard.

MEASUREMENT, MONITORING AND MANAGEMENT OF COMPLIANCE RISK

In Access Bank, compliance risk is continually:

- Measured by reference to identified metrics, incident assessments (whether affecting Access Bank or the wider industry), regulatory feedback, Compliance Testing and the judgment of our external assessors as it relates to AML/CFT and other compliance vulnerabilities;
- Monitored against our compliance risk assessments and metrics, the results of the continuous monitoring and reporting activities of the compliance function and the results of internal and external audits and regulatory inspections; and
- Managed by establishing and communicating appropriate policies and procedures, training employees on them, and monitoring activities to assure their observance.

The Bank continues to recognize its accountability to all its stakeholders under the legal and regulatory requirements applicable to its business. The Conduct and Compliance function, including all staff of Access Bank Plc and its subsidiaries are committed to high standards of integrity and fair dealing in the conduct of business. The Bank's compliance risk management philosophy is deepened by the effective convergence of risk management through the 'Three Lines of Defence' model.

Effective Compliance Risk Management in Access Bank and its subsidiaries will continuously be coordinated in the following manner:

- Where a business unit is subject to regulatory requirements, it will comply with those requirements. The business unit will further establish and maintain systems of internal control to monitor and report the extent of compliance with those requirements with the support of the Conduct and Compliance function.

In the absence of regulatory requirements for all or part of a business unit, certain minimum standards of conduct are established and maintained by that business unit to the extent required as determined by the management of that business unit and in line with global best compliance practice.

INFORMATION AND CYBERSECURITY RISK MANAGEMENT

In response to the increased cyber security threat to businesses globally, we have a Cyber Security Framework and adopted an in-depth layered approach to cover Cyber security practices, information security processes and infrastructure which includes: Cyber Security Governance, Operations, and Infrastructure across the enterprise.

The year 2020 has been unusual in many ways due to the Covid-19 Pandemic. IT and Cybersecurity have not been spared and this has left many organizations scampering to safety. Access Bank, like other global institutions, embraced new practices such as social distancing and remote working. As expected, cyber criminals worldwide have capitalized on the health crisis and it is no surprise that the main targets are financial institutions and their customers.

We are aware of our position as the number one retail Bank in Nigeria with an ever-growing digital platforms portfolio, hence we cannot afford to let our guard down.

We have a holistic view of all the major risks facing the Bank and we remain vigilant regarding both known and emerging global risks. We also ensure that we are strong enough to withstand any exogenous shocks by putting in place a 24/7 monitoring and external intelligence for the Bank's information and technology assets, through our Security Operations Center (SOC).

The continuous advancement and innovations in technology and the endless need to improve services have made digital banking a direction that the Bank must tap into with adequate mitigating approach to handle the inherent risks involved in the business. In response to the digitization needs, we have a Digital Banking Framework that enables the Bank to maintain an overall cyber risk appetite of "moderate risk" while adopting digitization processes in meeting the needs of our customers.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

The Bank has long recognized the requirement to transition to a more structured and conscientious approach to environmental and social concerns, and the increasing role that they play in the future direction of the institution. Fundamental changes to the way decisions are made across the Bank coupled with Executive Management support to underpin this development has been crucial. Appreciating and recognizing the requirements of both our regulatory and investment partners has been critical in our decision making.

ENVIRONMENTAL AND SOCIAL RISK STRATEGY

We understand the need to achieve the goals of the Paris Agreement on Co2 emissions reductions coupled with our wider environmental ambitions and appreciate that environmental issues represent a risk for Access Bank. Recognizing such, we have refined our strategy further to accommodate climate change challenges. We have achieved this with a robust governance framework of policies and procedures and the incorporation of environmental concerns into our automated credit review process. The Bank also has a dedicated team of professionals focused solely on delivering both environmental and social risk management.

The continuous evolution of our Environmental Social and Governance (ESG) systems has ensured that we incessantly push towards attaining a more sophisticated risk management structure.

The issuance of the first climate certified corporate green bond in Sub Saharan Africa last year, which has also been listed as a non-traded instrument on the Luxembourg Stock Exchange in the first quarter of 2020 is an evidence of the Bank's continuous push in the direction of sustainability.

Access Bank has also attracted increased international and domestic investment partnerships with Development Financial Institutions for ESG targeted lending. Our subsidiaries have also benefited from these partnerships.

With the increasing awareness around financed fossil fuel emissions and impact of climate change potential within our portfolio, we have made strides towards understanding these potential exposures, their implications and any mitigating measures which can be incorporated by the Bank.

Recognizing these challenges has also led the Bank to become core participating member of internationally recognized climate groups. such as:

1. UNEP FI's Taskforce on Climate related Financial Disclosures (TCFD) which is globally adopted by Banks, and Insurance companies, is aimed at identifying and managing the impact of climate risks in financial institution portfolio. Access Bank became a member of the Working Group in 2019.
2. Partnership for Carbon Accounting Financials (PCAF) is a global partnership aimed at harmonizing the approach in accessing and disclosing greenhouse gas (GHG) emissions associated with loans and investment. Access Bank became a member of the Steering Group in June 2020.

REPUTATIONAL RISK MANAGEMENT

Reputational risk arises when the Bank's reputation is damaged by one or more reputational events from negative publicity about the organisation's business practices, conduct or financial condition. The Bank's Reputational Risk Management is mandated to protect the Bank from potential threats to its reputation. The team continuously uses proactive means in minimizing the effects of reputational events, thereby averting the likelihood of major reputational crises with the view of ultimately ensuring the survival of the organisation. The Bank has put in place a framework to properly articulate, analyze and manage reputational risk factors.

Access Bank takes the management of reputational risks seriously because of its far-reaching implications, which are buttressed by the fact that the Bank operates under:

- A highly regulated financial services industry with high visibility and vulnerability to regulatory actions that may adversely impact its reputation. (e.g. corporate governance crises);
- Keen competition and largely homogeneous products and services have led customers not to perceive significant differences between financial service providers; and
- Given the financing nature of products and services they provide, banks are not only exposed to their own reputation, but also to the reputation of their clients.

With banks operating and competing in a global environment, risks emerging from a host of different sources and locations are difficult to keep up with and to know how best to respond if they occur. The effects of the occurrence of a reputational risk event include but are not limited to the following:

- Loss of current or future customers;
- Loss of public confidence;
- Loss of employees leading to an increase in hiring costs, or staff downtime;
- Reduction in current or future business partners;
- Increased costs of capitalization via credit or equity markets;
- Regulatory sanctions;
- Increased costs due to government regulations, fines, or other penalties; and
- Loss of banking licence.

The Group policy provides for the protection of the Group's reputation and should at all times take priority over all other activities, including revenue generation. Reputational risk will arise from the failure to effectively mitigate any or a combination of country, credit, liquidity, market, regulatory and operational risk. It may also arise from the failure to comply with social, environmental, governance and ethical standards. All employees are responsible for day-to-day identification and management of reputational risk.

COMPILATION OF TRIGGER EVENTS

To assist in the identification of key reputational risk events, triggers that would set off the risk drivers are compiled through workshops with participants from relevant business units. The following table illustrates some trigger events for relevant risk drivers.

Risk Drivers	Trigger Events
Corporate governance and leadership	• Corporate frauds and scandals; • Association with dishonest and disreputable characters as directors, management • Association with politically exposed persons • Incidence of shareholders conflict and Board Instability.
Regulatory Compliance	• Non - Compliance with laws and regulation; • Non-submission of Regulatory returns
Delivering customer promise	• Security Failure • Shortfall in quality of service/fair treatment; • Bad behavior by employees
Workplace talent and culture	• Unfair employment practices • Not addressing employee grievances • Uncompetitive remuneration
Corporate social responsibility	• Lack of community development initiatives
Corporate Culture	• Lack of appropriate culture to support the achievement of business objective. • Ineffective risk management practices. • Unethical behaviors on the part of staff and management. • Lack of appropriate structure for employees to voice their concerns

Risk Management and Control Environment	• Inadequate Risk Management and Control environment • Continuous violations of existing policies and procedures
Financial Soundness and Business viability	• Consistent poor financial performance • Substantial losses from unsuccessful Investment
Crisis Management	• Inadequate response to a crisis or even a minor incident

APPROACH TO MANAGING REPUTATION RISK EVENTS

The Bank's approach to managing reputation events, including any relevant strategy and policy, is approved by the Board or its delegated committee and subject to periodic review and update by senior management to ensure that it remains appropriate over time. In addition, the approach is well documented and communicated to all relevant personnel.

POST REPUTATION EVENT REVIEWS

After a reputation event, the post-event review is conducted by Internal Audit and Risk Management Division to identify any lessons learnt, or problems and weaknesses revealed, from the event. Such reviews are useful for providing feedback and recommendations for enhancing the Bank's reputation risk management process and should at least be conducted on any major event affecting the Bank. The Board and senior management are informed of the results of any such review conducted in order to take appropriate actions to improve their capacity to manage reputational risk.

STRATEGIC RISK MANAGEMENT

In Access Bank, we define Strategic Risk Management as the process for identifying, assessing and managing risks and uncertainties affected by internal and external events or scenarios that could inhibit the Bank's ability to achieve its strategy and strategic objectives with the ultimate goal of creating and protecting shareholder and stakeholder value. It is a primary component and a necessary foundation of our Enterprise Risk Management.

Strategic risk management, therefore, is the current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment. It can also be defined as the risk associated with future business plans and strategies, including plans for entering new business lines, expanding existing services through mergers and acquisitions, and enhancing infrastructure.

The following principles govern the Bank's strategic risk management:

The Board and Senior Management are responsible for Strategic Risk Management and oversee the effective functioning of the Strategic Risk Management Framework.

The functional units assist the Board and Senior management in formulating and implementing strategies, providing input to the strategic planning and management processes; as well as implementing the Strategic risk Management Framework.

The strategic risk management function supports the Board and senior management in managing strategic risks and other related processes in the Bank.

The measures and controls it has put in place include the following:

- Strategic plans are approved and monitored by the Board.
- Regular environmental scan, business strategy session and workshops are set up to discuss business decisions and exposure to strategic risk triggers.
- Close monitoring to ensure that strategic plans are properly aligned with the business model.
- Regular performance review by Executive Management and business plans that are approved by the Board.

The Bank also maintains a well-defined succession plan, proper monitoring and well-defined structures to align its activities to international best practices.

ECONOMIC INTELLIGENCE

Economic Intelligence (EI) is in the business of positioning economic, business and financial information as tools for helping the Bank achieve its long-term strategic objectives. Its value propositions include supporting the Bank in achieving its moderate risk appetite, price competitiveness, improvement to business intelligence and brand enhancement.

Some of the Unit's Roles and Responsibilities include:

- Monitoring and interpreting current economic developments/trends globally and wherever the Bank has presence and preparing economic outlook to aid decision making.
- Proactively providing industry analysis, identifying investment trends and opportunities for the Bank; mon-

itoring, interpreting, and conducting policy-relevant research.

- Developing contact and collaborative economic/ business and financial information with research institutes/ bodies within the country and outside.

The peculiarities of 2020 saw the Bank's strategic intent to drive sustainable growth through technology and expansion. In line with this need, the Economic Intelligence Unit, during the year, also broadened its role with the upgrade of the macro-economic model which is an extensive macro model used to forecast future macroeconomic outcomes, simulate scenarios and conduct both bank specific and macroeconomic stress test.

03

GOVERNANCE

Access Bank's Directors, their functions; implementing the best standards of corporate governance.

THE BOARD

THE BOARD
FOR THE YEAR ENDED 31 DECEMBER, 2020

Dr. AJORITSEDERE **AWOSIKA,** MFR, mni
CHAIRMAN

Appointed April 2013

ANTHONIA **OGUNMEFUN**
NON-EXECUTIVE DIRECTOR

Appointed April 2011

COMMITTEE MEMBERSHIP

- Board Human Resources and Sustainability Committee
- Board Governance, Nomination and Remuneration Committee
- Board Credit and Finance Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee

PAUL **USORO,** SAN

NON-EXECUTIVE DIRECTOR

Appointed January 2014

COMMITTEE MEMBERSHIP

- Board Audit Committee
- Board Credit and Finance Committee
- Board Human Resources and Sustainability Committee
- Board Risk Management Committee
- Board Technical Committee on Retail Expansion
- Board Governance, Nomination and Remuneration Committee

ADENIYI **ADEKOYA**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed March 2017

COMMITTEE MEMBERSHIP

- Board Audit Committee
- Board Credit and Finance Committee
- Board Digital and Information Technology Committee
- Board Risk Management Committee
- Board Technical Committee on Retail Expansion
- Board Human Resources and Sustainability Committee
- Board Governance, Nomination and Remuneration Committee

IBOROMA **AKPANA**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed March 2017

COMMITTEE MEMBERSHIP

- Board Governance, Nomination and Remuneration Committee
- Board Credit and Finance Committee
- Board Digital and Information Technology Committee
- Board Risk Management Committee
- Board Technical Committee on Retail Expansion
- Board Human Resources and Sustainabillity Committee
- Board Audit Committee

IFEYINWA **OSIME**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed November 2019

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Human Resources and Sustainability Committee
- Board Governance, Nomination and Remuneration Committee
- Board Audit Committee
- Board Digital and Information Technology Committee
- Board Technical Committee on Retail Expansion

DR. OKEY **NWUKE,** FCA

NON-EXECUTIVE DIRECTOR

Appointed November 2019

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Technical Committee on Retail Expansion
- Board Human Resources and Sustainability Committee
- Board Audit Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee

HASSAN **USMAN,** FCA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed August 2020

COMMITTEE MEMBERSHIP

- Board Human Resources and Sustainability Committee
- Board Audit Committee
- Board Credit and Finance Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee

OMOSALEWA **FAJOBI**

NON-EXECUTIVE DIRECTOR

Appointed November 2020

COMMITTEE MEMBERSHIP

- Board Audit Committee
- Board Credit and Finance Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee

HERBERT **WIGWE,** FCA

GROUP MANAGING DIRECTOR / CEO

Appointed GMD/CEO January 2014

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee
- Board Technical Committee on Retail Expansion
- Board Human Resources and Sustainability Committee

ROOSEVELT **OGBONNA,** FCA, CFA

GROUP DEPUTY MANAGING DIRECTOR

Appointed GDMD effective May 1, 2017

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee
- Board Technical Committee on Retail Expansion

VICTOR **ETUOKWU,** HCIB

EXECUTIVE DIRECTOR, PERSONAL BANKING

Appointed January 2012

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Digital and Information Techonology Committee

DR. GREGORY **JOBOME,** HCIB

EXECUTIVE DIRECTOR / CHIEF RISK OFFICER

Appointed January 2017

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee
- Board Technical Committee on Retail Expansion

HADIZA **AMBURSA**

EXECUTIVE DIRECTOR, COMMERCIAL BANKING

Appointed November 2017

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee

ADEOLU **BAJOMO**

EXECUTIVE DIRECTOR, IT & OPERATIONS

Appointed January 2018

COMMITTEE MEMBERSHIP

- Board Risk Management Committee
- Board Digital and Information Technology Committee

CHIZOMA **OKOLI,** HCIB

EXECUTIVE DIRECTOR, BUSINESS BANKING

Appointed March 2019

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee

OLUSEYI **KUMAPAYI,** FCA

EXECUTIVE DIRECTOR, AFRICAN SUBSIDIARIES

Appointed November, 2020

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Technical Committee on Retail Expansion

SUNDAY **EKWOCHI,** HCIB

COMPANY SECRETARY

EXECUTIVE MANAGEMENT

HERBERT WIGWE, FCA
Group Managing Director &
Chief Executive Officer

ROOSEVELT OGBONNA, FCA, CFA
Group Deputy Managing Director

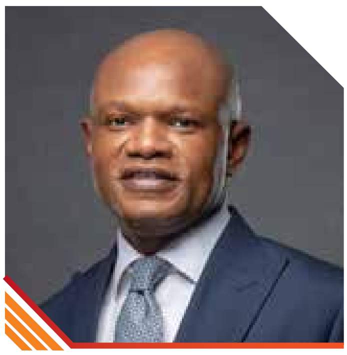
VICTOR ETUOKWU, HCIB
Executive Director,
Personal Banking

GREGORY JOBOME, HCIB
Executive Director,
Risk Management

HADIZA AMBURSA
Executive Director,
Commercial Banking

ADEOLU BAJOMO
Executive Director,
IT and Operations

CHIZOMA OKOLI, HCIB
Executive Director,
Business Banking



OLUSEYI KUMAPAYI, FCA
Executive Director,
African subsidiaries

OUR SUBSIDIARIES

DOLAPO OGUNDIMU
Managing Director,
African Subsidiaries

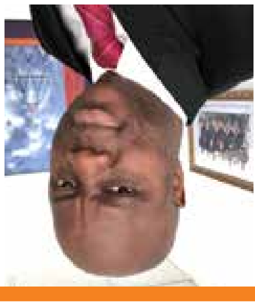
AYOKUNLE OLAJUBU
Managing Director,
Access Bank (Gambia) Ltd

ARINZE OSUACHALA
Managing Director,
Access Bank (D.R. Congo) S.A

JEAN-CLAUDE KARAYENZI
Managing Director,
Access Bank (Rwanda) Plc

GANIYU SANNI
Managing Director,
Access Bank (Sierra-Leone) Ltd

JAMIE SIMMONDS
Managing Director,
The Access Bank (UK) Ltd



DAVID ALUKO
Managing Director,
Access Bank (Kenya) Plc

JOANA BANNERMAN
Managing Director,
Access Bank (Zambia) Ltd

OLUMIDE OLATUNJI
Managing Director,
Access Bank (Ghana) Plc

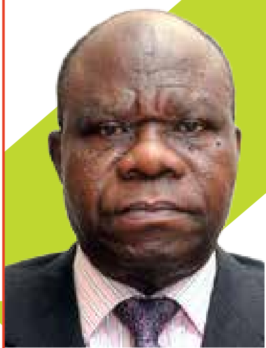
MARCO ABALROADO
Managing Director,
Access Bank (Mozambique) S.A

IDU OKWUOSA
Managing Director,
Access Pension Fund
Custodian Ltd.

STATUTORY AUDIT COMMITTEE

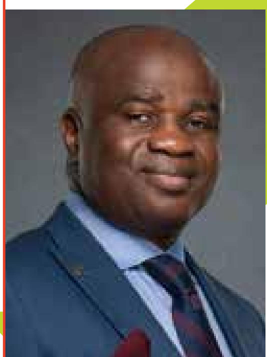
HENRY O. ARAGHO, FCA
Chairman

IDARE GOGO-OGAN
Member

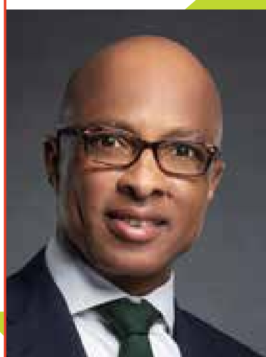


OLUTOYIN E. ELEORAMO
Member

ADENIYI ADEKOYA
Member



OKEY NWUKE, FCA
Member



IBOROMA AKPANA
Member

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

Corporate information

This is the list of Directors who served in the entity during the 2020 Financial year.

Directors

*Mosun Belo-Olusoga	Chairman
Herbert Onyewumbu Wigwe	Group Managing Director/Chief Executive Officer
Roosevelt Michael Ogbonna	Group Deputy Managing Director
Anthonia Olufeyikemi Ogunmefun	Non-Executive Director
Paul Usoro, SAN	Non-Executive Director
**Abba Mamman Tor Habib	Non-Executive Director
***Ernest Chukwuka Ndukwe, OFR	Independent Non-Executive Director
****Ajoritsedere Josephine Awosika, MFR, mni	Independent Non-Executive Director/Chairman
Adeniyi Adekoya	Independent Non-Executive Director
Iboroma Akpana	Independent Non-Executive Director
Ifeyinwa Osime	Independent Non-Executive Director
Okey Nwuke	Non-Executive Director
*****Hassan M.T. Usman	Independent Non-Executive Director
******Omosalewa Fajobi	Non-Executive Director
Victor Okenyenbunor Etuokwu	Executive Director
Gregory Jobome	Executive Director
Hadiza Ambursa	Executive Director
Adeolu Bajomo	Executive Director
Chizoma Okoli	Executive Director
*******Oluseyi Kumapayi	Executive Director

***Retired** January 8, 2020
**Retired March 30, 2020
***Resigned March 31, 2020
****Appointed Chairman effective January 8, 2020
*****Appointed with effect from August 27, 2020.
****** Appointed with effect from November 13, 2020.
******* Appointed with effect from November 10, 2020

Company Secretary
Mr Sunday Ekwochi

Corporate Head Office
Access Bank Plc
Access Tower 14/15, Prince Alaba
Oniru Street, Oniru, Lagos
Telephone: +234 (01) 4619264 - 9
+234 (01) 2773399-99
Email: info@accessbankplc.com
Website: www.accessbankplc.com
Company Registration Number:
RC125 384
FRC Number:
FRC/2012/0000000000271

Independent Auditor
PricewaterhouseCoopers
Landmark Towers, 5b Water Corporation way, Oniru
Victoria Island, Lagos
Telephone: (01) 271 1700
Website: www.pwc.com/ng
FRC Number: FRC/2013/
ICAN/00000000639

Corporate Governance Consultant
Ernst & Young
10th Floor UBA House
57, Marina, Lagos
Telephone: +234 (01) 6314500
FRC Number: FRC/2012/
ICAN00000000187

Actuaries
Alexander Forbes Consulting Actuaries Nig. Ltd
Rio Plaza, 2nd Floor , Plot 235, Muri
Okunola Street
Victoria Island, Lagos
Telephone: (01) 271 1081
FRC Number:
FRC/2012/0000000000504

Registrars
Coronation Registrars Limited
9, Amodu Ojikutu Street
Victoria Island, Lagos
Telephone: +234 01 730898
+234 01 730891

MANAGEMENT TEAM As at December 31, 2020

EXECUTIVE DIRECTORS

Wigwe, Herbert	Group Managing Director/CEO
Ogbonna, Roosevelt	Group Deputy Managing Director
Etuokwu, Victor	Executive Director, Personal Banking Division
Jobome, Gregory	Executive Director, Risk Management Division/Chief Risk Officer
Ambursa, Hadiza	Executive Director, Commercial Banking Division
Bajomo, Adeolu	Executive Director, IT & Operations Division
Okoli, Chizoma	Executive Director, Business Banking Division
Kumapayi, Oluseyi	Executive Director, African Subsidiaries

GENERAL MANAGERS

Agbede, Bolaji	Head, Group Human Resources
Boleigha, Pattison	Chief Conduct and Compliance Officer
Soji-Okusanya, Iyabo	Group Head, Corporate and Investment Banking Division
Okeke, Arinze	Group Head South, Commercial Banking Division
Tiamiyu, Olayinka	Chief Audit Executive
Oladipo, Fatai	Group Head, Corporate Counsel
Omotoso, Olufemi	Group Head, Commercial Banking Group. North 2
Martins, Lookman	Group Head, West - Commercial Banking Division
Aziegbe, Abraham	Group Head, Retail Operations

ASSISTANT GENERAL MANAGERS

Nwanna, Helen	Zonal Head, Business Banking Division, Abuja
Adegoke, Ayobami	Group Head, Retail Operations North
Nwogu, Iheanyi	Group Head, Business Banking Division
Animashaun, Bolarinwa	Group Head, Business Banking Division, Lagos Mainland 1
Olojede, Ayodele	Head, Emerging Businesses
Osisiogu, Chris	Group Head, Channels
Samdi, Vatshi	Zonal Head, Commercial Banking, Lagos Team 4
Iyaji, John	Zonal Head, Commercial Banking Division, Zone 6 North
Ayabam, Alexius Terwase	Zonal Head, Commercial Banking Division, Zone 3 North
Mohammed, Umar	Zonal Head, Commercial Banking Division, Zone 2 North
Adelabu, Muhammed	Zonal Head, Commercial Banking Division, West
Nkwonta, Emeka	Unit Head Oil & Gas Upstream and Power
Okafor, Victor	Group Head, Financial Institutions
Olufeko, Seun	Group Head Projects & Structured Finance
Olabode, Eyitayo	Sector Head, Food & Trade
Etim, Inyang	Chief Compliance Officer, Retail
Ejinwa, Felix	Head of Risk Management, Commercial Bank
Obiago, Steve Isitua	Head, Subsidiaries IT & Networks
Inuwa, Muhammed Aminu	Regional Sales Director, Abuja and North-West
Victor-Laniyan, Omobolanle	Unit Head, Sustainability
Iwuajoku, Linus	Head, Strategy Unit
Adesoji, Olasoko	Head of Risk Management, Corporate & Investment Banking
Asiemo Paul	Group Head, Risk Analytics & Reporting
Faleye, Omobola	Group Head, Credit Admin & Portfolio Management
Nunayon, Ahisu	Unit Head, Remedial Assets Management
Onuoha, Ihunanya	Group Head, Corporate Operations
Soladoye, Toyese	Head, Information Technology Governance
Esomeju, Njideka	Regional Sales Director, Lagos 1
Afe, Chioma	Group Head, Retail Marketing and Analytics

DEPUTY GENERAL MANAGERS

Shoneye-Vaughan, Yewande	Group Head, Business Banking Division, Lagos Island
Fagge, Tata Rabiu	Zonal Head, Commercial Banking Division, North 1
Opara, Ralph	Group Head, Commercial Banking Division, Lagos 2
Usoro, Nsikak	Group Head, Commercial Banking Division, Abuja
Dada, Abiodun	Group Head, Oil and Gas, Corporate and Investment Banking Division
Ohiowele, Ehizojie	Sector Head, Transportation, Corporate and Investment Banking Division
Okafor, Chizoba	Group Head, Value Chain Management
Olatunji, Olasunmbo	Group Treasurer
Ekwochi, Sunday	Group Company Secretary
Okobi, Amaechi	Group Head, Corporate Communications
Uja, Uzoma	Unit Head, Legal Services
Emefiele, Ifeanyi	Unit Head, Anti-Fraud
Atom, Mac	Group Head, Enterprise Business Services
Ajimoko, Kolawole	Chief Risk Officer (Subsidiaries)
Okoro, Nkem	Regional Sales Director, South-South
Jimoh, Adebanji	Regional Sales Director, North-Central and North East
Adogu, Neka	Group Head, Private Banking

SUBSIDIARIES

Simmonds, Jamie	Managing Director, The Access Bank (UK)
Aluko, David	Managing Director, Access Bank Kenya
Abalroado, Marco	Managing Director, Access Bank Mozambique
Odegbaike, Ibukun	Subsidiaries Business Development
Durojaiye, Bolaji	Subsidiaries Business Development
Ellis Asu	Subsidiaries Business Development
Olatunji, Olumide	Managing Director, Access Bank Ghana
Karayenzi, Jean-Claude	Managing Director, Access Bank Rwanda
Bannerman, Joana	Managing Director, Access Bank Zambia
Osuachala, Arinze	Managing Director, Access Bank Congo
Sanni, Ganiyu	Managing Director, Access Bank Sierra Leone
Olajubu, Ayokunle	Managing Director, Access Bank Gambia
Ononiwu, Iheanyi	Subsidiaries Operations
Ologun, Adesipe	Chief Operating Officer - Access Bank (Ghana)

03 ||
GOVERNANCE

DIRECTORS' REPORT

The Directors have pleasure in presenting their report on the affairs of Access Bank Plc (the "Bank") together with its subsidiaries (the "Group"), the Group and the Bank's Audited Financial Statements with Auditor's Report for the year ended 31 December 2020.

Legal form and principal activities

The Bank was incorporated as a private limited liability company on 8 February 1989 and commenced business on 11 May 1989. The Bank was converted to a public limited liability company on 24 March 1998 and its shares were listed on the Nigerian Stock Exchange on 18 November 1998. The Bank currently operates as a Commercial Bank with international authorisation.

The Bank's principal activities include the provision of money market products and services, retail banking, granting of loans and advances, equipment leasing, corporate finance and foreign exchange operations.

"The Bank has the following subsidiaries: Access Bank (Gambia) Limited, Access Bank (Sierra Leone) Limited, Access Bank (Zambia) Limited, The Access Bank (UK) Limited, Access Bank (Ghana) Plc, Access Bank (Rwanda), Access Pension Fund Custodian Ltd, Access Bank (D.R. Congo), Access Bank (Mozambique) and Access Bank (Kenya). The Bank also has Diamond Finance B.V, an offshore Special Purpose Vehicle used for the issuance of the U.S.$50,000,000, 7.25 Per Cent participatory Notes which is due in 2021, guaranteed by Access Bank.

The Bank also operates a representative office in China, Lebanon and India. The Access Bank (UK) Limited operates a branch in United Arab Emirates.

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

Operating results

In thousands of Naira	**Group December 2020**	***Restated Group December 2019**	**Bank December 2020**	***Restated Bank December 2019**
Gross earnings	**764,717,441**	**666,753,601**	**634,863,769**	**576,347,840**
Profit before income tax	125,922,129	111,925,523	90,195,880	79,213,711
Income tax	(19,912,434)	(17,868,920)	(10,156,549)	(9,097,722)
Profit for the year	106,009,695	94,056,603	80,039,331	70,115,989
Other comprehensive income/(loss)	62,716,852	1,809,611	58,477,698	6,815,860
Total comprehensive income for the year	168,726,547	95,866,264	138,517,029	76,931,849
Non-controlling interest	(1,190,108)	(658,474)	-	-
Profit attributable to equity holders of the bank	169,916,655	95,207,791	138,517,029	76,931,849

In thousands of Naira	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Earnings per share - Basic (k)	301	279	225	207
Earnings per share - Diluted (k)	295	275	225	207

In thousands of Naira	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Total equity	751,041,245	606,739,831	653,895,666	539,488,038
Total impaired loans and advances	161,242,814	188,462,451	115,823,315	172,546,009
Total impaired loans and advances to gross risk assets (%)	4.29%	5.79%	3.65%	6.10%

Proposed dividend

The Board of Directors has recommended a Final Dividend of 55 Kobo (FY2019: 40Kobo) per ordinary share of 50 kobo for the year payable to shareholders on the register of shareholding at the closure date. Withholding Tax will be deducted at the time of payment.

Directors and their interests

The Directors who served during the year, together with their direct and indirect interests in the issued share capital of the Bank as recorded in the Register of Directors' Shareholding and as notified by the Directors for the purposes of Sections 301 and 302 of the Companies and Allied Matters Act and listing requirements of the Nigerian Stock Exchange is noted below:

	Number of Ordinary Shares of 50k each held as at 31 December 2020			
	December 2020		**December 2019**	
	Direct	**Indirect**	**Direct**	**Indirect**
M. Belo-Olusoga*	4,354,838	-	4,354,838	-
H. O. Wigwe	201,231,713	1,316,619,016	201,231,713	1,240,291,197
R. C. Ogbonna	39,209,328	-	31,325,167	-
A. O. Ogunmefun	12,080	2,075,928	-	2,075,928
V.O. Etuokwu	18,836,941	-	16,851,125	-
P. Usoro	1,209,634	-	1,209,634	-
A. Awosika**	-	-	-	-
E. Ndukwe****	4,740,630	-	4,740,630	-
A. Mamman Tor Habib***	-	-	-	-
G. Jobome	12,862,963	-	10,168,772	-
I. T Akpana	314,996	-	314,996	-
A. A. Adekoya	-	-	-	-
H. Ambursa	12,910,471	-	10,636,094	-
A. Bajomo	477,957	-	477,957	-
C. J. Okoli	-	1,434,419	656,322	-
O. Nwuke	1,739,293	-	1,739,293	-
I. Osime	10,179	-	10,179	-
H. Usman*****	-	-	-	-
O. Kumapayi******	24,014,208	-	-	-
O. Fajobi*******	-	-	-	-

* Retired effective January 8, 2020 as chairman
** Appointed effective January 8, 2020
*** Retired effective March 30, 2020
**** Resigned effective March 31, 2020
*****Appointed effective August 27, 2020
******Appointed effective November 10, 2020
*******Appointed effective November 13, 2020

The indirect holdings relate to the holdings of the under listed companies

		December 2020	December 2019
H.O. Wigwe	United Alliance Company of Nig. Ltd	537,734,218	537,734,218
	Trust and Capital Limited	584,056,979	702,556,979
	Coronation Trustees Tengen Mauritius	194,827,818	-
A.O. Ogunmefun	L.O.C Nominees, Limited	2,075,928	2,075,928
C. J. Okoli	FM & Y LIMITED	1,434,419	-

Directors' interest in contracts

In accordance with the provisions of Section 303 (1) and (3) of the Companies and Allied Matters Act of Nigeria, the Board has received declaration of interest from the under-listed directors in respect of the companies (vendors to the Bank) set against their respective names.

Related director	Interest in entity	Name of company	Services to the Bank
Mrs. Anthonia Ogunmefun	Director and Shareholder	LOC Nominees Ltd	Property Short Term Rental
Mr. Paul Usoro, SAN	Director and Shareholder	Paul Usoro & Co	Legal Services
Mrs. Ifeyinwa Osime	Director	Coronation Life Assurance Ltd	Insurance
Dr. Okey Nwuke	Director	Coscharis Group	Vehicles Sales and Maintenance
Dr. Okey Nwuke	Director and Shareholder	Claritus Limited	Property Rentals
Mr. Herbert Wigwe	Shareholder	Wapic Insurance Plc	Insurance
Mr. Herbert Wigwe	Shareholder	Coronation Securities Limited	Financial Services
Mr. Herbert Wigwe	Shareholder	Trium Networks Limited	Digital Transformation
Dr. Gregory Jobome	Director	CRC Credit Bureau Ltd	Credit Bureau Reference Service
Mrs. Omosalewa Fajobi	Director	Coronation Securities Limited	Financial Services
Mrs. Omosalewa Fajobi	Director	Coronation Insurance Plc	Insurance
Mr. Ade Bajomo	Director	Nigerian Interbank Settlement Scheme Plc	Interbank Payment Services
Mr. Victor Etuokwu	Director	Unified Payment Services Ltd	Payment Services
Mr. Victor Etuokwu	Director	E-Tranzact Plc	Payment Services
Mr. Victor Etuokwu	Director	ACT Foundation	Implementing Partner for Sustainability Projects
Mr. Roosevelt Ogbonna	Director	Central Securities Clearing System	Securities Depository Services

Analysis of shareholding:

The shareholding pattern of the Bank as at 31 December 2020 was as stated below:

	December 2020			
Range	**Number of Shareholders**	**% of Shareholders**	**Number of shares held**	**% of Shareholders**
Domestic Shareholders				
1 - 1,000	483,188	52.46%	92,202,876	0%
1,001 - 5,000	270,824	29.41%	602,921,025	2%
5001 - 10,000	68,610	7.45%	472,450,366	1%
10,001 - 50,000	74,442	8.08%	1,505,716,744	4%
50,001- 100,000	11,239	1.22%	814,599,561	2%
100,001 - 500,000	8,798	0.96%	1,792,932,868	5%
500,001 - 1,000,000	1,140	0.12%	824,192,328	2%
1,000,001 - 5,000,000	990	0.11%	1,993,177,862	6%
5,000,001 - 10,000,000	140	0.02%	996,430,270	3%
10,000,001 - 50,000,000	169	0.02%	3,851,517,805	11%
50,000,001 - 100,000,000	34	0.00%	2,395,557,150	7%
100,000,001 - 500,000,000	34	0.00%	6,563,248,187	18%
500,000,001 - 1,000,000,000	7	0.00%	4,450,933,103	13%
1,000,000,001 - 10,000,000,000	5	0.00%	6,722,347,582	19%
	919,620	**99.84%**	**33,078,227,727**	**93.06%**
Foreign Shareholders				
1 - 1,000	346	0.04%	109,181	0.00%
1,001 - 5,000	343	0.04%	912,710	0.00%
5001 - 10,000	164	0.02%	1,219,454	0.00%
10,001 - 50,000	368	0.04%	8,582,886	0.02%

50,001- 100,000	63	0.01%	4,531,943	0.01%
100,001 - 500,000	43	0.00%	7,931,535	0.02%
500,001 - 1,000,000	8	0.00%	5,539,217	0.02%
1,000,001 - 5,000,000	8	0.00%	18,793,554	0.05%
5,000,001 - 10,000,000	1	0.00%	7,850,798	0.02%
10,000,001 - 50,000,000	7	0.00%	126,886,371	0.36%
50,000,001 - 100,000,000	3	0.00%	242,573,141	0.68%
100,000,001 - 500,000,000	2	0.00%	296,680,834	0.83%
500,000,001 - 1,000,000,000	1	0.00%	564,553,083	1.59%
1,000,000,001 - 10,000,000,000	1	0.00%	1,180,833,188	3.32%
	1,358	0.15%	2,466,997,895	6.94%
Total	**920,978**	**100.00%**	**35,545,225,622**	**100.00%**

Shareholding Analysis as at 31 December 2020

Type of Shareholding	**Holdings**	**Holding %**
Domestic Retail investors	9,439,462,713	26.56%
Domestic institutional investors	23,556,628,495	66.27%
Foreign investors	2,466,997,895	6.94%
Government related entities	82,136,519	0.23%
	35,545,225,622	**100%**

The shareholding pattern of the Bank as at 31 December 2019 is as stated below:

	December 2019			
Range	**Number of Shareholders**	**% of Shareholders**	**Number of shares held**	**% of Shareholders**
Domestic Shareholders				
1 - 1,000	483,110	52.45%	92,187,759	0.26%
1,001 - 5,000	271,393	29.46%	604,186,062	1.70%
5001 - 10,000	68,870	7.48%	473,976,101	1.33%
10,001 - 50,000	74,687	8.11%	1,510,926,761	4.25%
50,001- 100,000	11,106	1.21%	803,091,167	2.26%
100,001 - 500,000	8,454	0.92%	1,702,332,414	4.79%
500,001 - 1,000,000	1,018	0.11%	735,081,095	2.07%
1,000,001 - 5,000,000	875	0.09%	1,745,587,871	4.91%
5,000,001 - 10,000,000	119	0.01%	867,656,944	2.44%
10,000,001 - 50,000,000	143	0.02%	3,310,512,009	9.31%
50,000,001 - 100,000,000	35	0.00%	2,499,101,362	7.03%
100,000,001 - 500,000,000	41	0.00%	9,578,283,038	26.95%
500,000,001 - 1,000,000,000	3	0.00%	2,191,617,277	6.17%
1,000,000,001 - 10,000,000,000	5	0.00%	7,085,032,376	19.93%
	919,859	**99.86%**	**33,199,572,236**	**93.40%**
Foreign Shareholders				
1 - 1,000	312	0.03%	99,909	0.00%
1,001 - 5,000	325	0.04%	855,737	0.00%
5001 - 10,000	148	0.02%	1,090,478	0.00%
10,001 - 50,000	343	0.04%	7,895,134	0.02%

50,001- 100,000	58	0.01%	4,029,667	0.01%
100,001 - 500,000	33	0.00%	6,120,644	0.02%
500,001 - 1,000,000	5	0.00%	2,974,385	0.01%
1,000,001 - 5,000,000	4	0.00%	10,302,750	0.03%
5,000,001 - 10,000,000	3	0.00%	21,115,836	0.06%
10,000,001 - 50,000,000	7	0.00%	125,715,993	0.35%
50,000,001 - 100,000,000	2	0.00%	123,385,748	0.35%
100,000,001 - 500,000,000	2	0.00%	296,680,834	0.83%
500,000,001 - 1,000,000,000	1	0.00%	564,553,083	1.59%
1,000,000,001 - 10,000,000,000	1	0.00%	1,180,833,228	3.32%
	1,244	**0.14%**	**2,345,653,426**	**6.60%**
Total	**921,103**	**100%**	**35,545,225,622**	**100%**

Shareholding Analysis as at 31 December 2019

Type of Shareholding	Holdings	Holding %
Retail investors	9,098,514,008	25.60%
Domestic institutional investors	24,024,801,093	67.59%
Foreign institutional investors	2,345,653,386	6.60%
Government related entities	76,257,135	0.21%
	35,545,225,622	**100%**

Substantial interest in shares

According to the register of members at 31 December 2020, the following shareholders held more than 5% of the issued share capital of the Bank as follows:

	December 2020		December 2019	
	Number of shares held	% of shareholding	Number of shares held	% of shareholding
Stanbic Nominees Nigeria Limited*	4,259,423,232	11.98%	5,276,579,505	14.84%

*Stanbic Nominees held the shares as custodian for various investors. Stanbic Nominees does not exercise any right over the underlying shares. All the rights reside with the various investors on behalf of whom Stanbic Nominees carries out the custodian services.

Donations and charitable gifts

The Bank identifies with the aspirations of the community and the environment in which it operates. The Bank made contributions to charitable and non-charitable organisations amounting to N2,599,664,782.18 (December 2019: N363,911,848) during the year, as listed below:

S/N	Beneficiaries	Purpose	Amount
1	Covid 19 Relief Fund	Contribution towards the Covid 19 Relief Fund	1,000,000,000
2	Contribution to states	Contribution towards the fight against Covid 19 including supplies for the Isolation Center in Rivers State	778,965,072
3	Arise Play Ltd	Sponsorship of the Arise Global Virtual Commemoration	161,000,000
4	Ogun State Security Trust Fund (OGSTF)	Supporting the Ogun State Security Trust Fund	100,000,000
5	Maraban School	Donation of funds towards the Maraban School building project	77,100,000

6	Olusegun Obasanjo Presidential Library	Contribution towards digitization of the Olusegun Obasanjo Presidential Library	50,000,000
7	CSR - Lagos State	Support the Establishment of the Fashion Shared Facility	50,000,000
8	Art X Lagos	Sponsorship of 2020 Art X Lagos Exhibition	50,000,000
9	Thisday Newspaper Ltd	Sponsorship of Nigeria 60 coffee book and documentary of 60 Nigerians who shaped a generation	50,000,000
10	Central Bank of Nigeria (CBN)	Sponsorship of the infrastructure summit held at CBN office	41,462,500
11	The City of Knowledge Academy (CKA)	Sponsorship of 12 Students at The City of Knowledge Academy	38,580,000
12	Port Harcourt Polo Club	Sponsorship of the 2021 Polo Tournament	20,000,000
13	Central Bank of Nigeria (CBN)	Contribution towards the financial literacy and public enlightment awareness campaign	18,779,580
14	NYSC Skills Acquisition & Entrepreneurship Development (SAED)	NYSC-SAED Lion's Den Initiative	18,150,000
15	Ovie Brume Foundation	Support for the Ovie Brume Foundation	15,000,000
16	Movement Against Rape and Sexual Violence (MARS-V)	Contribution towards the Movement Against Rape and Sexual Violence Programme	10,000,000
17	Lagos Business School (LBS)	Sponsorship of the LBS Family Business Masterclass	10,000,000
18	Nigerian Business Coalition Against AIDS (NIBUCAA) & Hacey Health	Supporting NIBUCAA and Hacey Health to Commemorate the 2020 World AIDS Day	10,000,000
19	Chartered Institute of Bankers of Nigeria (CIBN)	Supporting the 13th Annual Banking and Finance Conference.	10,000,000
20	Nigeria Police Force	Contribution towards the remodelling of FCID Police force Head Quater Abuja	4,674,334
21	Xploit Consult	Support Xploit Consulting Women and Girl's Participation in Mainstream Development Programme to commemorate the 2020 International Women's Day (IWD)	4,650,000
22	Hacey Health Initiative	Hacey health - Community Health Care Provider Empowement amid Covid19	4,500,000
23	Kidney Foundation for Africa (KFA)	Commemorate the World Kidney Day by supporting KFA International Conference themed "Chronic Kidney disease - Stop the Epidemic in Africa"	4,000,000
24	Nirvana Initiative	Supporting the 2020 Nirvana Initiative Programme to commemorate the World Tuberculosis Day	4,000,000
25	GBC Health & Hacey Health	Supporting GBC Health and Hacey Health for the 2020 World Malaria Day Programme	4,000,000
26	Childhood Advancement Response & Empowerment (CARE) Initiative	Support CARE Initiative Street Covid 19 Response Programme	4,000,000
27	Xploit Consulting Limited	Support for the Vocation Skills Acquisition Initiative (VSAI) programme	3,500,000
28	Xploit Consulting Limited	Supporting the Agribusiness Livelihoods Improvement Programme	3,500,000
29	Glow Initiative for Economic Empowerment (GIEE)	Supporting the Commemoration of the 2020 World Wildlife Day (WWLD)	3,500,000
30	Nirvana Initiative	Support Nirvana Initiative Covid 19 Warrior Kit Intervention in the area of Food Supplies	3,500,000
31	Akwa Ibom State	Support the supply of Scrubs amidst the Covid 19 Pandemic	3,000,000
32	Xploit Consult	Supporting Xploit Consult in providing Succour for Community of Vulnerable People in Undeserved Communities	3,000,000
33	Estrategico Consult	Supporting the Arts of Peace and Good Governance Project	3,000,000
34	Childhood Advancement Response & Empowerment (CARE) Initiative	Supporting the Education Without Abuse programme in Commemoration of Universal Children's Day	3,000,000
35	Chartered Institute of Bankers of Nigeria (CIBN)	Contribution towards the Financial Literacy Campaign by Banker's Committee	2,399,096

36	Hacey Health Initiative	Supporting Hacey Health Initiative for the End Female Genital Mutilation (FGM) Programme	2,000,000
37	SMEFunds	Contribution to SME Funds for the Family Clean Cooking Support programme (FCCSP)	2,000,000
38	Project Enable Africa	Supporting Digital Skill Empowerment for Caregivers and mothers of special needs children in commemoration of the 2020 Worldskills day	2,000,000
39	Childhood Advancement Response & Empowerment (CARE) Initiative	Commemorate the International Literacy Day by supporting the Capacity Building of Literacy Educators	2,000,000
40	Hacey Health Initiative	Contribution towards the 2020 International Day of the Girl Child (IDGC) Programme	2,000,000
41	Project Enable Africa	Support for the Commemoration of the 2020 United Nations International Day of Persons with Disabilities	2,000,000
42	The Ending Neglected Diseases (END) Fund	Supporting The END Fund towards Improving Public Health, Education and Economic Growth Outcomes in Nigeria	2,000,000
43	Glow Initiative for Economic Empowerment (GIEE)	Contribution towards the implementation of the Soil Conservation Education Programme for Sustainable Farming	2,000,000
44	Nirvana Initiative	Support for High Impact National Sickle Cell Programme	2,000,000
45	Hacey Health Initiative	Supporting the 16Days of Activism against Gender Based Violence	2,000,000
46	Centre for Youth Studies (CYS)	Sponsor the scholarship for Special Needs Students	1,650,000
47	Lorem Excellentiam	Supporting the commemoration of the 2020 Global Money Week through the support of 1,000 financial literacy activity books for children	1,290,000
48	Centre for Youth Studies (CYS)	Supporting CYS Programme for Persons Living with Disabilities	1,000,000
49	Estrategico and Stanforte Edge	Support for the Persons Living with Disabilities (PWD) Covid 19 Campaign	1,000,000
50	Centre for Youth Studies (CYS)	Supporting CYS Covid 19 Relief Programme for Correctional Centres	1,000,000
51	Glow Initiative for Economic Empowerment (GIEE)	Supporting Glow Initiative for Rural Women Coronavirus Awareness Initiative	1,000,000
52	PSRG and Richardson Oil and Gas Limited	Support the Process Safety and Reliability Group (PSRG) - Richardson HSSE Forum	1,000,000
53	CSR in Action	Support the Training of Civil Society Organisations in the CSO Professionalism and Effectiveness Therapy Workshop	1,000,000
54	International Federation of Compliance Associations (IFCA)	Sponsorship of International Federation of Compliance Associations (IFCA) Conference	964,200
55	Golden Ladies Women Association	Support to Golden Ladies Women Association for the production of 500 Facial Masks amidst Covid -19	500,000
56	Chartered Institute of Taxation of Nigeria (CITN)	Support for the CITN 22nd Annual Tax Conference	500,000
57	Women in Marketing and Communications Conference/Awards	Supporting the 2020 Women in Marketing and Communications Conference/Awards WIMCA Conference	500,000
58	Care Organisation Public Enlightenment (COPE) Initiative	Support for COPE Foundation Breast Cancer	500,000
59	The Roses Ministry	Support the Roses Ministry 2020 Widows Day of Joy and Medicals for Women Programme	500,000
			2,599,664,782.18

Property and equipment

Information relating to changes in property and equipment is given in Note 28 to the financial statements. In the Directors' opinion, the fair value of the Group's property and equipment is not less than the carrying value in the financial statements.

Human resources

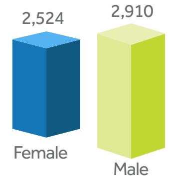
(i) Report on diversity in employment

The Bank operates a non-discriminatory policy in the consideration of applications for employment. The Bank's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, gender or physical condition.

We believe diversity and inclusiveness are powerful drivers of competitive advantage in developing and understanding of our customers' needs and creatively addressing them.

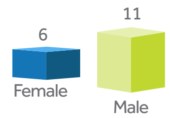
(a) Composition of Employees by Gender

Total number of females employees	-	2,524
Total number of males employees	-	2,910



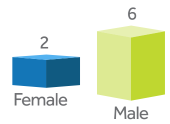
(b) Board Composition by Gender

Total number of females on the Board	-	6
Total number of males on the Board	-	11



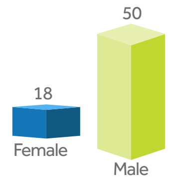
(c) Top Management (Executive Director to CEO) Composition by Gender

Total number of females in Executive Management position	-	2
Total number of males in Executive Management position -	6	



(d) Top Management (AGM to GM) Composition by Gender

Total number of females in Top Management position	-	18
Total number of males in Top Management position	-	50



(ii) Employment of disabled persons

In the event of any employee becoming disabled in the course of employment, the Bank will endeavour to arrange appropriate training to ensure the continuous employment of such a person without subjecting the employee to any disadvantage in career development.

(iii) Health, safety and welfare of employees

The Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Bank retains top-class hospitals where medical facilities are provided for its employees and their immediate families at its expense. Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

The Bank operates the Group Personal Accident and the Workmen's Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2014 as amended and other benefit schemes for its employees.

(iv) Employee involvement and training

The Bank encourages participation of employees in arriving at decisions in respect of matters affecting their wellbeing. Towards this end, the Bank provides opportunities where employees deliberate on issues affecting the Bank and its employees' interests, with a view to making inputs to decisions thereon. The Bank places a high premium on the development of its manpower. Consequently, the Bank sponsors its employees for various training courses, locally and overseas.

(v) Statement of commitment to maintain positive work environment

The Bank shall strive to maintain a positive work environment that is consistent with best practice to ensure that business is conducted in a positive and professional manner and to ensure that equal opportunity is given to all qualified members of the Group's operating environment.

Credit Ratings

"The revised prudential guidelines, as released by the CBN, requires that banks should have themselves credit rated by a credit rating agency on a regular basis. It is also required that the credit rating be updated on a continuous basis from year to year. Furthermore, it is required that banks should disclose this credit rating prominently in their published annual reports.

Below are the credit ratings that Access Bank has been assigned by the various credit rating agencies that have rated the Bank, in no particular order:

Long Term Local Credit Ratings

	Long Term	Date
Standard & Poor's	BBB	Oct-20
Fitch Ratings	A+	May-20
Agusto & Co	AA-	Jun-20
Moody's	A1	Dec-20

Long Term Counterparty Credit Ratings

	Long Term	Date
Standard & Poor's	B-	Oct-20
Fitch Ratings	B	May-20
Moody's	B2	Dec-20

More information on the rating reports can be obtained at https://www.accessbankplc.com/credit-rating

Audit committee

Pursuant to Section 359(3) of the Companies and Allied Matters Act of Nigeria, 2004 the Bank's Audit Committee comprised three directors and three shareholders as at Dec 31, 2020 as follows:

1	Mr. Henry Omatsola Aragho, FCA	Shareholder	Chairman
2	Mr. Olutoyin Eleoramo	Shareholder	Member
3	Mr. Idaere Gogo-Ogan	Shareholder	Member
4	Mr. Adeniyi Adekoya	Director	Member
5	Mr. Iboroma Akpana	Director	Member
6	Dr. Okey Nwuke, FCA	Director	Member

The functions of the Audit Committee are as provided in Section 359(6) of the Companies and Allied Matters Act of Nigeria, 2004.

The auditors, PricewaterhouseCoopers have indicated their interest to continue in office and will do so pursuant to section 357(2) of the Companies and Allied Matters Act, 2004.

BY ORDER OF THE BOARD

No 14/15, Prince Alaba Oniru Street, Oniru Estate,
Victoria Island, Lagos

Sunday Ekwochi
Company Secretary
FRC/2013/NBA/00000005528

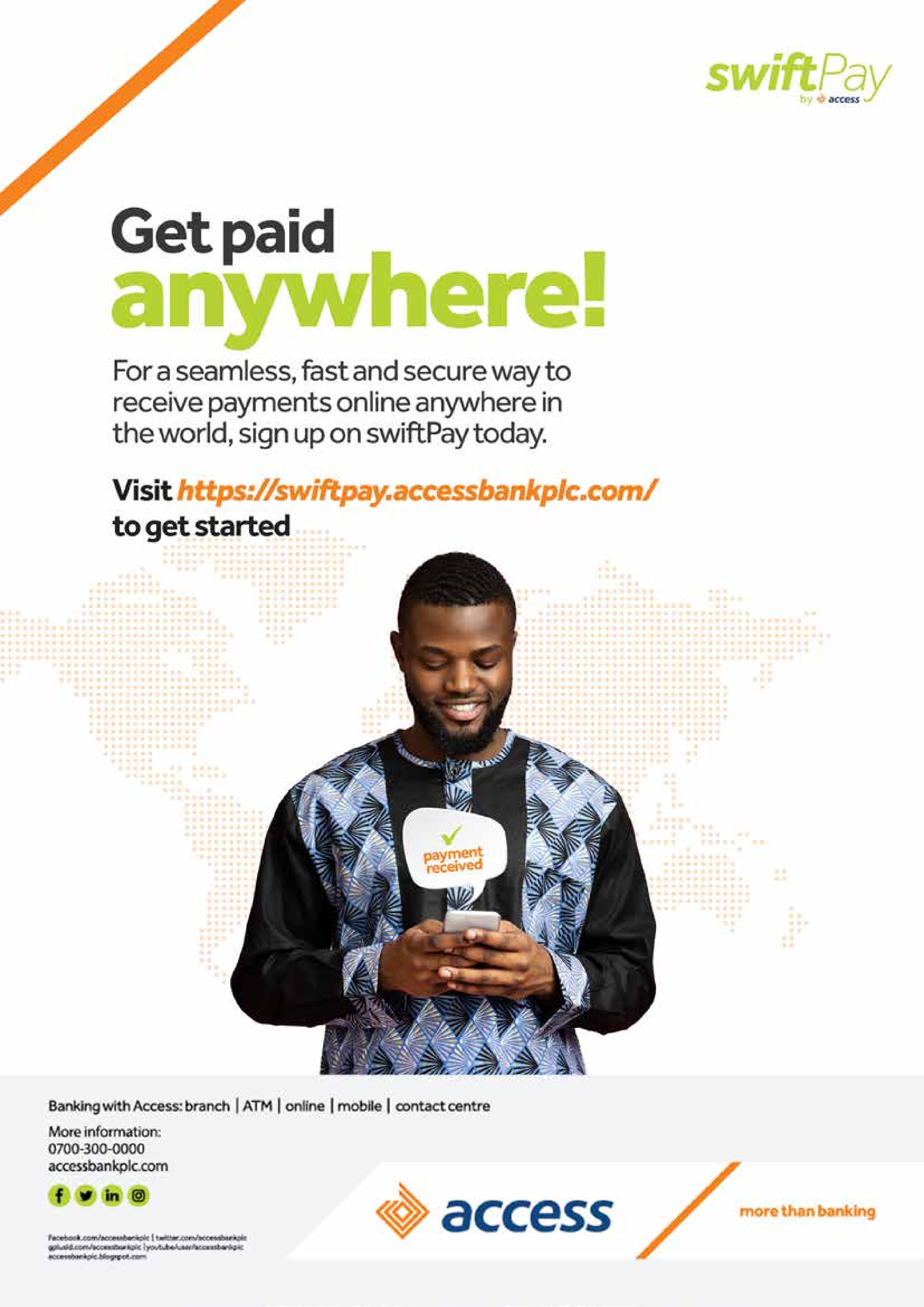
FREE FLOAT

Description	December 31, 2020		December 31, 2019	
	Units	Percentage (In relation to Issued Share Capital)	Units	Percentage (In relation to Issued Share Capital)
Issued Share Capital	35,545,225,622	100.00%	35,545,225,622	100.00%
Details of Substantial Shareholdings (5% and above)				
Name(s) of Shareholders				
Stanbic Nominees Limited	**4,259,423,232**	**11.98%**	**5,276,579,505**	**14.84%**
Total Substantial Shareholdings	4,259,423,232	11.98%	5,276,579,505	14.84%
Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests				
[Name(s) of Directors]				
M. Belo-Olusoga*	4,354,838	0.01%	4,354,838	0.01%
H. O. Wigwe	1,517,850,729	4.27%	1,441,522,910	4.06%
R. C. Ogbonna	39,209,328	0.11%	31,325,167	0.09%
A. O. Ogunmefun	2,088,008	0.01%	2,075,928	0.01%
V.O. Etuokwu	18,836,941	0.05%	16,851,125	0.05%
P. Usoro	1,209,634	0.00%	1,209,634	0.00%
E. Ndukwe**	4,740,630	0.01%	4,740,630	0.01%
G. Jobome	12,862,963	0.04%	10,168,772	0.03%
I. T Akpana	314,996	0.00%	314,996	0.00%
H. Ambursa	12,910,471	0.04%	10,636,094	0.03%
A. Bajomo	477,957	0.00%	477,957	0.00%
C. Okoli	1,434,419	0.00%	656,322	0.00%
O. Nwuke	1,739,293	0.00%	1,739,293	0.00%
I. Osime	10,179	0.00%	10,179	0.00%
O. Kumapayi***	24,014,208	0.07%	-	0.00%
Total Directors' Shareholdings	**1,642,054,594**	**4.62%**	**1,526,083,845**	**4.29%**
Details of Other Influential Shareholdings, if any (E.g Government, Promoters)				
[Name(s) of Entities/Government]				
Restricted Share Performance Plan (RSPP)	614,553,629	1.73%	492,053,323	1.38%
Ministry of Finance Incorporated	64,936,892	0.18%	54,890,258	0.15%
Bauchi Local Government Council	2,204,991	0.01%	2,204,991	0.01%
Abia State Government Council	2,143,241	0.01%	2,143,241	0.01%
Toro Local Government Council	1,976,888	0.01%	1,976,888	0.01%
Total of Other Influential Shareholdings	**685,815,641**	**1.93%**	**553,268,701**	**1.56%**
"Free Float in Unit and Percentage [Issued Share Capital (%) - (Total Substantial Shareholdings (%) + Total Directors' Shareholdings (%) + Total of Other Influential Shareholdings (%))]"	28,957,932,196	81.47%	28,189,293,612	79.31%
Share Price	8.45		10.00	
"Free Float in Value [Free Float Unit x Share Price]"	244,694,527,051.98		281,892,936,115.00	

* Retired effective January 8, 2020

** Resigned effective March 31, 2020

***Appointed effective November 10, 2020



swiftPay
by access
Get paid
anywhere!
For a seamless, fast and secure way to receive payments online anywhere in the world, sign up on swiftPay today.
Visit https://swiftpay.accessbankplc.com/ to get started
payment received
Banking with Access: branch | ATM | online | mobile | contact centre
More information:
0700-300-0000
accessbankplc.com
access
more than banking

03 ||
GOVERNANCE

CORPORATE GOVERNANCE REPORT

The Board of Access Bank Plc ('the Bank') is pleased to present the Corporate Governance Report for the 2020 Financial Year. The report provides insight into the operations of our governance framework and Board's key activities during the reporting year.

The Board recognizes that effective governance is imperative for sustainable performance and prosperity of the firm. It operates on the understanding that sound governance practices are fundamental to earning the trust of stakeholders, which is critical to sustainable growth. The Board is focused on implementing corporate best practices across the enterprise in order to protect stakeholders' interests and enhance shareholders' value. The Group's corporate governance framework is designed to align management's actions with the interest of shareholders while ensuring an appropriate balance with the interests of other stakeholders.

Our corporate governance systems ensure on-going compliance with the Bank's governance charter and relevant codes of corporate governance as well as the post listing requirements of the stock exchanges where our securities are listed. Our governance model is founded on key pillars of diversity, accountability, responsibility, transparency, independence, fairness and discipline. The Bank's governance policies and structures are regularly reviewed to reflect changes in the operating environment, regulation and best practices.

The Bank and its subsidiaries ('the Group') are governed under a framework that enables the Board to discharge its oversight functions, provide strategic direction to the Bank, take decisions and ensure regulatory compliance. The subsidiaries comply with the statutory and regulatory requirements of their host countries and align their governance framework with that of the Bank to the extent permissible by their local regulations.

The Bank is committed to adopting international leading practices in all its operations. Accordingly, it is listed on the premium board of the Nigerian Stock Exchange (the Exchange) which is the listing segment for the elite group of issuers that meets the Exchange's most stringent corporate governance and listing standards.

The Board

The Board is led by the Group Chairman and sets the Group's strategy and risk appetite. It also approves capital and operating plans for the attainment of the Group's strategic objectives on the recommendation of Management.

There were significant changes to the Board composition in 2020 as highlighted in the table below.

S/N	NAME	COMMENT
1	Mrs. Mosun Belo-Olusoga	Retired as Chairman and Non-Executive Director effective January 8, 2020 following completion of the maximum 12-year tenure allowed by the Central Bank of Nigeria's Code of Corporate Governance for Banks in Nigeria.
2	Mr. Abba Habib	Retired from the Board as a Non-Executive Director on March 30, 2020 following his decision not to seek renewal of his term due to personal engagements.
3	Dr. Ernest Ndukwe	Resigned from the Board as an Independent Non-Executive Director with effect from March 31, 2020 to pursue his personal endeavours.
4	Dr. (Mrs.) Ajoritsedere Awosika, MFR, mni	Appointed Chairman of the Board effective January 8, 2020
5	Mr. Hassan Tanimu Musa Usman	Appointed as an Independent Non-Executive Director with effect from August 27, 2020.
6	Mr. Oluseyi Kumapayi	Appointed as an Executive Director with effect from November 10, 2020
7	Mrs. Omosalewa Fajobi	Appointed as a Non-Executive Director with effect from November 13, 2020.

Composition and Role

As at December 31, 2020, the Board was made up of 17 members comprising 9 Non-Executive and 8 Executive Directors. Six of the Board members are female with five of them being Independent Non-Executive Directors.

Board Members Profile

Dr. (Mrs.) Ajoritsedere Awosika, MFR, mni

Chairman / Independent Non-Executive Director

Dr. Awosika is an accomplished administrator with over three decades' experience in public sector governance. She was at various times, the Permanent Secretary in the Federal Ministries of Internal Affairs, Science & Technology and Power. She is a Fellow of the Pharmaceutical Society of Nigeria and the West African Postgraduate College of Pharmacy.

She holds a doctorate degree in Pharmaceutical Technology from the University of Bradford, United Kingdom. She was appointed to the Board of Access Bank Plc in April 2013 and served as the Vice-Chairman of the Board Audit Committee and Chairman of the Board Credit and Finance Committee prior to her appointment as the Chairman of the Board.

Dr. Awosika sits on the boards of Capital Express Assurance Ltd, Josephine Consulting Limited, University of Warri, African Initiative for Governance, and Nigerian prize for leadership.

She became the Chairman of the Board on January 8, 2020 following the retirement of Mrs. Mosun Belo-Olusoga.

She is 68 years old as at the date of this meeting.

Mrs. Anthonia Ogunmefun

Non-Executive Director

Mrs Ogunmefun is the Managing Partner of Kemi Ogunmefun Law Office, a Canadian-based private legal practice specialising in immigration law, family law, real estate and corporate law. She served as the Chairperson of Governance Committee of Kinark Child and Family Services, a major Canadian childcare trust, and is a Non-Executive Director of LOC Nominees Limited.

Mrs. Ogunmefun obtained her Bachelor of Laws degree from the University of Lagos in 1974. She was called to the Nigerian Bar in 1975 and the Law Society of Upper Canada in 2004. She was appointed to the Board in April 2011 and is the Chairman of the Board Risk Management Committee and Vice Chairman of the Human Resources and Sustainability Committee.

She is 69 years old as at the date of this meeting.

Mr. Paul Usoro, SAN
Non-Executive Director

Mr. Usoro is a Senior Advocate of Nigeria, a Fellow of the Chartered Institute of Arbitrators and the founder and Senior Partner of the Law firm of Paul Usoro & Co. He has over 30 years of law practice experience and is acknowledged as a highly experienced litigator and communication law expert.

He was elected President of the Nigerian Bar Association in August 2018 for a two-year term and is currently a Non-Executive Director of PZ Cussons Nigeria Plc. He is also a member of the National Judicial Council and Body of Benchers. He represented Access Bank as a Non-Executive Director on the board of the defunct Intercontinental Bank Plc.

Mr. Usoro holds a Bachelor of Laws degree from the University of Ife (1981) and was called to the Nigerian Bar in 1982. He joined the Board in January 2014 and currently chairs the Board Human Resources and Sustainability Committee and Board Technical Committee on Retail Expansion. He is also the Vice-Chairman of the Board Risk Management Committee.

He is 62 years old as at the date of this meeting.

Mr. Adeniyi Adekoya
Independent Non-Executive Director

Mr. Adekoya is a highly experienced maritime and oil and gas industry expert with significant experience in investment banking. He was a one-time General Manager of Peacegate Holdings Ltd where he was responsible for setting up and developing the company's marine operations. He was also a consultant to Maine Nigeria Ltd where he developed the framework for a private placement to raise USD 500 million start-up capital and led the company's participation in bid rounds for oil blocks in the Republic of Equatorial Guinea.

Mr. Adekoya worked with Mobil Oil Producing Nigeria Unlimited as a Budget Officer, Exploration Department and obtained financial service industry experience from AIM Fund and Trimark Investment Service, both in Ontario, Canada. Mr. Adekoya holds a Bachelor's Degree in Business Administration from the University of Lagos.

He joined the Board in March 2017 and currently chairs the Board Audit Committee and Board Digital and Information Technology Committee. He is also the Vice-Chairman of the Board Governance, Nomination and Remuneration Committee. He sits on the boards of Synerpet Ltd, Weston Integrated Services Ltd and Prime Atlantic Limited.

He is 54 years old as at the date of this meeting.

Mr. Iboroma Akpana
Independent Non- Executive Director

Mr. Akpana is the Managing Partner of Solola & Akpana, one of the leading commercial and oil and gas law firms in Nigeria. He is a consummate corporate and commercial lawyer with a career spanning over two decades. Mr. Akpana has a proven track record of academic excellence. He graduated as a top student in Law from the University of Jos and obtained a Master's degree from Harvard Law School. He is a Notary of the Federal Republic of Nigeria.

Based on his work, he was recognised in the Chambers Global 2006, 2007, 2008 and 2009 editions as a 'Leading Individual' in Nigeria in its Corporate and Commercial section. Similarly, the International Financial Law Review 1000 ranked him as a 'Leading Lawyer' in Nigeria in its 2006, 2007, 2008 and 2009 editions while the Legal 500 Europe, Middle East and Africa profiled him as a 'Recommended Individual'.

Mr. Akpana is a member of the International Bar Association, American Bar Association, New York State Bar Association, Nigerian Bar Association and the Law Society of England and Wales. He joined the Board in March 2017 and currently chairs the Board Governance, Nomination and Remuneration Committee. He is also the Vice-Chairman of the Board Audit Committee and Board Credit and Finance Committee. He sits on the Boards of AMNI International Petroleum Development Company Limited and Contracting Plus Limited.

He is 56 years old as at the date of this meeting.

Mrs. Ifeyinwa Osime
Independent Non-Executive Director

Mrs. Osime is a versatile and result oriented professional with over 30 years' experience in the insurance industry and commercial legal practice at management and board levels. She has deep knowledge and experience in the management of administrative, legal, and company secretarial functions in financial and other related institutions.

She had championed and established a special needs programme which is actively involved in the management and care of children and young people with special needs. She is currently engaged in legal practice with Macpherson Legal Practitioners, a Lagos-based law firm. Mrs. Osime is an Independent Non-Executive Director of Coronation Life Assurance Company Limited and a Non-Executive Director of Smartbase Services, Ebudo Trust Ltd and AIP Global Limited.

Mrs. Osime was the former Chairperson of PHB Healthcare Limited, a former Director of Bank PHB Plc (now Keystone Bank Limited) and a former Director of Insurance PHB Limited (now KBL Insurance). She was the Company Secretary/Legal Adviser of African Development Insurance Company Limited (now NSIA Insurance) between 1989 and 1997.

She holds a master's degree in law from University of London (1989) with specialization in Corporate and Commercial Law and bachelor degree in law from the University of Benin (1986).

She joined the Board in November 2019 and is currently the Vice-Chairman of the Board Digital and Information Technology Committee.

She is 53 years old as at the date of this meeting.

Dr. Okey Nwuke, FCA
Non-Executive Director

Dr. Nwuke has over 28 years' experience in finance and corporate governance working with top corporates and leading commercial banks in Nigeria. He is a Fellow of the Institute of Chartered Accountants of Nigeria and Chartered Institute of Taxation of Nigeria, an Honorary Member of Chartered Institute of Bankers of Nigeria and a member of Business Recovery and Insolvency Practitioners.

He has garnered considerable expertise in credit analysis and bank financial management through professional training as a Chartered Accountant, from relevant training programmes as well as on the job training. He was an Executive Director in Access Bank from 2004 to 2013 and served as the Chairman of the Board of Directors of the Bank's subsidiaries in Rwanda and Burundi. Dr. Nwuke was a pioneer Non-Executive Director of Stanbic IBTC Pension Managers Limited representing Access Bank.

Dr. Nwuke's key competencies include finance, strategy development and execution, organizational restructuring and transformation, leadership and change management. He joined the Board of Coscharis Group in August 2014 and is currently responsible for the strategic drive to position it for sustainability. He currently chairs the Shareholders' Audit Committee of NASCON Plc and sits on the Boards of Access Pension Fund Custodian Limited, First Ally Asset Management Limited, Claritus Limited, Simply Gifts and Interiors Limited and Personal Trust Microfinance Bank Ltd.

He holds a bachelor degree in accountancy from University of Nigeria, Nsukka and a master's degree (Distinction) in International banking and finance from the Birmingham Business School, United Kingdom. Dr. Nwuke holds a doctorate degree in business administration (DBA) from Walden University, Minnesota, USA with a research focus on leadership transition challenges in family businesses. He has been exposed to several leadership and professional development programmes at renowned institutions including Harvard Business School, Boston (AMP 175), Wharton Business School, Pennsylvania (both in U.S.A), INSEAD and IMD.

He joined the Board in November 2019 and currently chairs the Board Credit and Finance Committee. He is also the Vice-Chairman of the Board Technical Committee on Retail Expansion.

He is 54 years old as at the date of this meeting.

Mr. Hassan M.T Usman, FCA
Independent Non-Executive Director

Mr. Usman is the Founder/Chief Executive Officer of New Frontier Development Limited, an investment company focused on financial advisory, hospitality, real estate and proprietary investments in start-ups and challenged companies in the SME space. He is also the Founder/Chairman of the Board of Trustees of the Al-Qalam (Pen) Foundation, a Not-for-Profit Organisation that provides educational opportunities to disadvantaged children.

Prior to this, he was the Managing Director/Chief Executive Officer of Aso Savings and Loans Plc and an Executive Director at Abuja Investment and Property Development Company Limited. He was at various times the Deputy Director and Head of Petrochemicals and Gas Unit; Transport Sector Reform Team as well as the Deputy Director Telecoms Reform, Team Lead and Head NITEL Privatisation at the Bureau of Public Enterprises. He also worked with Central Bank of Nigeria, Arthur Andersen and CitiBank Nigeria. Mr. Usman sits on the Boards of Abuja Leasing Company Limited, Kairos Capital Limited and Sentinel Energy and Gas Limited.

Mr. Usman holds a Bachelor of Arts Degree in Economics from University of Sussex and a Master of Philosophy in Development Economics from University of Cambridge. He is a Fellow of the Institute of Chartered Accountants of England and Wales. Mr. Usman is also an Eisenhower Fellow and Archbishop Desmond Tutu Fellow of the African Leadership Institute.

Over the years, he has served as a member of the Board of Directors of the Nigeria Sovereign Investment Authority, Nigeria Mortgage Refinance Company and Council of the Nigeria Stock Exchange.

Mr. Usman joined the Board in August 2020.

He is 53 years old as at the date of this meeting.

Mrs. Omosalewa Fajobi
Non-Executive Director

Mrs. Fajobi is an experienced legal counsel and governance professional with a demonstrated history of working in the financial, investment and legal services industry. She is currently an Operating Director at Tengen Family Office Ltd.

She is a versatile solicitor with strong competencies in negotiation, business risk management and financial analysis who has provided support in setting up companies across different sectors, creating operational bases that have proved effective and efficient.

Mrs. Fajobi worked with International Finance Corporation from May 2014 to June 2017 as Project Lead (Nigeria) Africa Corporate Governance Programme. She also has extensive corporate counsel experience working at Standard Chartered Bank, Access Bank and the defunct Ocean Bank Plc.

She holds a Master of Laws degree (Merit) from University of London (2009) with specialization in Corporate and Commercial Law and Second-Class Upper Degree from University of Lagos (1999). She is a member of the Nigerian Bar Association.

She sits on the Boards of Coronation Insurance Plc, Coronation Securities Limited, One Terminals Limited and Coronation GPS Limited.

Mrs. Fajobi joined the Board in November 2020.

She is 43 years old as at the date of this meeting.

Dr. Herbert Wigwe, FCA
Group Managing Director/Chief Executive Office

Mr. Wigwe started his professional career with Coopers & Lybrand Associates, an international firm of Chartered Accountants. He spent over 10 years at Guaranty Trust Bank Plc where he managed several portfolios, including financial institutions, large corporates and multinationals. He left Guaranty Trust Bank as an Executive Director to co-lead the transformation of Access Bank Plc in March 2002 as Deputy Managing Director. He was appointed Group Managing Director/CEO effective January 1, 2014.

Mr Wigwe is an alumnus of the Harvard Business School Executive Management Programme. He holds a master's degree in banking and International finance from the University College of North Wales, a Master's degree in financial economics from the University of London and a bachelor's degree in accounting from the University of Nigeria, Nsukka. He is also a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN).

Mr Wigwe is the Chairman of The Access Bank (UK) Ltd and a Non-Executive Director of Nigerian Mortgage Refinance Company Plc; FMDQ OTC Securities Exchange; Shared Agents Network Expansion Facilities Ltd and Agri-Business/ SME Enterprises Investment Scheme. He also sits on the Boards of CACovid-19 LTD/GTE, HIV Trust Fund of Nigeria and the Nigerian Business Coalition Against Aids.

He is 54 years old as at the date of this meeting.

Mr. Roosevelt Ogbonna, FCA, CFA
Group Deputy Managing Director

Mr Ogbonna was appointed Executive Director, Commercial Banking Division in October 2013. He became Group Deputy Managing Director on May 1, 2017. He has over 20 years' experience in banking, cutting across Treasury, Commercial and Corporate Banking. He joined Access Bank in 2002 as a Manager from Guaranty Trust Bank Plc.

He is a Fellow of the Institute of Chartered Accountants of Nigeria and holds a second-class upper degree in Banking and Finance from the University of Nigeria, Nsukka. He is also a Chartered Financial Analyst and has attended Executive Management Development Programmes in several leading institutions.

Mr. Ogbonna represents the Bank on the boards of Access Bank

(Zambia) Ltd, Central Securities Clearing System Plc, Africa Finance Corporation and The Access Bank (UK) Limited.

He is 47 years old as at the date of this meeting.

Mr. Victor Etuokwu, HCIB
Executive Director
Personal Banking

Mr. Etuokwu's appointment as Executive Director was renewed in January 2018 following the expiration of his initial term. He was first appointed Executive Director of the Bank in January 2012. He oversees the Personal Banking Division and has over two decades of banking experience cutting across Operations, Information Technology, and Business Development.

He joined the Bank in July 2003 from Citibank Nigeria. Mr Etuokwu holds a Bachelor of Science degree and a Master's in Business Administration from the University of Ibadan and the University of Benin respectively.

He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria and represents the Bank on the boards of E-Tranzact Plc and Unified Payments Services Limited. He also sits on the Board of ACT Foundation and Access Pension Fund Custodian Limited.

He is 54 years old as at the date of this meeting.

Dr. Gregory Jobome, HCIB
Executive Director
Chief Risk Officer

Dr. Jobome is a thoroughbred banking professional with a strong academic background. He obtained a first-class degree in economics from the University of Maiduguri in 1986 and a Distinction in Master of Business Administration degree from Obafemi Awolowo University in 1990. Dr Jobome also obtained a Master of Science degree (1994) and a doctorate degree (2002) both in economics and finance from Loughborough University, UK.

He has over 26 years of working experience obtained from Guaranty Trust Bank Plc, the University of Liverpool Management School, Manchester Business School and Access Bank Plc. He joined Access Bank Plc in July 2010 as a General Manager and Chief Risk Officer. Prior to joining the Bank, he was a Risk Management Consultant to Guaranty Trust Bank Plc.

Dr. Jobome has been instrumental to the many giant strides attained by the Bank in the risk management space. Dr. Jobome is a highly sought-after resource person and has held several key industry leadership positions, including; Director, CRC Credit Bureau Ltd; President, Risk Management Association of Nigeria; Member, Working Group on Regulatory Reforms of the Institute of International Finance and Member, Capacity Building Committee. He is also an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria. He was appointed to the Board in January 2017.

He is a Non-Executive Director on the Board of CRC Credit Bureau Ltd, an investee company of the Bank. He is the chairman of Access Bank Mozambique S.A

He is 55 years old as at the date of this meeting.

Ms. Hadiza Ambursa
Executive Director
Commercial Banking

Ms. Ambursa was appointed Executive Director, Commercial Banking Division in November 2017.

She has over two decades of banking experience from Guaranty Trust Bank and Access Bank. Her experience spans across Transaction Services, Public Sector, Commercial Banking and Corporate Finance. Prior to joining Access Bank in 2003, she was a Relationship Manager, Public Sector in Guaranty Trust Bank Plc.

Ms. Ambursa graduated with a Bachelor of Science degree in political science from University of Jos in 1991 and obtained a Master's degree in law and diplomacy in 1996 from the same university. She subsequently attended Massachusetts Institute of Technology ('MIT') where she obtained a Master's in Business Administration in 2009. She has attended several Executive Management Development Programmes in leading institutions, including Harvard Business School and MIT.

She sits on the Boards of Access Bank Ghana Plc and Bank Directors Association of Nigeria.

She is 50 years old as at the date of this meeting.

Mr. Adeolu Bajomo
Executive Director
Information Technology & Operations

Mr. Bajomo is a globally focused financial services executive with achievements cutting across banking, insurance and capital market.

Mr. Bajomo's appointment as Executive Director, Information Technology and Operations was approved by the Central Bank of Nigeria in January 2018.

Prior to joining the Bank, he was Executive Director, Market Operations and Technology at the Nigerian Stock Exchange. In that role, he delivered market-wide transformation initiatives that firmly established the Exchange as the second largest stock exchange in Africa by market capitalization with over 7 million investors. Mr. Bajomo worked as Regional Head of Transformation Programme at Barclays Bank Plc UK (2007-2011); Head of IT Strategy and Systems at Pearl Insurance Group, UK (2006-2007) and IT Director at Fortis Bank UK (1997-2006) amongst other leadership roles.

He holds an MBA from CASS Business School; MSc Information Systems Engineering from South Bank University, London and a BSc in Civil Engineering from University of Ife. Mr. Bajomo is a chartered member of British Computer Society and a member of Institute of Directors, UK.

He sits on the Boards of Nigerian Interbank Settlement Scheme ('NIBSS') Plc and is the chairman of Access Bank Kenya Plc.

He is 55 years old as at the date of this meeting.

Mrs. Chizoma Okoli, HCIB

Executive Director
Business Banking Division

Mrs. Okoli commenced her banking career as an Executive Trainee in the Operations Unit of Diamond Bank Plc in April 1992 and served in various capacities in the bank until her appointment as an Executive Director in Diamond Bank in September 2016.

She joined the Board of Access Bank Plc in March 2019 following the merger with the former Diamond Bank.

She is a 1989 Law Graduate from the University of Benin and was called to the Nigerian Bar in December 1990. She holds an MBA from Warwick Business School, Coventry, UK. Mrs. Okoli has attended various courses in Nigeria and abroad including the Advanced Management Programme of Wharton Executive Education, University of Pennsylvania, and the Senior Management Programme of the Lagos Business School. She is also an Honorary Member of the Chartered Institute of Bankers of Nigeria.

She represents the Bank on the Board of Aspire Nigeria Fund Trust.

She is 52 years old as at the date of this meeting.

Mr. Oluseyi Kumapayi, FCA

Executive Director,
African Subsidiaries

Prior to his recent appointment, Mr. Kumapayi was the Group Chief Financial Officer of Access Bank Plc, a position he has held since 2008. He is a highly accomplished and result-driven professional. He has over 20 years of progressive banking experience spanning across Finance, Strategy, Risk Management, and Treasury.

He joined Access Bank in 2002 as the Head of Financial Control and Credit Risk Management. Prior to joining Access Bank, he held controller and analyst positions with First City Monument Bank Limited and Guaranty Trust Bank Plc respectively.

Since joining Access Bank, he has played a significant role in the creation of the largest retail bank in Nigeria and specific corporate actions that have supported the Bank's growth objectives and enhanced its capacity to play in key local and international markets.

Mr. Kumapayi is an alumnus of Harvard Business School. He holds a master's degree in mechanical engineering from the University of Lagos, and a bachelor's degree in Agricultural Engineering from the University of Ibadan, Nigeria. He has also attended several Executive Management Development programme in leading institutions including INSEAD, IMD and London Business School. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), and a member of the Global Association of Risk Professionals (GARP), the Chartered Institute of Taxation of Nigeria (CITN) and the Chartered Institution of Bankers of Nigeria (CIBN). He is a board member of the Ogun State Security Trust Fund.

He joined the Board in November 2020.

He is 49 years old as at the date of this meeting.

Sunday Ekwochi, HCIB

Company Secretary

Mr. Ekwochi was appointed the Company Secretary of the Bank in March 2010. He graduated as a top student in Law from the University of Jos with a second-class upper degree in 1996 and from the Nigerian Law School in February 1998 with a second-class upper degree. He has over 19 years' banking experience from the then African Express Bank, Fidelity Bank and Access Bank Plc.

Mr. Ekwochi qualified as a Chartered Secretary with the Institute of Chartered Secretaries and Administrators, London in 2003. He has attended Management Development Programmes at London Business School, Euromoney, Wharton Business School and IMD. He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria.

Base on his work, he was recognised by Ethical Boardroom Magazine as 'Best Company Secretary Financial Services Africa in

2019'. He was also recognised by Diligent Corporation in 2020 amongst Modern Governance 100.

Mr. Ekwochi serves as the Vice-Chair of the Association of Banks Legal Advisers and Company Secretaries.

Performance Monitoring and Evaluation

The Board, in the discharge of its oversight function, continues to engage management in the planning, definition and execution of the Bank's strategy. Management's report on the execution of defined strategic objectives is a regular feature of the Board's agenda, thus providing the Board with the opportunity to evaluate and constructively challenge management in the execution of strategy.

The Board holds an annual Board retreat, where the strategy for the coming year is rigorously debated and agreed between Management and the Board. The Board held its 12th Annual Retreat at Eko Hotel and Suites, Victoria Island, Lagos, Nigeria on February 21-22, 2020. Management provides the Board with quarterly updates on implementation of the strategy, affording the Board the opportunity to critique the Management's performance and access significant risk issues as well as mitigating controls implemented.

Management's report on the Group's actual financial performance is presented relative to the planned budget to enable the Board assess performance. Peer comparison is also a regular feature of Management reporting to the Board to benchmark performance against that of our competitors.

The Bank's performance on Corporate Governance is continuously being monitored and reported. We carry out extensive reviews of the Bank's compliance with the CBN, SEC and FRC Codes of Corporate Governance and with appropriate reports rendered to the regulators.

Board assessment, when done effectively, provides the Board the opportunity to identify and remove obstacles to better performance and to strengthen what works well. The Board has established a system of independent annual evaluation of its performance, that of its committees and of individual Directors. The evaluation is done by an independent consultant approved by the Board. Ernst and Young was engaged to conduct the Board's performance evaluation for the Financial Year Ended December 31, 2020. The Consultants also conducted an evaluation of the Bank's corporate governance practices by reviewing the Bank's corporate governance framework as well as all relevant policies and procedures. Ernst and Young was appointed as the Bank's Corporate Governance Consultants in 2018 and has held office for 3 years.

The Board believes that the use of an independent consultant promotes the objectivity and transparency of the evaluation process. Our Board and corporate governance assessment transcends box ticking and involves a rigorous process of on-line self-evaluation and 360° feedback with a heavy focus on qualitative considerations. It includes the assessment of the Bank's corporate governance frameworks and polices, evaluation of the Board and the Committees as well as the effectiveness of the Independent Directors.

In compliance with the CBN Code, the 2019 Annual Board Performance Evaluation Report was presented to shareholders at the Bank's 31st Annual General Meeting held on April 30, 2020 by a representative of Ernst and Young while the result of the 2019 Board Performance was presented at the Board meeting held on February 10, 2020. The summary of the 2020 report is contained herein on page 25. The result confirmed that the individual Directors and the Board continue to operate at a very high level of effectiveness and efficiency.

The Board confirms that the Bank has complied with the applicable Codes of Corporate Governance following the corporate governance evaluation and Board performance evaluation conducted for the 2020 Financial Year.

Board Composition- Guiding Principles

The Group's Fit and Proper Person Policy is designed to ensure that the Bank and its subsidiary entities are managed and overseen by competent, capable and trustworthy individuals. The Board's Governance, Nomination and Renumeration Committee is responsible for Executive Directors' succession planning and recommends new appointments to the Board. The Committee takes cognisance of the existing range of skills, experience, background and diversity on the Board in the context of the Bank's strategic direction before articulating the specifications for the candidate sought. The Committee also considers the need for appropriate demographic and gender balance in recommending candidates for Board appointments. Candidates who meet the criteria set by the Committee are subjected to enhanced due diligence enquiries. We are comfortable that the Board is sufficiently diversified to optimise its performance and deliver sustainable value to stakeholders.

The Board's composition subscribes to global best practice on the need for Non-Executive Directors to exceed Executive Directors. In 2020, the Board had more Non-Executive Directors than Executive Directors, with five of the Non-Executive Directors being independent as against two required by the CBN Code of Corporate Governance for Banks in Nigeria. Non-Executive Directors are appointed to the Board to bring independent, specialist knowledge and impartiality to strategy development and execution monitoring. The Board is committed to improving gender diversity in its composition in line with its diversity policy.

25% of the Executive Management team is composed of females while the Board had 35% female memberships as of December 31, 2020 above the Nigeria's national average of 12%. In addition, 43% of the Bank's workforce is composed of female staff.

Retirement and Re-election of Directors

In accordance with the Bank's Articles of Association, one third of all Non-Executive Directors (rounded down) are offered for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting.

Messrs Adeniyi Adekoya and Iboroma Akpana retired at the Bank's 31st Annual General Meeting held on April 30, 2020 and being eligible for re-election were duly re-elected by shareholders. The shareholders also approved the appointment of Mrs. Ifeyinwa Osime as an Independent Non-Executive Director and Dr. Okey Nwuke as a Non-Executive Director. The appointment of the new Directors was earlier approved by the Board and the Central Bank of Nigeria.

Mr. Abba Habib and Dr. Ernest Ndukwe retired and resigned respectively from the Board to pursue other personal endeavours. Mrs. Mosun Belo-Olusoga also retired from the Board following the completion of the maximum 12-year term allowed for Non-Executive Director by the Central Bank of Nigeria.

Prior to their exit from the Board, Mrs. Mosun Belo-Olusoga was the Chairman of the Bank, Mr. Abba Habib was a Non-Executive Director while Dr. Ernest Ndukwe was an Independent Non-Executive Director. The Board commends them for their valuable contributions to the Bank and wishes them success in their future endeavours.

In the course of the year, the Board appointed Mr. Hassan Tanimu Musa Usman as an Independent Non-Executive Director, Mr. Oluseyi Kumapayi as an Executive Director and Mrs. Omosalewa Fajobi as a Non-Executive Director. All referenced Board appointments were approved by the Central Bank of Nigeria. In line with the provisions of the Articles of Association, the three appointees will be presented for election and approval at this meeting.

Pursuant to the provisions of the Bank's Articles of Association, Mr. Paul Usoro, SAN will retire during this Annual General Meeting and being eligible for re-election, will submit himself for re-election.

The Board is convinced that the Directors standing for election and re-election will continue to add value to the Bank. The Board believes that they are required to maintain the needed balance of skill, knowledge and experience on the Board.

The biographical details of the Directors standing for election and re-election are contained on pages 130, 131, 132 and 134 of this report.

Board Effectiveness

Today's boards are required to be more engaged, more knowledgeable and more effective than in the past as they contend with a host of new pressures, challenges and risks. As stakeholders' expectations from the Board continue to grow, the Board must set its strategic priorities often across diverse business segments and markets and monitor the firm's risk profile. The Board must demonstrate that good corporate governance is not a box-ticking exercise by setting the right ethical tone from the top. The effectiveness of the Board is achieved through composition, induction, training and a rigorous evaluation process. The effectiveness of the Board derives from the diverse range of skills and competencies of the Executive and Non-Executive Directors who have exceptional degrees in banking, financial and broader professional and entrepreneurial experiences.

Training and Induction

We recognise that being a Director is becoming increasingly more challenging, thus we ensure that Board members are provided with regular domestic and international trainings to improve their decision-making capacity, thereby contributing to the overall effectiveness of the Board.

New Directors are exposed to a personalised induction programme which includes one-on-one meetings with Executive Directors and Senior Executives responsible for the Bank's key business areas. Such sessions focus on the challenges, opportunities and risks facing the business areas. The induction programme covers an overview of the Strategic Business Units as well as Board processes and policies.

A new Director is provided with an induction pack containing charters of the various Board Committees, significant reports, important statutes and policies, minutes of previous Board meetings and a calendar of Board activities. Based on the recommendation of the Governance, Nomination and Remuneration Committee, the Board approves the annual training plan and budget for Directors while the Company Secretary ensures the implementation of the plan with regular reports to the Board. During the period under review, the Directors attended the training programmes detailed below:

S/N	NAME OF DIRECTOR	TRAINING	FACILITATOR	DATE	STATUS
1	Dr. (Mrs.) Ajoritsedere Awosika, MFR, mni	2020 Risk Refresher Class For Board Members (Online)	KPMG and other Internal Facilitators	August 19, 2020	Done
	Mrs. Anthonia Ogunmefun				
	Mr. Paul Usoro, SAN				
	Mr. Adeniyi Adekoya				
	Mr. Iboroma Akpana				
	Mrs. Ifeyinwa Osime				
	Dr. Okey Nwuke				
	Mr. Herbert Wigwe				
	Mr. Roosevelt Ogbonna				
	Mr. Victor Etuokwu				
	Dr. Gregory Jobome				
	Ms. Hadiza Ambursa				
	Mr. Ade Bajomo				
	Mrs. Chizoma Okoli				
2	Dr. (Mrs.) Ajoritsedere Awosika , MFR, mni	Effective Board Oversight of Cybersecurity and Risk Management in the New Normal (Online)	FITC	August 27-28, 2020	Done
	Mr. Adeniyi Adekoya				
	Mrs Ifeyinwa Osime				
3.	Dr. (Mrs.) Ajoritsedere Awosika, MFR, mni	2020 CBN-FITC Continuous Education Programme for Directors of Banks and Other Financial Institutions-The Future of Board and Governance: Reporting, Supervising and Risk Management online	FITC	November 12-13, 2020	Done
	Mrs. Ifeyinwa Osime				
	Dr. Okey Nwuke				
	Mr. Hassan Usman				
4.	Dr. (Mrs.) Ajoritsedere Awosika, MFR, mni	Transformational Leadership online	Schulich School of Business, York University	November 16-20, 2020	Done

Shareholders and Regulatory Engagement

The Board recognizes the importance of free flow of complete, adequate and timely information to shareholders to enable them make informed decisions and is committed to maintaining high standards of corporate disclosure. The implementation of our Investor Communication and Disclosure Policy helps the Board to understand shareholders views about the Bank. The Bank's website www.accessbankplc.com is regularly updated with both financial and non-financial information.

Shareholders' meetings are convened and held in an open manner in line with the Bank's Articles of Association and existing statutory and regulatory regimes, for the purpose of deliberating on issues affecting the Bank's strategic direction. The Annual General Meeting is a medium for promoting interaction between the Board, management and shareholders. Attendance at the Annual General Meeting is open to shareholders or their proxies, while proceedings at such meetings are usually monitored by members of the press, representatives of the Nigerian Stock Exchange, the Central Bank of Nigeria and the Securities and Exchange Commission. The Board ensures that shareholders are provided with adequate notice of meetings. An Extraordinary General Meeting may also be convened at the request of the Board or shareholders holding not less than 10% of the Bank's Paid-Up Capital.

The Group has a dedicated Investors Relations Unit that facilitates communication with shareholders and analysts on a regular basis and addresses their queries and concerns. Investors and stakeholders are frequently provided with information about the Bank through various channels, including Quarterly Investors Conference Calls, the General Meeting, the Bank's website, the Annual Report and Accounts, Non-Deal Road Shows and Investors Forum at the Stock Exchange.

The Board ensures that communication with the investing public about the Bank and its subsidiaries is timely, factual, broad and accurate in accordance with all applicable legal and regulatory requirements. The Bank's reports and communication to shareholders and other stakeholders are in plain, readable and understandable format. The Board ensures that shareholders' statutory and general rights are always protected, particularly their right to vote at general meetings. The Board also ensures that all shareholders are treated equally regardless of the size of their shareholding and social conditions. Our shareholders are encouraged to share in the responsibility of sustaining the Bank's corporate values by exercising their rights as protected by law.

Access to Information and Resources

Management recognises the importance of ensuring the flow of complete, adequate and timely information to the Directors on an ongoing basis to enable them make informed decisions in discharge of their responsibilities. There is ongoing engagement between Executive Management and the Board, and the Heads of Strategic Business Units attend Board meetings to make presentations. The Bank's External Auditors attend the meetings of the Group Board Audit Committee and the Group Statutory Audit Committee to make presentations on the audit of the Group's Financial Statements. Directors have unrestricted access to Management and company information in addition to the necessary resources to carry out their responsibilities including access to external professional advice at the Bank's expense in line with policy.

Board Responsibilities

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. It has the overall responsibility for reviewing the strategic plans and performance objective, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance review and corporate governance practices.

Term of Office

The Bank's Non-Executive Directors are appointed for an initial term of four years. Subject to the provisions of the Articles of Association on the retirement of Non-Executive Directors by rotation, they can be re-elected for a maximum of two subsequent terms of four years each, subject to satisfactory performance and shareholders' approval. The Independent Non-Executive Directors are subject to a maximum tenure of eight years as stipulated by the Central Bank of Nigeria's Guidelines for the Appointment of Independent Directors. Our Executive Directors are appointed for an initial term of four years and their tenure can be renewed for further terms subject to a satisfactory annual performance evaluation. Executive Directors are prohibited from holding other directorships outside the Access Bank Group or investee companies.

Separation of Roles

In line with best practice, the Chairman and Chief Executive Officer's roles are assumed by different individuals; this ensures the balance of power and authority. The Board can reach impartial decisions as its Non-Executive Directors are a blend of Independent and Non-Independent Directors with no shadow or Alternate Directors, thus ensuring that their independence is brought to bear on decisions of the Board.

The Role of the Board

The principal responsibility of the Board is to promote the long-term success of the Group by creating and delivering sustainable shareholder value. The Board leads and provides direction for the Management by setting policy directions and strategy, and by overseeing their implementation. The Board seeks to ensure that Management delivers on both its long-term growth and short-term objectives, striking the right balance between both goals. In setting and monitoring the execution of our strategy, consideration is given to the impact that those decisions will have on the Group's obligations to various stakeholders, such as shareholders, employees, suppliers and the community in which the Group operates.

The Board is responsible for ensuring that robust systems of internal controls are maintained, and that Management maintains an effective risk management and oversight process across the Group to ensure growth is delivered in a controlled and sustainable way. In addition, the Board is responsible for determining and promoting the collective vision of the Group's purpose, values, culture and behaviours.

In carrying out its oversight functions, matters reserved for the Board include but are not limited to:

- Defining the Bank's business strategy and objectives.
- Formulating risk policies.
- Approval of quarterly, half yearly and full year financial statements.
- Approval of significant changes in accounting policies and practices.
- Appointment or removal of Directors and the Company Secretary.
- Approval of major acquisitions, divestments of operating companies, disposal of capital assets or capital expenditure.
- Approval of charter and membership of Board Committees.

- Setting of annual Board objectives and goals.
- Approval of allotment of shares.
- Appointment and removal of Chief Audit Executive.
- Approval of the framework for determining the policy and specific remuneration of Executive Directors.
- Monitoring delivery of the strategy and performance against plan.
- Reviewing and monitoring the performance of the Group Managing Director and the Executive team.
- Ensuring the maintenance of ethical standard and compliance with relevant laws.
- Performance appraisal and compensation of Board members and Senior Executives.
- Ensuring effective communication with shareholders.
- Ensuring the integrity of financial reports by promoting disclosure and transparency.
- Succession planning for key positions.

The Role of the Group Chairman

The principal role of the Chairman is to provide leadership and direction to the Board. The Group Chairman is accountable to the Board and shareholders and liaises directly with the Board and the Management of the Company, through the Group Managing Director/Chief Executive Officer. The positions of the Group Chairman and the Group Managing Director/Chief Executive Officer are held by separate individuals.

More specifically, the duties and responsibilities of the Group Chairman are as follows:

- Primarily responsible for the effective operation of the Board and ensures that the Board works towards achieving the Bank's strategic objectives.
- Setting the agenda for Board meetings in conjunction with the Group Managing Director/Chief Executive Officer and the Company Secretary.
- Approval of the Annual Board Activities Calendar.
- Playing a leading role in ensuring that the Board and its Committees have the relevant skills and competencies for their job roles.
- Ensuring that Board meetings are properly conducted and that the Board is effective and functions in a cohesive manner.
- Ensuring that the Directors receive accurate and clear information about the affairs of the Bank in a timely manner to enable them take sound decisions.
- Acting as the main link between the Board and the Group Managing Director/Chief Executive Officer as well as advising the Group Managing Director/Chief Executive Officer on the effective discharge of his duties.
- Ensuring that all Directors focus on their key responsibilities and play constructive roles in the affairs of the Bank
- Ensuring that induction programmes are conducted for new Directors and continuing education programmes are in place for all Directors.
- Ensuring effective communication with the Bank's institutional shareholders and strategic stakeholders.
- Taking a leading role in the assessment, improvement and development of the Board.
- Presiding over General Meetings of shareholders.

The Role of Group Managing Director/ Chief Executive Officer ('GMD/CEO')

The GMD/CEO has the overall responsibility for leading the development and execution of the Bank's long-term strategy, with a view to creating sustainable shareholder value. He manages the day-to-day operations of the Bank and ensures that operations are consistent with the policies approved by the Board.

Specifically, the duties and responsibilities of the GMD/CEO include the following:

- Acts as head of the Management team and is answerable to the Board.
- Responsible for ensuring that a culture of integrity and legal compliance is imbibed by personnel at all levels of the Bank.
- Responsible for the Bank's consistent achievement of its financial objectives and goals.
- Ensures that the Bank's philosophy, vision, mission and values are disseminated and practised throughout the Bank.
- Ensures that the allocation of capital reflects the Bank's risk management philosophy.
- Ensures that the Bank's risks are controlled and managed effectively, optimally and in line with the Bank's strategies and objectives.
- Supervision of the Group Deputy Managing Director, Executive Directors and all subsidiaries and affiliate companies.
- Serves as the Bank's Chief Spokesman and ensures that it is properly presented to its various publics.
- Ensures that the Directors are provided with enough information to support their decision making.

The Role of the Group Deputy Managing Director ('GDMD')

The GDMD provides support to the GMD/CEO towards the achievement of the corporate philosophy, business strategy, financial and other objectives of the Bank. He reports to the GMD/CEO and is responsible for the supervision of such aspects of the Bank as may be approved by the Board of Directors and exercises such powers and carry out such functions as may be delegated by the GMD/CEO.

The Role of the Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that the Company's Memorandum and Articles of Association, plus relevant rules and regulations, are complied with. He also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value. The Company Secretary assists the Chairman in ensuring good information flow within the Board and its Committees and between Management and Non-Executive Directors.

The Company Secretary also facilitates the orientation of new Directors and coordinates their professional development. As primary compliance officer for Group's compliance with the listing rules of the Nigerian Stock Exchange, the Company Secretary is responsible for designing and implementing a framework for the Bank's compliance with the listing rules, including advising Management on prompt disclosure of material information. The Company Secretary attends and prepares the minutes for all Board meetings. As secretary for all Board Committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the Board Committees and Management. The Company Secretary also assists in the development of the agenda for the various Board and Board Committee meetings. The appointment and the removal of the Company Secretary are the exclusive preserve of the Board.

Delegation of Authority

The ultimate responsibility for the Bank's operations rests with the Board. The Board retains effective control through a well-developed Committee structure that provides in-depth focus on the Board's responsibilities. Each Board Committee has a written terms of reference and presents regular reports to the Board on its activities. The Board delegates authority to the Group Managing Director/Chief Executive Officer to manage the affairs of the Group within the parameters established by the Board from time to time.

Board Meetings

The Board meets quarterly and emergency meetings are convened as may be required. The Annual Calendar of Board and Committee meetings is approved in advance during the last quarter of the preceding year. Material decisions may be taken between meetings through written resolutions in accordance with the Bank's Articles of Association. The Annual Calendar of Board Activities includes a Board Retreat at an offsite location to consider strategic matters and review the opportunities and challenges facing the institution.

All Directors are provided with notices, agenda and meeting papers in advance of each meeting to enable Directors adequately prepare for the meeting. Where a Director is unable to attend a meeting he/she is still provided with the relevant papers for the meeting. Such a Director also reserves the right to discuss any matter he/she may wish to raise at the meeting with the Chairman. Directors are also provided with regular updates on developments in the regulatory and business environment.

The Board in demonstration of its commitment to environmental sustainability operates a secure electronic portal-Diligent Boardbook- for the circulation of board documentation to members.

The Board met 7 times during the period under review.

The Board devoted considerable time and efforts on the following issues in 2020.

- Approval of Interim and Full Year Audited Financial Statements
- Consideration and approval of the Group's 2021 budget
- Consideration of top Management and Board appointments
- Approval of appointments to subsidiary Boards
- Approval of ICAAP document
- Approval of Recovery and Resolution Plan
- Monitoring the implementation of 2018-2022 Strategic Plan.
- Approval of credit facilities.
- Review and approval of policies
- Approval of subsidiary expansion activities.
- Approval of Scheme document for the proposed Access Holdings Plc

Board Meeting Attendance in 2020

The membership of the Board and attendance at meetings in 2020 are set out below.

Type of Meeting	Annual Retreat	AGM	Board Meetings						
Date	Feb 21-22 2020	30/4/ 2020	10/1/ 2020	10/2/ 2020	23/4/ 2020	29/7 2020	10/9/ 2020	27/10/ 2020	16/12/ 2020
Ajoritsedere Awosika	P	P	P	P	P	P	P	P	P
Anthonia Ogunmefun	P	P	P	P	P	P	P	P	P
*Ernest Ndukwe	P	RS	P	P	RS	RS	RS	RS	RS
Paul Usoro	P	P	P	P	P	P	P	P	P
**Abba Habib	A	RT	P	P	RT	RT	RT	RT	RT
Adeniyi Adekoya	P	P	P	P	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P	P	P	P	P
Okey Nwuke	P	P	P	P	P	P	P	P	P
***Hassan Usman	NM	NM	NM	NM	NM	NM	P	P	P
****Omosalewa Fajobi	NM	NM	NM	NM	NM	NM	NM	NM	P
Herbert Wigwe	P	P	P	P	P	P	P	P	P
Roosevelt Ogbonna	P	P	P	P	P	P	P	P	P
Victor Etuokwu	P	P	P	P	P	P	P	P	P
Gregory Jobome	P	P	P	P	P	P	P	P	P
Hadiza Ambursa	P	P	P	P	P	P	P	P	P
Adeolu Bajomo	P	P	P	P	P	P	P	P	P
Chizoma Okoli	P	P	P	P	P	P	P	P	P
*****Oluseyi Kumapayi	NM	NM	NM	NM	NM	NM	NM	NM	P

*Resigned with effect from March 31, 2020
**Retired with effect from March 30, 2020
***Appointed with effect from August 27, 2020
****Appointed with effect from November 13, 2020
*****Appointed with effect from November 10, 2020

Board Committees

The Board exercises oversight responsibility through its standing committees, each of which has a charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure and reporting lines to the Board. In line with best practice, the Chairman of the Board is not a member of any Committee.

The Board has seven standing committees, namely: the Risk Management Committee, the Audit Committee, the Governance, Nomination and Remuneration Committee, the Human Resources and Sustainability Committee, Digital and Information Technology Committee, Credit and Finance Committee and Technical Committee on Retail Expansion.

While the various Board committees have the authority to examine issues within their remit and report their decisions and/or recommendations to the Board, the ultimate responsibility for all matters lies with the Board.

Reports of Board Committees

This section highlights the activities of the Board Committees in 2020.

Board Human Resources and Sustainability Committee

The membership of the Committee and attendance at the meetings in 2020 are as set out below:

Name	13/1/2020	6/4/2020	7/7/020	6/10/2020	17/10/2020
Paul Usoro	P	P	P	P	P
Anthonia Ogunmefun	P	P	P	P	P
Ernest Ndukwe	P	RS	RS	RS	RS
Adeniyi Adekoya	NM	P	P	P	P
Iboroma Akpana	P	P	P	P	P
Okey Nwuke	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P
Hassan Usman	NM	NM	NM	P	P
Herbert Wigwe	P	P	P	P	P

The Committee advises the Board on its oversight responsibilities in relation to the Bank's human resource policies, plans, processes and procedures as well as sustainability best practices.

The key decisions of the Committee in the reporting period included recommendation of top management appointments, review and recommendation of human resources policies to the Board for approval and consideration of HR Integration report as well as quarterly reports on human resources and sustainability.

The Committee met 5 times during the reporting period.

Mr. Paul Usoro is the Chairman of the Committee.

Board Governance, Nomination and Remuneration Committee

The membership of the Committee and attendance at the meetings in 2020 are as set out below.

Name	14/1/2020	8/2/2020	17/3/2020	14/4/2020	7/10/2020	17/10/2020
Iboroma Akpana	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P
Anthonia Ogunmefun	P	P	P	P	P	P
Paul Usoro	P	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P	P

The Committee advises the Board on its oversight responsibilities in relation to governance, appointment, re-election and removal of Directors. The Committee also advises the Board on issues related to Directors' induction, training as well as Board performance evaluation. The Committee is responsible for recommending appropriate remuneration for Directors and staff to the Board for approval.

The key decisions of the Committee in the reporting period included approval of the 2021 training plan and budget for Non-Executive Directors, recommendation of Board appointments, including subsidiary Board appointments and consideration of the remuneration survey report.

The Committee met 6 times in the 2020 financial year.

Mr. Iboroma Akpana is the Chairman of the Committee.

Board Credit & Finance Committee

The membership of the Committee and Directors' attendance at meetings in 2020 are as set out below.

Name	13/1 2020	24/2 2020	17/3 2020	6/4 2020	15/5 2020	17/6 2020	7/7 2020	18/8 2020	16/9 2020	6/10 2020	26/10 2020	17/11 2020	18/12 2020
Okey Nwuke	P	P	P	P	P	P	P	P	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P	P	P	P	P	P	P	P	P

Anthonia Ogunmefun	P	P	P	P	P	P	P	P	P	P	P	P	P
Ernest Ndukwe	P	P	P	RS	RS	RS	RS	RS	RS	RS	RS	RS	RS
Paul Usoro	P	P	P	P	P	P	P	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P	P	P	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P	P	P	P	P	P	P	P	P
Abba Habib	P	A	P	RT	RT	RT	RT	RT	RT	RT	RT	RT	RT
Hassan Usman	NM	NM	NM	NM	NM	NM	NM	NM	P	P	P	P	P
Omosalewa Fajobi	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	P
Herbert Wigwe	P	P	P	P	P	P	P	P	P	P	P	P	P
Roosevelt Ogbonna	P	P	P	P	P	P	P	P	P	P	P	P	P
Victor Etuokwu	P	P	P	P	P	P	P	P	P	P	P	P	P
Gregory Jobome	P	P	P	P	P	P	P	P	P	P	P	P	P
Hadiza Ambursa	P	P	P	P	P	P	P	P	P	P	P	P	P
Chizoma Okoli	P	P	P	P	P	P	P	P	P	P	P	P	P
Oluseyi Kumapayi	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	P	P

The Committee considers and approves loan applications above certain limits (as defined by the Board from time to time) which have been recommended by the Management Credit Committee. It also acts as a catalyst for credit policy change and oversees the administration and effectiveness of the Bank's credit policies.

The Committee's key activities during the period included review and approval of credit facilities; review of Risk Based Examination updates, review of subsidiaries' credit portfolios, review of the Credit Portfolio and Collateral Adequacy Assessment reports, review of audit report on the Credit Risk Management function and monitoring the implementation of credit risk management policies.

The Committee met 13 times during the reporting period.

Dr. Okey Nwuke is the chairman of the Committee.

Board Risk Management Committee

The membership of the Committee and attendance at meetings in 2020 are as set out below.

Name	14/01/2020	17/03/2020	7/4/2020	8/7/2020	7/10/2020
Anthonia Ogunmefun	P	P	P	P	P
Paul Usoro	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P
Okey Nwuke	P	P	P	P	P
Hassan Usman	NM	NM	NM	NM	P
Abba Habib	P	P	RT	RT	RT
Herbert Wigwe	P	P	P	P	P
Roosevelt Ogbonna	P	P	P	P	P
Gregory Jobome	P	P	P	P	P
Adeolu Bajomo	P	P	P	P	P

The Committee assists the Board in fulfilling its oversight responsibility relating to the establishment of policies, standards and guidelines for non-credit risk management and compliance with legal and regulatory requirements. In addition, it oversees the establishment of a formal written policy on the overall risk management system. The Committee also ensures compliance with established policies through periodic review of management's reports and ensures the appointment of qualified officers to manage the risk function. It evaluates the Bank's risk policies on a periodic basis to accommodate major changes in the internal or external environment.

During the period under review, the Committee considered and recommended some policies to the Board for approval, considered stress test reports on the Bank's Balance Sheet, received risk reports from all the risk areas except credit and made relevant recommendations to the Board for approval. The Committee reviewed the Bank's response to the Covid-19 pandemic and made appropriate recommendations to Management.

The Committee met 5 times during the reporting period.

Mrs. Anthonia Ogunmefun is the Chairman of the Committee.

Board Audit Committee

The membership of the Committee and attendance at meetings in 2020 are as set out below.

Name	15/01/2020	7/2/2020	9/4/2020	9/7/2020	28/7/2020	8/10/2020
Adeniyi Adekoya	P	P	P	P	P	P
Paul Usoro	P	P	P	P	P	P
Okey Nwuke	P	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P	P
Iboroma Akpana	NM	NM	P	P	P	P
Abba Habib	P	P	RT	RT	RT	RT
Ernest Ndukwe	P	P	RS	RS	RS	RS
Hassan Usman	NM	NM	NM	NM	NM	P

The Committee supports the Board in performing its oversight responsibility relating to the integrity of the Bank's Financial Statements and the financial reporting process, as well as the independence and performance of the Bank's Internal and External Auditors. It oversees the Bank's system of internal control and the mechanism for receiving complaints regarding the Bank's accounting and operating procedures.

The Bank's Chief Audit Executive and Chief Compliance Officer have access to the Committee and make quarterly presentations to the Committee.

The key issues considered by the Committee during the period included the review and recommendation of the 2019 Group Full Year Audited Financial Statements, 2020 Group Interim Audited Financial Statements as well as relevant policies to the Board for approval. The Committee also considered Whistle blowing reports as well as reports of the Group Internal Auditor and Internal Audit Consultants.

The Committee met six times during the reporting period.

Mr. Adeniyi Adekoya is the Chairman of the Committee.

Board Digital & Information Technology Committee

The membership of the Committee and attendance at meetings in 2020 are as set out below.

Name	16/01-2020	8-04-2020	10/07/2020	9/10/2020
Adeniyi Adekoya	P	P	P	P
Anthonia Ogunmefun	P	P	P	P
Iboroma Akpana	P	P	P	P
Ifeyinwa Osime	P	P	P	P
Okey Nwuke	NM	P	P	P
Hassan Usman	NM	NM	NM	P
Ernest Ndukwe	P	RS	RS	RS
Abba Habib	P	RT	RT	RT
Herbert Wigwe	P	P	P	P

Roosevelt Ogbonna	P	P	P	P
Victor Etuokwu	NM	P	P	P
Gregory Jobome	P	P	P	P
Adeolu Bajomo	P	P	P	P

The Committee was established to oversee the end-to-end digital delivery of the Bank's products and services. The Committee receives regular reports on the Bank's digital ecosystem and customer experience. It also provides oversight on the execution of the Bank's IT strategy and monitors the Bank's investment in IT infrastructure and support systems that underpin the safe and effective delivery of the products and services.

The key issues considered by the Committee during the period included the reports on cyber security and digital risk, partnerships and digital eco systems, customer feedback as well as audit report on the Bank's information technology and digital systems.

The Committee met 4 times during the reporting period.

Mr. Adeniyi Adekoya is the Chairman of the Committee

Board Technical Committee on Retail Expansion

The membership of the Committee and attendance at meetings in 2020 are as set out below.

Name	08/02/ 2020	17/03/ 2020	23/04/ 2020	23/5/ 2020	29/6/ 2020	6/9/ 2020	27/11/ 2020
Paul Usoro	P	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P	P	P
Okey Nwuke	P	P	P	P	P	P	P
Ifeyinwa Osime	NM	NM	NM	NM	NM	NM	P
Abba Habib	P	P	RT	RT	RT	RT	RT
Herbert Wigwe	P	P	P	P	P	P	P
Roosevelt Ogbonna	P	P	P	P	P	P	P
Gregory Jobome	P	P	P	P	P	P	P
Oluseyi Kumapayi	NM	NM	NM	NM	NM	NM	P

The Committee exercises oversight on the Bank's strategic expansion activities involving acquisition, strategic relationships, investment and growth activities in the retail space. The Committee is saddled with the responsibility of reviewing, evaluating and approving acquisitions, mergers and strategic relationships as well as green and brown fields investments involving the Bank. It also oversees the post-acquisition integration and business development opportunities.

The key issues considered by the Committee during the period included the review of retail growth expansion strategies.

The Committee met 7 times during the reporting period.

Mr. Paul Usoro is the Chairman of the Committee.

Key

P	Present
A	Absent
NM	Not Member
RT	Retired
RS	Resigned

DIRECTORS' INTEREST IN CONTRACTS

Disclosure on Directors' interest in contracts is contained on page 118 of this report.

Executive Committee

The Executive Committee (EXCO) is made up of the Group Managing Director as Chairman, the Group Deputy Managing Director and all Executive Directors. The Committee is primarily responsible for the implementation of strategies approved by the Board and ensuring the efficient deployment of the Bank's resources.

Management Committees

These are standing committees made up of the Bank's Executive and Senior Management staff. The Committees are set up to identify, analyse and make recommendations on risks pertaining to the Bank's day to day activities. They ensure that risk limits set by the Board and the regulatory bodies are complied with. They also provide input to the various Board Committees in addition to ensuring the effective implementation of risk polices. These Committees meet as frequently as risk issues occur and take actions and decisions within the ambit of their powers.

The Management Committees include Management Credit Committee, Asset and Liabilities Committee, Enterprise Risk Management Committee, the Operational Risk Management Committee, the Criticised Assets Committee and the IT Steering Committee.

Statutory Audit Committee

In compliance with Section 404 of the Companies and Allied Matters Act 2020, the Bank constituted a Standing Shareholders Audit Committee. The Committee is constituted to ensure its independence, which is fundamental to upholding stakeholders' confidence in the reliability of the Committee's report and the Group's Financial Statements. There is no Executive Director sitting on the Committee. The Chairman of the Committee is an ordinary shareholder, while the shareholders' representatives are independent and answerable to the shareholders.

The duties of the Committee are as enshrined in Section 404 of CAMA 2020. The Committee is responsible for ensuring that the company's financials comply with applicable financial reporting standards.

The profiles of the shareholders' representatives in the Committee are as follows:

Henry Omatsola Aragho, FCA

Chairman, Statutory Audit Committee

Mr. Aragho obtained his Higher National Diploma (Accounting) from Federal Polytechnic Auchi in 1981 and a master's degree in business administration from Ogun State University (1999). He qualified as a Chartered Accountant with the Institute of Chartered Accountants of Nigeria (ICAN) in 1985. He was admitted as an Associate Member of Institute of Chartered Accountants of Nigeria in March 1986 and subsequently qualified as a fellow of the Institute. He joined the Nigerian Ports Authority in 1982 and retired as General Manager Audit in 2005. He is presently the Managing Consultant of Henrose Consulting Limited and Managing Director Henrose Global Resources Limited.

He was appointed the Chairman of the Committee on July 27, 2016.

Emmanuel Olutoyin Eleoramo

Member, Statutory Audit Committee

Mr. Eleoramo holds a First-Class degree in Insurance and a Master's degree in business administration, both from the University of Lagos. He is an Associate of the Chartered Insurance Institute of London and a Fellow of the Chartered Insurance Institute of Nigeria. He has over 36 years of varied experience in general insurance marketing, underwriting and employee benefits consultancy. He is a key player in the Nigerian insurance industry and a past President of the Chartered Insurance Institute of Nigeria. He was the Managing Director/Chief Executive Officer of Nigerian French Insurance Company Ltd and later Whispering Hope Insurance Company Ltd (now Sterling Assurance Nigeria Ltd) before his appointment as the Managing Director/Chief Executive Officer of Nigerian Life and Pensions Consultants Limited (now Nigerian Life and Provident Company Limited) from where he retired in 2018.

Idaere Gogo-Ogan

Member, Statutory Audit Committee

Mr. Ogan is a 1987 graduate of Economics from the University of Port Harcourt and holds a Master's in International Finance from Middlesex University, London. He joined the Corporate Banking Department of Guaranty Trust Bank Plc in 1996. He left Guaranty Trust Bank to found D' Group, incorporating Becca Petroleum Limited and Valuestream and Cordero Engineering Ltd.

He is a Non-Executive Director of Coronation Merchant Bank Limited and Chairman of Coronation Registrars Limited.

Record of Attendance at Statutory Audit Committee Meetings in 2020

Name	15/01 2020	07/02 2020	28/7 2020
Henry Omatsola Aragho	P	P	P
Idaere Gogo Ogan	P	P	P
Emmanuel O. Eleoramo	P	P	P
Adeniyi Adekoya	P	P	P
Okey Nwuke	P	P	P
Iboroma Akpana	P	P	P

Tenure of the Statutory Audit Committee

The tenure of each Committee member is from the date of election at an Annual General Meeting till the next Annual General Meeting. The membership may, however, be renewed through re-election at the next Annual General Meeting.

Reconstitution of the Statutory Audit Committee

The Bank's Statutory Audit Committee has been reconstituted in line with the requirements of the Companies and Allied Matters Act 2020 which provides that the Committee should be composed of three shareholders and two Non-Executive Directors. This is as against the provisions of the 2004 Act which stated that the Committee should comprise an equal number of shareholders and Directors.

The composition of the Bank's Statutory Audit Committee was in compliance with the Companies and Allied Matters Act 2004 and comprised 3 shareholders and 3 Non-Executives, two of whom were Independent Non-Executive Director while the other is independent of the management of the Bank.

The composition of the Bank's Statutory Audit Committee in 2020 is highlighted below:

Name	Designation
Henry Omatsola Aragho	Chairman, Shareholders representative
Idaere Gogo Ogan	Member, Shareholders representative
Emmanuel O. Eleoramo	Member, Shareholders representative
Adeniyi Adekoya	Member, Board representative
Iboroma Akpana	Member, Board representative
Okey Nwuke	Member, Board representative

Role and Focus of the Statutory Audit Committee

The duties of the Statutory Audit Committee are as enshrined in Section 404 of CAMA. The statutory provisions are supplemented by the provision for the Codes of Corporate Governance issued by the CBN and SEC and are highlighted as follows:

- Ascertaining whether the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices.
- Reviewing the scope and planning of audit requirements.
- Reviewing the findings on management matters in conjunction with the external auditor and management's responses thereon.
- Keeping under review the effectiveness of the Company's system of accounting and internal control.
- Making recommendations to the Board on the appointment, removal and remuneration of the external auditors of the Company, ensuring the independence and objectivity of the external auditors so that there is no conflict of interest which could impair their independent judgement.
- Authorising the internal auditor to carry out investigations into any activity of the Company which may be of interest or concern to the Committee.
- Assisting in the oversight of the integrity of the company's financial statements, establishing and developing the internal audit function.

2020 Audit Fees

The audit fees paid by the Bank to PricewaterhouseCoopers, external auditors for the 2020 statutory audit was N603,000,000 while fees for non-audit services rendered to the Bank during the year amounted to N108,750,000.

Going Concern

The Directors confirm that after making appropriate enquiries, they have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

External Auditors

Messrs PricewaterhouseCoopers ('PwC') acted as our external auditors for the 2020 Financial Year. The Board confirms that the Bank has complied with the regulatory requirement as enshrined in the CBN and SEC Codes of Corporate Governance on the rotation of audit firm and audit partners. PwC was appointed the Bank's sole external auditors from the 2013 Financial year and has held office for eight years.

Succession planning

The Board has a robust policy which is aligned to the Bank's performance management process. The policy identifies key positions, including Country Managing Director positions for all the Group's operating entities in respect of which there will be formal succession planning. The policy provides that potential candidates for positions shall be identified at the beginning of each financial year.

Code of Ethics

The Bank's Codes of Conduct specifies expected behaviours for its employees and Directors. The Codes are designed to empower employees and Directors and enable effective decision making at all levels of the business according to defined ethical principles.

New employees are required to read and sign an attestation that they understand the content. In addition, there is an annual re-affirmation exercise for all employees. There is a Compliance Manual that provides guidelines for addressing violations/breaches and ensuring enforcement of discipline amongst staff. The Bank also has a Disciplinary Guide which provides sample offences/violations and prescribes disciplinary measures to be adopted in various cases. The Head Group Human Resources is responsible for the design and implementation of the "Code of Conduct", while the Chief Conduct and Compliance Officer is responsible for monitoring compliance.

The Chief Conduct and Compliance Officer issues at the beginning of the year an Ethics and Compliance message to all employees. The message reiterates the Bank's policy of total compliance with all applicable laws, regulations, corporate ethical standards and policies in the conduct of the Bank's business. It enjoins staff to promote the franchise and advance its growth in a sustainable manner while ensuring compliance with relevant policies, laws and regulations.

The Directors also undertake to abide by the provisions of the Bank's Code of Ethics for the Board.

Dealing in Company Securities

The Bank implements a Securities Trading Policy that prohibits Directors, members of the Audit Committee, employees and all other insiders from abusing, or placing themselves under the suspicion of abusing price sensitive information in relation to the Bank's securities. In line with the policy, affected persons are prohibited from trading on the company's security during a closed period which is usually announced by the Company Secretary. The Bank has put in place a mechanism for monitoring compliance with the policy.

Remuneration Policy

The Group has established a remuneration policy that seeks to attract and retain the best talent in countries that it operates. To achieve this, the Group seeks to position itself among the best performing and best employee rewarding companies in its industry in every market that it operates. This principle will act as a general guide for the determination of compensation in each country. The objective of the policy is to ensure that salary structures, including short- and long-term incentives, motivate sustained high performance and are linked to corporate performance. It is also designed to ensure that stakeholders can make reasonable assessment of the Bank's reward practices. The Group complies with all local tax policies in the countries of operation.

Operating within the guidelines set by the principles above, compensation for country staff is based on the conditions in the local economic environment as well as the requirements of local labour laws. The Group Office usually commissions independent annual compensation surveys in the subsidiaries to obtain independent statistics the local markets pay to arrive at specific compensation structures for each country. Compensation will be determined annually at the end of the financial year. All structural changes to compensation must be approved by the Group Office.

Total compensation provided to employees will typically include guaranteed and variable portions. The specific proportion of each will be defined at the country level. Guaranteed pay will include base pay and other guaranteed portions while variable pay may be both performance-based and discretionary.

The Bank has put in place a performance bonus scheme which seeks to attract and retain high-performing employees. Awards to individuals are based on the job level, business unit performance and individual performance. Other determinants of the size of individual award amounts include pay levels for each skill set which may be influenced by the relative dearth of skills in an area.

The Bank complies with the Pension Reform Act on the provision of retirement benefit to employees at all levels. The Bank also operates an Employee Performance Share Plan for the award of units of the Bank's shares to its employees, subject to terms and conditions determined by the Board of Directors.

The Bank's long-term incentive programme rewards top management staff for their loyal and productive service to the Bank. This is to ensure that they share in the Bank's success and focus on its long-term sustainability. The justification for a long-term incentive plan for top management employees is very compelling. The stability, loyalty and commitment of top management employees need to be strengthened by a long-term incentive programme.

Whistle-Blowing Procedure

The Bank expects all its employees and Directors to observe the highest level of probity in their dealings with the Bank and its stakeholders. Our Whistle-Blowing Policy covers internal and external whistle-blowers and extends to the conduct of the stakeholders including employees, vendors, and customers. It provides the framework for reporting suspected breaches of the Bank's internal policies and laws and regulations. The Bank has retained KPMG Professional Services to provide consulting assistance in the implementation of the policy. The policy provides that suspected wrongdoing by an employee, vendor, supplier or consultant may be reported through the Bank's or KPMG's Ethics lines or emails, details of which are provided below.

Telephone

Internal: +234-1-2712065 or IP4160

External: The whistle-blower is not billed for calls made within the same network. The KPMG Toll Free Lines include:

MTN:	0703-000-0026 & 0703-000-0027
AIRTEL:	0708-060-1222& 0808-822-8888
9MOBILE:	0809-993-6366
GLO:	0705-889-0140

E-Mail

Internal:	whistleblower@accessbankplc.com
External:	kpmgethicsline@ng.kpmg.com

The Bank's website also provides an avenue for lodging whistle-blower's reports. Individuals interested in whistleblowing may click on the Customer Service link on the Bank's website, scroll down to the whistle-blower column, and then register, anonymously or otherwise, any allegations they want the Bank to investigate.

The Bank's Chief Audit Executive is responsible for monitoring and reporting on whistleblowing. Quarterly reports are rendered to the Board Audit Committee.

In addition to the foregoing, stakeholders may also report unethical practices to the Central Bank of Nigeria via anticorruptionunit@cbn.gov.ng.

Customer Complaints and Resolution

The Bank complied with the provision of CBN Circular FPR/DIR/C IR/GEN/01/020 dated 16 August 2011 on handling consumer complaints. The Bank in line with the rules of the Securities and Exchange Commissions has implemented Investors Enquiries and Complaints Management Policy. The Policy is available in the Investor portal on the Bank's website.

Highlights of the Bank's Clawback Policy

The objective of the Clawback policy is to recover excess and undeserved rewards such as bonuses, incentives, profit sharing and other performance based compensations from current and former Executives and applicable Senior Management employees.

The policy would be triggered if the Bank's financial performance on which the reward was based is discovered to be materially false, misstated, erroneous or in instances of misdemeanour, fraud, material violation of the Bank's policy or regulatory infractions.

The Executives, Chief Financial Officer and applicable senior management employee must have served the Bank during the 'look back period' and incentives paid to them must have been tied to a financial parameter. The policy applies to any incentive based compensation paid during any of the three fiscal completed years immediately preceding the date the Bank is required to restate its financial results (look back period) , meaning the earlier of:

i. The date that the Audit Committee concludes that the Bank's previously issued financial statement contains a material error or

ii. The date on which a court, regulator or other similarly authorized body causes the Bank to restate its financial information to correct a material error.

Highlights of Sustainability Policies

The Bank's sustainability vision and strategy are underpinned by international principles, frameworks and standards that support the design of best-in-class local policies that enable effective mainstreaming of sustainability in the Bank for strategic growth and long-term success. The Bank's policies and frameworks (such as Enterprise Security Risk Management [ESRM], Health, Safety, Security and Environment [HSSE], Human Rights, and employee volunteering policies), continue to facilitate the achievement of its vision. These enable the Bank, its people and processes to address key issues such as supply chain management, human rights, environmental management, ethics, compliance and corruption, data security and privacy, diversity and equality, amongst others. The strict adherence to these policies is one of the ways to ensure Access Bank remains a responsible corporate citizen.

Access Bank Plc respects the rights of all people - men, women, old, young - living with HIV/AIDS (PLWHA). Access Bank was the first Nigerian bank to have a fully operational workplace policy on HIV/AIDS. We pioneered the HIV/ AIDS Workplace Policy Programme across all our subsidiaries.

The Bank has demonstrated an unwavering commitment to sustainability, evident in its leadership role in developing the Nigerian Sustainable Banking Principles (NSBPs) in 2012 – a set of nine principles by which all banks in Nigeria are encouraged to live the sustainability ethos.

The Bank has deployed several environmental protection initiatives including recycling, conservation of energy and water.

A detailed report on the Bank's sustainability activities in contained on pages 60-80 of this Annual report.

Statement of Compliance

We hereby confirm to the best of our knowledge that the Bank has complied with the following Codes of Corporate Governance and Listing Standards

1. The Code of Corporate Governance for Public Companies in Nigeria as Issued by the Securities and Exchange Commission
2. The Code of Corporate Governance for Bank and Discount Houses in Nigeria and the Guidelines for Whistle Blowing in the Nigerian Banking Industry
3. The Financial Reporting Council's Nigerian Code of Corporate Governance
4. The Nigerian Stock Exchange Rules for Listing on the Premium Board
5. The Post-Listing Rules of the Nigerian Stock Exchange

Save that in the event of any conflict regarding the provisions of the respective Codes and Rules, the Bank will defer to the provisions of the CBN Code as its primary regulator.

Dr. Ajoritsedere Awosika, MFA, mni
Chairman

Sunday Ekwochi
Company Secretary

03 ||
GOVERNANCE

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act, require the directors to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the Bank and Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Bank and Group; in relation to the consolidated and separate financial statements for the year ended 31, December.

I. Keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Bank and Group and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act;

II. Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

III. Prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

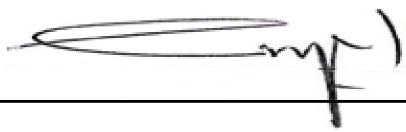
The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with;

- International Financial Reporting Standards
- Prudential Guidelines for Licensed Banks in Nigeria;
- Relevant circulars issued by the Central Bank of Nigeria;
- The requirements of the Banks and Other Financial Institutions Act;
- The requirements of the Companies and Allied Matters Act; and
- The Financial Reporting Council of Nigeria Act.

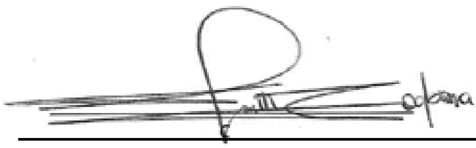
The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Bank and Group and of the financial performance and cash flows for the year. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the knowledge of the Directors to indicate that the Bank and Group will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Herbert Wigwe
Group Managing Director / CEO
FRC/2013/ICAN/00000001998
29, January 2021



Roosevelt Ogbonna
Group Deputy Managing Director
FRC/2017/ICAN/00000016638
29, January 2021

REPORT OF THE STATUTORY AUDIT COMMITTEE

To the members of Access Bank Plc:

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Access Bank Plc hereby report on the financial statements for the year ended 31 December 31, 2020 as follows:

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

We are of the opinion that the accounting and reporting policies of the Bank and Group are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2020 were satisfactory and reinforce the Group's internal control systems.

We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria Circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks". We hereby confirm that an aggregate amount of N2,232,941,594 (December 2019: N1,949,551,149) was outstanding as at 31 December 2020 which was performing as at 31 December 2020 (see note 45)

We have deliberated on the findings of the external auditors who have confirmed that necessary cooperation was received from management in the course of their audit and we are satisfied with management's responses thereon and with the effectiveness of the Bank's system of accounting and internal control.

FRC/2017/ICAN/00000016270
Mr. Henry Omatsola Aragho
Chairman, Audit Committee
28 January 2021

Members of the Audit Committee are:

1	Mr. Henry Omatsola Aragho,FCA	Shareholder	Chairman
2	Mr Emmanuel Olutoyin Eleoramo	Shareholder	Member
3	Mr Idaere Gogo Ogan	Shareholder	Member
4	Mr. Adeniyi Adekoya	Director	Member
5	Mr. Iboroma Akpana	Director	Member
6	Dr. Okey Nwuke, FCA	Director	Member

In attendance:
Sunday Ekwochi – Company Secretary

03 GOVERNANCE

03 ||
GOVERNANCE

CUSTOMERS COMPLAINTS AND FEEDBACK

Access Bank is fully committed to its core value of 'passion for customers'. The Bank prides itself on providing exceptional services to customers always. Nonetheless, given the number and complexity of financial transactions that take place daily, the Bank recognizes that there will inevitably be occasions when mistakes and misunderstandings occur. In these situations, Access Bank encourages customers to bring their concerns to its attention for prompt resolution. In addition, deliberate efforts are made to solicit customers' feedback on the Bank's products and services.

Complaints Channels

In order to facilitate seamless complaint and feedback process, the Bank has provided various channels for customers. These include:

- 24 hour contact centre with feedback through emails, telephone, SMS, Livechat, Social Media etc;
- Feedback portal on the Bank's website;
- Customer service desks in over 500 branches and toll-free telephone lines to the office of the Group Managing Director in the banking halls of key branches;
- Correspondence from customers;
- The Voice of Customer Solution;
- The Ombudsman Desk

Complaints Handling

We handle customer complaints with sensitivity and due regard for the needs and understanding of each complainant. Efforts are made to resolve customer's complaints at first level; However, where this cannot be done, they are immediately referred to the appropriate persons for resolution. All complaints are logged and tracked for resolution and feedback is provided to the customer.

Resolve or Refer Command Centre

The centre serves to encourage timely service delivery and first time resolution of customer issues. The 'Resolve or Refer Command Centre' is manned by a senior management staff who has the mandate to ensure that most customer issues are resolved same day. The command centre provides support to all our departments and branches on issue resolution.

Complaints Tracking and Reporting

We diligently track complaint information for continuous improvement of our processes and services. An independent review of the root cause of complaints are carried out and lessons learnt are fed back to the relevant business units to avoid recurrence. Customer complaints metrics are analysed and reports are presented to Executive Management and the Operational Risk Management Committee. Reports on customer complaints are also sent to the Central Bank of Nigeria as required.

CUSTOMERS' COMPLAINTS REPORT FOR THE YEAR ENDED 31 December 2020

	NAIRA						
S/N	**DESCRIPTION**	**NUMBER**		**AMOUNT CLAIMED (NAIRA)**		**AMOUNT REFUNDED (NAIRA)**	
		2020	**2019**	**2020**	**2019**	**2020**	**2019**
1	Pending complaints B/F	90,918	9,277	4,113,395,469	2,782,204,606	-	-
2	Received complaints	1,738,036	1,492,080	56,692,746,754	453,225,455,706	-	-
3	Resolved complaints	1,608,050	1,410,439	414,976,696	451,894,264,843	3,250,205,616	3,954,787,501
4	Unresolved complaints escalated to CBN for intervention	-		-	-	-	-
5	Unresolved complaints pending with the Bank C/F	220,904	90,918	60,391,165,527	4,113,395,469	-	-

	USD						
S/N	**DESCRIPTION**	**NUMBER**		**AMOUNT CLAIMED (USD)**		**AMOUNT REFUNDED (USD)**	
		2020	**2019**	**2020**	**2019**	**2020**	**2019**
1	Pending complaints B/F	43	39	82,513,727	10,801,210	-	-
2	Received complaints	6385	10,143	44,938,365	2,586,120,957	-	-
3	Resolved complaints	6040	10,139	588,602	2,514,408,440	433,733	3,239,116
4	Unresolved complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the Bank C/F	388	43	126,863,490	82,513,727	-	-

S/N	GBP DESCRIPTION	NUMBER 2020	2019	AMOUNT CLAIMED (GBP) 2020	2019	AMOUNT REFUNDED (GBP) 2020	2019
1	Pending complaints B/F	5	2	118,104	60,308		-
2	Received complaints	230	233	445,653	10,212,292	-	-
3	Resolved complaints	207	230	-	10,154,497	-	-
4	Unresolved complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the Bank C/F	28	5	563,757	118,104	-	-

S/N	EUR DESCRIPTION	NUMBER 2020	2019	AMOUNT CLAIMED (EUR) 2020	2019	AMOUNT REFUNDED (EUR) 2020	2019
1	Pending complaints B/F	4	2	8,837	14,109	-	-
2	Received complaints	336	481	771,010	5,092,486	-	-
3	Resolved complaints	324	479	-	5,097,758	-	-
4	Unresolved complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the Bank C/F	16	4	779,847	8,837	-	-

Solicited Customers Feedback

Deliberate efforts are made to solicit feedback from customers and staff on the Bank's products and services through the following:

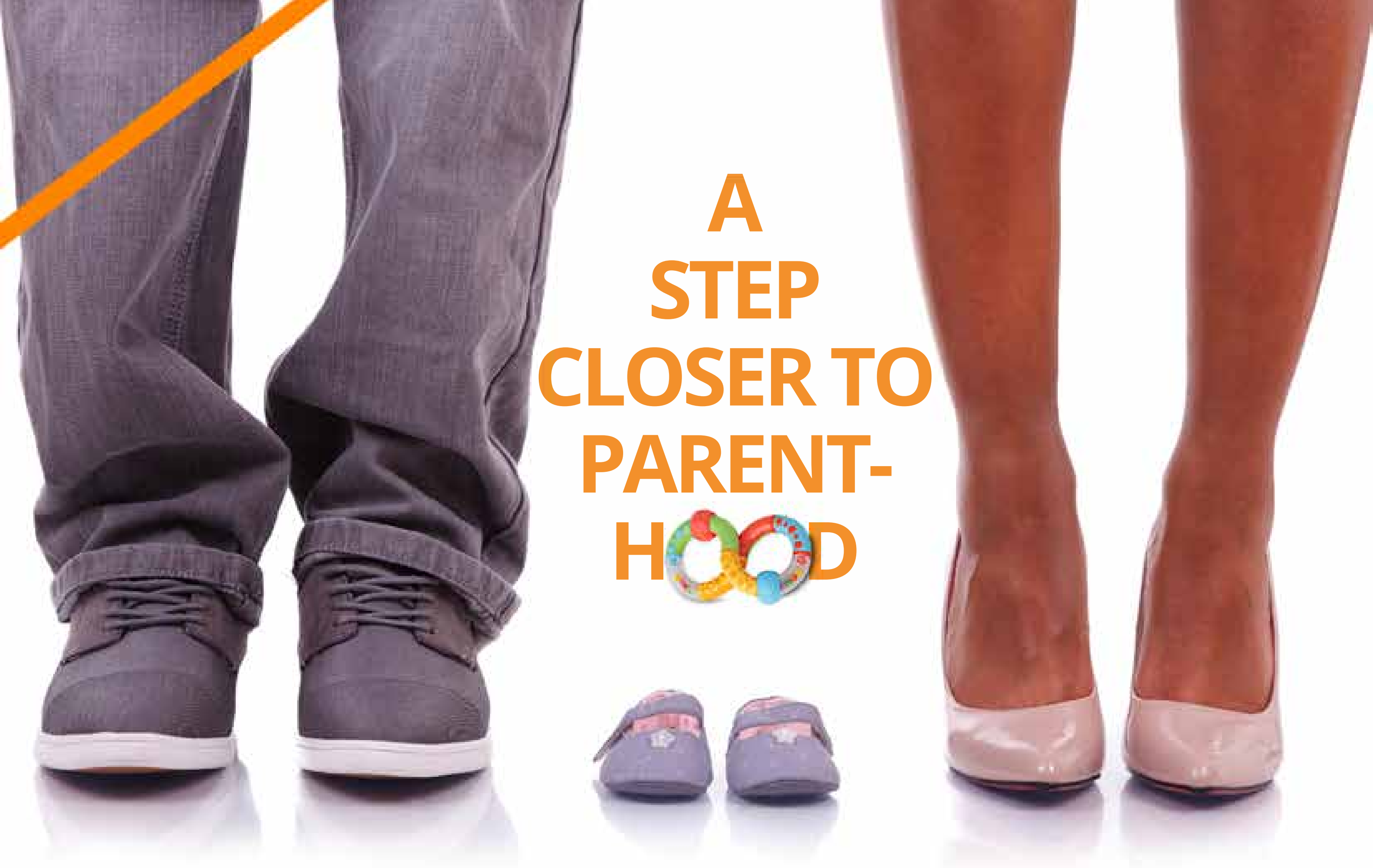
- Questionnaires;
- Customer interviews;
- Customers forum;
- Quest for Excellence Sessions (for staff); and
- Voice of Customer Surveys;

The various feedback efforts are coordinated by our Service and Innovation Group.

The feedback obtained from customers are reviewed and lessons learnt are used for staff training and service improvement across the Bank.

REPORTS TO THE CENTRAL BANK OF NIGERIA ON FRAUD AND FORGERIES

		December 2020			December 2019		
S/N	**Category**	**Frequency**	**Actual Loss**	**% Loss**	**Frequency**	**Actual Loss**	**% Loss**
1	ATM/Electronic Fraud	11,717	-	0.00%	5,715	-	0.00%
2	Cash Theft/ Suppression	40	55,933,180	40.48%	73	100,443,185	29.96%
3	Fraudulent Transfer/Withdrawals	27	82,237,064	59.52%	38	122,120,354	36.43%
4	Fraudulent Loan	-	-	0.00%	-	-	0.00%
5	Armed Robbery	-	-	0.00%	3	16,276,000	4.86%
6	Cyber Attack	-	-	0.00%	1	96,363,209	28.75%
7	Clearing	-	-	0.00%	1	-	0.00%
8	Presentation of Forged Instrument	-	-	0.00%	5	-	0.00%
	TOTAL	**11,784**	**138,170,244**	**100%**	**5,836**	**335,202,748**	**100%**



A STEP CLOSER TO PARENT-HOOD

Did you know that you could acess the Maternal Health Service Support (MHSS) loan for your medical procedures such as fertility treatment, child delivery abroad, fibroid removal, orthopaedic procedures, weight loss procedures & more?

Enjoy

- Highly discounted interest rate at 14% per annum
- Zero fees
- Flexible repayment plan
- Expert consultation services from our partner fertility clinics of your choice

To find out more, Please call 01-2364875
Email: womenbankingteam@accessbankplc.com

Join the W Community
www.thewcommunity.com
Follow us on @thewcommunity

Maternal Health Service Support • 1ST of its kind in Nigeria •

Inspiring • Connecting • Empowering

access more than banking

WHISTLEBLOWING REPORT

COMMITMENT TO ETHICAL AND PROFESSIONAL STANDARDS

The Board and senior management of Access Bank Plc have continued to set the tone for strong ethical and professional standards in terms of ensuring that shareholders' reputation and financial assets are safeguarded. The Bank has instituted machineries that will support and build organizational trust via the establishment of the whistleblowing policy and reporting channels. This is to support the detection and reporting of unethical behaviours within the Group. All stakeholders are expected to comply with the standards described in the policy in the discharge of their duties.

Whistle blowing refers to the practice of reporting wrongdoing or unethical behaviour in an organization. It is primarily for reporting concerns where the interest of the Bank or its stakeholders is at stake. It further always reinforces the value the Bank places on its staff to act honestly and professionally.

The Objectives of the Bank's Whistleblowing policy remains:

- To support our corporate philosophy.
- To comply with the Central Bank of Nigeria Guidelines for Whistle-Blowing For Banks and Other Financial Institutions in Nigeria.
- To encourage employees to confidently raise concerns about unethical violation of the Bank's policies and breach of professional code of conduct.
- To reassure the whistle blower of protection from possible reprisals or victimization
- To provide a transparent process for dealing with concerns.
- To regularly communicate to members of staff the avenues open to them to report concerns.
- To encourage employees and other stakeholders to identify and challenge all improper, unethical, or inappropriate behaviour at all levels of the organization.
- To provide clear procedures for reporting and handling such concern(s).
- Proactively prevent and deter misconduct that could damage the Bank's reputation.

Channels for Reporting

The Channels available for reporting remains the outsourced point managed by the KPMG and the Internal point within the Bank. Both points utilise Telephone and E-Mail (dedicated email and Access Bank Website) access for reporting and seeks to assure employees and other stakeholders of confidentiality and protection. This helps promote and develop a culture of openness, accountability, and integrity.

The Bank shall not subject a whistleblower to any detriment whatsoever on the grounds that she/he has made a disclosure in accordance with the provisions of the CBN guidelines for whistle blowing even when it is untrue but in good faith.

The Bank continues to retain the services of a professional auditing firm (PricewaterhouseCoopers) to reassure Management of our commitment to professionalism and excellence in our standards.

An internal whistleblowing concern may be raised through the following:

- Formal letter to the Group Managing Director, Access Bank Plc or the Head, Internal Audit, Access Bank Plc.
- Call to dedicated phone numbers; 01-2712065 or IP 4160
- Dedicated email address – whistleblower@accessbankplc.com
- Via Access Bank website – www.accessbankplc.com

The Internal Whistle Blowing Hotline is available during working hours on workdays only. However, the email channel is always available, and the information provided by the whistle blower kept confidential.

For an external whistleblowing concern, the following KPMG channels are available for use

- Through the KPMG Ethics Line

  E-mail: kpmgethicsline@ng.kpmg.com

- Toll free numbers for calls from MTN numbers only:

  0703-000-0026; 0703-000-0027

- Toll free number for calls from Airtel numbers only:

  0708 060 1222; 0808-822-8888

- Toll free number for calls from 9MOBILE numbers only:

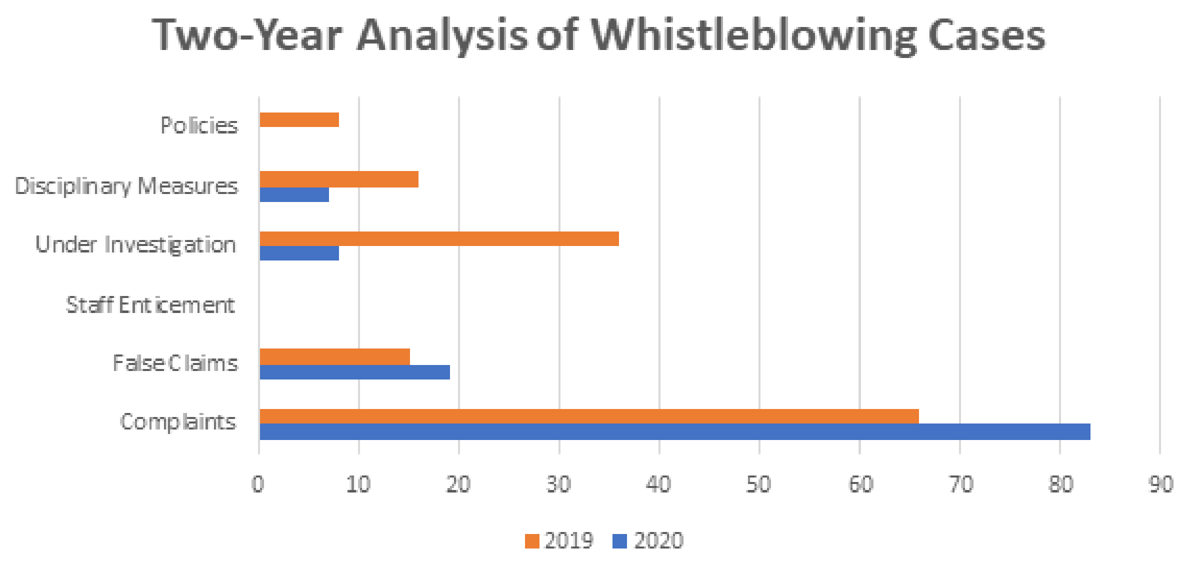
  0809 993 6366

- Toll free number for calls from GLO numbers only:

  0705 889 0140

Protection for Whistleblower

Any staff, consultant, director, or member of the public who in good faith reports an irregularity in compliance with the provisions of the policy, shall be protected against any act of retaliation. The Bank shall not subject the whistle-blower to any detriment whatsoever on the grounds that he/she has made a disclosure in accordance with the provisions of the CBN Guidelines for whistle blowing even when it is untrue.



Regulatory Channels which can also be explored by the whistle blower are as stated below:

Regular	**Address**
Central Bank of Nigeria	Central Business District, Garki, Abuja, Nigeria Phone +234(0) 946237401 Email: anticorruptionunit@cbn.gov.ng
Nigeria Deposit Insurance Corporation (NDIC)	Plot 447/448 Constitution Av. Central Business District, Garki, Abuja Phone: +234(0) 94601380-9, 96171380-9 Email:info@ndic.org.ng, helpdesk@ndic.org.ng
Securities and Exchange Commission (SEC)	SEC Towers, Plot 272, Samuel Adesujo Ademulegun St, Central Business District, Garki, Abuja Phone: +234(0) 94621159 Email: sec@sec.gov.ng
Nigeria Stock Exchange (NSE)	Stock Exchange House, 2/4 Custom St. Marina, Lagos Phone: +234(0) 14489373, 817243061, 81206463 Email: x-whistle@nse.com.ng
National Pension Commission	174 Adetokunbo Ademola Crescent, Wuse 2, Abuja, Nigeria Phone: 0700-CALLPEN-COM(0700-225-573-6266),+23494603930 Email: info@pencom.gov.ng

04

FINANCIAL STATEMENTS

An analysis of Access Bank's 4 Business Divisions, Risk Management Framework, Our People, Culture & Diversity and Sustainability

pwc

Independent auditor's report
To the Members of Access Bank Plc

Report on the audit of the consolidated and separate financial statements

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

What we have audited

Access Bank Plc's consolidated and separate financial statements comprise:

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

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

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

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Purchase Price Allocation and determination of intangible assets arising on business combination (refer to notes 3.3b, 4xii, 29 and 44)	
The Group acquired 100% of the share capital of Diamond Bank Plc on 19 March 2019 for a purchase consideration of N 62.5 billion resulting in a provisional goodwill of N 51.3 billion. The accounting for this transaction is complex due to the significant judgements and estimates that are required in the identification and measurement of the fair value of the assets and liabilities acquired. The directors have concluded the Purchase Price Allocation (PPA) for the acquisition and identified the following intangible assets in accordance with IFRS 3 "Business combinations": • Brand • Customer relationship • Core deposits The directors employed an external valuation expert to determine the valuation of these intangible assets using the following standard valuation methodologies (in order of above): • Relief-from-royalty method • Replacement cost method • Funding benefit method We have determined this to be a key audit matter based on the materiality and complexity of the acquisition and the significance of the transaction to the Group. This is considered a key audit matter in the consolidated and separate financial statements.	We tested the reasonableness of the directors' determination of the fair value of purchase consideration. With the assistance of our internal valuation experts we: • assessed the reasonableness of the directors determination of Brand, Customer relationships and Core deposits as intangible assets arising on acquisition of the defunct Diamond Bank Plc; and • evaluated the methodologies used by the directors' external expert in determining the fair values of the intangibles for reasonableness; and • agreed the amounts in the expert's report to the amount recognised in the financial statements. We evaluated the adequacy of the disclosures in the consolidated and separate financial statements.
Impairment of goodwill (refer to notes 3.13a, 3.14, 4ii and 29b)	
The carrying value of goodwill as at 31 December 2020 is N 11.78 billion and is attributable to the group's acquisitions in Nigeria (N 4.55 billion), Kenya (N 6.55 billion) and Rwanda (N 0.68 billion).	Our procedures in relation to the assessment of the carrying value of goodwill included:

We identified the impairment assessment of goodwill arising from the acquisition in Nigeria as a key audit matter due to the materiality, significant judgement and assumptions about the future performance of the cash generating unit (CGU) to which the goodwill has been allocated. The acquisition in Kenya occurred during the year and provisional numbers have been recorded in the consolidated and separate financial statements. Hence, no impairment assessment was performed on the goodwill arising from this acquisition. The directors have made a number of key assumptions and assertions to support their assessment of the carrying value of goodwill attributable to this CGU. These include the growth rates and the discount rate applied to forecast performance based on the directors' views of future business prospects. This is considered a key audit matter in the consolidated and separate financial statements.	• assessing the reasonableness of the valuation methodology adopted by the directors; • challenging the reasonableness of key assumptions around growth rate and discount rate based on our knowledge of the business and industry; and • reconciling input data used in the cash flow forecasts to supporting evidence, such as prior and current year audited consolidated and separate financial statements. With the assistance of our internal valuation experts, we: • independently determined the recoverable amount of goodwill and compared to the carrying amount in the consolidated and separate financial statements; and • performed a sensitivity analysis to evaluate the potential impact of reasonably possible downside changes in these key assumptions. We checked the disclosures in the consolidated and separate financial statements to the requirements of the accounting standard.
Impairment on loans and advances to customers – N149.1 billion (refer to notes 3.9, 4i and 23) We focused on this area because the directors exercise significant judgement, using subjective assumptions when determining both the timing and the amounts to recognise as impairment. The IFRS 9 'Financial Instruments' impairment methodology requires significant judgement in measuring expected credit loss (ECL). Areas where significant judgement was exercised includes: • the definition of default adopted by the bank; • determining the criteria for assessing significant increase in credit risk (SICR); • determination of the key inputs used in determining the lifetime exposure at default (EAD);	We adopted a substantive approach in assessing the allowance for impairment made by the directors. We performed the following procedures: • checked that the Group applied a default definition that is consistent with IFRS 9 qualitative default criteria and days past due backstop indicator; • evaluated the reasonableness of the Group's determination of significant increase in credit risk; • applied a risk-based target testing approach in selecting a sample of credit facilities for detailed reviews of related customer files and account statements. With the assistance of our credit experts, we:

- methodologies adopted by the bank in modelling the probability of default (PD) used in the ECL model;
- estimation of Loss Given Default (LGD) by considering collateral values and assumptions inherent in the model; and
- incorporating forward looking information and the determination of multiple economic scenarios used in the ECL model.

This is considered a key audit matter in the consolidated and separate financial statements.

- tested the appropriateness of the exposure at default by checking whether relevant facility specific information have been incorporated in determining the EAD term structure;
- checked the reasonableness of the methodology used in modelling PD to assess for consistency with acceptable modelling techniques;
- evaluated the reasonableness of the Loss Given Default (LGD) by reviewing collateral values along with assumptions inherent in the model; and
- checked the reasonableness of forward-looking information and multiple economic scenarios considered.

We evaluated the IFRS 9 disclosures for reasonableness.

Other information

The directors are responsible for the other information. The other information comprises Corporate information, Directors' report, Customer complaints and feedback, Corporate governance report, Statement of directors' responsibilities, Report of the statutory audit committee, Statement of corporate responsibility, Risk management framework, Other disclosures: Assessment of Covid- 19 impact on going concern, Value added statement and Five-year financial summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Access Bank Plc 2020 Annual Report, which are expected to be made available to us after that date.

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

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

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

iii) the bank's statement of financial position and statement of comprehensive income are in agreement with the books of account and returns;

iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 45 to the consolidated and separate financial statements; and

v) as disclosed in Note 41 to the consolidated and separate financial statements, the bank paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2020.

Chidi Ojechi

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

31 March 2021

Engagement Partner: Chidi Ojechi
FRC/2017/ICAN/00000015955

Statement of Corporate Responsibity for the Consolidated and separate Financial Statements for the year ended 31 December 2020

In line with the provision of S.405 of CAMA 2020 we have reviewed the audited financial statements of the Group for the year ended 31 December, 2020 and based on our knowledge confirm as follows;

I. The Report does not contain any untrue statement, or material fact, or omits to state a material fact, which would make the statement misleading under the circumstances they were made.

II. The financial statements and other financial information, included in the report fairly present in all material respects, the financial condition and result of operations of the Group as of, and for the periods presented in the report.

III. We are responsible for maintaining internal controls

IV We have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the period reports are being prepared.

V We have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report.

VI We have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.

VII We have disclosed to the Auditors of the company and audit committee; all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarise and report financial data and have identified for the company's Auditors any material weakness in internal controls, and any fraud, whether or not material, that involves management or other employees who have significant roles in the company's internal controls.

VIII We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of their valuation, including any corrective actions with regard to significant deficiencies and material weaknesses.

29 January, 2021

Oluseyi Kumapayi
Chief Financial Officer
FRC/2013/ICAN/00000000911

Herbert Wigwe
Group Managing Director/CEO
FRC/2013/ICAN/00000001998

FINANCIAL STATEMENTS AND ACCOUNTS

Consolidated and separate statement of comprehensive income

In thousands of Naira	Notes	Group December 2020	*Restated Group December 2019	Bank December 2020	*Restated Bank December 2019
Interest income calculated using effective interest rate	8	425,666,038	453,550,213	342,109,525	391,459,009
Interest income on financial assets at FVTPL	8	63,550,668	83,296,576	54,568,774	80,009,759
Interest expense	8	(226,266,663)	(259,617,791)	(198,403,593)	(238,708,397)
Net interest income		262,950,043	277,228,998	198,274,706	232,760,371
Net impairment charge	9	(62,893,120)	(20,189,392)	(39,650,582)	(21,055,481)
Net interest income after impairment charges		200,056,923	257,039,606	158,624,124	211,704,890
Fee and commission income	10 (a)	116,700,349	91,845,403	96,679,032	75,365,238
Fee and commission expense	10 (b)	(23,126,925)	(17,798,050)	(22,443,839)	(17,115,894)
Net fee and commission income		93,573,424	74,047,353	74,235,193	58,249,344
Net gains on financial instruments at fair value	11a,b	122,689,735	66,102,274	116,168,028	64,711,601
Net foreign exchange loss	12 a	(7,568,256)	(83,876,395)	(16,545,919)	(93,038,918)
Net loss on fair value hedge (Hedging ineffectiveness)	12 b	(795,254)	-	(795,254)	-
Other operating income	13	44,474,162	55,835,530	42,679,584	53,553,485
Profit on disposal of subsidiaries	48	-	-	-	4,287,666
Personnel expenses	14	(73,173,176)	(76,964,138)	(54,590,720)	(60,712,847)
Depreciation	28	(27,615,333)	(21,232,914)	(22,813,359)	(17,113,619)
Amortization and impairment	29	(9,913,194)	(7,927,685)	(9,246,069)	(7,441,118)
Other operating expenses	15	(215,806,906)	(151,098,110)	(197,519,729)	(134,986,773)
Profit before tax		125,922,129	111,925,523	90,195,880	79,213,711
Income tax	16	(19,912,434)	(17,868,920)	(10,156,549)	(9,097,722)
Profit for the year		**106,009,695**	**94,056,603**	**80,039,331**	**70,115,989**
Other comprehensive income (OCI) net of income tax :					
Items that will not be subsequently reclassified to income statement:					
Actuarial loss on remeasurements of retirement benefit obligations		(260,968)	(621,039)	(260,968)	(621,039)
Items that may be subsequently reclassified to the income statement:					
Unrealised foreign currency translation difference		4,993,614	(4,155,945)	-	-
Changes in fair value of FVOCI financial instruments		57,683,203	6,477,225	58,444,389	7,373,186
Changes in allowance on FVOCI financial instruments		301,003	109,420	294,277	63,713
Other comprehensive gain, net of related tax effects		62,716,852	1,809,661	58,477,698	6,815,860
Total comprehensive income for the year		**168,726,547**	**95,866,264**	**138,517,029**	**76,931,849**
Profit attributable to:					
Owners of the bank		104,682,985	93,048,868	80,039,331	70,115,989
Non-controlling interest	38	1,326,710	1,007,735	-	-
Profit for the year		**106,009,695**	**94,056,603**	**80,039,331**	**70,115,989**
Total comprehensive income attributable to:					
Owners of the bank		169,916,655	95,207,790	138,517,029	76,931,849
Non-controlling interest	38	(1,190,108)	658,474	-	-
Total comprehensive income for the year		**168,726,547**	**95,866,264**	**138,517,029**	**76,931,849**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	301	279	225	207
Diluted (kobo)	17	295	275	225	207

The notes are an integral part of these consolidated financial statements.

* See Note 46 - Restatement of prior year financial information

Consolidated and separate statement of financial position

As at 31 December 2020

In thousands of Naira	Notes	Group December 2020	*Restated Group December 2019	Bank December 2020	*Restated Bank December 2019
Assets					
Cash and balances with banks	18	723,872,820	723,064,003	589,812,439	575,906,273
Investment under management	19	30,451,466	28,291,959	30,451,466	28,291,959
Non pledged trading assets	20	207,951,943	129,819,239	110,283,112	76,971,761
Derivative financial assets	21	251,112,745	143,520,553	244,564,046	143,480,073
Loans and advances to banks	22	392,821,307	152,825,081	231,788,276	164,413,001
Loans and advances to customers	23	3,218,107,027	2,911,579,708	2,818,875,731	2,481,623,671
Pledged assets	24	228,545,535	605,555,891	228,545,535	605,555,892
Investment securities	25	1,749,549,145	1,084,604,187	1,428,039,657	813,706,953
Investment properties	31a	217,000	927,000	217,000	727,000
Restricted deposit and other assets	26	1,548,891,262	1,055,510,452	1,490,633,058	1,004,310,282
Investment in subsidiaries	27b	-	-	164,251,532	131,458,709
Property and equipment	28	226,478,704	211,214,241	191,893,320	188,634,458
Intangible assets	29	69,189,845	62,479,692	67,496,079	67,550,666
Deferred tax assets	30	4,240,448	8,807,563	-	-
		8,651,429,247	7,118,199,569	7,596,851,251	6,282,630,698
Asset classified as held for sale	31b	28,318,467	24,957,519	28,128,467	24,957,518
Total assets		**8,679,747,714**	**7,143,157,088**	**7,624,979,718**	**6,307,588,216**
Liabilities					
Deposits from financial institutions	32	958,397,171	1,186,356,312	831,632,332	1,079,284,414
Deposits from customers	33	5,587,418,213	4,255,837,303	4,832,744,495	3,668,339,811
Derivative financial liabilities	21	20,880,529	6,885,680	20,775,722	6,827,293
Current tax liabilities	16	2,159,921	3,531,410	2,546,893	1,409,437
Other liabilities	34	379,416,786	324,333,880	342,460,268	302,261,950
Deferred tax liabilities	30	14,877,285	11,272,928	11,925,861	4,507,110
Debt securities issued	35	169,160,059	157,987,877	169,160,059	157,987,877
Interest-bearing borrowings	36	791,455,237	586,602,830	755,254,273	544,064,226
Retirement benefit obligation	37	4,941,268	3,609,037	4,584,149	3,418,060
Total liabilities		**7,928,706,469**	**6,536,417,257**	**6,971,084,052**	**5,768,100,178**
Equity					
Share capital and share premium	38	251,811,463	251,811,463	251,811,463	251,811,463
Retained earnings		252,396,881	221,665,749	206,896,038	188,925,555
Other components of equity	38	239,494,175	124,733,785	195,188,165	98,751,020
Total equity attributable to owners of the Bank		**743,702,519**	**598,210,997**	**653,895,666**	**539,488,038**
Non controlling interest	38	7,338,726	8,528,834	-	-
Total equity		**751,041,245**	**606,739,831**	**653,895,666**	**539,488,038**
Total liabilities and equity		**8,679,747,714**	**7,143,157,088**	**7,624,979,718**	**6,307,588,216**

Signed on behalf of the Board of Directors on 29 January, 2021 by:

GROUP MANAGING DIRECTOR
Herbert Wigwe
FRC/2013/ICAN/00000001998

CHIEF FINANCIAL OFFICER
Oluseyi Kumapayi
FRC/2013/ICAN/00000000911

GROUP DEPUTY MANAGING DIRECTOR
Roosevelt Ogbonna
FRC/2017/ICAN/00000016638

Consolidated and separate statement of changes in equity

In thousands of Naira **Group**								Attributable to owners of the Bank					
	Share capital	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share scheme reserve**	**Treasury Shares**	**Capital reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
Balance at 1 January 2020	**17,772,613**	**234,038,850**	**18,091,941**	**93,322,654**	**1,881,768**	**(4,795,914)**	**3,489,080**	**964,243**	**11,780,013**	**225,118,814**	**601,664,062**	**8,528,834**	**610,192,896**
Restatement of amortization of identified intangible asset at acquisition for 2019 (See note 46)	-	-	-	-	-	-	-	-	-	(3,453,063)	**(3,453,063)**	**-**	**(3,453,063)**
Restated Balance at 1 January, 2020	**17,772,613**	**234,038,850**	**18,091,941**	**93,322,654**	**1,881,768**	**(4,795,914)**	**3,489,080**	**964,243**	**11,780,013**	**221,665,751**	**598,210,999**	**8,528,834**	**606,739,832**
Total comprehensive income for the year:													
Profit for the year	-	-	-	-	-	-	-	-	-	104,682,985	104,682,985	1,326,710	106,009,695
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	6,352,317	-	6,352,317	(1,358,703)	4,993,614
Actuarial gain on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	(260,968)	(260,968)	-	(260,968)
Changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	58,841,318	-	-	58,841,318	(1,158,115)	57,683,203
Changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	301,003	-	-	301,003	-	301,003
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**		**-**	**-**	**59,142,321**	**6,352,317**	**(260,968)**	**65,233,670**	**(2,516,818)**	**62,716,851**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**59,142,321**	**6,352,317**	**104,422,017**	**169,916,655**	**(1,190,108)**	**168,726,547**
Transactions with equity holders, recorded directly in equity:													
Transfers during the year	-	-	28,334,037	22,252,453	-	-	-	-	-	(50,586,490)	-		-
Scheme shares	-	-	-	-	818,385	(315,732)	-	-	-	-	502,653	-	502,653
Vested shares	-	-	-	-	(1,823,391)	-	-	-	-	-	(1,823,391)	-	(1,823,391)
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(23,104,397)	(23,104,397)	-	(23,104,397)
Total contributions by and distributions to equity holders	**-**	**-**	**28,334,037**	**22,252,453**	**(1,005,006)**	**(315,732)**	**-**	**-**	**-**	**(73,690,887)**	**(24,425,135)**	**-**	**(24,425,135)**
Balance at 31 December 2020	**17,772,613**	**234,038,850**	**46,425,978**	**115,575,107**	**876,762**	**(5,111,646)**	**3,489,080**	**60,106,564**	**18,132,330**	**252,396,881**	**743,702,519**	**7,338,726**	**751,041,245**

Consolidated and separate statement of changes in equity

In thousands of Naira								Attributable to owners of the Bank					
Group	**Share capital**	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share scheme reserve**	**Treasury Shares**	**Capital reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
Balance at 1 January 2019	**14,463,986**	**197,974,816**	**19,942,296**	**82,889,946**	**1,725,385**	**(3,401,302)**	**3,489,080**	**(5,622,402)**	**15,586,697**	**155,592,885**	**482,641,387**	**7,870,360**	**490,511,747**
Total comprehensive income for the year:													
Profit for the year	-	-	-	-	-	-	-	-	-	93,048,868	93,048,868	1,007,735	94,056,603
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	(3,806,684)	-	(3,806,684)	(349,261)	(4,155,945)
Actuarial gain on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	(621,039)	(621,039)	-	(621,039)
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	6,477,225	-	-	6,477,225	-	6,477,225
Net changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	109,420	-	-	109,420	-	109,420
Total other comprehensive income/(loss)	-	-	-	-	-	-	-	6,586,645	(3,806,684)	(621,039)	2,158,922	(349,261)	1,809,661
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,586,645**	**(3,806,684)**	**92,427,829**	**95,207,790**	**658,474**	**95,866,264**
Transactions with equity holders, recorded directly in equity:													
Transfers during the year	-	-	(1,850,355)	10,432,708	-	-	-		-	(8,582,352)	-	-	-
Shares issued under scheme of merger	3,308,627	36,064,034	-	-	-	-	-	-	-	-	39,372,661	-	39,372,661
Additional shares	-	-	-	-	107,000	(2,330,544)	-	-	-	-	(2,223,544)	-	(2,223,544)
Scheme shares	-	-		-	985,315		-	-		-	985,315	-	985,315
Vested shares	-	-	-	-	(935,932)	935,932	-	-	-	-	-	-	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(17,772,613)	(17,772,613)	-	(17,772,613)
Total contributions by and distributions to equity holders	**3,308,627**	**36,064,034**	**(1,850,355)**	**10,432,708**	**156,383**	**(1,394,612)**	**-**	**-**	**-**	**(26,354,965)**	**20,361,819**	**-**	**20,361,819**
Balance at 31 December 2019	**17,772,613**	**234,038,850**	**18,091,941**	**93,322,654**	**1,881,768**	**(4,795,914)**	**3,489,080**	**964,243**	**11,780,013**	**221,665,749**	**598,210,996**	**8,528,834**	**606,739,831**

Consolidated and separate statement of changes in equity

In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserve	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2020	**17,772,613**	**234,038,850**	**9,483,000**	**83,061,699**	**1,881,767**	**3,489,081**	**835,473**	**192,378,618**	**542,941,101**
Restatement of amortization of identified intangible asset at acquisition for 2019 (See note 46)	-	-	-	-	-	-	-	(3,453,063)	**(3,453,063)**
Restated Balance at 1 January, 2020	**17,772,613**	**234,038,850**	**9,483,000**	**83,061,699**	**1,881,767**	**3,489,081**	**835,473**	**188,925,555**	**539,488,038**
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	80,039,331	80,039,331
Other comprehensive income, net of tax									
Actuarial gain on remeasurement of retirement benefit	-	-	-	-	-	-	-	(260,968)	(260,968)
Changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	58,444,389	-	58,444,389
Changes in allowance on FVOCI financial instruments				-			294,277	-	294,277
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**58,738,666**	**(260,968)**	**58,477,698**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**58,738,666**	**79,778,363**	**138,517,029**
Transactions with equity holders, recorded directly in equity:									
Transfers for the year	-	-	26,697,585	12,005,900	-	-	-	(38,703,485)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(23,104,397)	(23,104,397)
Scheme shares	-	-	-	-	818,385	-	-	-	818,385
Vested shares	-	-	-	-	(1,823,391)	-	-	-	(1,823,391)
Total contributions by and distributions to equity holders	**-**	**-**	**26,697,585**	**12,005,900**	**(1,005,006)**	**-**	**-**	**(61,807,880)**	**(24,109,403)**
Balance at 31 December 2020	**17,772,613**	**234,038,850**	**36,180,585**	**95,067,599**	**876,761**	**3,489,081**	**59,574,139**	**206,896,038**	**653,895,664**

Consolidated and separate statement of changes in equity

In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2019	**14,463,986**	**197,974,816**	**9,483,000**	**72,026,340**	**1,725,385**	**3,489,081**	**(6,601,426)**	**148,238,577**	**440,799,759**
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	70,115,989	70,115,989
Other comprehensive income, net of tax									
Actuarial gain on remeasurement of retirement benefit	-	-	-	-	-	-	-	(621,039)	(621,039)
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	7,373,186	-	7,373,186
Net changes in allowance on FVOCI financial instruments				-			63,713		63,713
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**7,436,899**	**(621,039)**	**6,815,860**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**7,436,899**	**69,494,950**	**76,931,849**
Transactions with equity holders, recorded directly in equity:									
Transfers for the year	-	-	-	11,035,359	-	-	-	(11,035,359)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(17,772,613)	(17,772,613)
Shares issued under scheme of merger	3,308,627	36,064,034	-	-	-	-	-	-	39,372,661
Additional shares	-	-	-	-	106,999	-	-	-	106,999
Scheme shares	-	-	-	-	985,315	-	-	-	985,315
Vested shares	-	-	-	-	(935,932)	-	-	-	(935,932)
Total contributions by and distributions to equity holders	**3,308,627**	**36,064,034**	**-**	**11,035,359**	**156,382**	**-**	**-**	**(28,807,972)**	**21,756,430**
Balance at 31 December 2019	**17,772,613**	**234,038,850**	**9,483,000**	**83,061,699**	**1,881,767**	**3,489,081**	**835,473**	**188,925,555**	**539,488,038**

04 FINANCIAL STATEMENTS

Consolidated and separate statement of cashflows

In thousands of Naira	Note	Group December 2020	*Restated Group December 2019	Bank December 2020	*Restated Bank December 2019
Cash flows from operating activities					
Profit before income tax		125,922,129	111,925,517	90,195,880	79,213,711
Adjustments for:					
Depreciation	28	27,615,333	21,232,914	22,813,359	17,113,619
Amortization and impairment loss	29	9,913,195	7,927,685	9,246,070	7,441,118
Fair value gain on investment property	13	-	(25,000)	-	-
Gain on disposal of property and equipment	13	(1,987,366)	(594,872)	(2,018,982)	(183,049)
(Loss)/Gain on disposal of investment property		(40,000)	153,946	(40,000)	153,946
Loss on lease modification		522,438	63,329	545,865	63,329
Loss on disposal of asset held for sale		-	198,850	-	198,850
Fair value gain on financial assets at FVPL		(36,777,893)	(11,237,409)	(36,777,894)	(11,237,409)
Gain on disposal of investment securities	9	(34,269,886)	(2,265,686)	(29,142,993)	(2,265,686)
Impairment on financial assets		62,893,121	20,164,358	39,650,582	21,055,479
Additional gratuity provision		948,453	774,562	782,312	600,060
Restricted share performance plan expense		818,385	1,092,314	818,385	985,315
Write-off of property and equipment and intangible assets	28	116,586	167,405	-	103,516
Profit on disposal of subsidiaries		-	-	-	(4,287,666)
Net interest income	8	(262,950,043)	(278,116,647)	(198,274,705)	(232,760,371)
Unrealised foreign exchange loss on revaluation	12	52,234,392	19,053,227	49,943,169	17,029,703
Loss on derognition of ROU assets		362,975	-	261,101	-
Fair value of derivative financial instruments		(93,597,342)	(13,082,716)	(87,135,544)	(13,387,046)
Dividend income	13	(2,319,994)	(2,576,171)	(2,319,994)	(3,151,485)
		(150,595,515)	(125,144,394)	(141,453,387)	(123,314,064)
Changes in operating assets					
Changes in non-pledged trading assets		(75,618,149)	(71,289,759)	(33,558,067)	(20,678,371)
Changes in pledged assets		(56,997,669)	476,528,234	(57,007,470)	476,452,942
Changes in other restricted deposits with central banks		44,916,017	(44,514,019)	44,556,655	(5,813,506)
Changes in loans and advances to banks and customers		(738,762,860)	(282,895,899)	(569,045,300)	(237,771,116)
Changes in restricted deposits and other assets		(514,858,162)	(62,624,567)	(518,491,388)	(81,739,297)
Changes in operating liabilities					
Changes in deposits from banks		(233,368,647)	129,334,795	(244,804,888)	409,815,330
Changes in deposits from customers		1,309,402,672	653,011,639	1,172,879,110	570,748,593
Chnages in other liabilities		45,992,245	18,523,510	41,689,071	12,356,179
Cash flows from operating activities		(369,890,069)	690,929,540	(305,235,665)	1,000,056,689
Interest paid on deposits to banks and customers		(181,994,733)	(226,142,999)	(165,307,405)	(211,969,418)
Interest received on loans and advances to bank and customers		407,441,404	247,082,946	335,134,805	232,654,477
Interest received on non-pledged trading assets		61,026,311	84,395,835	54,815,491	81,109,018
Payment to gratuity benefit holders		-	(415,000)	-	(415,000)
		(83,417,087)	795,850,322	(80,592,775)	1,101,435,765

Income tax paid		(12,165,887)	(14,686,580)	(833,943)	(5,677,827)
Net cash (used in)/ generated from operating activities		(95,582,974)	781,163,742	(81,426,718)	1,095,757,938
Cash flows from investing activities					
Acquisition of investment securities		(8,516,797,176)	(6,043,119,994)	(8,412,843,685)	(6,014,899,148)
Interest received on investment securities		101,586,670	89,682,585	75,146,701	70,648,399
Addiitonal investment to fund managers		(2,174,162)	(1,362,890)	(2,174,162)	(1,362,890)
Dividend received	13	2,319,994	2,576,171	2,319,994	3,151,485
Acquisition of property and equipment	28	(33,068,701)	(37,505,576)	(21,159,076)	(32,259,378)
Proceeds from the sale of property and equipment		13,039,140	994,122	10,919,976	661,290
Proceeds from the sale of investment property	29	750,000	200,000	550,000	200,000
Capital expenditure on investment property		-	(2,435)	-	(2,435)
Acquisition of intangible assets		(10,219,445)	(7,792,913)	(9,191,480)	(7,270,576)
Proceeds from disposal of asset held for sale		2,010,000	1,746,150	2,010,000	1,746,150
Proceeds from disposal of subsidiary		-	10,619,124	-	12,263,926
Proceeds from matured investment securities		957,703,955	449,279,227	903,036,382	449,279,227
Proceeds from sale of investment securities		7,036,437,195	5,212,067,179	7,015,698,837	5,212,067,179
Additional investment in subsidiaries		-	-	(17,909,828)	(17,582,261)
Net cash acquired on business combination		3,392,357	30,262,457	-	30,258,805
		-	-	-	-
Net cash used in investing activities		**(445,020,173)**	**(292,356,793)**	**(453,596,341)**	**(293,100,227)**
Cash flows from financing activities					
Interest paid on interest bearing borrowings and debt securities issued		(40,060,894)	(44,940,125)	(39,296,351)	(43,712,811)
Proceeds from interest bearing borrowings		256,015,899	245,332,824	253,841,702	223,834,913
Repayment of interest bearing borrowings		(75,582,339)	(142,101,478)	(66,636,469)	(138,295,724)
Repayment of debt securities issued	35	-	(216,208,000)	-	(216,208,000)
Proceeds from debt securities issued	35	-	45,000,000	-	45,000,000
Purchase of own shares		(2,193,539)	(1,556,558)	(306,702)	(1,184,674)
Dividends paid to owners		(2,233,980)	(2,330,544)	(2,233,980)	(1,501,886)
Debt securities issued	35	(23,104,397)	(17,772,613)	(23,104,397)	(17,772,613)
Net cash generated from / (used in) financing activities		**112,840,750**	**(134,576,494)**	**122,263,805**	**(149,840,795)**
Net (decrease)/increase in cash and cash equivalents		(427,762,397)	354,230,451	(412,759,252)	652,816,918
Cash and cash equivalents at beginning of year	40	1,226,031,019	704,478,297	1,080,005,271	424,360,569
Net increase/ (decrease) in cash and cash equivalents		(427,762,397)	354,230,451	(412,759,252)	652,816,918
Effect of exchange rate fluctuations on cash held		39,577,967	7,235,652	37,232,279	2,827,785
Cash and cash equivalents at end of year	40	837,846,588	1,226,031,019	704,478,298	1,080,005,272

NOTES

1.0 General information

Access Bank Plc ("the Bank") is a bank domiciled in Nigeria. The address of the Bank's registered office is No 14/15, Prince Alaba Oniru Road, Oniru, Lagos (formerly Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos). The consolidated and separate financial statements of the Bank for the year ended 31 December 2020 comprise the Bank and its subsidiaries (together referred to as "the Group" and separately referred to as "Group entities"). The Group is primarily involved in investment, corporate, commercial and retail banking. The Bank is listed on the Nigerian Stock Exchange.

These financial statements were approved and authorised for issue by the Board of Directors on 29 January 2021. The directors have the power to amend and reissue the financial statements.

2.0 Statement of compliance with International Financial Reporting Standards

The consolidated and separate financial statements of the Group and Bank respectively, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Additional information required by national regulations are included where appropriate.

3.0 Basis of preparation

This financial statement has been prepared in accordance with the guidelines set by International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting under IFRS. This consolidated and separate financial statement comprise the consolidated and separate statement of comprehensive income, the consolidated and separate statement of financial position, the consolidated and separate statements of changes in equity, the consolidated and separate cash flow statement and the notes.

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, modified to include fair valuation of particular financial instruments: non current assets held for sale and investment properties to the extent required or permitted under IFRS as set out in the relevant accounting policies.

3.1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Functional and presentation currency

These consolidated and separate financial statements are presented in Naira, which is the Group's presentation currency; except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

(b) Basis of measurement

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

- derivative financial instruments are measured at fair value.
- non-derivative financial instruments at fair value through profit or loss are measured at fair value.
- financial instruments at fair value through OCI are measured at fair value.
- the liability for defined benefit obligations is recognised as the present value of the defined benefit obligation and related current service cost
- non-current assets held for sale measured at lower of cost and fair value less costs to sell.
- share based payment at fair value or an approximation of fair value allowed by the relevant standard.
- Investment properties are measured at fair value.

(c) Use of estimates and judgments

The preparation of the consolidated and separate financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 4.

3.2 Changes in accounting policy and disclosures

Amended standards adopted by the Group

There are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2020:

(a) Definition of Material – amendments to IAS 1 and IAS 8;
(b) Definition of a Business – amendments to IFRS 3;
(c) Revised Conceptual Framework for Financial Reporting; and
(d) Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7.
(e) IFRS 16 covid 19 related rent concession

These amendments do not lead to a change in any of the Group's accounting policies.

- IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2
- Annual Improvements 2014-2016 cycle
- Interpretation 22 Foreign Currency Transactions and Advance Consideration

(a) New standards, amendments and interpretations adopted by the Bank

A number of new standards became applicable for the current reporting year and the Bank had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 - Effective for annual periods beginning on or after 1 January 2022..
- Amendments to IAS 16 Property, Plant and Equipment
- Effective date for annual periods beginning on or after 1 January 2022
- Reference to the Conceptual Framework – Amendments to IFRS 3 -1 Jan 2022
- Amendments to IAS 37 Onerous Contracts - Costs of Fulfilling a Contract - Effective date for annual periods beginning on or after 1 January 2022

The impact of the adoption of these standards and the new accounting policies are disclosed in note (b) below. The amended standards did not have any impact on the Bank's accounting policies and did not require retrospective adjustments.

3.3 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group exercise control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity:

[i] power over the investee;

[ii] exposure, or rights, to variable returns from its involvement with the investee; and

[iii] the ability to use its power over the investee to affect the amount of the investor's returns

The Group reassess periodically whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity.

The Group assesses existence of control where it does not have more than 50% of the voting power i.e. when it holds less than a majority of the voting rights of an investee. A group considers all relevant facts and circumstances in assessing whether or not it's voting rights are sufficient to give it power, including:

[i] a contractual arrangement between the group and other vote holders

[ii] rights arising from other contractual arrangements

[iii] the group's voting rights (including voting patterns at previous shareholders' meetings)

[iv] potential voting rights

The subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Subsidiaries are measured at cost less impairment in the separate financial statement.

(b) Business combinations

The Group applies IFRS 3 Business Combinations (revised) in accounting for business combinations.

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 Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights.

The Group measures goodwill at the acquisition date as the total of:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When this total is negative, a gain from a bargain purchase is recognised immediately in statement of comprehensive income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in in the income statement.

Transactions costs related to the acquisition, 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.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

(c) Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments.

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement. The gain/loss arising from disposal of subsidiaries is included in the profit/loss of discontinued operations in the statement of comprehensive income, if the disposal subsidiary meets the criteria specified in IFRS 5. Foreign currency translation differences become realised when the related subsidiary is disposed.

(e) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(f) Transactions eliminated on consolidation

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

3.4 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 Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

3.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira', which is the group's presentation currency.

The Group in the normal course of business sets up Structured Entries (SEs) for the sole purpose of raising finance in foreign jurisdictions. The SEs raises finance in the currency of their jurisdictions and passes the proceeds to the group entity that set them up. All costs and interest on the borrowing are borne by the sponsoring group entity. These SEs are deemed to be extensions of the sponsoring entity, and hence, their functional currency is the same as that of the sponsoring entity.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Changes in the fair value of monetary securities denominated in foreign currency classified as Fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income, are included in other comprehensive income.

(c) Group companies

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

[i] assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

[ii] 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 rate on the dates of the transactions); and

[iii] all resulting exchange differences are recognised in other comprehensive income.

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. Exchange differences arising are recognised in other comprehensive income.

3.6 Operating income

It is the Group's policy to recognise revenue from a contract when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable. Revenue is recognised when control of goods or services have been transferred. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the asset.

Principal versus Agency considerations
The Group is the principal in an arrangement where it obtains control of the goods or services of another party in advance of transferring control of those goods or services to a customer. The Group is the principal in its card arrangements.

The Group is an agent where its performance obligation is to arrange for another party to provide the goods and services. The Group is the agent in its arrangement with mobile network providers, card vendors and insurance companies.

Where the group is acting as an agent, it recognises as revenue only the commission retained by the group (in other words, revenue is recognised net of the amounts paid to the principal). Where the group is the principal, it will recognise as revenue the gross amount paid and allocated to the performance obligation. It will also recognise an expense for the direct costs of satisfying the performance obligation.

(a) Interest income and expense

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

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. 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, a shorter year) to the net 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 statement of comprehensive income include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest rate basis.
- interest on fair value through other comprehensive income investment securities calculated on an effective interest basis.

Interest income on fair value through profit or loss instruments is recognised using the contractual interest rate in net gains/(loss) on investment securities.

(b) Fees and commission income and expense

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment year.

Fee and commission presented in the income statement includes:

- Credit related fees: This includes advisory, penal and commitment fees. These are fees charged for administration and advisory services to the customer up to the customer's acceptance of the offer letter. The advisory and commitment fees are earned at the point in time where the customer accepts the offer letter which is when the Bank recognises its income. These fees are not integral to the loan, therefore, they are not considered in determining the effective interest rate. The penal fee on default also forms part of the items warehoused in this line
- Account maintenance fees: These are fees charged to current accounts. N1 on every N1,000 in respect of all customer induced debit transactions is charged on these accounts. These fees are earned by the Bank at the time of each transaction and the Bank recognises its income accordingly.
- Card maintenance fees: The Bank charges these fees to customers for maintaining their cards. The fees are earned and recognised by the Bank over the validity period of the card. The Bank charges the customers for this service on a monthly basis.
- Other fees and commission income, includes commission on letters of credit, account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees. These fees and commissions are recognised as the related services are performed

Fees and commissions expenses are fees charged for the provision of services to customers transacting on alternate channels platform of the Bank and on the various debit and credit cards issued for the purpose of these payments. They are charged to the Bank on services rendered on internet banking, mobile banking and online purchasing platforms. The corresponding income lines for these expenses include the income on cards (both foreign and local cards), online purchases and bill payments included in fees and commissions.

(c) Net loss/gains on investment securities

Net loss/gains on investment securities comprise of the following:

- Net gains/losses on financial instruments classified as held for trading: This includes the gains and losses arising both on sale of trading instruments and from changes in fair value of derivatives instruments.
- Net gains on financial instruments held as Fair value through other comprehensive income: This relates to gains arising from the disposal of financial instruments held as Fair value through other comprehensive income as well as fair value changes reclassified from

other comprehensive income upon disposal.

- Net gains on financial instruments at fair value through profit or loss: This relates to gains on disposal and changes in fair value of financial instruments carried at fair value through profit or loss

(d) Foreign exchange income

Foreign exchange income includes foreign exchange gains on revaluation and unrealised foreign exchange gains on revaluation.

(e) Other operating income

Other operating income includes items such as dividends, gains on disposal of properties, rental income, income from asset management, brokerage and agency as well as income from other investments.

Dividend on Fair value through other comprehensive income equity securities: This is recognised when the right to receive payment is established. Dividends are reflected as a component of other operating income.

3.7 Income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the bank and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty

(b) Minimum Tax

Based on the provisions of The Finance Act, minimum tax will be applicable at 0.5% of gross turnover less franked investment income.

(c) Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.8 Financial assets and liabilities

Recognition and derecognition

Financial assets and liabilities are initially recognised on the settlement date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(a) Financial assets

i Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured subsequently at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

ii Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the contractual cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

• Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in net gains/(loss) on investment securities together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

• FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating income. Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in net gains/(loss) on investment securities and impairment expenses are presented as separate line item in net impairment charge on financial assets

• FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within net gains/(loss) on investment securities in the period in which it arises.

iii Equity instruments

The group initially measured all equity investments at fair value through profit or loss. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in net gains/(loss) on investment securities in the statement of profit or loss as applicable.

The Group only measures cash and balances with banks, Loans and advances to banks and customers and other financial investments at amortised cost if both of the following conditions are met:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

iv Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business

model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

v The SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial instruments to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the year for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

(b) Financial Liabilities

Financial liabilities that are not classified at fair value through profit or loss are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date. Interest expense is included in 'Interest expense' in the Statement of comprehensive income.

Financial liabilities that are classified at fair value through profit or loss is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains and losses attributable to changes in credit risk and the fair value of the liability are presented in the Statement of comprehensive income.

(c) Classification of financial assets

[i] Fair value through profit or loss

This category comprises financial assets classified as hold to sell upon initial recognition.

A financial asset is classified as fair value through profit or loss if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised measured at fair value through profit or loss unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market instruments, as well as financial assets with embedded derivatives. They are recognised in the consolidated statement of financial position as 'non-pledged trading assets.

Financial assets included in this category are recognised initially at fair value; transaction costs are taken directly to the consolidated income statement. Gains and losses arising from changes in fair value are included directly in the consolidated income statement and are reported as "Net loss/gains on investment securities. Interest income and expense and dividend income on financial assets held for trading are included in 'Interest income', "Interest expense' or 'Other operating income', respectively. The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

The Group may designate certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. The fair value option is only applied when the following conditions are met:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.

- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

[ii] Amortized cost

Amortized cost financial assets are non-derivative assets with fixed or determinable payments and fixed maturity and which are not designated at fair value through profit or loss, or fair value through other comprehensive income.

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method. Any sale or reclassification of a significant amount of amortized cost investments not close to their maturity would result in a reassessment of the Bank's business model for managing the assets. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- Sales or reclassification that are so close to maturity that changes on the market rate of interest would not have a significant effect on the financial asset's fair value.
- Sales or reclassification after the Group has collected substantially all the asset's original principal.
- Sales or reclassification attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

Interest on amortized cost investments is included in the consolidated income statement and reported as 'Interest income'. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the consolidated income statement as 'net impairment loss on financial assets'. Amortised cost investments include treasury bills and bonds.

[iv] Fair value through other comprehensive income

Interest income is recognised in the income statement using the effective interest method. Dividend income is recognised in the income statement when the Group becomes entitled to the dividend. Foreign exchange gains or losses on such investments are recognised in the income statement.

Other fair value changes are recognised directly in other comprehensive income until the investment is sold or impaired whereupon the cumulative gains and loses previously recognised in other comprehensive income are recognised to the income statement as a reclassification adjustment.

Fair value through other comprehensive income instruments include investment securities and equity investments that are so elected.

(d) Classification of financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss.

(i) Financial liabilities at amortised cost

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost using the effective interest method. Interest expense is included in 'Interest expense' in the Statement of comprehensive income.

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 as pledged assets.

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

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

On this statement of financial position, other financial liabilities carried at amortised cost include deposit from banks, deposit from customers, interest bearing borrowings, debt securities issued and other liabilities.

(ii) Financial liabilities at fair value

(e) Measurement of financial asset and liabilities

[i] Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

[ii] Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument.

In other cases the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Where the Group has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to the net open position as appropriate. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes a third-party market participant would take them into account in pricing a transaction.

(f) Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which Group changes its business model for managing a financial assets, the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

The following are not changes in business model;

a. change in intention related to particular financial assets (even in circumstances of significant changes in market conditions).

b. the temporary disappearance of a particular market for financial assets.

c. a transfer of financial assets between parts of the entity with different business models.

The Bank may choose to reclassify a non-derivative financial asset carried at fair value through profit or loss out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling it in the near-term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Bank may choose to reclassify financial assets that would meet the definition of loans and receivables out of the fair value through profit or loss or fair value through other comprehensive income categories if the Bank has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and amortised cost categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Reclassification date:
The first day of the first reporting year following the change in business model that results in an entity reclassifying financial assets.

A change in the objective of the Group's business model must be effected before the reclassification date. For example, if Group decides on 15 February to shut down its Corporate & investment Banking business and hence must reclassify all affected financial assets on 1 April (i.e. the first day of the Group's next reporting year), the Group must not accept new Corporate & investment Banking business or otherwise engage in activities consistent with its former business model after 15 February.

All reclassifications are applied prospectively from the reclassification date.
When the Group reclassifies a financial asset between the amortised cost measurement category and the fair value through other comprehensive income measurement category, the recognition of interest income is not changed and it continues to use the same effective interest rate. However, when the Group reclassifies a financial asset out of the fair value through profit or loss measurement category, the effective interest rate is determined on the basis of the fair value of the asset at the reclassification date.

(g) Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset or liability, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

(i) Derecognition other than for substantial modification - Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full with out material delay to a third party under a 'pass–through' arrangement

A transfer only qualifies for derecognition if either:
• The Group has transferred substantially all the risks and rewards of the asset or
• The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay. If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Derecognition other than for substantial modification - Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(h) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Securities sold subject to repurchase agreements ('repos') remain on the statement of financial position; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell (reverse repos') are recorded as money market placement. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities lent to counterparties are also retained in the financial statements. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in Net gains/(loss) on investment securities.

(i) Measurement of specific financial assets

(i) Cash and balances with banks

Cash and balances with banks include notes and coins on hand, balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, unrestricted balances with foreign and central banks, money market placements and other short-term highly liquid investments with original maturities of three months or less.

(ii) Repossessed collateral

Repossessed collateral are equities, investment properties or other investments repossessed from a customer and used to settle his outstanding obligation. Such investments are classified in accordance with the intention of the Group in the asset class which they belong and are also separately disclosed in the financial statement. When collaterals are repossessed in satisfaction of a loan, the receivable is written down against the allowance for losses. Repossessed collaterals are included in the financial statement based on how the Bank intends to realize benefit from such collateral such as ""Non current assets held for sale"" and carried at the lower of cost or estimated fair value less costs to sell, if the Group intends to sell or cost less accumulated depreciation, if for use in the normal course of business.

(iii) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets (for example, for exchange-traded options), including recent market transactions, and valuation techniques (for example for swaps and currency transactions), including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The Group mitigates the credit risk of derivatives by holding collateral in the form of cash.

(iv) Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets carried at fair value through profit or loss or investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Initial recognition of assets pledged as collateral is at fair value, whilst subsequent measurement is based on the classification of the financial asset. Assets pledged as collateral are either designated as fair value through profit or loss, Fair value through other comprehensive income or Amortized cost. Where the assets pledged as collateral are designated as fair value through profit or loss, subsequent measurement is at fair value through profit and loss, whilst assets pledged as collateral designated as Fair value through other comprehensive income are measured at fair-value through equity. Assets pledged as collateral designated as Amortized cost are measured at amortized cost.

[v] Investment under management

Investment under management are funds entrusted to Asset management firms who acts as agents to the bank for safe keeping and management for investment purpose with returns on the underlying investments accruable to the Bank, who is the principal.

The investment decision made by the Asset management within an agreed portfolio of high quality Nigerian fixed income and money market instruments which are usually short tenured.

The investments are carried at fair value through OCI.

3.9 Impairment of financial assets

Overview of the ECL principles

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Staging Assessment

The Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the

financial instrument.
Based on the above process, the Group categorises its financial instruments into Stage 1, Stage 2,Stage 3 and POCI (Purchased or originated credit impaired), as described below:

• Stage 1: When a financial instrument is first recognised, the Group recognises an allowance based on 12m Expected credit Loss. Stage 1 also include financial instruments where the credit risk has improved (after review over a year of 90 days) and the financial instruments has been reclassified from Stage 2.

• Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the Lifetime ECLs. Stage 2 financial instruments also include instances, where the credit risk has improved (after review over a year of 90 days) and the financial instrument has been reclassified from Stage 3.

• Stage 3: Financial instruments considered credit-impaired. The Group records an allowance for the Lifetime ECLs.

• POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

Change in credit quality since initial recognition

Stage 1	Stage 3
(Initial Recognition) 12-months expected credit losses	(Credit-impaired assets) Lifetime expected credit losses

Measuring the Expected Credit Loss

"The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

• The PD represents the likelihood of a borrower defaulting on its financial obligation (as per Definition of default and credit-impaired above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

• EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

• Loss Given Default represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a credit conversion factor which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data.

When estimating the ECLs, the Group considers three scenarios (optimistic, best-estimate and downturn) and each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset. The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limitation in recoveries achieved across different borrower. These LGDs are influenced by collection strategies, including contracted debt sales and price.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12 month ECL is calculated as the portion of Lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast 12 month EAD and multiplied by the expected 12 month LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the Lifetime ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- POCI: Purchase or Originated Credit Impaired (POCI) assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit adjusted EIR.
- Loan commitments and letters of credit: When estimating Lifetime ECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within net impairment charge on financial assets
- Financial guarantee contracts: The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within net impairment charge on financial assets

Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria:
The remaining Lifetime PD at the reporting date has increased, compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised.

Deterioration in the credit rating of an obligor either based on the Bank's internal rating system or an international credit rating. However, the downgrade considers movement from a grade band to another e.g. Investment grade to Standard. The Group also considers accounts that meet the criteria to be put on the watchlist bucket in line with CBN prudential guidelines since they have significantly increased in credit risk.

Qualitative criteria:

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all Retail financial instruments held by the Group. In relation to Wholesale and Treasury financial instruments, where a Watchlist is used to monitor credit risk, this assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Backstop
A backstop indicator is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due and 90 days past due on its contractual payments for both stage 2 and stage 3 respectively.

Definition of default and credit-impaired assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria
The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty

- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

Incorporation of forward looking information and macroeconomic factors

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs. The macroeconomic variables considered for the adjustment of the probabilities of default are listed below:

- Crude oil prices,
- Inflation,
- Interest rates,
- Exchange rates (USD/NGN), and
- Monetary Policy rate

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The ECLs include forward-looking information which translates into an allowance for changes in macro-economic conditions and forecasts when estimating lifetime ECLs. It is important to understand the effect of forecasted changes in the macro-economic environment on ECLs, so that an appropriate level of provisions can be raised.

A regression model was built to explain and predict the impact of macro-economic indicators on default rates. Such regression models are usually built on a history of default rates and macro-economic variables covering at least one economic cycle, but preferable more.

Historical data on macro-economic indicators from a host of reliable sources, including the International Monetary Fund was gathered. As a proxy for default rates, the Group provided their non-performing loans as a percentage of gross loans (""NPL%"") metric. The time series data extended from the first quarter of 2007 to the second quarter of 2016. Quarterly data was used to increase granularity.

The macro-economic model regressed historical NPL% (the target variable) on a list of candidate macro-economic indicators. The Bank's Economic Intelligence currently monitors and forecasts certain macro-economic indicators. These indicators are GDP growth rate, inflation rate, crude oil prices and the foreign exchange rate.The most predictive variables that were selected in the regression model (the most predictive indicators) were determined. The logic of the relationships between the indicators and the target variable was considered and assessed to ensure indicators are not highly correlated with one another.

The model produced best-estimate, optimistic and downturn forecasts of the selected macro-economic indicators, based on trends in the indicators and macro-economic commentary. This was done through stressing the indicator GDP, which in turn stressed the other indicators based on their assumed historical correlation with GDP. The regression formula obtained was applied to the forecasted macro-economic indicators in order to predict the target variable. The target variable were projected, for each quarter, over the year July 2016 to December 2019 and assumed constant thereafter.

The best-estimate, optimistic and downturn scalars of predicted target variables were determined. In order to remove the impact of any historical trends included in the data, the scalar denominator was adjusted based on the estimation year used to derive the PDs. The scalars calculated were applied to the lifetime PDs. This process results in forward-looking best-estimate, optimistic and downturn lifetime PD curves, which are used in the ECL calculations.

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as external valuers.

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Either the counterparty can no longer pay the obligation or proceeds from the collateral will not be sufficient to pay back the exposure. As directed by CBN guideline on write-off, board approval is required before any write-off can occur. For insider-related loans, CBN approval is required. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount to derecognize the asset. The recovery department continues with recovery efforts and any subsequent recoveries are credited to credit loss expense

Expected credit loss on loans and receivables

The Group considers all loans and advances, financial assets at FVOCI and amortized cost investments at specific level for expected credit loss assessment.

In assessing expected credit loss, the Group uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current and forecasted economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate. The ECL on restricted deposits and other assets is calculated using the simplified model approach.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

Expected credit loss on fair value through other comprehensive income securities

Impairment losses on fair value through other comprehensive income investment securities are recognised in profit or loss and the impairment provision is not used to reduce the carrying amount of the investment but recognised in other comprehensive income. For debt securities, the group uses the criteria referred to in (i) above to assess impairment.

For equity, a prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. If, in a subsequent year, the fair value of an impaired fair value through other comprehensive income debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through the income statement; otherwise, any increase in fair value is recognised through OCI. Any subsequent recovery in the fair value of an impaired fair value through other comprehensive income equity security is always recognised in OCI.

The Group writes off previously impaired loans and advances (and investment securities) when they are determined not to be recoverable. The Group writes off loans or investment debt securities that are impaired (either partially or in full and any related allowance for impairment losses) when the Group credit team determines that there is no realistic prospect of recovery.

Investment properties

An investment property is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the Group. An occupation of more than 15% of the property is considered substantial. Investment properties is measured initially at cost including transaction cost and subsequently carried in the statement of financial position at their fair value and revalued yearly on a systematic basis.

Investment properties are not subject to periodic charge for depreciation. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the year which it arises as: "Fair value gain on investment property"

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in income statement inside other operating income or other operating expenses dependent on whether a loss or gain is recognized after the measurement

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.11 Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When significant 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 gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in the Income statement.

(b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The costs of the day-to-day repairs and maintenance of property and equipment are recognised in Income statement as incurred.

(c) Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of items of property and equipment, to their residual values over the estimated 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 years of significant items of property and equipment are as follows:

Leasehold land	Not depreciated
Leasehold improvements and building	Over the shorter of the useful life of the item or lease term
Buildings	60 years
Computer hardware	4.5 years
Furniture and fittings	6 years
Motor vehicles	5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

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 and adjusted if appropriate.

(d) 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 within other operating income in the income statement in the year the asset is derecognised.

3.12 Leases

The Bank leases several assets including buildings and land. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension options as described in (ii) below. The lease year ranges from 1 year to 40 years. The lease agreements do not impose any covenants, however, leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Bank has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

At commencement date of a lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the Bank under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Bank exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expense in the year in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Bank's incremental borrowing rate is used, being the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. The weighted average lessee's incremental borrowing rate applied to the lease liabilities as at 31 December 2020 was 15.65%

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease year so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The lease term refers to the contractual year of a lease.

Right of use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Bank is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term leases and leases of low value

The Bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. low value assets). Low-value assets are assets with lease amount of less than $5,000 when new. Lease payments on short-term leases and leases of low-value assets are recognised as expense in profit or loss on a straight-line basis over the lease term.

Extension and termination options

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Bank's operations. The majority of extension and termination options held are exercisable only by the Bank.

- **Critical judgements**

Extension and termination options - Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Bank is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Bank is typically reasonably certain to extend (or not terminate).
- Otherwise, the Bank considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was a decrease in recognised lease liabilities and right-of-use assets of N146.89 million.

Amendments to IFRS 16: COVID-19-related rent concessions

The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. The amendment is also available for interim reports. The changes in Covid-19-Related Rent Concessions (Amendment to IFRS 16) amend IFRS 16 to

1) provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;

2) require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications;

3) require lessees that apply the exemption to dis close that fact; and require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures.

The main change from the proposal in the exposure draft is that the IASB had proposed that the practical expedient should only be available for lease payments originally due in 2020. However, after having considered the feedback to the exposure draft, the IASB decided to extend this period to June 2021 to also capture rent concessions granted now and lasting for 12 months.

However, the Group did not receive rent concessions in the 2020 financial year

3.13 Intangible assets

(a) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite useful life and it is tested annually for impairment.

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 has an indefinite useful life and 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.

(b) 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. The capitalised costs of internally developed software include all costs directly attributable to developing the software, 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 the income statement 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 future economic benefits embodied in the asset. Software has a finite useful life, the estimated useful life of software is four and half years (4.5). Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(c) Brand, Customer Relationships and Core Deposits

This is an intangible assets related to acquisitions. At acquisition date, they are initially recorded at their fair value and subsequently at cost less accumulated amortization. Amortization expense is recorded in amortization of intangible assets in the Consolidated Statement of Profit or Loss. Intangible assets are amortized over the period during which the Bank derives economic benefits from the assets, on either a straight-line, over a period of 10 years.

The useful lives of the assets are reviewed annually for any changes in circumstances. The assets are tested annually for impairment or at such time where there is an impairment trigger, or changes in circumstances indicate that their carrying value may not be recoverable.

3.14 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than goodwill and 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 not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of goodwill is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. 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.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years 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. An impairment loss is reversed 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.

3.15 Discontinued operations

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

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

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

(c) Is a subsidiary acquired exclusively with a view to resale (for example, certain private equity investments).

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

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3.16 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Investment property classified as non-current asset held for sale are measured at fair value, gain or loss arising from a change in the fair value of investment property is recognised in income statement for the year in which it arise.

Repossessed collateral

Repossessed collateral are equities, investment properties or other investments repossessed from a customer and used to settle his outstanding obligation. Such investments are classified in accordance with the intention of the Group in the asset class which they belong and are also separately disclosed in the financial statement. When collaterals are repossessed in satisfaction of a loan, the receivable is written down against the allowance for losses. Repossessed collaterals are included in the financial statement based on how the Bank intends to realize benefit from such collateral such as ""Non current assets held for sale"" and carried at the lower of cost or estimated fair value less costs to sell, if the Group intends to sell or cost less accumulated depreciation, if for use in the normal course of business.

3.17 Provisions

A provision is recognised 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. The increase in the provision due to passage of time is recognised as interest expenses.

(a) Restructuring

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. Future operating costs are not provided for.

3.18 Financial guarantees

Financial guarantees which includes Letters of credit 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. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).

Letters of credits which have been guaranteed by Access bank but funded by the customer is included in other liabilities while those guaranteed and funded by the Bank is included in deposit from financial institutions.

3.19 Employee benefits

(a) Defined contribution plans

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

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

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

(b) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting year are discounted to their present value.

(c) Post employment defined benefit plan

The Bank has a non-contributory, un-funded lump sum defined benefit plan for top executive management of the Bank from General Manager and above based on the number of years spent in these positions.

Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade. The Bank's net obligation in respect of the long term incentive scheme is calculated by estimating the amount of future benefits that eligible employees have earned in return for service in the current and prior years. That benefit is discounted to determine its present value. The rate used to discount the post employment benefit obligation is determined by reference to the yield on Nigerian Government Bonds, that have maturity dates approximating the terms of the Bank's obligations.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is immediately recognized in the income statement. The Bank recognizes all actuarial gains or losses and all expenses arising from defined benefit plan immediately in the balance sheet, with a charge or credit to other comprehensive income (OCI) in the years in which they occur. They are not recycled subsequently in the income statement.

(d) 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.

(e) Share-based payment remuneration scheme

The Group applies IFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares. Employee incentives include awards in the form of shares. The cost of the employee services received in respect of the shares or share granted is recognised in the income statement over the year that employees provide services, generally the year between the date the award is granted or notified and the vesting date of the shares. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant. The number of shares expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. Failure to meet the non-vesting condition is treated as a forfeiture, resulting in an acceleration of recognition of the cost of the employee services. The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability. The cost recognised as a result of shares granted in the year has been expensed within Personnel expenses, with a corresponding increase in the Share scheme reserve

3.20 Share capital and reserves

(a) Share issue costs

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

(b) Dividend on the Bank's ordinary shares

Dividends on ordinary shares are recognised in equity in the year when approved by the Bank's shareholders. Dividends for the year that are declared after the end of the reporting year are dealt with in the subsequent events note.

(c) Treasury shares

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

(d) Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(e) Regulatory risk reserve

In compliance with the Prudential Guidelines for Licensed Banks, the Group assesses qualifying financial assets using the guidance under the Prudential Guidelines. The guidelines apply objective and subjective criteria towards providing losses in risk assets. Assets are classified as performing or non- performing. Non performing assets are further classed as substandard, doubtful or lost with attendant provisions.

Classification	Percentage	Basis
Substandard	10%	Interest and/or principal overdue by 90 days but less than 180 days
Doubtful	50%	Interest and/or principal overdue by 180 days but less than 365 days
Lost	100%	Interest and/or principal overdue by more than 365 days

A more accelerated provision may be done using the subjective criteria. A 2% provision is taken on all risk assets that are not specifically provisioned.

The results of the application of Prudential Guidelines and the expected credit loss determined for these assets under IFRS 9 are compared. The IFRS 9 determined impairment charge is always included in the income statement.

Where the Prudential Guidelines provision is greater, the difference is appropriated from retained earnings and included in a non - distributable 'Statutory credit reserve'. Where the IFRS 9 exected credit loss is greater, no appropriation is made and the amount of IFRS 9 expected credit loss is recognised in the income statement.

Following an examination, the regulator may also require more amounts to be set aside on risk and other assets. Such additional amounts are recognised as an appropriation from retained earnings to regulatory risk reserve.

(f) Capital reserve

This balance represents the surplus nominal value of the reconstructed shares of the Bank which was transferred from the share capital account to the capital reserve account after the share capital reconstruction in October 2006. The Shareholders approved the reconstruction of 13,956,321,723 ordinary shares of 50 kobo each of the Bank in issue to 6,978,160,860 ordinary shares of 50 kobo each by the creation of 1 ordinary shares previously held.

(g) Fair value reserve

The fair value reserve comprises the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired.

(h) Foreign currency translation reserve

This balance appears only in the Group accounts and represents the foreign currency exchange difference arising from translating the results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency.

(i) Retained earnings

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

3.21 Levies

The Group recognizes liability to pay levies progressively if the obligating event occurs over a period of time. However, if the obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached. The Group recognizes an asset if it has paid a levy before the obligating event but does not yet have a present obligation to pay that levy. The obligating event that gives rise to a liability to pay a levy is the event identified by the legislation that triggers the obligation to pay the levy.

3.22 Derivatives and hedging activities

Access Bank Plc applies hedge accounting to manage its foreign exchange risk

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Bank designates certain derivatives as hedges of the fair value of recognised liabilities (fair value hedges).

At inception of the hedge relationship, the Bank documents the economic relationship between hedging instruments and hedged items, including whether changes in the fairvalue of the hedging instruments are expected to offset changes in the fair value of hedged items. The Bank documents its risk management objective and strategy for undertaking its hedge transactions. The Bank uses the actual ratio between the hedged item and hedging instruments to determine its hedge ratio.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 12. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity is more than 12 months; it is classified as a current asset or liability when the remaining maturity is less than 12 months. Trading derivatives are classified as a current asset or liability.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.The Bank uses forward contracts to hedge the fair value changes attributable to foreign exchange risk on the hedged item. The Bank generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. The change in the forward element of the forward contract is not part of the hedging relationship and is recognised separately in the statement of profit or loss within Net gain on financial instruments at fair value through profit or loss. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the profit or loss within Net Foreign Exchange Gain/(Loss) together with the changes in the fair value of the hedged liabilities attributable to foreign exchange risk while the gains or losses relating to the ineffective portion are recognised within Net loss on fair value hedge (Hedging ineffectiveness) in the profit or loss.

Hedge effectiveness

The Bank determines hedge effectiveness is at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in Net gain on financial instruments at fair value through profit or loss.

4.0 Use of estimates and judgements

These disclosures supplement the commentary on financial risk management (see note 5). Estimates where management has applied judgements are:

i) Allowance for credit losses

ii) Assessment of impairment on goodwill on acquired subsidiaries

iii) Defined benefit plan

iv) Valuation of unquoted equities

v) Valuation of derivatives

vi) Depreciation of property and equipment

vii) Amortisation of intangible assets

viii) Impairment of property and equipment

ix) Impairment of intangible assets

x) Litigations claims provisions

xi) Equity settled share-based payment

xii) Determination of intangible assets arising on business combination

Management has assessed the first four estimates as having the key sources of estimation certainty, and are explained in further detail below. The other estimates have been assessed in their individual accounting policies.

Management has assessed the first four estimates as having the key sources of estimation certainty, and are explained in further detail below. The other estimates have been assessed in their individual accounting policies.

Management has assessed the first four estimates as having the key sources of estimation certainty, and are explained in further detail below. The other estimates have been assessed in their individual accounting policies.

Management has assessed the first four estimates as having the key sources of estimation certainty, and are explained in further detail below. The other estimates have been assessed in their individual accounting policies.

Management has assessed the first four estimates as having the key sources of estimation certainty, and are explained in further detail below. The other estimates have been assessed in their individual accounting policies. Management has assessed the first four estimates as having the key sources of estimation certainty, and are explained in further detail below. The other estimates have been assessed in their individual accounting policies. Management has assessed the first four estimates as having the key sources of estimation certainty, and are explained in further detail below. The other estimates have been assessed in their individual accounting policies. Management has assessed the first four estimates as having the key sources of estimation certainty, and are explained in further detail below. The other estimates have been assessed in their individual accounting policies. Management has assessed the first four estimates as having the key sources of estimation certainty, and are explained in further detail below. The other estimates have been assessed in their individual accounting policies.

Key sources of estimation uncertainty

(i) Allowances for credit losses

Loans and advances to banks and customers are accounted for at amortised cost and are evaluated for impairment on a basis described in accounting policy (see note 3.9)

The measurement of impairment losses both under IFRS 9 across all categories of financial assets requires judgement, in particular, 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 Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis

- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels, exchange rates, crude oil prices, GDP and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.
  It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The standard requires recognition of an impairment allowance on financial instruments, based on 12 months or lifetime expected credit losses. The ECL calculations are based on the components discussed in the previous sections.

IFRS 9 requires the calculation of probability-weighted ECL impairments. Three ECL figures were therefore calculated for each account (optimistic, best-estimate and downturn ECLs) and probability-weighted to arrive at a single ECL impairment for each account. The likelihood of the best-estimate, downturn and optimistic scenarios were assumed to be 75%, 13.9% and 11% respectively.

The EIR, as provided by the Bank, is used to discount all ECLs to the reporting date. For accounts with no EIR information, the balance-weighted average EIR across all accounts, split by portfolio, is used as a proxy. The method followed for accounts classified as Stage 1, Stage 2 or Stage 3 are set out below;

Stage 1
Account-level ECL figures are calculated projecting monthly expected losses for the next 12-months of each account. The forward, macro-adjusted monthly PDs are applied to the applicable LGD estimate and EAD or the collateral adjusted EAD (if secured) at the start of each month.

Stage 2
Account-level ECL figures are calculated projecting monthly expected losses for the remaining lifetime of each account. The forward, macro-adjusted monthly PDs are applied to the applicable LGD estimate and the EAD or collateral adjusted EAD (if secured) at the start of each month.

Stage 3
For the purposes of this model, account-level ECL figures are calculated by applying the applicable LGD estimate to the balance as at the reporting date

The final ECL impairment is calculated as the probability-weighted average of the ECLs produced for the three macro-economic scenarios.

The Bank reviews its loan portfolios to assess impairment at least on a half yearly basis. In determining whether an impairment loss should be recorded in the income statement, the Bank makes judgements as to whether there is any observable data indicating a significant increase in credit risk followed by measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a bank, or national or local economic conditions that correlate with defaults on assets in the Bank.

The Bank makes use of estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The specific component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently reviewed by the Credit Risk Management Department (CRMD).

A collective component of the total allowance is established for:

- Groups of homogeneous loans that are not considered individually significant and
- Groups of assets that are individually significant but were not found to be individually impaired

Collective allowance for groups of homogeneous loans is established using statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Collective allowance for group of assets that are individually significant but that were not found to be individually impaired cover credit losses inherent in portfolios of loans and advances and held to maturity investment securities with similar credit characteristics when there is objective evidence to suggest that they contain impaired loans and advances and held to maturity investment securities, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances are estimated.

(ia) Sensitivity of Exposure at default - Probability of Default (PD) & Loss Given Default (LGD)

Loans and Advances To Customers

In establishing sensitivity to ECL estimates for corporate loans, four variables (GDP growth rate, Crude Oil Price, Inflation and US exchange rate were considered). Of this variables, the bank's corporate loans reflects greater responsiveness to GDP growth rate and crude oil price

On balance Sheet Exposure

GDP growth rate : Given the signficant impact on companies performance and collateral valuations

Oil price : Given it impacts on purchasing power, demand as well as overall health of the economy

The table below outlines the total ECL for wholesale portfolios as at 31 December 2020, if each of the key assumptions used change by plus or minus 10%. The responsiveness of the ECL estimates to variation in macroeconomic variables have been presented below while putting in perspective, interdependencies between the various economic inputs. An increase in Oil Price by 10% resulting in GDP increase and decrease in both inflation rate and exchange rate will lead to an improvement in asset quality by 2.12% and a reduction in impairment by 4.21%. While a drop in Oil Price by 10% leads to a drop in GDP and an increase in inflation and Exchange rate, this will result in a deterioration in asset quality by 29% and an increase in impairment by 4.48%.

	-10%	+10%
P & L Impact of change in Macroeconomic variables	(5,173,106)	4,670,521

	-10%	+10%
Asset Quality Impact of change in Macroeconomic variables	29%	-2.12%

Off balance Sheet Exposure

GDP growth rate : Given the signficant impact on companies performance and collateral valuations

Oil price : Given it impacts on purchasing power, demand as well as overall health of the economy

The table below outlines the total ECL for wholesale off balance sheet exposures as at 31 December 2020, if the assumptions used to measure ECL remain as expected (amount as presented in the statement of financial position), as well as if each of the key assumptions used change by plus or minus 10%. The responsiveness of the ECL estimates to variation in macroeconomic variables have been presented below while putting in perspective, interdependencies between the various economic inputs.

	-10%	+10%
P & L Impact of change in Macroeconomic variables	(552,406)	466,307

If the PDs and LGDs were increased by 2%, impairment charge would have further increased by N2.18BN but if the PDs and LGDs were decreased by 2%, there would have been a write back of impairment of N1.98BN.

	Group December 2020	**Group December 2019**	**Group December 2020**	**Group December 2019**
	Loans and advances to individuals		**Loans and advances to corporates**	
Impact on Profit before tax				
Increase in LGD and PD by 2%	(2,181,426)	(4,538,702)	(1,885,958)	(3,814,035)
Decrease in LGDs and PD by 2%	1,977,806	2,571,839	1,868,260	2,296,284
Increase in LGDs and PD by 10%	(9,979,092)	(9,906,466)	(9,603,982)	(8,743,571)
Decrease in LGDs and PD by 10%	10,237,216	17,737,650	9,161,408	14,247,109

Statement of prudential adjustments

Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the expected credit loss model required by IFRS 9. As a result of the differences in the methodology/provision regime, there will be variances in the impairments allowances required under the two methodologies.

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 recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

   - Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve
   - Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account

b) The non-distributable reserve should be classified under Tier 1 as part of the core capital.
The Bank has complied with the requirements of the guidelines as follows:

Statement of prudential adjustments		**December 2020**	**December 2019**
In thousands of Naira			
Bank	**Note**		
Loans & advances:			
Expected credit loss (ECL) on loans to customers and banks			
- Loans to banks	22	298,622	1,361,988
- Loans to individuals	23(b)	2,831,595	4,776,944
- Loans to corporate	23(b)	116,210,945	176,222,475
Total impairment allowances on loans per IFRS		**119,341,162**	**182,361,407**
Total regulatory impairment based on prudential guidelines		**155,521,746**	**191,844,407**
Balance, beginning of the year		9,483,000	9,483,000
Additional transfers to/(from) regulatory risk reserve		26,697,585	-
Balance, end of the year		**36,180,585**	**9,483,000**

The Central Bank of Nigeria (CBN) via its circular BSD/DIR/GEN/LAB/08/052 issued on 11 November 2015, directed banks in Nigeria to increase the general provision on performing loans from 1 percent to 2 percent for prudential review of credit portfolios in order to ensure adequate buffer against unexpected loan losses.

(ii) Assessment of impairment of goodwill on acquired subsidiaries

Goodwill on acquired subsidiaries was tested for impairment using discounted cash flow valuation method. Projected cash flows were discounted to present value using a discount rate of 23.3% (Dec. 2019: 23.3%) and a cash flow growth rate of 7.095% (Dec. 2019: 7.095%) over a period of ten years. The Group determined the appropriate discount rate at the end of the year using the adjusted weighted average cost of capital method. See note 29b for further details.

(iii) Defined benefit plan

The present value of the long term incentive plan depends on a number of factors that are determined in an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of 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 the year. In determining the appropriate discount rate, reference is made to the yield on Nigerian Government Bonds that have maturity dates approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions. See note 37 for the sensitivity analysis.

(iv) Valuation technique unquoted equity:

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 analysis of changes in fair value measurements from year to year.

In accordance with IFRS 13 fair value measurement, which 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 market approach.

The adjusted fair value comparison approach of EV/EBITDA, P/E ratios and P/Bv ratios was adopted in valuing each of these equity investments taken into cognizance the suitability of the model to each equity investment and the availability of financial information while minimizing the use of unobservable data.

Description of valuation methodology and inputs:

The fair value of the other unquoted equity securities were derived using the Adjusted fair value comparison technique. Adjusted fair value comparison approach of EV/EBITDA, P/E ratios and P/B ratios are used as input data .

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:Identify quoted companies with similar line of business ,structure and size

Step 2: Obtain the EV/EBITDA or the P/B or P/E ratios of these quoted companies identified from Bloomberg, Reuters or Nigeria Stock Exchange

Step 3: Derive the average or median of EV/EBITDA or the P/B or P/E ratios of these identified quoted companies

Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the Book Value or Earnings of the investment company to get the value of the investment company

Step 5: Discount the derived value of the investment company by applying an Illiquidity discount and size adjustment/ haircut to obtain the Adjusted Equity Value

Step 6: Multiply the adjusted equity value by the present exchange rate for foreign currency investment

Step 7: Compare the Adjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss

a. Enterprise Value (EV):

Enterprise value measures the value of the ongoing operations of a company. It is calculated as the market capitalization plus debt, minority interest and preferred shares, minus total cash and cash equivalents of the company.

b. Earnings Before Interest ,Tax Depreciation and Tax (EBITDA):

EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDA is one of the indicator's of a company's financial performance and is used as a proxy for the earning potential of a business.

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

c. Price to Book (P/B Ratio):

The price-to-book ratio (P/B Ratio) is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest company book value per share or by dividing the company's market capitalization by the company's total book value from its balance sheet.

b. Price to Earning (P/E Ratio):

The price-earnings ratio (P/E Ratio) values a company using the current share price relative to its per-share earnings.

The sources of the observable inputs used for comparable technique were gotten from Reuters, Bloomberg and the Nigeria Stock Exchange

Valuation Assumptions :

i. Illiquidity discount of 25% is used to discount the value of the investments that are not tradable

ii. EPS Hair cut "emerging market" discount of 40% to take care of inflation and exchange rate impact being that the comparable companies are in foreign countries

Basis of valuation:

The assets is being valued on a fair open market value approach. This implies that the value is based on the conservative estimates of the reasonable price that can be obtained if and when the subject asset is offered for sale under the present market conditions.

Method of Valuation

The comparative method of valuation is used in the valuation of the asset. This method involves the analysis of recent transaction in such asset within the same asset type and the size of the subject asset after due allowance have been made for peculiar attributes of the various asset concerned.

The key elements of the control framework for the valuation of financial instruments include model validation and independent price verification. These functions are carried out by an appropriately skilled Finance team, independent of the business area responsible for the products. The result of the valuation are reviewed quarterly by senior management.

4.1 Valuation of financial instruments

The table below analyses financial and non-financial instruments measured at fair value at the end of the financial year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

4.1.1 Recurring fair value measurements

In thousands of Naira
Group
December 2020

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	3,882,771	-	-	3,882,771
Placements	-	-	6,386,464	6,386,464
Commercial paper	-	4,132,806	-	4,132,806
Treasury bills	6,156,666	-	-	6,156,666
Mutual funds	-	7,109,072	-	7,109,072

Eurobonds	-	2,783,687	-	2,783,687
Non pledged trading assets				
Treasury bills	116,036,126	-	-	116,036,126
Government Bonds	91,841,202	-	-	91,841,202
Eurobonds	-	74,615	-	74,615
Equity	-	-	-	-
Derivative financial instrument	-	251,112,745	-	251,112,745
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	999,521	-	-	999,521
Government Bonds	2,617,080	-	-	2,617,080
-Financial instruments at FVPL				
Treasury bills	85,006,603	-	-	85,006,603
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	748,230,225	-	-	748,230,225
Government Bonds	150,094,494	-	-	150,094,494
State government bonds	-	31,741,795	-	31,741,795
Corporate bonds	-	15,745,714	-	15,745,714
Eurobonds	-	22,032,870	-	22,032,870
Promissory notes	-	80,033,790	-	80,033,790
-Financial assets at FVPL				-
Equity	534,682	3,656,260	137,574,634	141,765,576
Assets held for sale	-	-	28,318,467	28,318,467
	1,205,399,370	418,423,355	172,279,565	1,796,102,291
Liabilities				
Derivative financial instrument	-	20,880,529	-	20,880,529
	-	20,880,529	-	20,880,529

Group
December 2019

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	2,054,650	-	-	2,054,650
Placements	-	-	9,779,427	9,779,427
Commercial paper	-	6,849,720	-	6,849,720
Nigerian Treasury bills	4,280,814	-	-	4,280,814
Mutual funds	-	2,889,702	-	2,889,702
Eurobonds	-	2,437,646	-	2,437,646
Non pledged trading assets				
Treasury bills	89,797,961	-	-	89,797,961
Government Bonds	40,021,277	-	-	40,021,277
Eurobonds	-	-	-	-
Equity	-	-	-	-
Derivative financial instrument	-	143,520,553	-	143,520,553
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	30,388,532	-	-	30,388,532
Government Bonds	-	-	-	-
-Financial instruments at FVPL				
Treasury bills	39,881,494	-	-	39,881,494
Government Bonds	-	-	-	-
Investment securities				

-Financial assets at FVOCI				
Treasury bills	232,813,374	-	-	232,813,374
Government Bonds	64,989,934	-	-	64,989,934
State government bonds	-	6,311,454	-	6,311,454
Corporate bonds	-	7,815,595	-	7,815,595
Eurobonds	-	2,860,694	-	2,860,694
Promissory notes	-	807,619	-	807,619
-Financial assets at FVPL				
Equity	598,936	990,127	111,569,257	113,158,320
Assets held for sale	-	-	24,957,519	24,957,519
	504,826,972	174,483,110	146,306,203	825,616,285
Liabilities				
Derivative financial instrument	-	6,885,680	-	6,885,680
	-	6,885,680	-	6,885,680

Bank

December 2020

In thousands of Naira

	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Investment under management				
Government bonds	3,882,771	-	-	3,882,771
Placements	-	-	6,386,464	6,386,464
Commercial paper	-	4,132,806	-	4,132,806
Nigerian Treasury bills	6,156,666	-	-	6,156,666
Mutual funds	-	7,109,072	-	7,109,072
Eurobonds	-	2,783,687	-	2,783,687
Non pledged trading assets				
Treasury bills	97,719,848	-	-	97,719,848
Government Bonds	12,488,649	-	-	12,488,649
Eurobonds	-	74,615		74,615
Equity	-	-	-	-
Derivative financial instrument	-	244,564,046	-	244,564,046
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	999,521	-	-	999,521
Government Bonds	2,617,080	-	-	2,617,080
-Financial instruments at FVPL				
Treasury bills	85,006,603	-	-	85,006,603
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	608,866,687	-	-	608,866,687
Government Bonds	44,296,019	-	-	44,296,019

State government bonds	-	31,741,795	-	31,741,794
Corporate bonds	-	15,745,714	-	15,745,714
Eurobonds	-	15,141,127	-	15,141,127
Promissory notes	-	80,033,790	-	80,033,790
-Financial assets at FVPL				
Equity	534,682	3,656,260	137,544,111	141,735,053
Asset held for sale	-	-	28,128,467	28,128,467
	862,568,526	404,982,913	172,059,042	1,439,610,480
Liabilities				
Derivative financial instrument	-	20,775,722	-	20,775,722
	-	20,775,722	-	20,775,722

Bank

December 2019

In thousands of Naira

	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Investment under management				
Government bonds	2,054,650	-	-	2,054,650
Placements	-	-	9,779,427	9,779,427
Commercial paper	-	6,849,720	-	6,849,720
Nigerian Treasury bills	4,280,814	-	-	4,280,814
Mutual funds	-	2,889,702	-	2,889,702
Eurobonds	-	2,437,646	-	2,437,646
Non pledged trading assets				
Treasury bills	74,749,344	-	-	74,749,344
Government Bonds	2,222,417	-	-	2,222,417
Eurobonds	-	-	-	-
Equity	-	-	-	-
Derivative financial instrument	-	143,480,073	-	143,480,073
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	30,388,532	-	-	30,388,532
Bonds	-	-	-	-
-Financial instruments at FVPL				
Treasury bills	39,881,494	-	-	39,881,494
Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI		-	-	
Treasury bills	77,897,548	-	-	77,897,548
Government Bonds	4,823,398	-	-	4,823,398
State government bonds	-	6,311,454	-	6,311,454
Corporate bonds	-	7,815,595	-	7,815,595
Eurobonds	-	-	-	-

Promissory notes	-	807,619	-	807,619
-Financial assets at FVPL				
Equity	598,936	990,127	111,537,560	113,126,623
Asset held for sale	-	-	24,957,518	24,957,518
	236,897,133	171,581,936	146,274,505	554,753,574

Liabilities				
Derivative financial instrument	-	6,827,293	-	6,827,293
	-	6,827,293	-	6,827,293

4.1.2 Financial instruments not measured at fair value

Group

December 2020

In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	723,872,820	723,872,820
Loans and advances to banks	-	-	392,821,307	392,821,307
Loans and advances to customers	-	-	3,218,107,027	3,218,107,027
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,097,771	-	-	98,097,771
Bonds	41,833,930	-	-	41,833,930
Investment securities				
-Financial assets at amortised cost				
Treasury bills	237,109,445	-	-	237,109,445
Bonds	272,033,759	5,406,240		277,439,998
Total return notes	45,527,717	-	-	45,527,716
Promissory notes	427,536	-	-	427,535
Other assets	-	-	1,522,315,074	1,522,315,074
	695,030,158	5,406,240	5,857,116,230	6,557,552,624
Liabilities				
Deposits from financial institutions	-	-	958,397,171	958,397,171
Deposits from customers	-	-	5,587,418,213	5,587,418,213
Other liabilities	-	-	356,638,102	356,638,102
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	-	-	791,455,235	791,455,237
	169,160,059	-	7,693,908,723	7,863,068,782

Group

December 2019

In thousands of Naira

	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Cash and balances with banks	-	-	723,064,003	723,064,003
Loans and advances to banks	-	-	152,825,081	152,825,081
Loans and advances to customers	-	-	2,911,579,708	2,911,579,708
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	452,686,283	-	-	452,686,283
Bonds	82,599,583	-	-	82,599,583
Investment securities				-
-Financial assets at amortised cost				
Treasury bills	379,283,381	-	-	379,283,381
Bonds	256,532,576	9,746,421		266,278,996
Other assets	-	-	1,016,582,843	1,016,582,843
	1,171,101,823	**9,746,421**	**4,804,051,635**	**5,984,899,876**

	Level 1	Level 2	Level 3	Total
Liabilities				
Deposits from financial institutions	-	-	1,186,356,312	1,186,356,312
Deposits from customers	-	-	4,255,837,303	4,255,837,303
Other liabilities	-	-	315,626,032	315,626,032
Debt securities issued	126,360,001	-	-	126,360,001
Interest-bearing borrowings	-	-	586,602,830	586,602,830
	126,360,001	**-**	**6,344,422,477**	**6,470,782,478**

Bank

December 2020

In thousands of Naira

	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Cash and balances with banks	-	-	589,812,439	589,812,439
Loans and advances to banks	-	-	231,788,276	231,788,276
Loans and advances to customers	-	-	2,818,875,731	2,818,875,731
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,097,771	-	-	98,097,771
Bonds	41,833,930	-	-	41,833,930
Investment securities				
Financial assets at amortised cost				
Treasury bills	194,302,056	-	-	194,302,056
Bonds	244,815,922	5,406,240	-	250,222,163
Total return notes	45,527,717	-	-	45,527,717

Promissory notes	427,537	-	-	427,537
Other Assets	-	-	1,471,481,477	1,471,481,477
	625,004,936	5,406,240	5,111,957,923	5,742,369,098
Liabilities				
Deposits from financial institutions	-	-	831,632,332	831,632,332
Deposits from customers	-	-	4,832,744,495	4,832,744,495
Other liabilities	-	-	322,955,910	322,955,910
Debt securities issued	169,160,059		-	169,160,059
Interest-bearing borrowings	-	-	755,254,273	755,254,273
	169,160,059	-	6,742,587,010	6,911,747,069

Bank

December 2019

In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	575,906,273	575,906,273
Loans and advances to banks	-	-	164,413,001	164,413,001
Loans and advances to customers	-	-	2,481,623,671	2,481,623,671
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	452,686,282	-	-	452,686,282
Bonds	82,599,583	-	-	82,599,583
Investment securities				
Financial assets at amortised cost				
Treasury bills	341,786,029	-	-	341,786,029
Bonds	241,082,412	9,746,421	-	250,828,832
Other Assets	-	-	968,698,629	968,698,629
	1,118,154,307	9,746,421	4,190,641,574	5,318,542,301
Liabilities				
Deposits from financial institutions	-	-	1,079,284,414	1,079,284,414
Deposits from customers	-	-	3,668,339,811	3,668,339,811
Other liabilities	-	-	295,184,124	295,184,124
Debt securities issued	126,360,001		-	126,360,001
Interest-bearing borrowings	-	-	544,064,226	544,064,226
	126,360,001	-	5,586,872,575	5,713,232,576

Financial instrument measured at fair value

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily government bonds, corporate bonds, treasury bills and equity investments classified as trading securities or available for sale investments.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:
(i) Quoted market prices or dealer quotes for similar instruments;
(ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
(iii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(c) Financial instruments in level 3

The Group uses widely recognised valuation models for determining the fair value of its financial assets. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain Investment securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate.

For level 2 assets, fair value was obtained using a recent market transaction during the year under review. Fair values of unquoted debt securities were derived by interpolating prices of quoted debt securities with similar maturity profile and characteristics. There were transfers between levels 1 and 2 during the year on investment under management because the instruments involved are government securities with readily determinable price and they are risk free.

4.1.3 Valuation techniques used to derive Level 2 fair values

Level 2 fair values of investments have been generally derived using the market approach. Below is a table showing sensitivity analysis of material unquoted investments categorised as Level 2 fair values.

Description	Fair value at 31 December 2020	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Relationship of observable inputs to fair value
Derivative financial assets	244,564,046	"Forward and swap: Fair value through market rate from a quoted market Futures: Fair value through reference market rate"	Market rates from quoted market	(20,706)	(20,707)	The higher the market rate, the higher the fair value of the derivative financial instrument
Derivative financial liabilities	20,775,722					
Investment in CSCS	5,643,750	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting period	Share price from NASD	5,925,938	5,361,563	The higher the share price, the higher the fair value
Nigerian Mortgage Refinance Company	323,333	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting period	Share price from NASD	337,052	304,952	The higher the share price, the higher the fair value

4.1.4 Valuation techniques used to derive Level 3 fair values

Level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. Quoted price per earning or price per book value, enterprise value to EBITDA ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the Illiquidity Discount which assumes a reduced earning on a private entity in comparison to a publicly quoted entity and the Haircut adjustment which assumes a reduced earning for an entity located in Nigeria contributed by lower transaction levels in comparison to an entity in a developed or emerging market.

Description	Fair value at 31 December 2020	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Fair value if unobservable inputs increased by 5%	Fair value if unobservable inputs decreased by 5%	Relationship of unobservable inputs to fair value
Investment in Africa Finance Corporation	114,520,852	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	120,246,390	108,794,353	110,948,008	110,302,174	The higher the illiquidity ratio, the control premium and the size adjustment/haircut, the higher the fair value
Investment in Unified Payment System Limited	4,058,931	Adjusted fair value comparison approach	Median PE ratios of comparable companies	4,261,878	3,855,985	3,969,341	4,149,516	The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value
Investment in NIBSS	7,802,112	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	8,192,217	7,412,006	7,629,901	7,976,234	The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value

Investment in Afrexim	49,851	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	52,343	47,358	18,988	19,445	The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value
Investment in FMDQ	3,332,927	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	3,499,573	3,166,280	3,301,691	3,451,560	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC Bureau	792,743	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	832,380	753,105	775,245	810,435	The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value
CAPITAL ALLIANCE EQUITY FUND	4,412,649	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	4,633,282	4,192,017	4,633,282	4,192,017	The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value
NG Clearing	213,223	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	223,884	202,562	196,487	198,537	The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value
SANEF	50,000	Adjusted fair value comparison approach	Fair value of transactions at settlement date	52,500	47,500	52,500	47,500	The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value

4.1.5 Reconciliation of Level 3 Investments

The following tables presents the changes in Level 3 instruments for the year ended 31 December 2020

Financial assets at fair value through profit or loss	**Group** **December 2020**	**Group** **December 2019**	**Bank** **December 2020**	**Bank** **December 2019**
Opening balance	112,559,385	98,287,042	112,527,686	97,738,061
Acquired from business combination	-	6,058,135	-	6,058,135
Total unrealised gains in P/L	28,672,684	19,799,137	28,672,684	19,799,137
Cost of Asset (Additions)	-	50,000	-	50,000
Sales	(1,175)	(11,634,929)	-	(11,117,647)
Balance, year end	**141,230,894**	**112,559,385**	**141,200,370**	**112,527,686**

Assets Held for Sale	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance	24,957,521	12,241,824	24,957,525	12,241,830
Acquired from business combination	-	-	-	-
Additions	5,370,951	14,660,697	5,180,949	14,660,695
Disposals	(2,010,000)	(1,945,000)	(2,010,000)	(1,945,000)
Balance, year end	**28,318,470**	**24,957,521**	**28,128,474**	**24,957,525**

Investment under management

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance	28,291,959	23,839,394	28,291,959	23,839,394
Additions	2,159,507	4,452,564	2,159,507	4,452,564
Balance, year end	**30,451,466**	**28,291,959**	**30,451,466**	**28,291,959**

(b) Fair value of financial assets and liabilities not carried at fair value

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

(i) Cash

The carrying amount of cash and balances with banks is a reasonable approximation of fair value.

(ii) Loans and advances to banks and customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iii) Investment securities and pledged assets

The fair values are based on market prices from financial market dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

The fair value comprises equity securities and debt instruments. The fair value for these assets are based on estimations using market prices and earning multiples of quoted securities with similar characteristics.

(iv) Other assets

The bulk of these financial assets have short maturities with their amounts of financial assets in is a reasonable approximation of fair value.

(v) Deposits from banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.(vi) Other liabilities

The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value. They comprise of short term liabilities which are available on demand to creditors with no contractual rates attached to them.

(vii) Interest bearing borrowings

The estimated fair value of fixed interest-bearing borrowings not quoted in an active market is based on the market rates for similar instruments for these debts over their remaining maturity.

(viii) Debt securities issued

The estimated fair value of floating interest rate debt securities quoted in an active market is based on the quoted market rates as listed on the irish stock exchange for these debts over their remaining maturity.

4.3 Financial assets and liabilities

(a) Fair value measurement

Accounting classification measurement basis and fair values

The table below sets out the classification of each class of financial assets and liabilities, and their fair values.

Group *In thousands of Naira* December 2020	Financial assets designated as FVPL	Financial assets mandatorily measured through FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Financial liabilities mandatorily measured through FVPL	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Cash and balances with banks	-	-	708,701,735	-	-	-	708,701,735	723,872,820
Investment under management	-	-	-	30,451,466	-	-	30,451,466	30,451,466
Non pledged trading assets		-	-	-	-	-		
Treasury bills	116,036,126	-	-	-	-	-	116,036,126	116,036,126
Bonds	91,915,817	-	-	-	-	-	91,915,817	91,915,817
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	251,112,745	-	-	-	-	251,112,745	251,112,745
Loans and advances to banks	-	-	392,821,307	-	-	-	392,821,307	392,821,307
Loans and advances to customers	-	-	3,218,107,027	-	-	-	3,218,107,027	3,218,107,027
Pledged assets		-						
Treasury bills	85,006,604	-	94,446,926	999,521	-	-	180,453,051	184,103,896
Bonds	-	-	44,570,800	2,617,080	-	-	47,187,881	44,451,010
Investment securities		-						
- Financial assets at FVOCI		-						
Treasury bills	-	-	-	748,230,225	-	-	748,230,225	748,230,225
Bonds	-	-	-	219,614,874	-	-	219,614,874	219,614,874
Promissory Notes	-	-	-	80,033,790	-	-	80,033,790	80,033,790

04 FINANCIAL STATEMENTS

- Financial assets at FVPL								
Equity	141,765,576	-	-	-	-	-	141,765,576	141,765,576
- Financial assets at amortised cost		-						
Treasury bills	-	-	237,319,644	-	-	-	237,319,644	237,109,445
Total Return Notes	-	-	46,304,096	-	-	-		
Bonds	-	-	288,715,163	-	-	-	288,715,163	276,839,983
Promissory Notes	-	-	427,536	-	-	-	427,536	427,536
Other assets	-	-	1,562,968,322	-	-	-	1,562,968,322	1,528,465,157
	434,724,123	**251,112,745**	**6,594,382,556**	**1,081,946,956**	**-**	**-**	**8,315,862,282**	**8,285,358,803**
Deposits from financial institutions	-	-	-	-	-	943,625,036	943,625,036	947,575,948
Deposits from customers	-	-	-	-	-	5,609,318,994	5,609,318,994	5,632,804,940
Other liabilities	-	-	-	-	-	357,424,157	357,424,157	356,638,102
Derivative financial instruments	-	-	-	-	20,880,529	-	20,880,529	20,880,529
Debt securities issued	-	-	-	-	-	169,160,059	169,160,059	180,964,594
Interest bearing borrowings	-	-	-	-	-	796,750,541	796,750,541	791,455,237
	-	**-**	**-**	**-**	**20,880,529**	**7,876,278,786**	**7,897,159,314**	**7,930,319,350**

Group

In thousands of Naira

December 2019

	Financial assets designated as FVPL	Financial assets mandatorily measured through FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Financial liabilities mandatorily measured through FVPL	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Cash and balances with banks	-	-	723,064,003	-	-	-	723,064,003	723,064,003
Investment under management	-	-	-	28,291,959	-	-	28,291,959	28,291,959
Non pledged trading assets		-						
Treasury bills	89,797,961	-	-	-	-	-	89,797,961	89,797,961
Bonds	40,021,277	-	-	-	-	-	40,021,277	40,021,277
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	143,520,553	-	-	-	-	143,520,553	143,520,553
Loans and advances to banks	-	-	152,825,081	-	-	-	152,825,081	152,825,081
Loans and advances to customers	-	-	2,911,579,708	-	-	-	2,911,579,708	2,911,579,708
Pledged assets		-						
Treasury bills	39,881,494	-	452,686,281	30,388,532	-	-	522,956,307	522,956,307
Bonds	-	-	82,599,583	-	-	-	82,599,583	82,599,584
Investment securities		-						
- Financial assets at FVOCI		-						
Treasury bills	-	-	-	232,813,374	-	-	232,813,374	232,813,374
Bonds	-	-	-	81,977,676	-	-	81,977,676	81,977,676
Promissory Notes	-	-	-	807,619	-	-	807,619	807,619
- Financial assets at FVPL		-						
Equity	113,158,320	-	-	-	-	-	113,158,320	108,602,428
- Financial assets at amortised cost		-						
Treasury bills	-	-	379,283,381	-	-	-	379,283,381	272,687,967
Bonds	-	-	266,278,996	-	-	-	266,278,996	78,096,004

Promissory Notes	-	-	10,844,042	-	-	-	10,844,042	20,260,865
Other assets	-	-	1,022,592,166	-	-	-	1,022,592,166	881,457,493
	282,859,052	**143,520,553**	**6,001,753,241**	**374,279,160**	**-**	**-**	**6,802,412,006**	**6,371,359,860**
Deposits from financial institutions	-	-	-	-	-	1,186,356,314	1,186,356,314	1,201,095,342
Deposits from customers	-	-	-	-	-	4,255,837,303	4,255,837,303	4,308,710,881
Other liabilities	-	-	-	-	-	4,526,457	4,526,457	4,526,457
Derivative financial instruments	-	-	-	-	6,885,680	-	6,885,680	4,749,615
Debt securities issued	-	-	-	-	-	157,987,877	157,987,877	124,883,327
Interest bearing borrowings	-	-	-	-	-	586,602,830	586,602,830	611,846,270
	-	**-**	**-**	**-**	**6,885,680**	**6,191,310,781**	**6,198,196,461**	**6,255,811,893**

The Group reclassified Cash reserve requirement, classified as restricted deposits with Central banks and special reserve intervention funds, from Cash and cash equivalents to Other assets for financial reporting purposes.

Bank In thousands of Naira **December 2020**	**Financial assets designated as FVPL**	**Financial assets mandatorily measured through FVPL**	**Financial assets measured at amortized cost**	**Financial assets measured at FVOCI**	**Financial liabilities mandatorily measured through FVPL**	**Financial liabilities measured at amortised cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	589,813,074	-	-	-	589,813,074	589,812,439
Investment under management	-	-	-	30,451,466	-	-	30,451,466	30,451,466
Non pledged trading assets								
Treasury bills	97,719,848	-	-	-	-	-	97,719,848	97,719,848
Bonds	12,563,265	-	-	-	-	-	12,563,265	12,563,265
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	244,564,046	-	-	-	-	244,564,046	244,564,046
Loans and advances to banks	-	-	231,788,276	-	-	-	231,788,276	231,788,276
Loans and advances to customers	-	-	2,818,875,731	-	-	-	2,818,875,731	2,818,875,731
Pledged assets								
Treasury bills	85,006,603	-	94,446,926	999,521	-	-	180,453,050	184,103,895
Bonds	-	-	44,570,800	2,617,080	-	-	47,187,881	44,451,010
Investment securities								
- Financial assets at FVOCI								
Treasury bills	-	-	-	608,866,687	-	-	608,866,687	608,866,687
Bonds	-	-	-	106,924,656	-	-	106,924,656	106,924,656
Promissory Notes	-	-	-	80,033,790	-	-	80,033,790	80,033,790
- Financial assets at FVPL								
Equity	141,735,053	-	-	-	-	-	141,735,053	141,735,053
- Financial assets at amortised cost								
Treasury bills	-	-	194,543,388	-	-	-	194,543,388	194,302,056
Total Return Notes								
Bonds	-	-	246,498,486	-	-	-	246,498,486	250,772,348
Promissory Notes	-	-	427,536	-	-	-	427,536	427,537
Other assets	-	-	1,509,545,978	-	-	-	1,509,545,978	1,477,457,039
	337,024,768	**244,564,046**	**5,730,510,196**	**829,893,200**	**-**	**-**	**7,141,992,211**	**7,114,849,142**

Deposits from financial institutions	-	-	-	-	-	831,632,332	831,632,332	835,114,336
Deposits from customers	-	-	-	-	-	4,854,898,947	4,854,898,947	4,875,226,175
Other liabilities	-	-	-	-	-	322,955,910	322,955,910	322,955,917
Derivative financial instruments	-	-	-	-	20,775,722	-	20,775,722	20,775,722
Debt securities issued	-	-	-	-	-	169,160,059	169,160,059	180,964,594
Interest bearing borrowings	-	-	-	-	-	760,275,225	760,275,225	755,254,273
	-	-	-	-	20,775,722	6,938,922,480	6,959,698,202	6,990,291,009

Bank In thousands of Naira **December 2019**	**Financial assets designated as FVPL**	**Financial assets mandatorily measured through FVPL**	**Financial assets measured at amortized cost**	**Financial assets measured at FVOCI**	**Financial liabilities mandatorily measured through FVPL**	**Financial liabilities measured at amortised cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	575,906,273	-	-	-	575,906,273	575,906,273
Investment under management	-	-	-	28,291,959	-	-	28,291,959	28,291,959
Non pledged trading assets		-						
Treasury bills	74,749,344	-	-	-	-	-	74,749,344	74,749,344
Bonds	2,222,417	-	-	-	-	-	2,222,417	2,222,417
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	143,480,073	-	-	-	-	143,480,073	143,480,073
Loans and advances to banks	-	-	164,413,001	-	-	-	164,413,001	164,413,001
Loans and advances to customers	-	-	2,481,623,671	-	-	-	2,481,623,671	2,481,623,671
Pledged assets		-						
Treasury bills	39,881,494	-	452,686,281	30,388,532	-	-	522,956,307	522,956,307
Bonds	-	-	82,599,583	-	-	-	82,599,583	82,599,583
Investment securities		-						
- Financial assets at FVOCI		-						
Treasury bills	-	-	-	77,897,548	-	-	77,897,548	77,897,548
Bonds	-	-	-	18,950,446	-	-	18,950,446	18,950,446
Promissory Notes	-	-	-	807,619	-	-	807,619	807,619
- Financial assets at FVPL		-						
Equity	-	-	-	-	113,126,623	-	113,126,623	113,126,623
- Financial assets at amortised cost		-						
Treasury bills	-	-	341,786,029	-	-	-	341,786,029	341,786,029
Bonds	-	-	250,828,832	-	-	-	250,828,832	250,828,832
Promissory Notes	-	-	10,844,043	-	-	-	10,844,043	10,844,043
Other assets	-	-	974,543,393	-	-	-	974,543,393	974,543,393
	116,853,255	**143,480,073**	**5,335,231,106**	**156,336,104**	**113,126,623**	**-**	**5,865,027,162**	**5,865,027,162**

04 FINANCIAL STATEMENTS

Deposits from financial institutions	-	-	-	-	-	1,079,284,418	1,079,284,418	1,092,693,207
Deposits from customers	-	-	-	-	-	3,668,339,811	3,668,339,811	3,713,914,452
Other liabilities	-	-	-	-	-	4,353,070	4,353,070	4,353,070
Derivative financial instruments	-	-	-	-	6,827,293	-	6,827,293	5,206,001
Debt securities issued	-	-	-	-	-	157,987,877	157,987,877	251,251,383
Interest bearing borrowings	-	-	-	-	-	544,064,226	544,064,226	388,416,734
	-	**-**	**-**	**-**	**6,827,293**	**5,454,029,402**	**5,460,856,694**	**5,455,834,848**

Interest bearing borrowings

The Group reclassified Cash reserve requirement, classified as restricted deposits with Central banks and special reserve intervention funds, from Cash and cash equivalents to Other assets for financial reporting purposes.

5.1 Credit risk management

5.1.1 Maximum exposure to credit risk before collateral held or other credit enhancements

Credit risk exposures relating to financial assets are as follows:

In thousands of Naira	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Cash and balances with banks				
- Current balances with banks	60,388,887	148,366,809	43,353,005	62,064,776
- Unrestricted balances with central banks	51,127,105	117,883,814	13,639,189	97,734,073
- Money market placements	89,783,183	48,838,459	40,095,277	32,822,516
- Other deposits with central banks	46,459,022	99,347,553	46,459,022	99,347,553
Investment under management	30,451,466	28,291,959	30,451,466	28,291,959
Non pledged trading assets				
Treasury bills	116,036,126	89,797,961	97,719,848	74,749,344
Bonds	91,915,817	40,021,277	12,563,265	2,222,417
Derivative financial instruments	251,112,745	143,520,553	244,564,046	143,480,073
Loans and advances to banks	392,821,307	152,825,081	231,788,276	164,413,001
Loans and advances to customers	3,218,107,027	2,911,579,708	2,818,875,731	2,481,623,671
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	999,521	30,388,532	999,521	30,388,532
Bonds	2,617,080	-	2,617,080	-
-Financial instruments at amortized cost				
Treasury bills	98,097,771	452,686,283	98,097,771	452,686,282
Bonds	41,833,930	82,599,583	41,833,930	82,599,583
-Financial instruments at FVPL				
Treasury bills	85,006,604	39,881,494	85,006,603	39,881,494
Bonds	-	-	-	-
Treasury bills	-	-	-	-
Bonds	-	-	-	-
Investment securities				
-Financial instruments at FVOCI				
Treasury bills	748,230,225	232,813,374	608,866,687	77,897,548
Bonds	219,614,874	64,989,934	106,924,656	4,823,398
Promissory notes	80,033,790	807,619	80,033,790	807,619
- Financial assets at amortised cost				
Treasury bills	237,109,445	379,283,381	194,302,056	341,786,029
Total Return notes	45,527,717	-	45,527,717	-
Bonds	277,439,999	277,123,038	251,199,886	261,672,875
Promissory notes	427,536	10,844,042	427,537	10,844,042
Restricted deposit and other assets	1,523,210,445	1,016,582,843	1,471,481,477	968,698,629
Total	**7,708,351,624**	**6,368,473,298**	**6,567,666,672**	**5,458,835,413**
Off balance sheet exposures				
Transaction related bonds and guarantees	378,808,847	477,932,817	335,064,193	451,514,549
Guaranteed facilities	-	-	-	-
Clean line facilities for letters of credit and other commitments	445,538,945	419,584,999	341,751,564	324,529,363
Total	**824,347,792**	**897,517,816**	**676,815,757**	**776,043,912**

FINANCIAL STATEMENTS

04

Balances included in other Assets above are those subject to credit risks. The table above shows a worst-case scenario of credit risk exposure to the Group as at 31 December 2020 and 31 December 2019, without taking account of any collateral held or other credit enhancements attached.

For on-balance-sheet assets, the exposures set out above are based on net amounts reported in the statements of financial position.

The Directors are confident in their ability to continue to control exposure to credit risk which can result from both its Loans and Advances portfolio and debt securities.

5.1.2 Gross loans and advances to customers per sector is as analysed follows:

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Agriculture	46,604,769	33,345,655	38,449,759	31,591,359
Construction	281,672,508	219,709,444	251,924,604	190,749,900
Education	6,646,081	1,672,612	6,646,081	1,672,612
Finance and insurance	64,194,208	42,268,668	51,938,634	35,603,293
General	199,551,076	162,271,569	182,981,897	141,416,749
General commerce	334,621,407	360,173,840	250,551,200	301,611,261
Government	233,659,985	222,679,198	219,321,675	197,097,269
Information And communication	166,886,229	150,342,607	159,818,167	146,599,122
Other manufacturing (Industries)	110,756,615	96,217,261	77,253,248	55,346,512
Basic metal Products	46,576,673	44,740,231	46,576,673	44,740,231
Cement	42,615,921	33,722,220	42,615,921	33,722,220
Conglomerate	112,880,586	79,971,726	112,880,586	79,971,726
Flourmills And bakeries	9,061	13,304,974	9,061	13,304,974
Food manufacturing	180,995,777	145,705,898	103,153,650	61,926,991
Steel rolling mills	86,001,404	116,073,823	86,001,404	116,073,823
Oil And Gas - downstream	136,630,374	148,711,765	124,484,023	134,328,441
Oil And Gas - services	593,061,790	480,719,449	559,533,809	438,926,954
Oil And Gas - upstream	228,927,446	240,938,354	226,906,782	239,917,864
Crude oil refining	15,351,429	45,851,377	15,351,429	45,851,377
Real estate activities	250,514,207	241,219,354	237,604,450	223,961,036
Transportation and storage	116,635,755	99,158,890	95,128,955	79,289,024
Power and energy	25,236,558	25,424,378	24,577,896	24,135,507
Professional, scientific and technical activities	1,909,503	2,710,129	1,909,503	2,710,129
Others	85,221,902	96,037,024	22,298,865	22,074,716
	3,367,161,264	**3,102,970,447**	**2,937,918,270**	**2,662,623,090**

5.1.3(a) Group

December 2020

Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	186,055,014	12,890,519	-	198,945,533	629,734	431,507	-	1,061,241	197,884,292
Non-Investment	-	400,171	9,958,273	10,358,444	-	329,538	2,621,276	2,950,813	7,407,631

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	1,521,827,027	69,704,614	-	1,591,531,641	15,886,487	4,326,734	-	20,213,222	1,571,318,419
Standard grade	1,024,263,227	380,763,903	-	1,405,027,131	16,103,406	45,509,751	-	61,613,156	1,343,413,975
Non-Investment	-	10,154,033	151,144,481	161,298,514	-	8,394,219	54,821,587	63,215,805	98,082,709

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	393,326,719	-	-	393,326,719	599,195	-	-	599,195	392,727,523
Standard grade	6,411	-	-	6,411	188	-	-	188	6,224
Non-Investment	-	-	140,061	140,061	-	-	52,501	52,501	87,560

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	392,519,731	-	-	392,519,731	245,291	-	-	245,291	392,274,441
Standard grade	413,915,207	16,631,872	-	430,547,079	2,409,584	43,489	-	2,453,073	428,094,007
Non-Investment	40,832	1,240,150	-	1,280,983	705	40,966	-	41,671	1,239,312

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	370,970,748	-	-	370,970,748	55,878	-	-	55,878	370,914,870
Standard grade	1,229,097,842	-	472,288	1,229,570,130	344,654	-	472,288	816,941	1,228,753,188
Non-Investment	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202

Pledged Assets

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	228,554,906	-	-	228,554,906	9,370	-	-	9,370	228,545,536

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	73,757,529	-	-	73,757,529	171,203	-	-	171,203	73,586,325
Standard grade	8,019,055	-	-	8,019,055	31,955	-	-	31,955	7,987,100
Non-Investment	8,006,600	-	-	8,006,600	1,700	-	-	1,700	8,004,900

5.1.3(b) Bank

December 2020

Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	87,793,354	12,890,519	-	100,683,873	569,711	431,507	-	1,001,218	99,682,655
Non-Investment	-	64,145	7,998,975	8,063,121	-	9,413	1,820,964	1,830,375	6,232,745

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	1,437,096,178	69,704,614	-	1,506,800,792	15,498,335	4,326,734	-	19,825,069	1,486,975,722
Standard grade	831,221,838	380,763,903	-	1,211,985,741	14,550,801	45,509,751	-	60,060,552	1,151,925,191
Non-Investment	-	2,700,464	107,684,279	110,384,743	-	711,224	35,614,100	36,325,324	74,059,419

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	231,940,426	-	-	231,940,426	245,933	-	-	245,933	231,694,492
Standard grade	6,411	-	-	6,411	188	-	-	188	6,224
Non-Investment	-	-	140,061	140,061	-	-	52,501	52,501	87,560

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	348,260,121	-	-	348,260,121	245,291	-	-	245,291	348,014,830
Standard grade	325,395,986	1,878,669	-	327,274,655	2,288,632	43,489	-	2,332,121	324,942,533
Non-Investment	40,832	1,240,150	-	1,280,983	705	40,966	-	41,671	1,239,311

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	51,216,589	-	-	51,216,589	1,360	-	-	1,360	51,215,228
Standard grade	1,229,097,842	-	472,288	1,229,570,130	344,654	-	472,288	816,942	1,228,753,188
Non-Investment	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202

Pledged Assets

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	228,554,905	-	-	228,554,905	9,370	-	-	9,370	228,545,535

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	24,069,623	-	-	24,069,623	501	-	-	501	24,069,122
Standard grade	8,019,055	-	-	8,019,055	31,955	-	-	31,955	7,987,100
Non-Investment	8,006,600	-	-	8,006,600	1,700	-	-	1,700	8,004,900

5.1.3(a) Group

December 2019

Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	197,511,320	1,643,278	-	199,154,598	712,723	642,546	-	1,355,269	197,799,329
Non-Investment	-	4,711,282	5,980,095	10,691,377	-	581,220	3,239,997	3,821,217	6,870,160

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	715,600,782	274,134,832	-	989,735,614	1,918,337	27,033,881	-	28,952,218	960,783,396
Standard grade	1,050,827,640	405,723,677	-	1,456,551,317	18,790,398	32,848,728	-	51,639,126	1,404,912,191
Non-Investment	-	266,522,021	180,315,519	446,837,540	-	50,032,238	55,590,669	105,622,907	341,214,633

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	152,283,368	-	-	152,283,368	6,986	-	-	6,986	152,276,382
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	-	-	2,166,836	2,166,836	-	-	1,618,137	1,618,137	548,699

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	435,168,300	1,322,678	-	436,490,978	505,168	327	-	505,495	435,985,483
Standard grade	310,740,727	18,033,882	1,124,576	329,899,185	2,262,578	80,113	244,233	2,586,924	327,312,261
Non-Investment	211,023	5,778,001	3,664,726	9,653,750	1,889	220,619	1,038,129	1,260,637	8,393,111

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	948,383,896		-	948,383,896	1,800	-	-	1,800	948,382,096
Standard grade	11,950,956	-	-	11,950,956	117,946	-	-	117,946	11,833,010
Sub-standard grade	932,242	47,632	462,530	1,442,404	71,625	-	-	71,625	1,370,779
Non-Investment	10,227,833	-	-	10,227,833	14,541	1,879	462,530	478,950	9,748,883

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	48,838,459	-	-	48,838,459	91,447	-	-	91,447	48,747,010
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	-	-	-	-	-	-	-	-	-

5.1.3(b) Bank

December 2019

Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	84,319,032	1,643,278	-	85,962,310	632,815	642,546	-	1,275,361	84,686,950
Non-Investment	-	4,529,152	5,524,770	10,053,922	-	474,675	3,026,908	3,501,583	6,552,339

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	595,909,009	274,134,832	-	870,043,841	1,454,224	27,033,881	-	28,488,104	841,555,736
Standard grade	865,647,361	405,723,677	-	1,271,371,038	16,933,943	32,848,728	-	49,782,672	1,221,588,366
Non-Investment	-	260,337,575	164,854,403	425,191,978	-	47,475,169	50,476,532	97,951,701	327,240,277

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	163,608,152	-	-	163,608,152	6,986	-	-	6,986	163,601,166
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	-	-	2,166,836	2,166,836	-	-	1,355,001	1,355,001	811,835

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	435,168,300	1,322,678	-	436,490,978	505,168	327	-	505,495	435,985,483
Standard grade	310,740,727	18,033,882	1,124,576	329,899,185	2,262,578	80,113	244,233	2,586,924	327,312,261
Non-Investment	211,023	5,778,001	3,664,726	9,653,750	1,889	220,619	1,038,129	1,260,636	8,393,112

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	680,815,819	-	-	680,815,819	133,491	-	-	133,491	680,682,328
Standard grade	4,862,794	-	-	4,862,794	-	1,879	-	1,879	4,860,915
Non-Investment	932,242	-	-	932,242	-	-	462,530	462,530	469,712

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	32,822,516	-	-	32,822,516	1,275	-	-	1,275	32,821,240
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	-	-	-	-	-	-	-	-	-

5.1.3 Credit quality

(c) Credit quality by risk rating class

Group

In thousands of Naira

December 2020

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	475,341	13,094	-	488,434	1,522	98	-	1,620	486,814
BB	Standard	3	181,334,482	12,460,551	-	193,795,032	493,605	424,015	-	917,619	192,877,413
BB-	Standard	3-	4,245,191	416,875	-	4,662,066	134,607	7,394	-	142,001	4,520,065
B	Non-Investment	4	-	54,324	-	54,324	-	9,381	-	9,381	44,943
B-	Non-Investment	5	-	345,847	-	345,847	-	93,206	-	320,157	25,693
CCC	Non-Investment	6	-	-	6,888,825	6,888,825	-	-	2,012,556	2,012,556	4,876,270
C	Non-Investment	7	-	-	471,346	471,346	-	-	96,965	96,965	374,381
D	Non-Investment	8	-	-	2,598,102	2,598,102	-	-	511,755	511,755	2,086,348
Carrying amount			**186,055,014**	**13,290,692**	**9,958,274**	**209,303,978**	**629,734**	**761,045**	**2,621,276**	**4,021,054**	**205,291,927**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	143,495,419	-	-	143,495,419	214,971	-	-	214,971	143,280,448
AA	Investment	2+	280,976,157	43,530,087	-	324,506,243	455,065	3,606,001	-	4,061,066	320,445,177
A	Investment	2	346,719,174	24,810,840	-	371,530,013	2,785,685	646,770	-	3,432,455	368,097,558
BBB	Investment	2-	750,636,277	1,363,688	-	751,999,964	13,595,219	73,963	-	13,669,182	738,330,782
BB+	Standard	3+	290,256,529	12,174,547	-	302,431,076	1,889,266	2,082,846	-	3,972,112	298,458,964
BB	Standard	3	631,194,806	307,585,837	-	938,780,644	7,404,751	37,547,266	-	44,952,018	893,828,626
BB-	Standard	3-	102,811,892	61,003,519	-	163,815,410	5,644,935	5,879,639	-	11,524,573	152,290,838
B	Non-Investment	4	-	1,426,987	-	1,426,987	-	395,965	-	395,965	1,031,022
B-	Non-Investment	5	-	8,727,046	-	8,727,046	-	7,998,254	-	7,998,254	728,793
CCC	Non-Investment	6	-	-	60,471,259	60,471,259	-	-	22,785,822	22,785,822	37,685,437
C	Non-Investment	7	-	-	81,073,585	81,073,585	-	-	29,945,749	29,945,749	51,127,837
D	Non-Investment	8	-	-	9,599,636	9,599,636	-	-	2,090,016	2,090,016	7,509,620
			2,546,090,254	**460,622,552**	**151,144,481**	**3,157,857,284**	**31,989,892**	**58,230,704**	**54,821,586**	**145,042,182**	**3,012,815,101**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	393,326,719	-	-	393,326,719	599,195	-	-	599,195	392,727,523
AA	Investment	2+	-	-	-	-	-	-	-	-	-
A	Investment	2	-	-	-	-	-	-	-	-	-
BBB	Investment	2-	-	-	-	-	-	-	-	-	-
BB+	Standard	3+	-	-	-	-	-	-	-	-	-
BB	Standard	3	6,411	-	-	6,411	188	-	-	188	6,224
BB-	Standard	3-	-	-	-	-	-	-	-	-	-
B	Non-Investment	4	-	-	-	-	-	-	-	-	-
B-	Non-Investment	5	-	-	-	-	-	-	-	-	-
CCC	Non-Investment	6	-	-	-	-	-	-	-	-	-
C	Non-Investment	7	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	140,061	140,061	-	-	52,501	52,501	87,560
			393,333,130	**-**	**140,061**	**393,473,191**	**599,383**	**-**	**52,501**	**651,884**	**392,821,308**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	319,754,160	-	-	319,754,160	54,518	-	-	54,518	319,699,641
A	Investment	2	51,216,589	-	-	51,216,589	1,360	-	-	1,360	51,215,228
BB	Standard	3	1,229,097,842	-	-	1,229,097,842	344,654	-	-	344,654	1,228,753,188
B	Non-Investment	4	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202
B-	Non-Investment	5	-			-				-	-
CCC	Non-Investment	6	-	-	472,288	472,288	-	-	472,288	472,288	-
C	Non-Investment	7	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	-	-	-	-	-	-	-
			1,606,136,665	**-**	**472,288**	**1,606,608,953**	**490,405**	**-**	**472,288**	**962,692**	**1,605,646,258**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2020	Fair Value December 2020
AAA-A	Investment	1	1,193,683,908	234,393,567
A	Investment	2	115,473,350	(6,548,527)
AA	Investment	2+	46,562,406	(1,127,670)
BBB	Investment	2-	17,697,777	903,439
BB+	Standard	3+	20,801,337	1,657,656
BB	Standard	3	17,143,647	863,634
BB-	Standard	3-	-	-
Gross amount			**1,433,825,701**	**230,492,192**

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies. These instruments are neither past due nor impaired

Bank

December 2020

In thousands of Naira

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	475,341	13,094	-	488,434	1,522	98	-	1,620	486,814
BB	Standard	3	83,072,822	12,460,551	-	95,533,373	433,582	424,015	-	857,597	94,675,777
BB-	Standard	3-	4,245,191	416,875	-	4,662,066	134,607	7,394	-	142,000	4,520,065
B	Non-Investment	4	-	54,324	-	54,324	-	9,381	-	9,381	44,945
B-	Non-Investment	5	-	9,821	-	9,821	-	32	-	32	9,790
CCC	Non-Investment	6	-	-	4,929,527	4,929,527	-	-	1,212,244	1,212,244	3,717,282
C	Non-Investment	7	-	-	471,346	471,346	-	-	96,965	96,965	374,381
D	Non-Investment	8	-	-	2,598,102	2,598,102	-	-	511,755	511,755	2,086,348
Carrying amount			**87,793,355**	**12,954,665**	**7,998,975**	**108,746,995**	**569,711**	**440,919**	**1,820,964**	**2,831,593**	**105,915,401**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	143,495,419	-	-	143,495,419	214,971	-	-	214,971	143,280,449
AA	Investment	2+	280,976,157	43,530,087	-	324,506,243	455,065	3,606,001	-	4,061,066	320,445,177
A	Investment	2	261,988,325	24,810,840	-	286,799,165	1,233,080	646,770	-	1,879,851	284,919,314
BBB	Investment	2-	750,636,277	1,363,688	-	751,999,964	13,595,219	73,963	-	13,669,182	738,330,782
BB+	Standard	3+	290,256,529	12,174,547	-	302,431,076	1,889,266	2,082,846	-	3,972,112	298,458,965
BB	Standard	3	438,153,417	307,585,837	-	745,739,254	7,016,600	37,547,266	-	44,563,866	701,175,387
BB-	Standard	3-	102,811,892	61,003,519	-	163,815,412	5,644,935	5,879,639	-	11,524,573	152,290,840
B	Non-Investment	4	-	1,426,987	-	1,426,987	-	395,965	-	395,965	1,031,022
B-	Non-Investment	5	-	1,273,477	-	1,273,477	-	315,259	-	315,259	958,218
CCC	Non-Investment	6	-	-	17,011,057	17,011,057	-	-	3,578,335	3,578,335	13,432,723
C	Non-Investment	7	-	-	81,073,585	81,073,585	-	-	29,945,749	29,945,749	51,127,837
D	Non-Investment	8	-	-	9,599,636	9,599,636	-	-	2,090,016	2,090,016	7,509,620
			2,268,318,016	**453,168,982**	**107,684,279**	**2,829,171,276**	**30,049,136**	**50,547,710**	**35,614,100**	**116,210,946**	**2,712,960,330**

04 FINANCIAL STATEMENTS

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	231,940,426	-	-	231,940,426	245,933	-	-	245,933	231,694,492
AA	Investment	2+	-	-	-	-	-	-	-	-	-
A	Investment	2	-	-	-	-	-	-	-	-	-
BB	Standard	3	6,411	-	-	6,411	188	-	-	188	6,224
B	Non-Investment	4	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	140,062	140,061	-	-	52,501	52,501	87,560
			231,946,837	**-**	**140,062**	**232,086,898**	**246,121**	**-**	**52,501**	**298,622**	**231,788,277**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
A	Investment	2	51,216,589	-	-	51,216,589	1,360	-	-	1,360	51,215,228
BB	Standard	3	1,229,097,842	-	-	1,229,097,842	344,654	-	-	344,654	1,228,753,188
B	Non-Investment	4	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202
CCC	Non-Investment	6	-	-	472,288	472,288	-	-	472,288	472,288	-
			1,286,382,505	**-**	**472,288**	**1,286,854,794**	**435,887**	**-**	**472,288**	**908,175**	**1,285,946,618**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2020	Fair Value December 2020
AAA-A	Investment	1	1,177,123,466	233,473,011
AA	Investment	2+	5,902,833	(570,464)
A	Investment	2	98,912,907	(7,469,082)
BBB	Investment	2-	30,001,963	(2,048,226)
BB+	Standard	3+	1,137,335	(17,117)
BB	Standard	3	4,240,894	737,100
BB-	Standard	3-	583,204	(56,922)
Gross amount			**1,317,902,602**	**224,048,301**

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies. These instruments are neither past due nor impaired

5.1.3 Credit quality

(c) Credit quality by risk rating class

Group

In thousands of Naira

December 2019

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	971,147	-	-	971,147	5,395	-	-	5,395	965,752
BB	Standard	3	194,644,869	1,343,585	-	195,988,454	640,016	479,342	-	1,119,358	194,869,095
BB-	Standard	3-	1,895,304	299,693	-	2,194,997	67,312	163,204	-	230,516	1,964,482
B	Non-Investment	4	-	3,861,882	-	3,861,882	-	234,704	-	234,704	3,627,179
B-	Non-Investment	5	-	849,401	455,325	1,304,726	-	346,516	-	346,515	958,211
CCC	Non-Investment	6	-	-	3,364,354	3,364,354	-	-	2,040,908	2,040,908	1,323,446
C	Non-Investment	7	-	-	907,961	907,961	-	-	487,296	487,296	420,665
D	Non-Investment	8	-	-	1,252,455	1,252,455	-	-	711,793	711,793	540,662
Carrying amount			**197,511,320**	**6,354,561**	**5,980,095**	**209,845,976**	**712,723**	**1,223,766**	**3,239,997**	**5,176,485**	**204,669,491**

04 FINANCIAL STATEMENTS

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	141,904,070	-	-	141,904,070	18,603	-	-	18,603	141,885,467
AA	Investment	2+	283,074,454	37,790,380	-	320,864,834	1,181,275	1,932,467	-	3,113,742	317,751,092
A	Investment	2	245,094,727	38,680,332	-	283,775,059	1,917,123	1,464,687	-	3,381,810	280,393,250
BBB	Investment	2-	45,527,531	197,664,120	-	243,191,651	193,679	23,636,727	-	23,830,406	219,361,246
BB+	Standard	3+	250,663,351	63,236,897	-	313,900,248	1,215,134	2,543,566	-	3,758,700	310,141,548
BB	Standard	3	716,020,141	236,380,353	-	952,400,494	14,462,844	15,952,726	-	30,415,570	921,984,924
BB-	Standard	3-	84,144,148	106,106,427	-	190,250,575	1,720,078	14,352,436	-	16,072,514	174,178,060
B	Non-Investment	4	-	168,487,181	-	168,487,181	-	23,151,499	-	23,151,499	145,335,682
B-	Non-Investment	5	-	98,034,841	15,461,116	113,495,957	-	26,880,739	-	26,880,739	86,615,220
CCC	Non-Investment	6	-	-	33,482,272	33,482,272	-	-	16,906,199	16,906,199	16,576,072
C	Non-Investment	7	-	-	106,052,309	106,052,309	-	-	28,891,972	28,891,972	77,160,337
D	Non-Investment	8	-	-	25,319,822	25,319,822	-	-	9,792,498	9,792,498	15,527,324
			1,766,428,422	**946,380,531**	**180,315,519**	**2,893,124,469**	**20,708,736**	**109,914,847**	**55,590,669**	**186,214,251**	**2,706,910,222**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	151,461,374	-	-	151,461,374	269,668	-	-	269,668	151,191,706
A	Investment	2	821,994	-	-	821,994	454	-	-	454	821,540
BB	Standard	3	-	-	-	-	-	-	-	-	-
BB-	Standard	3-	-	-	-	-	-	-	-	-	-
CCC	Non-Investment	6	-	-	2,062,143	2,062,143	-	-	1,309,460	1,309,460	752,683
D	Non-Investment	8	-	-	104,694	104,694	-	-	45,541	45,541	59,153
			152,283,368	**-**	**2,166,837**	**154,450,205**	**270,122**	**-**	**1,355,001**	**1,625,123**	**152,825,082**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	943,876,884	-	-	943,876,884	-	-	-	-	943,876,884
A	Investment	2	4,507,012	-	-	4,507,012	1,800	-	-	1,800	4,505,212
BB	Standard	3	11,950,956	-	-	11,950,956	117,945	-	-	117,945	11,833,011
B	Non-Investment	4	10,227,833	-	-	10,227,833	71,625	-	-	71,625	10,156,208
CCC	Non-Investment	6	932,242	47,632	462,530	1,442,404	14,541	1,879	462,530	478,950	963,454
			971,494,927	**47,632**	**462,530**	**972,005,089**	**205,911**	**1,879**	**462,530**	**670,320**	**971,334,769**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2019	Fair Value December 2019
AAA	Investment	1	1,086,591,425	142,234,073
AA	Investment	2+	99,268,238	(708,705)
A	Investment	2	19,997,458	(440,107)
BBB	Investment	2-	44,251,600	(2,559,453)
BB+	Standard	3+	12,453,222	(210,513)
BB	Standard	3	19,386,411	(1,611,405)
BB-	Standard	3-	1,133,245	(67,118)
B	Non-Investment	4	25,529	(1,901)
Gross amount			**1,283,107,128**	**136,634,871**

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies. These instruments are neither past due nor impaired

Bank

December 2019

In thousands of Naira

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	971,147	-	-	971,147	5,395	-	-	5,395	965,752
BB	Standard	3	81,452,581	1,343,585	-	82,796,166	560,107	479,342	-	1,039,449	81,756,716
BB-	Standard	3-	1,895,304	299,693	-	2,194,997	67,312	163,204	-	230,516	1,964,481
B	Non-Investment	4	-	3,861,882	-	3,861,882	-	128,159	-	128,157	3,733,725
B-	Non-Investment	5	-	667,271	-	667,271	-	346,516	-	346,516	320,755
CCC	Non-Investment	6	-	-	3,364,354	3,364,354	-	-	1,827,819	1,827,819	1,536,535
C	Non-Investment	7	-	-	907,961	907,961	-	-	487,296	487,296	420,665
D	Non-Investment	8	-	-	1,252,455	1,252,455	-	-	711,793	711,793	540,662
Carrying amount			**84,319,032**	**6,172,431**	**5,524,770**	**96,016,233**	**632,814**	**1,117,221**	**3,026,908**	**4,776,941**	**91,239,291**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	141,904,070	-	-	141,904,070	18,603	-	-	18,603	141,885,467
AA	Investment	2+	283,074,454	37,790,380	-	320,864,834	1,181,275	1,932,467	-	3,113,742	317,751,090
A	Investment	2	125,402,954	38,680,332	-	164,083,286	60,667	1,464,687	-	1,525,354	162,557,932
BBB	Investment	2-	45,527,531	197,664,120	-	243,191,651	193,679	23,636,727	-	23,830,406	219,361,246
BB+	Standard	3+	250,663,351	63,236,897	-	313,900,248	1,215,134	2,543,566	-	3,758,700	310,141,548
BB	Standard	3	530,839,862	236,380,353	-	767,220,215	13,998,730	15,952,726	-	29,951,456	737,268,760
BB-	Standard	3-	84,144,148	106,106,427	-	190,250,575	1,720,078	14,352,436	-	16,072,514	174,178,059
B	Non-Investment	4	-	168,487,181	-	168,487,181	-	20,594,430	-	20,594,430	147,892,751
B-	Non-Investment	5	-	91,850,394	-	91,850,394	-	26,880,739	-	26,880,739	64,969,655
CCC	Non-Investment	6	-	-	33,482,272	33,482,272	-	-	11,792,061	11,792,061	21,690,210
C	Non-Investment	7	-	-	106,052,309	106,052,309	-	-	28,891,972	28,891,972	77,160,337
D	Non-Investment	8	-	-	25,319,822	25,319,822	-	-	9,792,498	9,792,498	15,527,324
			1,461,556,370	**940,196,084**	**164,854,403**	**2,566,606,857**	**18,388,168**	**107,357,778**	**50,476,531**	**176,222,477**	**2,390,384,380**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	162,786,158	-	-	162,786,158	6,532	-	-	6,532	162,779,626
A	Investment	2	821,994	-	-	821,994	454	-	-	454	821,540
CCC	Non-Investment	6	-	-	2,062,143	2,062,143	-	-	1,309,460	1,309,460	752,683
D	Non-Investment	8	-	-	104,694	104,694	-	-	45,541	45,541	59,152.89
			163,608,152	**-**	**2,166,837**	**165,774,989**	**6,986**	**-**	**1,355,001**	**1,361,987**	**164,413,001**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	676,308,807	-	-	676,308,807			-	-	676,308,807
A	Investment	2	4,507,012	-	-	4,507,012	1,800		-	1,800	4,505,212
BB	Standard	3	8,628,462	-	-	8,628,462	45,525	-	-	45,525	8,582,937
B	Non-Investment	4	10,227,833	-	-	10,227,833	71,625	-	-	71,625	10,156,208
CCC	Non-Investment	6	932,242	47,632	462,530	1,442,404	14,541	1,879	462,530	478,950	963,453.24
			700,604,356	**47,632**	**462,530**	**701,114,518**	**133,491**	**1,879**	**462,530**	**597,900**	**700,516,618**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2019	Fair Value December 2019
AAA-A	Investment	1	986,475,815	123,561,874
A	Investment	2	133,011,795	(548,924)
AA	Investment	2+	58,724,417	(349,160)
BBB	Investment	2-	31,367,334	(1,987,313)
BBB-B	Non-Investment	5	-	-
Gross amount			**1,209,579,361**	**120,676,477**

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies. These instruments are neither past due nor impaired

5.1.3 The table below summarises the risk rating for other financial assets:

(d)

Group

In thousands of Naira

December 2020	**Total**	**Grade 1-3**	**Grade 4-5**	**Grade 6**	**Grade 7**	**Grade 8**
Cash and balances with banks						
Current balances with banks	60,388,887	60,388,887	-	-	-	-
Unrestricted balances with central banks	51,127,105	51,127,105	-	-	-	-
Money market placements	76,658,240	68,639,186	8,019,055			
Other deposits with central banks	46,459,022	46,459,022				
Investment under management	30,451,466	30,451,466	-	-	-	-
Non-pledged trading assets						
Treasury bills	116,036,126	116,036,126	-	-	-	-
Bonds	91,915,817	91,915,817	-	-	-	-
Derivative financial instruments	251,112,745	251,112,745	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080				
-Financial instruments at amortized cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	85,006,604	85,006,604	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial instruments at FVOCI						
Treasury bills	748,230,225	748,230,225	-	-	-	-
Bonds	218,849,603	213,854,602	4,995,001	-	-	-
Promissory Notes	80,033,790	80,033,790	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	237,078,312	237,078,312	-	-	-	-
Bonds	276,469,444	274,924,083	1,073,074	472,288	-	-
Total return notes	45,527,717	45,527,717	-	-	-	-
Promissory Notes	427,536	427,536	-	-	-	-
Restricted deposit and other assets	1,522,315,074	1,522,315,074	-	-	-	-
	4,081,636,015	**4,067,076,601**	**14,087,129**	**472,288**	**-**	**-**

The rating here represent internal grade ratings

Group

In thousands of Naira

December 2019

	Total	Grade 1-3	Grade 4-5	Grade 6	Grade 7	Grade 8
Cash and balances with banks						
Current balances with banks	148,366,809	148,366,809	-	-	-	-
Restricted deposits with central banks	-	-	-	-	-	-
Unrestricted balances with central banks	117,883,814	117,883,814	-	-	-	-
Money market placements	48,838,459	48,838,459				
Other deposits with central banks	99,347,553	99,347,553				
Investment under management	28,291,959	28,291,959	-	-	-	-
Non-pledged trading assets						
Treasury bills	89,797,961	89,797,961	-	-	-	-
Bonds	40,021,277	40,021,277	-	-	-	-
Derivative financial instruments	143,520,553	143,520,553	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	30,388,532	30,388,532	-	-	-	-
Bonds	-	-				
-Financial instruments at amortized cost						
Treasury bills	452,686,283	452,686,283	-	-	-	-
Bonds	82,599,583	82,599,583	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	39,881,494	39,881,494	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	232,813,374	232,813,374	-	-	-	-
Bonds	81,977,676	76,123,308	5,854,368	-	-	-
Promissory Notes	807,619	807,619				
- Financial assets at amortised cost						
Treasury bills	2,727,258	2,727,258	-	-	-	-
Bonds	6,240,386	6,240,386	-	-	-	-
Promissory Notes	10,844,042	10,844,042				
Restricted deposit and other assets	1,016,582,843	1,016,582,843	-	-	-	-
	2,673,617,475	**2,667,763,107**	**5,854,368**	**-**	**-**	**-**

The table below summarises the risk rating for other financial assets:

Bank

In thousands of Naira

December 2020

	Total	Grade 1-3	Grade 4-5	Grade 6	Grade 7	Grade 8
Cash and balances with banks						
Current balances with banks	43,353,005	43,353,005	-	-	-	-
Unrestricted balances with central banks	13,639,189	13,639,189	-	-	-	-
Money market placements	40,095,277	32,076,223	8,019,055	-	-	-
Other deposits with central banks	46,459,022	46,459,022	-	-	-	-
Investment under management	30,451,466	30,451,466	-	-	-	-
Non-pledged trading assets						
Treasury bills	97,719,848	97,719,848	-	-	-	-
Bonds	12,563,265	12,563,265	-	-	-	-
Derivative financial instruments	244,564,046	244,564,046	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080				
-Financial instruments at amortized cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	85,006,603	85,006,603	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	608,866,687	608,866,687	-	-	-	-
Bonds	106,924,656	101,929,655	4,995,001	-	-	-
Promissory Notes	80,033,790	80,033,790	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	194,302,056	194,302,056	-	-	-	-
Bonds	250,772,348	249,226,987	1,073,074	472,288	-	-
Total return notes	45,527,717	45,527,717	-	-	-	-
Promissory Notes	427,537	427,537	-	-	-	-
Restricted deposit and other assets	1,471,481,477	1,471,481,477	-	-	-	-
	3,515,736,290	**3,501,176,875**	**14,087,129**	**472,288**	**-**	**-**

The rating here represent internal grade ratings.

FINANCIAL STATEMENTS

04

Bank

In thousands of Naira

December 2019

	Total	Grade 1-3	Grade 4-5	Grade 6	Grade 7	Grade 8
Cash and balances with banks						
Current balances with banks	62,064,776	62,064,776	-	-	-	-
Unrestricted balances with central banks	97,734,073	97,734,073	-	-	-	-
Money market placements	32,822,516	32,822,516	-	-	-	-
Other deposits with central banks	99,347,553	99,347,553	-	-	-	-
Investment under management	28,291,959	28,291,959	-	-	-	-
Non-pledged trading assets						
Treasury bills	74,749,344	74,749,344	-	-	-	-
Bonds	2,222,417	2,222,417	-	-	-	-
Derivative financial instruments	143,480,073	143,480,073	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	30,388,532	30,388,532	-	-	-	-
Bonds	-	-				
-Financial instruments at amortized cost						
Treasury bills	452,686,282	452,686,282	-	-	-	-
Bonds	82,599,583	82,599,583	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	39,881,494	39,881,494	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	77,897,548	77,897,548	-	-	-	-
Bonds	18,950,446	18,950,446	-	-	-	-
Promissory Notes	807,619	807,619				
- Financial assets at amortised cost						
Treasury bills	341,786,029	341,786,029	-	-	-	-
Bonds	250,828,832	250,828,832	-	-	-	-
Promissory Notes	10,844,042	10,844,042				
Restricted deposit and other assets	968,698,629	968,698,629	-	-	-	-
	2,816,081,746	**2,816,081,746**	**-**	**-**	**-**	**-**

5.1.3 Credit quality

(e) Credit quality by staging

Group

In thousands of Naira

December 2020

Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	11,915,759	145,912	69,602	12,131,274	14,642	1,534	17,738	33,914	12,097,359
Credit Card	19,646,977	3,770,508	391,463	23,808,948	33,798	287,593	107,570	428,961	23,379,987
Finance Lease	1,109,055	328,230	144,451	1,581,736	6,040	3,889	37,098	47,028	1,534,708
Mortgage Loan	71,150,409	426,442	364,098	71,940,949	51,007	20,260	92,406	163,672	71,777,278
Overdraft	5,608,133	3,823,805	3,171,125	12,603,063	320,922	44,057	609,495	974,474	11,628,590
Personal Loan	26,417,040	1,648,218	1,825,121	29,890,377	54,815	32,956	459,480	547,250	29,343,127
Term Loan	46,460,377	2,643,668	1,726,158	50,830,203	114,179	66,592	436,912	617,683	50,212,520
Time Loan	3,747,264	503,907	2,266,254	6,517,424	34,332	304,163	860,577	1,199,071	5,318,353
	186,055,013	13,290,691	9,958,273	209,303,975	629,735	761,044	2,621,276	4,012,055	205,291,921

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,750,272	96,060	156,301	2,002,632	14,980	564	19,605	35,150	1,967,482
Credit Card	279,414	610	11,317	291,342	2,724	19	3,064	5,808	285,532
Finance Lease	2,081,872	302,550	281,316	2,665,738	22,682	24,727	98,333	145,741	2,519,999
Mortgage Loan	55,554,448	29,814	173,841	55,758,103	388,151	30,732	76,830	495,713	55,262,391
Overdraft	173,439,650	81,849,095	86,325,238	341,613,983	3,931,269	18,981,311	29,612,290	52,524,869	289,089,112
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,983,535,802	327,088,424	59,469,674	2,370,093,901	26,533,535	33,979,455	23,388,994	83,901,984	2,286,191,917
Time Loan	329,448,797	51,255,997	4,726,795	385,431,590	1,096,552	5,213,896	1,622,470	7,932,919	377,498,670
	2,546,090,254	460,622,552	151,144,481	3,157,857,287	31,989,894	58,230,704	54,821,588	145,042,184	3,012,815,100

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	-	-	-	-	-	-	-	-	-
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	393,333,130	-	140,061	393,473,192	599,383	-	52,501	651,884	392,821,307
	393,333,130	-	140,062	393,473,191	599,383	-	52,501	651,884	392,821,307

There is no stage 3 exposure that has nill impairment for the year for the Group (Dec 2019: N3.02Bn). The impairment is nil for these category of loans because of the adequate coverage offered by the collateral.

Bank

In thousands of Naira

December 2020

Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	2,089,593	145,576	67,643	2,302,812	8,640	1,214	16,937	26,792	2,276,019
Credit Card	18,173,052	3,769,836	387,545	22,330,433	32,897	286,953	105,970	425,820	21,904,612
Finance Lease	1,010,793	327,222	138,573	1,476,588	5,980	2,929	34,697	43,608	1,432,981
Mortgage Loan	2,367,247	425,098	356,261	3,148,606	8,990	18,979	89,204	117,175	3,031,431
Overdraft	5,165,955	3,820,445	3,151,532	12,137,933	320,652	40,856	601,492	962,999	11,174,933
Personal Loan	10,695,174	1,641,497	1,785,935	14,122,605	45,211	26,554	443,474	515,239	13,607,366
Term Loan	45,576,022	2,638,628	1,696,769	49,911,419	113,639	61,790	424,907	600,336	49,311,083
Time Loan	2,715,516	186,362	414,718	3,316,595	33,702	1,645	104,282	139,628	3,176,967
	87,793,354	12,954,664	7,998,976	108,746,992	569,712	440,921	1,820,965	2,831,596	105,915,387

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,750,272	96,060	156,301	2,002,632	14,980	564	19,605	35,150	1,967,482
Credit Card	279,136	610	11,317	291,063	2,722	19	3,064	5,805	285,258
Finance Lease	1,804,100	280,190	150,935	2,235,224	20,741	1,678	40,711	63,130	2,172,094
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	156,773,316	81,774,560	85,890,636	324,438,511	3,814,823	18,904,481	29,420,215	52,139,519	272,298,992
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,786,595,563	319,873,369	17,400,198	2,123,869,129	25,157,541	26,542,316	4,796,147	56,496,003	2,067,373,129
Time Loan	321,115,630	51,144,194	4,074,892	376,334,715	1,038,329	5,098,651	1,334,358	7,471,338	368,863,377
	2,268,318,015	453,168,981	107,684,279	2,829,171,274	30,049,135	50,547,709	35,614,101	116,210,946	2,712,960,334

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	-	-	-	-	-	-	-	-	-
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	231,946,837	-	140,061	232,086,898	246,121	-	52,501	298,622	231,788,276
	231,946,837	-	140,061	232,086,898	246,121	-	52,501	298,622	231,788,276

There is no stage 3 exposure that has nill impairment for the year for the Group (Dec 2019: N3.02Bn). The impairment is nil for these category of loans because of the adequate coverage offered by the collateral.

5.1.3 Credit quality

(e) Credit quality by staging

Group

In thousands of Naira

December 2019

Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	14,316,084	312,659	24,650	14,653,393	12,890	12,595	12,928	38,413	14,614,980
Credit Card	18,246,614	616,290	151,645	19,014,549	40,847	77,582	82,505	200,934	18,813,613
Finance Lease	173,316	12,214	1,366	186,896	202	399	639	1,240	185,656
Mortgage Loan	80,814,481	619,210	380,590	81,814,281	68,299	222,505	207,101	497,905	81,316,376
Overdraft	14,442,712	519,356	3,683,640	18,645,708	266,115	241,065	1,990,087	2,497,267	16,148,441
Personal Loan	51,880,685	153,300	906,662	52,940,647	140,312	28,017	499,391	667,720	52,272,927
Term Loan	12,777,477	2,719,316	239,994	15,736,787	135,264	502,383	190,850	828,497	14,908,290
Time Loan	4,859,951	1,402,215	591,548	6,853,714	48,794	139,221	256,496	444,511	6,409,203
	197,511,320	6,354,560	5,980,095	209,845,975	712,723	1,223,767	3,239,997	5,176,486	204,669,485

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	2,896,828	250,665	55,512	3,203,005	26,672	4,766	7,040	38,478	3,164,527
Credit Card	238,656	24,731	61,807	325,194	2,459	1,568	23,792	27,819	297,376
Finance Lease	4,357,320	340,259	262,405	4,959,984	79,685	13,288	108,492	201,465	4,758,519
Mortgage Loan	60,974,410	24,738	61,844	61,060,992	464,114	10,228	20,457	494,799	60,566,193
Overdraft	121,894,817	87,449,620	71,738,703	281,083,140	1,888,438	5,194,640	25,574,903	32,657,981	248,425,159
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,253,280,533	822,442,191	93,801,086	2,169,523,810	9,136,899	102,028,690	27,294,139	138,459,728	2,031,064,082
Time Loan	322,785,856	35,848,324	14,334,162	372,968,342	9,110,469	2,661,667	2,561,847	14,333,983	358,634,359
	1,766,428,420	946,380,528	180,315,519	2,893,124,467	20,708,736	109,914,847	55,590,670	186,214,253	2,706,910,215

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	821,994	-	104,694	926,688	454	-	45,541	45,995	880,693
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	151,461,374	-	2,062,142	153,523,516	269,668	-	1,309,460	1,579,128	151,944,388
	152,283,368	-	2,166,836	154,450,204	270,122	-	1,355,001	1,625,123	152,825,081

Bank

In thousands of Naira

December 2019

Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	2,996,855	312,477	24,195	3,333,527	4,900	12,488	12,715	30,103	3,303,424
Credit Card	16,548,729	615,926	150,734	17,315,389	39,649	77,369	82,078	199,096	17,116,293
Finance Lease	60,124	11,667	-	71,791	122	79	-	201	71,590
Mortgage Loan	1,579,880	618,482	378,768	2,577,130	12,363	222,078	206,249	440,690	2,136,440
Overdraft	13,933,346	517,535	3,679,087	18,129,968	265,755	240,000	1,987,956	2,493,711	15,636,257
Personal Loan	33,769,919	149,658	897,555	34,817,132	127,527	25,886	495,129	648,542	34,168,590
Term Loan	11,758,747	2,716,584	233,165	14,708,496	134,544	500,785	187,654	822,983	13,885,513
Time Loan	3,671,432	1,230,102	161,265	5,062,799	47,955	38,536	55,127	141,618	4,921,181
	84,319,032	6,172,431	5,524,769	96,016,231	632,815	1,117,221	3,026,908	4,776,944	91,239,289

Loans and advances to corporate customers

	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying
	Gross amount	Gross amount	Gross amount	Gross amount	ECL	ECL	ECL	ECL	amount
Auto Loan	2,896,828	250,665	55,512	3,203,005	26,672	4,766	7,040	38,478	3,164,527
Credit Card	238,351	24,731	61,807	324,889	2,457	1,568	23,792	27,817	297,072
Finance Lease	4,052,448	321,706	216,022	4,590,176	77,365	5,617	93,149	176,131	4,414,046
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	103,602,494	87,387,776	71,584,092	262,574,362	1,749,204	5,169,070	25,523,762	32,442,036	230,132,326
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,037,126,554	816,455,647	78,834,725	1,932,416,926	7,491,618	99,553,447	22,343,654	129,388,719	1,803,028,207
Time Loan	313,639,695	35,755,557	14,102,245	363,497,497	9,040,852	2,623,311	2,485,135	14,149,298	349,348,200
	1,461,556,370	940,196,085	164,854,403	2,566,606,855	18,388,168	107,357,779	50,476,532	176,222,479	2,390,384,377

Loans and advances to banks

	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying
	Gross amount	Gross amount	Gross amount	Gross amount	ECL	ECL	ECL	ECL	amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	821,994	-	104,694	926,688	454	-	45,541	45,995	880,693
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	162,786,158	-	2,062,143	164,848,301	6,532	-	1,309,460	1,315,992	163,532,309
	163,608,152	-	2,166,837	165,774,989	6,986	-	1,355,001	1,361,987	164,413,002

5.1.3 (g) Disclosure of Collateral held against loans and advances to customers by fair value hierarchy

Group

In thousands of Naira		December 2020	
Loans to retail customers			
	Stage 1	**Stage 2**	**Stage 3**
Gross amount	186,055,014	13,290,691	9,958,273
ECL	(629,734)	(761,045)	(2,621,216)
Collateral held at fair value			
Property	14,131,647	16,199,436	4,633,141
Equities	158,970	-	-
Cash	1,935,687	433,924	-
Pledged goods/receivables	93,604,918	17,992,936	9,265,868
Others	79,869,809	27,681,391	40,111,815
Total	**189,701,030**	**62,307,686**	**54,010,824**
Loans to corporate Customers			
	Stage 1	**Stage 2**	**Stage 3**
Gross amount	2,546,090,254	460,622,551	151,144,481
ECL	(31,989,893)	(58,230,704)	(54,821,587)
Collateral held at fair value			
Property	1,159,627,977	290,282,773	58,561,393
Equities	173,439,663	26,557,611	323,693
Cash	183,493,313	3,780,514	-
Pledged goods/receivables	2,696,212,541	424,208,613	130,768,719
Others	5,318,056,898	637,593,544	228,108,573
Total	**9,530,830,392**	**1,382,423,056**	**417,762,378**
Total collateral held at fair value	**9,720,531,422**	**1,444,730,742**	**471,773,202**

Bank

In thousands of Naira		December 2020	
Loans to retail customers			
	Stage 1	**Stage 2**	**Stage 3**
Gross amount	87,793,354	12,954,665	7,998,975
ECL	(569,711)	(440,920)	(1,820,964)
Collateral held at fair value			
Property	10,094,033	11,738,721	4,211,946
Equities	132,475	-	-
Cash	1,290,458	361,603	-
Pledged goods/receivables	49,265,747	14,056,981	8,824,636
Others	36,304,459	16,283,171	33,426,513
Total	**97,087,171**	**42,440,477**	**46,463,095**

FINANCIAL STATEMENTS 04

Loans to corporate Customers

	Stage 1	Stage 2	Stage 3
Gross amount	2,268,318,016	453,168,982	107,684,279
ECL	(30,049,136)	(50,547,709)	(35,614,100)
Collateral held at fair value			
Property	623,455,902	167,793,511	48,801,161
Equities	144,533,052	19,672,305	239,772
Cash	110,538,140	2,681,216	-
Pledged goods/receivables	1,997,194,475	279,084,614	108,973,933
Others	2,954,476,055	535,792,894	168,969,314
Total	**5,830,197,624**	**1,005,024,539**	**326,984,179**
Total	**5,927,284,795**	**1,047,465,016**	**373,447,274**

[1]Collateral types included in others are All Asset debentures, Domiciliation, Counter Indemnity, Authority to collect,Irrevocable standing payment order, Guarantees

Collateral held and other credit enhancements, and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional consideration in the credit process and the Group generally requests that corporate borrowers provide collateral. The Group may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees. The Bank will sell or repossess a pledged collateral only in the event of a default and after exploring other means of repayment. In addition to the Group's focus on creditworthiness, the Group aligns with its Credit Policy Guide to periodically review the valuations of collaterals held against all loans to customers. This is done in line with the approved Framework for valuing various categories of collateral accepted by the Bank.

The fair values of collaterals are based upon last annual valuation undertaken by independent valuers on behalf of the bank. The valuation technique adopted for properties are based on fair values of similar properties in the neighborhood. 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 instruments.

5.1.3 Disclosure of Collateral held against loans and advances to customers by fair value hierarchy

(g)

Group — **December 2019**

In thousands of Naira

Loans to retail customers

	Stage 1	**Stage 2**	**Stage 3**
Gross amount	197,511,320	6,354,560	5,980,094
ECL	(712,723)	(1,223,766)	(3,239,997)
Collateral held at fair value			
Property	53,829,204	2,544,489	2,240,416
Equities	807,720	75,621	-
Cash	44,158,993	-	-
Pledged goods/receivables	-	-	-
Others	89,584,098	2,676,937	4,498,740
Total	**188,380,015**	**5,297,046**	**6,739,156**

Loans to corporate Customers

	Stage 1	**Stage 2**	**Stage 3**
Gross amount	1,766,428,423	946,380,528	180,315,519
ECL	(20,708,736)	(109,914,847)	(55,590,670)
Collateral held at fair value			
Property	3,276,273,464	1,003,576,068	76,017,515
Equities	2,098,191,963	1,483,351,239	224,390,024
Cash	550,531,758	830,250	-
Pledged goods/receivables	-	-	-
Others	2,098,191,963	1,483,351,239	224,390,024
Total	**8,023,189,147**	**3,971,108,796**	**524,797,564**
Total collateral held at fair value	**8,211,569,163**	**3,976,405,842**	**531,536,720**

Bank

In thousands of Naira		December 2019	
Loans to retail customers			
	Stage 1	Stage 2	Stage 3
Gross amount	84,319,031	6,172,430	5,524,769
ECL	(632,815)	(1,117,221)	(3,026,908)
Collateral held at fair value			
Property	41,407,080	1,957,299	1,723,397
Equities	621,323	58,170	-
Cash	33,968,456	-	-
Pledged goods/receivables	-	-	-
Others	68,910,845	2,059,182	3,460,569
Total	**144,907,704**	**4,074,651**	**5,183,966**
Loans to corporate Customers			
	Stage 1	Stage 2	Stage 3
Gross amount	1,461,556,371	940,196,081	164,854,403
ECL	(18,388,168)	(107,357,780)	(50,476,533)
Collateral held at fair value			
Property	2,891,680,021	885,768,816	67,094,012
Equities	1,851,890,523	1,309,224,394	198,049,448
Cash	485,906,230	732,789	-
Pledged goods/receivables	-	-	-
Others	1,851,890,523	1,309,224,394	198,049,448
Total	**7,081,367,297**	**3,504,950,394**	**463,192,907**
Total collateral held at fair value	**7,226,275,001**	**3,509,025,045**	**468,376,873**

There are no collaterals held against other financial assets. The Group obtained a property during the year by taking possession of collateral held as security against a loan. The value of the collateral repossessed during the year was N9.4bn (2018: Nil). The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group does not generally use the non-cash collateral for its own operations. Hence, the repossessed collateral has been included in assets classified as held for sale (Note 31).

Collateral held and other credit enhancements, and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional consideration in the credit process and the Group generally requests that corporate borrowers provide collateral. The Group may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees. The Bank will sell or repossess a pledged collateral only in the event of a default and after exploring other means of repayment. In addition to the Group's focus on creditworthiness, the Group aligns with its Credit Policy Guide to yearically review the valuations of collaterals held against all loans to customers. This is done in line with the approved Framework for valuing various categories of collateral accepted by the Bank.

The fair values of collaterals are based upon last annual valuation undertaken by independent valuers on behalf of the bank. The valuation technique adopted for properties are based on fair values of similar properties in the neighborhood. 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 instruments.

5.1.4 Offsetting financial assets and financial liabilities

As at December 2020

In thousands of Naira The following financial assets/liabilities are subject to offsetting	Gross amounts of recognised financial assets	" Gross amounts of recognised financial liabilities offset in the statement of financial position "	"Net amounts of financial assets/Liabilities presented in the statement of financial position"
Financial assets			
Loans and advances to banks	-	-	-
Total	**-**	**-**	**-**

As at December 2020

Financial liabilities			
Interest bearing borrowing	-	-	-
Total	**-**	**-**	**-**

As at December 2019

In thousands of Naira The following financial assets/liabilities are subject to offsetting	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets/Liabilities presented in the statement of financial position
Financial assets			
Loans and advances to banks	152,825,081	-	152,825,081
Total	**152,825,081**	**-**	**152,825,081**

As at December 2019

Financial liabilities			
Interest bearing borrowing	-	586,602,830	586,602,830
Total	**-**	**586,602,830**	**586,602,830**

5.1.5 (a) Credit concentration

The Group's risk profile is assessed through a 'bottom-up' analytical approach covering all of the Group's major businesses and products. The risk appetite is approved by the Board and forms the basis for establishing the risk parameters within which the businesses must operate, including policies, concentration limits and business mix.

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of net credit risk at the reporting date is shown below:

Group

By Sector

December 2020

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	723,872,820	-	-	-	723,872,820
Investment under management	6,916,492	-	13,495,537	-	10,039,437	-	30,451,467
Non pledged trading assets							
Treasury bills	-	-	-	-	116,036,126	-	116,036,126
Bonds	-	-	73,237	-	91,842,580	-	91,915,817
Equity	-	-	-	-	-	-	-
Derivative financial instruments	18,739,212	7,098,884	12,292,884	1,078,562	191,022,673	-	230,232,215
Loans and advances to banks	-	-	392,821,307	-	-	-	392,821,307
Loans and advances to customers							
Auto Loan	172,109	1,795,374	-	12,097,360	-	-	14,064,843
Credit Card	11,021	274,514	-	23,379,987	-	-	23,665,522
Finance Lease	98,888	2,421,109	-	1,534,708	-	-	4,054,704
Mortgage Loan	-	55,262,390	-	71,777,277	-	-	127,039,667
Overdraft	43,749,696	245,339,418	-	11,628,590	-	-	300,717,703
Personal Loan	-	-	-	29,343,127	-	-	29,343,127
Term Loan	948,006,957	1,102,724,902	-	50,212,521	235,460,056	-	2,336,404,437
Time Loan	245,842,915	131,655,755	-	5,318,353	-	-	382,817,024
Pledged assets							
Treasury bills	-	-	-	-	239,019,624	-	239,019,624

Bonds	-	-	-	-	44,451,010	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	748,230,225	-	748,230,225
Bonds	15,745,714	-	-	-	203,869,159	-	219,614,874
Promissory Notes	-	-	-	-	80,033,790	-	80,033,790
-Financial assets at amortised cost						-	
Treasury bills	-	-	-	-	237,109,445	-	237,109,445
Total Return Notes	-	-	45,527,717	-	-	-	45,527,717
Bonds	970,014	-	-	276,469,985	-	-	277,440,000
Promissory Notes	-	-	-	-	427,536	-	427,536
Restricted deposit and other assets	81,727,070	1,274,397	106,851,694	8,738,628	1,315,372,083	8,351,203	1,522,315,073
Total	**1,361,980,089**	**1,547,846,741**	**1,294,935,199**	**491,579,097**	**3,512,913,746**	**8,351,203**	**8,217,606,073**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	153,527,399	193,428,910	13,889,125	17,883,313	80,100	-	378,808,847
Clean line facilities for letters of credit and other commitments	184,714,070	231,959,009	6,525,379	22,340,486	-	-	445,538,945
Total	**338,241,469**	**425,387,918**	**20,414,504**	**40,223,800**	**80,100**	**-**	**824,347,792**

Group

By Sector

December 2019

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	723,064,003	-	-	-	723,064,003
Investment under management	4,280,814	-	9,287,366	-	14,723,779	-	28,291,959
Non pledged trading assets							
Treasury bills	-	-	-	-	38,465,116	-	38,465,116
Bonds	-	-	-	-	292,684	-	292,684
Equity	-	-	-	-	-	-	-
Derivative financial instruments	5,369,777	6,966,273	418,058	979,371	122,901,393	-	136,634,873
Loans and advances to banks	-	-	152,825,081	-	-	-	152,825,081
Loans and advances to customers							
Auto Loan	315,262	2,849,266	-	14,614,980	-	-	17,779,508
Credit Card	32,444	264,932	-	18,813,614	-	-	19,110,990
Finance Lease	249,572	4,508,948	-	185,656	-	-	4,944,176
Mortgage Loan	-	60,566,194	-	81,316,376	-	-	141,882,570
Overdraft	39,758,235	208,666,924	-	16,148,442	-	-	264,573,601
Personal Loan	-	-	-	52,272,927	-	-	52,272,927
Term Loan	927,007,334	881,799,066	-	14,908,291	222,257,683	-	2,045,972,374
Time Loan	165,427,684	193,206,676	-	6,409,203	-	-	365,043,563
Pledged assets							
Treasury bills	-	-	-	-	522,956,307	-	522,956,307
Bonds	-	-	-	-	82,599,583	-	82,599,583
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	232,814,072	-	232,814,072
Bonds	7,815,595	-	2,860,694	-	71,301,387	-	81,977,676
-Financial assets at amortised cost						-	
Treasury bills	-	-	-	-	379,283,381	-	379,283,381

Bonds	510,162	-	1,394,042	-	264,374,793	-	266,278,997
Promissory Notes	-	-	-	-	10,844,042	-	10,844,042
Restricted deposit and other assets	51,233,895	4,735,470	90,894,147	9,521,376	4,310,294	6,301,150	166,996,332
Total	**1,202,000,774**	**1,363,563,749**	**980,743,391**	**215,170,236**	**1,967,124,514**	**6,301,150**	**5,734,903,814**
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	220,829,106	261,845,451	32,371,788	16,930,319	-	-	531,976,664
Clean line facilities for letters of credit and other commitments	54,219,348	251,825,740	6,145,195	20,637,274	-	-	332,827,557
	-	-	-	-	-	-	
Total	**275,048,454**	**513,671,191**	**38,516,983**	**37,567,593**	**-**	**-**	**864,804,221**

5.1.5(a)i Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security.

By geography

Group

December 2020	Nigeria	Rest of Africa	Europe	Others	Total
In thousands of Naira					
Cash and balances with banks	495,885,189	66,276,473	161,711,159	-	723,872,821
Investment under management	14,172,244	7,109,072	9,170,151	-	30,451,467
Non pledged trading assets					
Treasury bills	97,719,848	18,316,278	-	-	116,036,126
Bonds	12,563,265	79,352,553	-	-	91,915,817
Equity	-	-	-	-	-
Derivative financial instruments	179,999,227	39,713,567	10,256,418	263,003	230,232,214
Loans and advances to banks	16,227,012	44,645,306	331,948,990	-	392,821,307
Loans and advances to customers					
Auto Loan	4,243,504	9,821,339	-	-	14,064,843
Credit Card	22,189,872	1,475,650	-	-	23,665,522
Finance Lease	3,605,077	449,628	-	-	4,054,704
Mortgage Loan	3,031,432	81,587,341	42,420,893	-	127,039,667
Overdraft	283,473,925	17,243,155	623	-	300,717,702
Personal Loan	13,607,367	15,735,760	-	-	29,343,127
Term Loan	2,116,684,210	10,674,102	209,046,125	-	2,336,404,438
Time Loan	372,040,345	4,853,146	5,923,533	-	382,817,024
Pledged assets					
Treasury bills	239,019,624	-	-	-	239,019,624
Bonds	44,451,010	-	-	-	44,451,010
Investment securities					
-Financial assets at FVOCI					
Treasury bills	608,866,687	139,363,538	-	-	748,230,226
Bonds	106,924,656	105,798,475	6,891,743	-	219,614,874
Promissory Notes	80,033,790	-	-	-	80,033,790
-Financial assets at amortised cost					
Treasury bills	194,302,056	42,807,389	-	-	237,109,445

Total Return Notes	45,527,717	-	-	-	45,527,717
Bonds	250,772,348	26,169,925	497,726	-	277,439,999
Promissory Notes	427,536	-	-	-	427,536
Restricted deposit and other assets	1,465,045,368	24,455,259	32,814,448	-	1,522,315,073
Total	**6,670,813,306**	**735,847,954**	**810,681,809**	**263,003**	**8,217,606,073**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	334,606,056	40,135,395	4,067,396	-	378,808,847
Clean line facilities for letters of credit and other commitments	326,644,373	25,438,496	93,448,557	7,518	445,538,945
Total	**661,250,429**	**65,573,892**	**97,515,953**	**7,518**	**824,347,792**

04 FINANCIAL STATEMENTS

By geography

Group

December 2019 *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	373,524,816	94,581,401	255,049,233	-	723,155,450
Investment under management	9,225,166	6,849,720	12,217,073	-	28,291,959
Non pledged trading assets					
Treasury bills	74,749,344	15,048,617	-	-	89,797,961
Bonds	2,222,417	37,798,860	-	-	40,021,277
Equity	-	-	-	-	-
Derivative financial instruments	126,909,010	1,585,977	6,826,720	1,313,164	136,634,871
Loans and advances to banks	695,095	-	152,129,985	-	152,825,081
Loans and advances to customers					
Auto Loan	6,467,952	11,311,556	-	-	17,779,508
Credit Card	17,413,366	1,697,624	-	-	19,110,990
Finance Lease	4,485,635	458,540	-	-	4,944,175
Mortgage Loan	2,136,440	118,972,854	20,773,276	-	141,882,570
Overdraft	245,768,584	7,217,096	-	-	252,985,680
Personal Loan	34,168,590	18,104,337	-	-	52,272,927
Term Loan	1,816,913,719	221,989,758	7,068,897	-	2,045,972,374
Time Loan	354,269,381	22,362,102	-	-	376,631,483
Pledged assets					
Treasury bills	522,956,307	-	-	-	522,956,307
Bonds	82,599,583	-	-	-	82,599,583
Investment securities					
-Financial assets at FVOCI					
Treasury bills	77,898,247	154,915,826	-	-	232,814,073
Bonds	11,134,851	67,982,131	2,860,694	-	81,977,676

Promissory Notes	807,619	-	-	-	807,619
-Financial assets at amortised cost					
Treasury bills	341,786,029	37,497,352	-	-	379,283,381
Bonds	249,386,429	15,498,526	1,394,042	-	266,278,997
Promissory Notes	10,844,042	-	-	-	10,844,042
Restricted deposit and other assets	140,893,166	22,911,937	2,205,151	986,078	166,996,332
Total	**4,507,255,788**	**856,784,214**	**460,525,071**	**2,299,242**	**5,826,864,316**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	451,514,549	80,462,115	-	-	531,976,664
Clean line facilities for letters of credit and other commitments	324,529,363	8,298,194	-	-	332,827,557
Total	**776,043,912**	**88,760,309**	**-**	**-**	**864,804,221**

04 FINANCIAL STATEMENTS

5.1.5 (b) By Sector

Bank

December 2020

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	589,812,438	-	-	-	589,812,438
Investment under management	6,916,492	-	13,495,537	-	10,039,436	-	30,451,466
Non pledged trading assets							
Treasury bills	-	-	-	-	97,719,848	-	97,719,848
Bonds	-	-	73,237	-	12,490,027	-	12,563,265
Equity	-	-	-	-	-	-	-
Derivative financial instruments	12,295,323	7,098,884	12,292,884	1,078,562	191,022,672	-	223,788,324
Loans and advances to banks	-	-	231,788,276	-	-	-	231,788,276
Loans and advances to customers	-	-	-				
Auto Loan	172,109	1,795,374	-	2,276,022	-	-	4,243,504
Credit Card	11,021	274,238	-	21,904,613	-	-	22,189,872
Finance Lease	580	2,171,515	-	1,432,982	-	-	3,605,077
Mortgage Loan	-	-	-	3,031,432	-	-	3,031,432
Overdraft	39,005,261	233,293,730	-	11,174,933	-	-	283,473,926
Personal Loan	-	-	-	13,607,367	-	-	13,607,367
Term Loan	886,174,685	960,076,696	-	49,311,083	221,121,746	-	2,116,684,210
Time Loan	243,402,815	125,460,562	-	3,176,968	-	-	372,040,345
Pledged assets							
Treasury bills	-	-	-	-	239,019,624	-	239,019,624
Bonds	-	-	-	-	44,451,010	-	44,451,010
Investment securities							
-Financial assets at FVOCI							

Treasury bills	-	-	-	-	608,866,687	-	608,866,687
Bonds	15,745,714	-	-	-	91,178,942	-	106,924,656
Promissory Notes	-	-	-	-	80,033,790	-	80,033,790
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	194,302,056	-	194,302,056
Total Return Notes	-	-	45,527,717	-	-	-	45,527,717
Bonds	472,288	-	-	-	250,300,061	-	250,772,349
Promissory Notes	-	-	-	-	427,537	-	427,537
Restricted deposit and other assets	80,231,178	1,285,890	94,029,490	7,242,924	1,281,876,938	6,815,056	1,471,481,478
Total	**1,284,427,466**	**1,331,456,889**	**987,019,582**	**114,236,885**	**3,322,850,375**	**6,815,056**	**7,046,806,253**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	114,884,894	192,337,386	13,889,125	13,872,688	80,100	-	335,064,193
Clean line facilities for letters of credit and other commitments	91,229,685	221,656,014	6,525,379	22,340,486	-	-	341,751,565
Total	**206,114,580**	**413,993,400**	**20,414,504**	**36,213,175**	**80,100**	**-**	**676,815,758**

By Sector

Bank

December 2019

In thousands of Naira	**Corporate**	**Commercial**	**Bank**	**Retail**	**Government**	**Others**	**Total**
Cash and balances with banks	-	-	575,906,273	-	-	-	575,906,273
Investment under management	4,280,814	-	9,287,366	-	14,723,779	-	28,291,959
Non pledged trading assets							
Treasury bills	-	-	-	-	74,749,344	-	74,749,344
Bonds	-	-	-	-	2,222,417	-	2,222,417
Equity	-	-	-	-	-	-	-
Derivative financial instruments	5,387,684	6,966,273	418,058	979,371	122,901,393	-	136,652,779
Loans and advances to banks	-	-	164,413,001	-	-	-	164,413,001
Loans and advances to customers							
Auto Loan	315,262	2,849,266	-	3,303,424	-	-	6,467,952
Credit Card	32,444	264,629	-	17,116,293	-	-	17,413,366
Finance Lease	119,311	4,294,734	-	71,590	-	-	4,485,635
Mortgage Loan	-	-	-	2,136,440	-	-	2,136,440
Overdraft	32,840,943	197,291,384	-	15,636,258	-	-	245,768,585
Personal Loan	-	-	-	34,168,590	-	-	34,168,590
Term Loan	840,777,349	765,575,104	-	13,885,512	196,675,754	-	1,816,913,721
Time Loan	161,916,195	187,432,005	-	4,921,181	-	-	354,269,381
Pledged assets							
Treasury bills	-	-	-	-	522,956,307	-	522,956,308
Bonds	-	-	-	-	82,599,583	-	82,599,583
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	77,898,247	-	77,898,247
Bonds	7,815,595	-	-	-	11,134,851	-	18,950,446

Promissory Notes	-	-	-	-	807,619	-	807,619
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	341,786,029	-	341,786,029
Bonds	510,162	-	932,242	-	249,386,429	-	250,828,833
Promissory Notes	-	-	-	-	10,844,042	-	10,844,042
Restricted deposit and other assets	50,763,617	4,735,470	84,133,540	9,218,095	4,294,795	4,360,143	157,505,660
Total	**1,104,759,376**	**1,169,408,865**	**835,090,480**	**101,436,754**	**1,712,980,589**	**4,360,143**	**4,928,036,210**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	142,525,058	261,147,307	32,371,788	15,470,396	-	-	451,514,549
"Clean line facilities for letters of credit and other commitments"	54,219,348	243,527,547	6,145,195	20,637,274	-	-	324,529,364
							-
Total	**196,744,406**	**504,674,854**	**38,516,983**	**36,107,670**	**-**	**-**	**776,043,913**

5.1.5 (b)i By geography

Bank	Nigeria	Rest of Africa	Europe	Others	Total
December 2020					
In thousands of Naira					
Cash and balances with banks	474,375,779	60,654	115,376,006	-	589,812,438
Investment under management	14,172,243	7,109,072	9,170,151	-	30,451,466
Non pledged trading assets					
Treasury bills	97,719,848	-	-	-	97,719,848
Bonds	12,563,265	-	-	-	12,563,265
Equity	-	-	-	-	-
Derivative financial instruments	194,165,901	30,627,212	14,362,722	171,531	239,327,366
Loans and advances to banks	4,962,693	44,645,306	182,180,278	-	231,788,276
Loans and advances to customers					
Auto Loan	4,243,504	-	-	-	4,243,504
Credit Card	22,189,872	-	-	-	22,189,872
Finance Lease	3,605,077	-	-	-	3,605,077
Mortgage Loan	3,031,432	-	-	-	3,031,432
Overdraft	283,473,925	-	-	-	283,473,925
Personal Loan	13,607,367	-	-	-	13,607,367
Term Loan	2,116,684,210	-	-	-	2,116,684,210
Time Loan	372,040,345	-	-	-	372,040,345
Pledged assets					
Treasury bills	239,019,624	-	-	-	239,019,624
Bonds	44,451,010	-	-	-	44,451,010
Investment securities					
-Financial assets at FVOCI					
Treasury bills	608,866,687	-	-	-	608,866,687

Bonds	106,924,656	-	-	-	106,924,656
Promissory Notes	80,033,790	-	-	-	80,033,790
-Financial assets at amortised cost					
Treasury bills	194,302,056	-	-	-	194,302,056
Total Return Notes	45,527,717	-	-	-	45,527,717
Bonds	250,772,348	-	-	-	250,772,349
Promissory Notes	427,537	-	-	-	427,537
Restricted deposit and other assets	1,462,627,145	8,854,332	-	-	1,471,481,478
Total	**6,649,788,031**	**91,296,575**	**321,089,157**	**171,531**	**7,062,345,294**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	334,606,056	-	458,137	-	335,064,193
"Clean line facilities for letters of credit and other commitments"	326,644,373	13,740,492	1,359,181	7,518	341,751,564
Total	**661,250,429**	**13,740,492**	**1,817,318**	**7,518**	**676,815,757**

By geography

Bank	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
December 2019					
In thousands of Naira					
Cash and balances with banks	352,972,318	20,610	186,426,517	-	539,419,445
Investment under management	9,225,166	6,849,720	12,217,073	-	28,291,959
Non pledged trading assets					
Treasury bills	74,749,344	-	-	-	74,749,344
Bonds	2,222,417	-	-	-	2,222,417
Equity	-	-	-	-	-
Derivative financial instruments	126,909,010	1,585,977	6,844,628	1,313,164	136,652,779
Loans and advances to banks	13,381,720	752,682	150,278,599	-	164,413,000
Loans and advances to customers					
Auto Loan	6,467,952	-	-	-	6,467,952
Credit Card	17,413,366	-	-	-	17,413,366
Finance Lease	4,485,635	-	-	-	4,485,635
Mortgage Loan	2,136,440	-	-	-	2,136,440
Overdraft	245,768,584	-	-	-	245,768,584
Personal Loan	34,168,590	-	-	-	34,168,590
Term Loan	1,816,913,719	-	-	-	1,816,913,719
Time Loan	354,269,381	-	-	-	354,269,381
Pledged assets					
Treasury bills	522,956,307	-	-	-	522,956,307
Bonds	82,599,583	-	-	-	82,599,583
Investment securities					
-Financial assets at FVOCI					
Treasury bills	77,898,247	-	-	-	77,898,247
Bonds	11,134,851	7,815,595	-	-	18,950,446

Promissory Notes	807,619	-	-	-	807,619
-Financial assets at amortised cost					
Treasury bills	341,786,029	-	-	-	341,786,029
Bonds	249,386,429	510,162	932,242	-	250,828,833
Promissory Notes	10,844,042	-	-	-	10,844,042
Restricted deposit and other assets	139,214,206	17,935,193	-	356,261	157,505,660
Total	**4,497,710,956**	**35,469,939**	**356,699,058**	**1,669,425**	**4,891,549,377**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	451,514,549	-	-	-	451,514,549
Clean line facilities for letters of credit and other commitments	324,529,363	-	-	-	324,529,363
Total	**776,043,912**	**-**	**-**	**-**	**776,043,912**

5.2.1 Interest rate gap position

Repricing gap measures the difference between the Bank's interest sensitive assets and liabilities within certain maturity ranges. Differences between these assets and liabilities pose as potential losses from unexpected changes in interest rate. Negative Gaps represent situations when assets are less than liabilities and the Bank is exposed to an increase in interest rates. Where assets are more than liabilities this can be described as positive gap and the Bank is exposed to decline in interest rates.

The results below shows a negative gap of N2.58 trillion in the 'less than 3 months' time bucket, however this is as a result of the contractual nature of Non Maturity deposits. A significant portion of this gap is as a result of the contractual nature of Non Maturing Deposits.

A summary of the Group's interest rate gap position on financial instruments is as follows:

Group

	Re-pricing year						
In thousands of Naira **December 2020**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	89,783,183	-	-	-	-	634,089,637	723,872,820
Investment under management	23,785,009	-	-	-	6,666,457	-	30,451,466
Non pledged trading assets							
Treasury bills	15,425,251	6,502,706	94,108,169	-	-	-	116,036,126
Bonds	-	-	1,696,330	13,623,889	76,595,599	-	91,915,817
Loans and advances to banks	120,523,350	71,295,446	201,002,512	-	-	-	392,821,307
Loans and advances to customers							
Auto Loan	1,191,994	2,448,986	2,114,765	8,309,097	-	-	14,064,843
Credit Card	10,819,861	-	1,475,650	11,370,011	-	-	23,665,522
Finance Lease	542,161	364,061	1,571,916	1,576,566	-	-	4,054,704
Mortgage Loan	12,514,876	18,602,034	6,362,619	25,244,744	64,335,393	-	127,039,667
Overdraft	203,083,470	53,607,113	44,027,120	-	-	-	300,717,703
Personal Loan	3,699,315	5,648,917	6,820,810	10,102,240	3,071,844	-	29,343,127
Term Loan	80,129,846	34,852,785	119,754,388	883,377,166	1,218,290,251	-	2,336,404,437
Time Loan	254,399,725	64,553,042	63,864,257	-	-	-	382,817,024
Pledged assets							-

Treasury bills	101,874,873	73,955,530	8,273,493	-	-	-	184,103,896
Bonds	-	-	-	2,418,944	42,032,066	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	97,978,763	41,304,160	608,947,303	-	-	-	748,230,225
Bonds	-	-	3,947,114	34,202,910	181,464,849	-	219,614,874
Promissory notes	-	-	-	80,033,790	-	-	80,033,790
-Financial assets at amortised cost							
Treasury bills	31,463,203	13,263,703	192,382,539	-	-	-	237,109,445
Bonds	-	-	5,029,820	43,584,869	228,825,310	-	277,439,999
Promissory notes	-	-	-	427,536	-	-	427,536
Total return notes	-	-	45,527,717	-	-	-	45,527,717
Restricted deposit and other assets	-	-	-	-	-	1,522,315,074	1,522,315,074
	1,047,214,877	**386,398,482**	**1,406,906,524**	**1,114,251,762**	**1,821,281,773**	**2,156,404,712**	**7,932,458,130**
Non-derivative liabilities							
Deposits from financial institutions	584,821,197	242,404,257	131,171,717	-	-	-	958,397,171
Deposits from customers	3,036,562,629	214,090,929	33,271,788	1,515,952	2,785	2,301,974,129	5,587,418,213
Other liabilities	-	-	-	-	-	356,638,122	356,638,122
Debt securities issued	-	122,195,240	-	15,423,330	31,541,488	-	169,160,058
Interest bearing borrowings	5,951,608	23,125,817	168,782,396	164,893,495	428,701,922	-	791,455,237
	3,627,335,434	**601,816,243**	**333,225,901**	**181,832,776**	**460,246,195**	**2,658,612,251**	**7,863,068,801**
Total interest re-pricing gap	(2,580,120,557)	(215,417,760)	1,073,680,622	932,418,986	1,361,035,578	(502,207,539)	69,389,329

FINANCIAL STATEMENTS

04

Group

In thousands of Naira	Re-pricing year						
December 2019	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	48,838,459	-	-	-	-	674,316,991	723,155,450
Investment under management	23,799,663	-	-	-	4,492,296	-	28,291,959
Non pledged trading assets							
Treasury bills	322,930	-	-	88,784	89,386,247	-	89,797,961
Bonds	6,119,728	18,240,051	15,661,498	-	-	-	40,021,277
Loans and advances to banks	1,574,222	-	151,250,859	-	-	-	152,825,081
Loans and advances to customers							
Auto Loan	1,367,433	2,723,298	2,250,439	11,438,338	-	-	17,779,508
Credit Card	5,224,010	4,005,074	4,832,030	5,049,876	-	-	19,110,990
Finance Lease	185,166	281,973	995,208	3,481,829	-	-	4,944,175
Mortgage Loan	14,083,082	20,961,920	7,042,857	28,829,594	70,965,117	-	141,882,570
Overdraft	191,136,170	28,721,932	33,127,579	-	-	-	252,985,681
Personal Loan	22,390,356	6,891,505	7,762,223	11,855,183	3,373,662	-	52,272,927
Term Loan	135,048,813	46,399,740	103,043,879	883,206,154	878,273,788	-	2,045,972,373
Time Loan	229,826,017	24,874,616	121,930,850	-	-	-	376,631,483
Pledged assets							
Treasury bills	356,959,312	58,032,025	107,964,970	-	-	-	522,956,307
Bonds	4,195,563	-	-	16,962,424	61,441,596	-	82,599,583
Investment securities							
-Financial assets at FVOCI							
Treasury bills	203,505,343	5,506,455	23,801,576	-	-	-	232,813,374
Bonds	-	-	-	16,917,821	65,059,856	-	81,977,676
Promissory notes	-	-	18	807,601	-	-	807,619
-Financial assets at amortised cost							
Treasury bills	180,212,376	44,050,341	155,020,664	-	-	-	379,283,381

Bonds	12,916,561	987,141	2,145,796	60,395,511	189,833,987	-	266,278,996
Promissory notes	10,357,841	58,664	-	427,536	-	-	10,844,042
Restricted deposit and other assets	-	-	-	-	-	1,016,582,843	1,016,582,843
	1,448,063,042	**261,734,735**	**736,830,446**	**1,039,460,651**	**1,362,826,549**	**1,690,899,834**	**6,539,815,256**
Non-derivative liabilities							
Deposits from financial institutions	726,033,482	333,020,413	127,302,419	-	-	-	1,186,356,314
Deposits from customers	3,958,730,179	185,329,362	110,055,505	1,720,003	2,254	-	4,255,837,303
Other liabilities	-	-	-	-	-	315,626,032	315,626,032
Debt securities issued	14,691	157,931	1,046,358	44,090,302	112,678,596	-	157,987,877
Interest bearing borrowings	54,051	581,074	3,849,869	162,221,574	419,896,262	-	586,602,830
	4,684,832,403	**519,088,779**	**242,254,151**	**208,031,878**	**532,577,112**	**315,626,032**	**6,502,410,356**
Total interest re-pricing gap	(3,236,769,361)	(257,354,044)	494,576,294	831,428,773	830,249,437	1,375,273,802	37,404,900

5.2.1 A summary of the Bank's interest rate gap position on securitty portfolios is as follows:

Bank	Re-pricing year						
In thousands of Naira **December 2020**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	40,095,276	-	-	-	-	549,717,160	589,812,438
Investment under management	23,785,009	-	-	-	6,666,457	-	30,451,466
Non- pledged trading assets							
Treasury bills	12,990,379	5,476,255	79,253,214	-	-	-	97,719,848
Bonds	-	-	225,507	1,954,087	10,383,670	-	12,563,265
Loans and advances to banks	120,523,350	71,295,446	39,969,481	-	-	-	231,788,276
Loans and advances to customers							
Auto Loan	209,860	190,078	445,138	3,398,428	-	-	4,243,503
Credit Card	10,819,861	-	-	11,370,011	-	-	22,189,872
Finance Lease	497,198	206,692	1,387,569	1,513,618	-	-	3,605,077
Mortgage Loan	114,053	798	162,208	423,097	2,331,276	-	3,031,432
Overdraft	203,083,470	53,607,113	26,783,342	-	-	-	283,473,925
Personal Loan	1,338,951	141,401	841,221	8,213,949	3,071,844	-	13,607,367
Term Loan	58,157,824	6,289,155	71,415,939	773,517,053	1,207,304,240	-	2,116,684,210
Time Loan	249,011,385	62,074,406	60,954,554	-	-	-	372,040,345
Pledged assets							
Treasury bills	101,874,873	73,955,530	8,273,493	-	-	-	184,103,896
Bonds	-	-	-	2,418,944	42,032,066	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	79,453,504	33,494,608	495,918,575	-	-	-	608,866,687
Bonds	-	-	1,912,888	16,575,739	88,436,029	-	106,924,656
Promissory note	-	-	3,862,806	76,170,985	80,033,790	-	160,067,581
-Financial assets at amortised cost							

Treasury bills	25,835,013	10,891,070	157,575,973	-	-	-	194,302,056
Bonds	-	-	4,561,362	39,525,545	207,112,979	-	251,199,886
Promissory note	-	-	-	427,537	-	-	427,537
Total return notes	-	-	45,527,717	-	-	-	45,527,717
Restricted deposit and other assets	-	-	-	-	-	1,471,481,477	1,471,481,477
	927,790,005	**317,622,553**	**997,121,069**	**875,913,748**	**1,655,774,593**	**2,021,198,637**	**6,795,420,605**
Non-derivative liabilities							
Deposits from financial institutions	514,323,447	213,573,720	103,735,165	-	-	-	831,632,332
Deposits from customers	2,640,757,810	172,047,852	26,737,890	1,218,250	2,238	1,991,980,453	4,832,744,493
Other liabilities	-	-	-	-	-	322,955,917	322,955,917
Debt securities	-	122,195,240	-	15,423,330	31,541,488	-	169,160,058
Interest bearing borrowings	5,675,830	22,054,242	160,961,567	157,252,865	409,309,769	-	755,254,273
	3,160,757,087	**529,871,053**	**291,434,622**	**173,894,446**	**440,853,496**	**2,314,936,370**	**6,911,747,076**
Total interest re-pricing gap	(2,232,967,078)	(212,248,496)	705,686,446	702,019,303	1,214,921,096	(293,737,732)	(116,326,469)

04

FINANCIAL STATEMENTS

Bank

In thousands of Naira	Re-pricing year						
December 2019	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	32,822,515	-	-	-	-	543,085,032	575,907,548
Investment under management	23,799,663	-	-	-	4,492,296	-	28,291,959
Non- pledged trading assets							
Treasury bills	25,811,643	15,183,327	33,754,374	-	-	-	74,749,344
Bonds	17,933	-	-	4,930	2,199,554	-	2,222,417
Loans and advances to banks	1,574,222	-	162,838,779	-	-	-	164,413,001
Loans and advances to customers							
Auto Loan	236,278	121,640	327,474	5,782,560	-	-	6,467,951
Credit Card	5,224,010	4,005,074	3,134,406	5,049,876	-	-	17,413,366
Finance Lease	139,312	121,485	807,207	3,417,633	-	-	4,485,637
Mortgage Loan	108,469	-	55,551	880,368	1,092,051	-	2,136,440
Overdraft	191,136,170	28,721,932	25,910,483	-	-	-	245,768,584
Personal Loan	19,674,705	554,987	882,575	9,682,662	3,373,662	-	34,168,590
Term Loan	112,142,947	16,622,115	52,650,975	768,676,826	866,820,855	-	1,816,913,719
Time Loan	224,438,927	22,396,554	107,433,900	-	-	-	354,269,381
Pledged assets							
Treasury bills	356,736,955	57,603,524	108,615,828	-	-	-	522,956,307
Bonds	-	-	-	5,370,235	77,229,349	-	82,599,584
Investment securities							
-Financial assets at FVOCI							
Treasury bills	67,587,702	1,820,486	8,490,265	-	-	-	77,898,453
Bonds	-	-	-	3,904,247	15,046,199	-	18,950,446
Promissory note	-	-	18	807,602	-	-	807,620
-Financial assets at amortised cost							

Treasury bills	162,585,507	39,741,705	139,458,818	-	-	-	341,786,029
Bonds	21,854,573	-	2,026,459	37,693,507	200,098,335	-	261,672,874
Promissory note	10,357,841	58,664	-	427,536	-	-	10,844,042
Restricted deposit and other assets	-	-	-	-	-	968,698,629	968,698,629
	1,256,249,369	**186,951,496**	**646,387,111**	**841,697,986**	**1,170,352,303**	**1,511,783,661**	**5,613,421,926**
Non-derivative liabilities							
Deposits from financial institutions	660,027,871	302,744,652	116,511,894	-	-	-	1,079,284,418
Deposits from customers	3,410,734,852	159,764,671	82,433,687	1,482,742	1,943	-	3,654,417,894
Other liabilities	-	-	-	-	-	295,184,124	295,184,124
Debt securities	-	-	-	142,561,644	15,426,233	-	157,987,877
Interest bearing borrowings	-	758,553	1,693,928	187,349,953	350,851,336	3,410,456	544,064,226
	4,070,762,723	**463,267,876**	**200,639,509**	**331,394,340**	**366,279,512**	**298,594,580**	**5,730,938,542**
Total interest re-pricing gap	(2,814,513,350)	(276,316,376)	445,747,602	510,303,645	804,072,790	1,213,189,081	(117,516,616)

04

FINANCIAL STATEMENTS

Market risk management

The Group trades on bonds, treasury bills and foreign currency. Market risk in trading portfolios is monitored and controlled using tools such as position limits, value at risk and present value of an assumed basis points change in yields or exchange rates coupled with concentration limits. The major measurement technique used to measure and control market risk is outlined below.

The table below sets out information on the exposure to fixed and variable interest instruments.

Exposure to fixed and variable interest rate risk

Group

In thousands of Naira

December 2020	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	89,783,183	-	634,294,495	724,077,678
Non pledged trading assets	207,951,943	-	-	207,951,943
Derivative financial instruments	-	-	251,112,745	251,112,745
Loans and advances to banks	392,821,307	-	-	392,821,307
Loans and advances to customers	17,182,330	3,200,924,697	-	3,218,107,027
Pledged assets		-	-	-
Treasury bills	184,103,896	-	-	184,103,896
Bonds	44,451,010	-	-	44,451,010
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	748,230,225	-	-	748,230,225
Bonds	299,648,663	-	-	299,648,663
Promissory notes	80,033,790	-	-	80,033,790
-Financial assets at amortised cost				
Treasury bills	237,109,445	-	-	237,109,445
Bonds	322,795,236	-	-	322,795,236
Promissory notes	-	-	427,536	427,536
TOTAL	**2,624,111,028**	**3,200,924,679**	**885,834,777**	**6,710,870,502**
LIABILITIES				
Deposits from financial institutions	958,397,171	-	-	958,397,171
Deposits from customers	1,975,382,019	3,612,036,194	-	5,587,418,213
Derivative financial instruments	-	-	20,880,529	20,880,529
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	424,021,105	276,024,490	-	700,045,596
TOTAL	**3,526,960,353**	**3,888,060,685**	**20,880,529**	**7,435,901,565**

December 2019	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	48,838,459	-	674,316,991	723,155,450
Non pledged trading assets	129,819,238	-	-	129,819,238
Derivative financial instruments	-	-	143,520,553	143,520,553
Loans and advances to banks	152,825,081	-	-	152,825,081
Loans and advances to customers	14,009,421	2,897,570,286	-	2,911,579,708
Pledged assets		-	-	
Treasury bills	522,956,309	-	-	522,956,309
Bonds	82,599,583	-	-	82,599,583
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	232,813,374	-	-	232,813,374
Bonds	82,785,297	-	-	82,785,297
Promissory notes	807,619	-	-	807,619
-Financial assets at amortised cost				
Treasury bills	379,283,381	-	-	379,283,381
Bonds	276,563,816	-	-	276,563,816
Promissory notes	-	-	10,844,042	10,844,042
TOTAL	**1,923,301,577**	**2,897,570,286**	**828,681,585**	**5,649,553,449**
LIABILITIES				
Deposits from financial institutions	1,186,356,314	-	-	1,186,356,314
Deposits from customers	1,784,924,350	2,470,912,954	-	4,255,837,305
Derivative financial instruments	-	-	6,885,680	6,885,680
Debt securities issued	157,987,877	-	-	157,987,877
Interest-bearing borrowings	308,692,956	277,909,874	-	586,602,830
TOTAL	**3,437,961,497**	**2,748,822,829**	**6,885,680**	**6,193,670,004**

Bank

December 2020	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	40,095,277	-	549,751,317	589,846,594
Non pledged trading assets	110,283,111	-	-	110,283,111
Derivative financial instruments	-	-	244,564,046	244,564,046
Loans and advances to banks	231,788,276	-	-	231,788,276
Loans and advances to customers	15,031,149	2,803,844,582	-	2,818,875,731
Pledged assets				
Treasury bills	184,103,895	-	-	184,103,895
Bonds	44,451,010	-	-	44,451,010
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	608,866,687	-	-	608,866,687
Bonds	186,958,444	-	-	186,958,444

-Financial assets at amortised cost				
Treasury bills	194,302,056	-	-	194,302,056
Bonds	296,177,416	-	-	296,177,417
TOTAL	**1,912,057,323**	**2,803,844,582**	**794,315,363**	**5,510,217,268**
LIABILITIES				
Deposits from financial institutions	831,632,332	-	-	831,632,332
Deposits from customers	1,586,352,295	3,246,392,200	-	4,832,744,495
Derivative financial instruments	-	-	20,775,722	20,775,722
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	284,491,261	256,162,509	3,410,456	544,064,226
TOTAL	**2,871,635,947**	**3,502,554,708**	**24,186,178**	**6,398,376,833**

December 2019	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	32,822,516	-	543,085,033	575,907,549
Non pledged trading assets	76,971,760	-	-	76,971,760
Derivative financial instruments	-	-	143,480,073	143,480,073
Loans and advances to banks	164,413,001	-	-	164,413,001
Loans and advances to customers	13,346,263	2,468,277,408	-	2,481,623,671
Pledged assets				
Treasury bills	522,956,308	-	-	522,956,308
Bonds	82,599,583	-	-	82,599,583
Investment securities:				-
-Financial assets at FVOCI	-	-	-	-
Treasury bills	77,897,548	-	-	77,897,548
Bonds	19,758,066	-	-	19,758,066
-Financial assets at amortised cost				
Treasury bills	341,786,029	-	-	341,786,029
Bonds	261,138,688	-	-	261,138,688
TOTAL	**1,593,689,762**	**2,468,277,408**	**686,565,106**	**4,748,532,276**
LIABILITIES				
Deposits from financial institutions	1,079,284,418	-	-	1,079,284,418
Deposits from customers	1,463,431,594	2,204,908,217	-	3,668,339,811
Derivative financial instruments	-	-	6,827,293	6,827,293
Debt securities issued	157,987,877	-	-	157,987,877
Interest-bearing borrowings	284,491,261	256,162,509	3,410,456	544,064,226
TOTAL	**2,985,195,150**	**2,461,070,726**	**10,237,748**	**5,456,503,624**

Derivative financial instruments include elements of interest rate differential between the applicable underlying currencies. Further details on the fair value of derivatives have been discussed in Note 21 of the financial statement.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing (note 5.2.1) that may be undertaken, which is monitored daily by Group Treasury.

Cash flow and fair value interest rate risk

The group's interest rate risk arises from risk assets, long-term borrowings, deposits from banks and customers. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

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.

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:

(i) Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.

(ii) Fair value reserves arising from increases or decreases in fair value of available-for-sale financial instruments reported directly in other comprehensive income.

Group

Interest sensitivity analysis-December 2020

Impact on net interest income of +/-1oo basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	22,491,997	(22,491,997)
6 months	1,332,975	(1,332,975)
12 months	(2,662,588)	2,662,588
	21,162,385	**(21,162,385)**

Interest sensitivity analysis-December 2019

Impact on net interest income of +/-1oo basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	25,416,897	(25,416,897)
6 months	1,502,426	(1,502,426)
12 months	(1,366,377)	1,366,377
	25,552,946	**(25,552,946)**

Bank

Interest sensitivity analysis - December 2020

Impact on net interest income of +/-1oo basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	19,471,323	(19,471,323)
6 months	1,330,360	(1,330,360)
12 months	(1,772,323)	1,772,323
	19,029,360	**(19,029,360)**

Interest sensitivity analysis -December 2019

Impact on net interest income of +/-1oo basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	22,197,970	(22,197,970)
6 months	1,596,005	(1,596,005)
12 months	(1,122,211)	1,122,211
	22,671,765	**(22,671,765)**

The table above sets out the impact on net interest income of a 100 basis points parallel fall or rise in all yields. A parallel increase in yields by 100 basis points would lead to an increase in net interest income while a parallel fall in yields by 100 basis points would lead to a decline in net interest income. The interest rate sensitivities are based on simplified scenarios and assumptions, including that all positions will be retained and rolled over upon maturity. The figures represent the effect of movements in net interest income based on the 100 basis point shift in interest rate and subject to the current interest rate exposures. However, the effect has not taken into account the possible risk management measures undertaken by the Bank to mitigate interest rate risk. In practice, the Assets and Liability Committee, ALCO seeks proactively to change the interest rate risk profile to minimize losses and optimise net revenues. The projections also assume that interest rates on various maturities will move within similar ranges, and therefore do not reflect any potential effect on net interest income in the event that some interest rates may change and others remain unchanged.

Price sensitivity analysis on bonds and treasury bills

The table below shows the impact of likely movement in yields on the value of bonds and treasury bills. This relates to the positions held for trade and fair value through other comprehensive income. Since an increase in yields would lead to decline in market values of bonds and treasury bills, the analysis was carried out to show the likely impact of 50 and 100 basis points increase in market yields. The impact of held for trading investments is on the income statement while the impact of available for sale instruments is on the statement of other comprehensive income.

Group

December 2020	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
Impact on Statement of Comprehensive income			
Investment under management T-Bills			
Fair value through profit or loss: Bonds	91,883,585	(1,275,093)	(2,513,415)
Fair value through profit or loss: T-bills	116,036,126	(340,287)	(680,574)
Fair value through profit or loss: equity	534,682	2,637	5,347
Fair value through profit or loss: Bonds - Pledged	-	-	-
Fair value through profit or loss: T-bills - Pledged	85,006,604	(202,401)	(404,802)
	293,460,997	(1,815,107)	(3,593,444)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	149,329,224	(2,047,060)	(3,990,249)
-Financial assets at FVOCI-Tbills	748,222,549	(2,792,500)	(5,585,000)
Financial assets at FVOCI - Bonds - Pledged	2,617,080	(97,230)	(189,434)
Financial assets at FVOCI - T-Bills - Pledged	999,521	(548)	(1,096)
	901,168,375	(4,937,338)	(9,765,779)
TOTAL	**1,194,629,372**	**(6,752,446)**	**(13,359,222)**

December 2019	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
Impact on Statement of Comprehensive			
Investment under management T-Bills			
Fair value through profit or loss: Bonds	40,021,277	(231,021)	(458,263)
Fair value through profit or loss: T-bills	89,797,961	(207,869)	(415,738)
Fair value through profit or loss: Bonds - Pledged	-	-	-
Fair value through profit or loss: T-bills - Pledged	39,881,494	(79,008)	(158,017)
	169,700,732	(517,898)	(1,032,018)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	2,222,417	(60,034)	(117,469)
-Financial assets at FVOCI-Tbills	74,749,344	(199,479)	(398,958)
Financial assets at FVOCI - Bonds - Pledged	-	-	-
Financial assets at FVOCI - T-Bills - Pledged	39,881,494	(79,008)	(158,017)

	116,853,256	(338,522)	(674,444)
TOTAL	**286,553,988**	**(856,420)**	**(1,706,462)**

Bank

December 2020	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive Income			
Fair value through profit or loss: Bonds	12,488,649	(376,059)	(734,637)
Fair value through profit or loss: T-bills	97,719,848	(307,073)	(614,145)
Fair value through profit or loss: equity	534,682	2,673	5,347
Fair value through profit or loss: Bonds - Pledged	-	-	-
Fair value through profit or loss: T-bills - Pledged	85,006,604	(202,401)	(404,802)
	195,749,783	(882,859)	(1,748,237)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	44,296,019	(1,706,329)	(3,312,000)
-Financial assets at FVOCI-Tbills	608,866,687	(2,770,975)	(5,541,949)
Financial assets at FVOCI - Bonds - Pledged	2,617,080	(97,230)	(189,434)
Financial assets at FVOCI - T-Bills - Pledged	999,521	(548)	(1,096)
	656,779,307	(4,575,083)	(9,044,480)
TOTAL	**852,529,090**	**(5,457,942)**	**(10,792,718)**

December 2019	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive Income			
Fair value through profit or loss: Bonds	2,222,417	(60,034)	(117,469)
Fair value through profit or loss: T-bills	74,749,344	(199,479)	(398,958)
Fair value through profit or loss: Bonds - Pledged	-	-	-
Fair value through profit or loss: T-bills - Pledged	39,881,494	(79,008)	(158,017)
	116,853,255	(338,521)	(674,444)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	4,823,398	(165,587)	(322,441)
-Financial assets at FVOCI-Tbills	77,898,247	(43,018)	(86,035)

Financial assets at FVOCI - Bonds - Pledged	-	-	-
Financial assets at FVOCI - T-Bills - Pledged	30,388,532	(78,701)	(157,402)
	113,110,177	(287,306)	(565,878)
TOTAL	**229,963,432**	**(625,827)**	**(1,240,322)**

Foreign currency sensitivity analysis

The Group's principal foreign currency exposure is to US Dollars, as it constitutes a significant portion of the Group's foreign currency exposure as at 31 December 2020. The table below illustrates the hypothetical sensitivity of the Group and Bank's reported profit to a 5% increase in the US Dollar/Naira exchange rates at the year end, assuming all other variables remain unchanged. The sensitivity rate of 5% increase represents the directors' assessment of a reasonable possible change based on historic volatility.

The analysis assumes that exchange rate fluctuations on currency derivatives that form part of an effective fair value hedge affect the fair value reserve in equity and the fair value of the hedging derivatives. For foreign exchange derivatives which are not designated hedges, movements in exchange rates impact the income statement.

Group

	Impact on statement of comprehensive income
In thousands of naira	**December 2020**
Naira weakens by 5%	7,655,043

	Impact on statement of comprehensive income
In thousands of naira	**December 2019**
Naira weakens by 5%	16,335,612

Bank

	Impact on statement of comprehensive income
In thousands of naira	**December 2020**
Naira weakens by 5%	4,342,160

	Impact on statement of comprehensive income
	December 2019
Naira weakens by 5%	2,566,064

The NGN/USD exchange rate applied in the conversion of balances as at year end is N400.33/USD1 (2019: N364.70/USD1). The strengthening or weakening of Naira may not produce symmetrical results depending on the proportion and nature of balance sheet and the impact of derivatives.

	December 2020
Market Risk for Hedging instruments	
Total exposure to foreign exchange risk	**N'000**
Derivative assets (fair value hedge)	232,534,048
Interest bearing loans and borrowings	(333,353,150)
Deposits from other financial institutions	(823,296,615)

5.2.3 The table below summarises the Group's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Group

In thousands of Naira

December 2020	Total	Naira	US	GBP	Euro	Others
Cash and balances with banks	723,872,820	183,524,466	318,479,238	74,495,360	92,618,620	54,755,134
Investment under management	30,451,466	27,667,779	2,783,687	-	-	-
Non-pledged trading assets						
Treasury bills	116,036,126	97,719,848	-	-	-	18,316,278
Bonds	91,915,817	12,488,649	74,615	-	-	79,352,552
Equity	-	-	-	-	-	-
Derivative financial instruments	251,112,744	244,564,046	-	4,732,073	8,129	1,808,496
Loans and advances to banks	392,821,307	843,088	391,978,220	-	-	-
Loans and advances to customers						
Auto Loan	14,064,843	4,243,504	2,022,781	-	-	7,798,557
Credit Card	23,665,522	19,036,608	3,456,928	257	-	1,171,729
Finance Lease	4,057,704	3,605,077	92,604	-	-	357,023
Mortgage Loan	127,039,667	3,031,432	25,540,461	33,683,980	-	64,783,793
Overdraft	300,717,702	260,286,030	26,739,240	639	2	13,691,793
Personal Loan	29,343,127	13,480,722	3,367,547	-	-	12,494,857
Term Loan	2,336,404,437	1,858,808,474	303,086,333	165,991,449	42,493	8,475,687
Time Loan	382,817,024	113,032,794	249,821,168	6,520,373	9,557,270	3,885,418
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080	-	-	-	-

-Financial assets at amortised cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial assets at FVPL						
Treasury bills	85,006,604	85,006,604	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	748,230,225	608,866,687	134,875,103	-	-	4,488,434
Bonds	219,614,874	91,783,529	22,032,870	-	-	105,798,475
Promissory notes	80,033,790	80,033,790	-	-	-	-
-Financial assets at FVPL						
Equity	141,765,576	22,751,701	118,983,352	30,523	-	-
-Financial assets at amortised cost						
Treasury bills	237,109,445	194,302,056	-	-	-	42,807,389
Total return notes	45,527,717	-	45,527,717	-	-	-
Bonds	277,439,999	250,772,348	6,891,743	-	-	19,775,908
Promissory notes	427,536	427,536	-	-	-	-
Restricted deposit and other assets	1,522,315,074	1,380,851,224	91,807,963	783,023	1,430,290	47,442,574
	8,325,336,447	**5,700,676,296**	**1,747,561,571**	**286,237,677**	**103,656,805**	**487,204,098**
Deposits from financial institutions	958,397,171	12,284,842	930,447,908	4,514,659	6,976,833	4,172,929
Deposits from customers	5,587,418,213	3,915,294,407	1,069,396,893	235,709,852	29,251,452	337,765,609
Derivative financial instruments	20,880,529	20,775,722	85,133	-	19,549	125
Other liabilities	356,638,122	273,817,262	55,914,256	6,627,680	2,395,628	17,883,295
Debt securities issued	169,160,059	46,964,818	122,195,241	-	-	-
Interest bearing borrowings	791,455,237	419,322,836	361,202,412	-	2,112,886	8,817,103
	7,883,949,332	**4,688,459,886**	**2,539,241,844**	**246,852,190**	**40,756,348**	**368,639,062**
Off balance sheet exposures:						
Transaction related bonds and guarantees	378,808,847	209,738,623	74,052,168	33,019	59,643,055	35,341,982
Clean line facilities for letters of credit and other commitments	445,538,945	-	412,339,777	9,295,470	23,782,623	121,075
	919,365,848	**209,738,623**	**486,391,946**	**9,361,508**	**143,068,734**	**70,805,039**

*Included in Others are balances the group has in other currencies which includes South Africa Rand, Japanese Yen, Ghanaian Cedis, Dirham, Australian dollars, Canadian dollars, Swiss franc, Chinese Yuan etc.

Financial instruments by currency

Group

In thousands of Naira

December 2019	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	723,063,304	453,932,614	133,256,184	81,538,667	53,428,679	907,159
Investment under management	28,291,959	25,854,313	2,437,646	-	-	-
Non-pledged trading assets						
Treasury bills	71,810,176	71,810,176	-	-	-	-
Bonds	2,105,312	2,105,312	-	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	143,520,554	143,480,074	31,765	4,274	4,441	-
Loans and advances to banks	125,646,471	125,388,045	233,140	23,287	1,315	684
Loans and advances to customers						
Auto Loan	17,779,508	6,467,952	-	-	-	11,311,556
Credit Card	19,110,990	13,193,895	5,259,311	224	-	657,560
Finance Lease	4,944,175	4,485,635	-	-	-	458,540
Mortgage Loan	141,882,570	2,136,440	-	-	-	139,746,130
Overdraft	252,985,680	211,698,524	34,070,060	-	-	7,217,096
Personal Loan	52,272,927	34,109,700	58,890	-	-	18,104,337
Term Loan	2,045,972,373	1,250,302,404	734,773,011	-	28,938	60,868,021
Time Loan	376,631,483	66,600,412	300,932,717	570,300	4,488,266	4,039,788
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	30,388,532	30,388,532	-	-	-	-
Bonds	-	-	-	-	-	-
-Financial assets at amortised cost						

Treasury bills	452,686,281	452,686,281	-	-	-	-
Bonds	82,599,583	82,599,583	-	-	-	-
-Financial assets at FVPL						
Treasury bills	39,881,494	39,881,494	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	232,814,072	77,898,247	149,464,151	-	-	5,451,674
Bonds	81,977,677	18,950,446	-	-	-	63,027,231
Promissory notes	807,619	807,619	-	-	-	-
-Financial assets at FVPL						
Equity	113,158,320	113,126,623	-	31,697	-	-
-Financial assets at amortised cost						
Treasury bills	379,283,381	341,786,029	-	-	-	37,497,352
Bonds	265,856,916	249,896,592	510,162	-	-	15,450,162
Promissory notes	10,844,042	10,844,042	-	-	-	-
Restricted deposit and other assets	1,028,044,587	924,333,084	44,882,326	1,616,300	476,590	56,736,288
	6,724,359,985	**4,754,764,069**	**1,405,909,364**	**83,784,748**	**58,428,229**	**421,473,579**
Deposits from financial institutions	1,186,356,314	11,466,226	1,154,893,153	7,543,859	11,517,210	935,866
Deposits from customers	4,255,837,303	2,885,124,586	889,539,662	198,600,481	40,860,263	241,712,310
Derivative financial instruments	6,885,680	6,827,293	21,657	735	35,738	257
Other liabilities	315,593,152	247,375,844	41,266,317	6,392,838	8,451,784	12,106,370
Debt securities issued	157,987,877	47,054,109	110,933,768	-	-	-
Interest bearing borrowings	585,666,012	287,901,717	279,547,909	-	2,048,811	16,167,574
	6,508,326,339	**3,485,749,774**	**2,476,202,469**	**212,537,912**	**62,913,806**	**270,922,378**
Off balance sheet exposures						
Transaction related bonds and guarantees	531,976,664	297,939,670	116,354,693	190,686	47,297,755	70,193,860
Clean line facilities for letters of credit and other commitments	332,827,557	-	314,986,446	3,495,160	13,539,804	806,147
	864,804,221	**297,939,670**	**431,341,141**	**3,685,845**	**60,837,560**	**71,000,006**

5.2.3 The table below summaries the Bank's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Bank

In thousands of Naira

December 2020	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	589,812,439	183,524,466	295,629,872	24,688,883	82,650,611	3,318,608
Investment under management	30,451,466	27,667,779	2,783,687	-	-	-
Non-pledged trading assets						
Treasury bills	97,719,848	97,719,848	-	-	-	-
Bonds	12,563,265	12,488,649	74,615	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	244,564,046	244,564,046	-	-	-	-
Loans and advances to banks	231,788,276	843,088	230,945,189	-	-	-
Loans and advances to customers						
Auto Loan	4,243,504	4,243,504	-	-	-	-
Credit Card	22,189,872	19,036,608	3,153,007	257	-	-
Finance Lease	3,605,077	3,605,077	-	-	-	-
Mortgage Loan	3,031,432	3,031,432	-	-	-	-
Overdraft	283,473,925	260,286,030	23,187,750	144	2	-
Personal Loan	13,607,367	13,480,722	126,645	-	-	-
Term Loan	2,116,684,210	1,858,808,474	257,833,242	-	42,493	-
Time Loan	372,040,345	113,032,794	247,601,627	1,816,838	9,557,270	31,814
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial assets at FVPL						

Treasury bills	85,006,603	85,006,603	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	608,866,687	608,866,687	-	-	-	-
Bonds	106,924,656	91,783,529	15,141,127	-	-	-
Promissory notes	80,033,790	80,033,790	-	-	-	-
-Financial assets at FVPL						
Equity	141,735,053	22,751,701	118,983,352	-	-	-
-Financial assets at amortised cost						
Treasury bills	194,302,056	194,302,056	-	-	-	-
Total return notes	45,527,717	-	45,527,717	-	-	-
Bonds	250,772,348	250,772,348	-	-	-	-
Promissory notes	427,537	427,537	-	-	-	-
Restricted deposit and other assets	1,471,481,476	1,380,851,224	89,200,647	-	1,429,606	-
	7,154,401,296	**5,700,676,296**	**1,330,188,476**	**26,506,121**	**93,679,980**	**3,350,422**
Deposits from financial institutions	831,632,332	12,284,842	816,255,696	60,925	3,017,007	13,863
Deposits from customers	4,832,744,493	3,915,294,407	883,994,671	16,898,928	16,556,059	427
Derivative financial instruments	20,775,722	20,775,722	-	-	-	-
Other liabilities	322,955,917	273,817,262	46,643,918	64,085	2,386,350	44,302
Debt securities issued	169,160,059	46,964,818	122,195,241	-	-	-
Interest bearing borrowings	755,254,273	419,322,836	335,931,437	-	-	-
	6,932,522,796	**4,688,459,886**	**2,205,020,965**	**17,023,938**	**21,959,418**	**58,592**
Off balance sheet exposures:						
Transaction related bonds and guarantees	335,064,193	209,738,623	66,277,024	15,244	59,033,301	-
Clean line facilities for letters of credit and other commitments	341,751,564	-	328,287,614	224,396	13,237,822	1,732
	2,881,836,721	**209,738,623**	**2,599,585,602**	**239,641**	**72,271,123**	**1,732**

Financial instruments by currency

Bank

In thousands of Naira

December 2019	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	575,905,574	453,932,614	60,998,522	16,118,142	43,016,317	1,839,979
Investment under management	28,291,959	25,854,313	2,437,646	-	-	-
Non-pledged trading assets						
Treasury bills	71,810,176	71,810,176	-	-	-	-
Bonds	2,105,312	2,105,312	-	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	143,480,074	143,480,074	-	-	-	-
Loans and advances to banks	164,413,001	880,686	162,779,633	-	752,682	-
Loans and advances to customers						
Auto Loan	6,467,952	6,467,952	-	-	-	-
Credit Card	17,413,366	13,193,895	4,219,247	224	-	-
Finance Lease	4,485,635	4,485,635	-	-	-	-
Mortgage Loan	2,136,440	2,136,440	-	-	-	-
Overdraft	245,768,584	211,698,524	34,070,060	-	-	-
Personal Loan	34,168,590	34,109,700	58,890	-	-	-
Term Loan	1,816,913,719	1,250,302,404	566,582,377	-	28,938	-
Time Loan	354,269,381	66,600,412	282,293,518	570,300	4,488,266	316,886
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	30,388,532	30,388,532	-	-	-	-
Bonds	-	-	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	452,686,281	452,686,281	-	-	-	-
Bonds	82,599,583	82,599,583	-	-	-	-

-Financial assets at FVPL						
Treasury bills	39,881,494	39,881,494	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	77,898,247	77,898,247	-	-	-	-
Bonds	18,950,446	18,950,446	-	-	-	-
Promissory notes	807,619	807,619	-	-	-	-
-Financial assets at FVPL						
Equity	113,126,623	113,126,623	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	341,786,029	341,786,029	-	-	-	-
Bonds	250,406,754	249,896,592	510,162	-	-	-
Promissory notes	10,844,042	10,844,042	-	-	-	-
Restricted deposit and other assets	968,141,727	924,333,084	43,332,809	-	475,833	-
	5,855,147,139	**4,630,256,711**	**1,157,282,864**	**16,688,664**	**48,762,035**	**2,156,864**
Deposits from financial institutions	1,079,284,418	11,466,226	1,064,743,979	234,864	2,523,963	315,387
Deposits from customers	3,668,339,811	2,885,124,586	750,073,110	15,112,528	18,029,210	376
Derivative financial instruments	6,827,293	6,827,293	-	-	-	-
Other liabilities	295,184,124	247,375,844	38,647,749	477,852	8,441,521	241,159
Debt securities issued	157,987,877	47,054,109	110,933,768	-	-	-
Interest bearing borrowings	544,064,226	287,901,717	256,162,509	-	-	-
	5,751,687,749	**3,485,749,774**	**2,220,561,116**	**15,825,244**	**28,994,696**	**556,922**
Off balance sheet exposures						
Transaction related bonds and guarantees	451,514,549	297,939,670	106,863,384	-	46,711,494	-
Clean line facilities for letters of credit and other commitments[1]	324,529,363	-	314,795,394	884,561	8,104,976	744,432
	776,043,912	297,939,670	421,658,778	884,561	54,816,471	744,432

Liquidity risk management

The following table shows 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 liability or commitment.

The amounts in the table below have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.
Trading derivative liabilities and assets forming part of the Group's proprietary trading operations that are expected to be closed out before contractual maturity	Fair values at the date of the statement of financial position. This is because contractual maturities are not reflective of the liquidity risk exposure arising from these positions. These fair values are disclosed in the 'less than one month' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately. As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising Cash and balances with banks and debt securities issued by federal government, which can be readily sold to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral.

5.3.1 Residual contractual maturities of financial assets and liabilities

Group December 2020 *In thousands of Naira*	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	723,872,820	723,872,820	723,872,820	-	-	-	-
Investment under management	30,451,466	30,451,466	272,737	6,113,728	17,398,543	6,666,458	-
Non-pledged trading assets							
Treasury bills	116,036,126	116,472,852	18,126,442	30,461,550	67,884,860	-	-
Bonds	91,915,817	104,856,685	-	-	27,182,627	26,998,430	50,675,628
Derivative financial instruments	251,112,745	251,112,743	90,981,380	19,469,885	111,088,832	29,572,647	-
Loans and advances to banks	392,821,307	393,473,191	120,649,810	71,385,947	201,437,435	-	-
Loans and advances to customers							
Auto Loan	14,064,843	15,096,966	2,032,653	2,981,333	2,854,919	7,228,063	-
Credit Card	23,665,522	23,674,013	10,825,209	-	1,478,793	11,370,011	-
Finance Lease	4,054,704	4,819,748	1,431,230	865,778	1,218,758	1,303,981	-
Mortgage Loan	127,039,667	129,118,595	12,866,782	18,848,225	6,677,258	26,834,294	63,892,034
Overdraft	300,717,703	293,832,335	197,345,364	52,161,546	44,325,425	-	-
Personal Loan	29,343,128	36,189,272	6,899,330	7,134,671	9,092,848	9,769,332	3,293,092
Term Loan	2,336,404,437	3,043,171,143	99,567,059	141,140,618	302,740,868	1,804,236,776	695,485,822
Time Loan	382,817,024	247,404,594	169,589,998	28,847,990	24,107,124	24,844,842	14,640
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	999,521	1,000,000	1,000,000	-	-	-	-
Bonds	2,617,080	6,062,797	-	-	-	-	6,062,797
-Financial instruments at amortised cost							
Treasury bills	98,097,771	98,321,500	75,379,500	22,942,000	-	-	-
Bonds	41,833,930	69,672,238	-	-	-	6,228,524	63,443,714
-Financial instruments at FVPL							

04 FINANCIAL STATEMENTS

Treasury bills	85,006,604	85,007,157	-	85,007,157	-	-	-
Bonds	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	748,230,225	753,786,668	84,621,602	67,372,727	601,792,339	-	-
Bonds	219,614,874	286,812,774	-	-	-	61,617,252	225,195,521
Promissory note	80,033,790	94,615,750	-	-	3,918,084	90,697,665	-
-Financial assets at amortised cost							
Treasury bills	237,109,445	237,554,832	81,289,468	156,265,362	-	-	-
Total return notes	45,527,717	45,782,540	45,782,539	-	-	-	-
Bonds	277,439,999	481,528,893	-	-	14,791,234	85,350,814	381,386,846
Promissory note	427,535	427,535	-	-	427,536	-	-
Restricted deposit and other assets	1,522,315,072	1,522,315,072	114,651,029	78,265,416	20,669,518	-	1,308,729,111
	8,183,570,873	**9,096,434,179**	**1,859,184,953**	**789,263,935**	**1,459,087,002**	**2,192,719,089**	**2,798,179,206**
Deposits from financial institutions	958,397,171	1,121,577,122	543,577,670	285,461,925	152,486,962	-	140,050,565
Deposits from customers	5,587,418,213	5,588,356,718	4,616,606,840	954,258,162	16,890,478	601,238	-
Derivative financial instruments	20,880,529	20,880,531	15,308,822	2,089,088	1,094,687	2,387,933	-
Other liabilities	356,638,122	356,663,943	246,427,862	59,947,034	50,289,047	-	-
Debt securities issued	169,160,059	203,758,802	-	130,321,432	-	22,471,849	55,861,644
Interest bearing borrowings	791,455,237	1,083,739,867	30,072,422	-	22,780,398	271,669,117	765,274,718
	7,883,949,311	**8,385,935,894**	**5,451,993,615**	**1,426,885,573**	**243,541,572**	**297,130,139**	**961,186,927**
Gap (asset - liabilities)	299,621,563	710,498,285	(3,594,808,662)	(642,819,709)	1,215,545,430	1,895,588,950	1,836,992,281
Cumulative liquidity gap			(3,594,808,662)	(4,237,628,320)	(3,022,082,940)	(1,126,493,990)	710,498,290
Off-balance sheet							
Transaction related bonds and guarantees	378,808,847	378,808,911	42,043,481	33,078,734	68,139,169	158,142,511	77,405,016
"Clean line facilities for letters of credit and other commitments	445,538,945	445,538,945	233,371,171	64,244,283	114,970,014	32,953,476	-
	824,347,792	**824,347,855**	**275,414,653**	**97,323,017**	**183,109,183**	**191,095,986**	**77,405,016**

Group December 2019 *In thousands of Naira*	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	723,064,003	688,914,193	688,914,193	-	-	-	-
Investment under management	28,291,959	28,291,959	767,313	9,012,114	14,020,236	4,492,296	-
Non-pledged trading assets			-	-	-	-	-
Treasury bills	89,797,961	94,861,781	31,063,592	20,455,361	43,342,828	-	-
Bonds	40,021,277	42,952,256	12,617,789	-	-	12,606,930	17,727,537
Derivative financial instruments	143,520,553	143,520,552	49,561,122	11,860,583	82,098,847	-	-
Loans and advances to banks	152,825,081	154,450,204	2,884,137	-	151,566,067	-	-
Loans and advances to customers							
Auto Loan	17,779,508	17,856,398	1,419,559	3,511,085	2,800,066	10,125,688	-
Credit Card	19,110,990	19,339,743	5,292,084	4,057,264	4,874,714	5,115,681	-
Finance Lease	4,944,175	5,146,881	439,934	1,003,556	1,594,991	2,108,400	-
Mortgage Loan	141,882,570	142,875,275	14,630,993	21,223,787	7,422,974	28,751,374	70,846,147
Overdraft	252,985,681	299,728,849	221,191,091	31,384,466	47,153,292	-	-
Personal Loan	52,272,928	52,940,647	19,939,124	8,196,350	9,510,897	11,401,910	3,892,366
Term Loan	2,045,972,373	2,185,260,598	318,195,947	162,727,687	262,350,776	796,327,128	645,659,060
Time Loan	376,631,483	379,822,056	137,932,385	187,158,574	54,731,097	-	-
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	30,388,532	32,424,722	5,500,000	8,124,722	18,800,000	-	-
Bonds	-	-	-	-	-	-	-
-Financial instruments at amortised cost							
Treasury bills	452,686,283	453,872,748	129,026,743	242,100,648	82,745,357	-	-
Bonds	82,599,583	123,975,255	-	-	-	5,618,298	118,356,957
-Financial instruments at FVPL							
Treasury bills	39,881,494	41,886,245	-	31,221,245	10,665,000	-	-

Bonds	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	232,813,374	233,605,789	203,904,571	10,907,341	18,793,877	-	-
Bonds	81,977,676	103,693,091	-	-	65,466,231	38,226,860	-
Promissory note	807,619	1,055,468	-	20	-	1,055,448	-
-Financial assets at amortised cost							
Treasury bills	379,283,381	380,408,695	175,122,124	52,224,901	153,061,670	-	-
Bonds	266,278,996	416,671,728	19,737,979	3,862,541	6,117,451	42,467,781	344,485,976
Promissory note	10,844,041	10,844,041	10,357,841	58,664	-	427,536	-
Restricted deposit and other assets	1,016,582,841	1,016,582,841	141,177,839	26,558,428	-	-	848,846,574
	6,683,244,362	**7,070,982,010**	**2,189,676,361**	**835,649,337**	**1,037,116,372**	**958,725,329**	**2,049,814,617**
Deposits from financial institutions	1,186,356,314	1,211,552,503	906,219,476	227,258,349	78,074,678	-	-
Deposits from customers	4,255,837,303	4,977,071,222	4,444,035,379	281,016,620	155,768,045	96,251,178	-
Derivative financial instruments	6,885,680	6,885,681	4,030,595	2,370,236	484,849	-	-
Other liabilities	315,626,032	272,530,808	140,126,903	-	95,816,466	36,587,439	-
Debt securities issued	157,987,877	208,325,732	-	-	-	208,325,732	-
Interest bearing borrowings	586,602,830	768,264,849	71,437	767,986	5,088,240	214,402,709	547,934,477
	6,509,296,036	**7,444,630,795**	**5,494,483,790**	**231,520,482**	**335,232,278**	**555,567,059**	**547,934,477**
Gap (asset - liabilities)	173,948,327	(373,648,786)	(3,304,807,429)	604,128,855	701,884,094	123,265,559	1,501,880,142
Cumulative liquidity gap			(3,304,807,429)	(2,700,678,574)	(1,998,794,480)	(1,875,528,921)	(373,648,779)
Off-balance sheet							
Transaction related bonds and guarantees	477,932,817	477,932,817	86,095,559	49,298,749	180,163,792	85,238,843	77,135,874
Clean line facilities for letters of credit and other commitments	419,584,999	419,584,999	205,485,187	67,565,811	133,275,180	13,258,822	-
	897,517,816	**899,517,816**	**291,580,747**	**116,864,560**	**313,438,971**	**98,497,664**	**77,135,874**

5.3.1 Residual contractual maturities of financial assets and liabilities

Bank December 2020 *In thousands of Naira*	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	589,812,439	589,812,438	589,812,438	-	-	-	-
Investment under management	30,451,466	30,451,466	272,737	6,113,728	17,398,543	6,666,458	-
Non-pledged trading assets							
Treasury bills	97,719,848	98,156,574	12,021,016	24,356,124	61,779,434	-	-
Bonds	12,563,265	24,175,206	-	-	288,801	104,604	23,781,802
Derivative financial instruments	244,564,046	244,564,046	89,344,205	17,832,711	109,451,658	27,935,472	-
Loans and advances to banks	231,788,276	232,086,899	120,649,810	71,385,947	40,051,141	-	-
Loans and advances to customers							
Auto Loan	4,243,504	5,268,507	1,049,807	720,787	1,184,080	2,313,833	-
Credit Card	22,189,872	22,195,220	10,825,209	-	-	11,370,011	-
Finance Lease	3,605,077	4,284,085	1,377,664	678,297	999,137	1,228,988	-
Mortgage Loan	3,031,432	4,568,148	411,738	165,658	449,736	1,924,205	1,616,811
Overdraft	283,473,925	276,191,732	197,345,364	52,161,546	26,684,822	-	-
Personal Loan	13,607,367	20,421,501	4,534,164	1,615,951	3,101,095	7,877,199	3,293,092
Term Loan	2,116,684,210	2,796,027,590	74,852,704	109,011,956	248,369,286	1,680,664,999	683,128,644
Time Loan	372,040,345	235,106,894	163,441,147	26,019,519	20,786,745	24,844,842	14,640
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	999,521	1,000,000	1,000,000	-	-	-	-
Bonds	2,617,080	6,062,797	-	-	-	-	6,062,797
-Financial instruments at amortised cost							
Treasury bills	98,097,771	98,321,500	75,379,500	22,942,000	-	-	-
Bonds	41,833,930	69,672,238	-	-	-	6,228,524	63,443,714

-Financial instruments at FVPL							
Treasury bills	85,006,603	85,007,157	-	85,007,157	-	-	-
Bonds	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	608,866,687	614,430,806	38,169,648	20,920,773	555,340,385	-	-
Bonds	106,924,656	182,117,703	-	-	-	9,269,717	172,847,986
Promissory note	80,033,790	94,615,750	-	-	3,918,084	90,697,665	-
-Financial assets at amortised cost							
Treasury bills	194,302,056	195,216,894	60,120,500	135,096,394	-	-	-
Credit linked notes	45,527,717	45,782,539	45,782,539	-	-	-	-
Bonds	250,772,348	456,329,524	-	-	6,391,444	76,951,025	372,987,056
Promissory note	427,537	427,535	-	-	427,536	-	-
Restricted deposit and other assets	1,471,481,477	1,471,481,478	98,235,305	77,297,389	20,669,518	-	1,275,279,265
	7,012,666,245	**7,903,776,227**	**1,584,625,495**	**651,325,935**	**1,117,291,445**	**1,948,077,543**	**2,602,455,808**
Deposits from financial institutions	831,632,332	979,472,473	496,209,453	238,093,709	105,118,746	-	140,050,565
Deposits from customers	4,832,744,495	4,833,662,104	4,212,466,466	603,703,923	16,890,478	601,238	-
Derivative financial instruments	20,775,722	20,775,722	15,273,886	2,054,152	1,059,751	2,387,933	-
Other liabilities	322,955,910	322,955,917	243,520,501	58,857,861	20,577,556	-	-
Debt securities issued	169,160,059	208,660,925	-	130,327,432	-	22,471,849	55,861,644
Interest bearing borrowings	755,254,273	1,083,739,867	24,015,633	-	22,780,398	271,669,117	765,274,718
	6,932,522,792	**7,449,267,008**	**4,991,485,938**	**1,033,037,076**	**166,426,929**	**297,130,138**	**961,186,927**
Gap (asset - liabilities)	80,143,453	454,509,219	(3,406,860,444)	(381,711,141)	950,864,517	1,650,947,405	1,641,268,881
Cumulative liquidity gap			(3,406,860,444)	(3,788,571,585)	(2,837,707,068)	(1,186,759,663)	454,509,218
Off balance-sheet							
Transaction related bonds and guarantees	335,064,193	335,064,193	33,294,537	24,329,790	59,390,225	149,393,568	68,656,073
Clean line facilities for letters of credit and other commitments	341,751,564	341,751,565	207,424,326	38,297,438	89,023,169	7,006,631	-
	676,815,757	**676,815,759**	**240,718,863**	**62,627,229**	**148,413,394**	**156,400,199**	**68,656,073**

Bank December 2019 *In thousands of Naira*	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	575,906,273	575,906,273	575,906,273	-	-	-	-
Investment under management	28,291,959	28,291,959	767,313	9,012,114	14,020,236	4,492,296	-
Non-pledged trading assets							
Treasury bills	74,749,344	79,813,164	26,047,386	15,439,156	38,326,622	-	-
Bonds	2,222,417	5,153,396	18,169	-	-	7,310	5,127,917
Derivative financial instruments	143,480,073	143,480,073	49,520,643	11,860,583	82,098,847	-	-
Loans and advances to banks	164,413,001	165,774,989	2,884,137	-	162,890,852	-	-
Loans and advances to customers							
Auto Loan	6,467,952	6,536,533	287,573	907,516	875,689	4,465,755	-
Credit Card	17,413,366	17,640,279	5,292,084	4,057,264	3,175,250	5,115,681	-
Finance Lease	4,485,635	4,661,966	391,442	833,836	1,396,176	2,040,512	-
Mortgage Loan	2,136,440	2,577,131	601,179	179,065	408,067	691,745	697,075
Overdraft	245,768,584	280,704,330	221,191,091	31,384,466	28,128,773	-	-
Personal Loan	34,168,590	34,817,133	17,220,597	1,853,120	2,623,962	9,227,088	3,892,366
Term Loan	1,816,913,719	1,947,125,422	294,382,430	131,770,114	209,961,037	677,259,540	633,752,301
Time Loan	354,269,381	368,560,297	132,301,506	184,568,369	51,690,422	-	-
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	30,388,532	32,424,722	5,500,000	8,124,722	18,800,000	-	-
Bonds	-	-	-	-	-	-	-
-Financial instruments at amortised cost							
Treasury bills	452,686,282	453,872,748	129,026,743	242,100,648	82,745,357	-	-
Bonds	82,599,583	123,975,255	-	-	-	5,618,298	118,356,957
-Financial instruments at FVPL							
Treasury bills	39,881,494	41,886,245	-	31,221,245	10,665,000	-	-

Bonds	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	77,897,548	78,427,845	68,640,956	1,870,533	7,916,356	-	-
Bonds	18,950,446	40,527,773	-	-	5,161,606	35,366,167	-
Promissory note	807,619	807,619	-	-	-	807,619	-
-Financial assets at amortised cost							
Treasury bills	341,786,029	343,353,622	162,770,433	39,873,210	140,709,979	-	-
Bonds	250,828,832	401,221,564	15,875,438	-	2,254,910	38,605,240	344,485,976
Promissory note	10,844,041	10,844,042	10,357,841	58,664	-	427,536	-
Restricted deposit and other assets	968,698,629	968,698,630	131,504,135	26,558,428	-	-	810,636,067
	5,746,055,771	**6,157,083,008**	**1,850,487,367**	**741,673,052**	**863,849,141**	**784,124,787**	**1,916,948,659**
Deposits from financial institutions	1,079,284,418	1,102,172,881	677,224,322	307,522,023	117,426,536	-	-
Deposits from customers	3,668,339,811	4,384,094,475	4,174,991,396	188,375,203	20,330,139	397,737	-
Derivative financial instruments	6,827,293	6,827,293	3,972,208	2,370,236	484,849	-	-
Other liabilities	295,184,124	290,798,173	140,987,503	154,196,622	-	-	-
Debt securities issued	157,987,877	208,325,732	-	-	-	208,325,732	-
Interest bearing borrowings	544,064,226	768,264,849	71,437	767,986	5,088,240	214,402,709	547,934,477
	5,751,687,750	**6,760,483,403**	**4,993,784,401**	**652,308,584**	**143,329,764**	**423,126,178**	**547,934,477**
Gap (asset - liabilities)	5,019,085	(639,550,717)	(3,179,695,204)	89,364,488	720,519,377	361,246,439	1,369,014,182
Cumulative liquidity gap			(3,179,695,204)	(3,090,330,716)	(2,369,811,339)	(2,008,564,900)	(639,550,718)
Off balance-sheet							
Transaction related bonds and guarantees	451,514,549	451,514,549	31,273,900	24,799,672	233,066,260	85,238,843	77,135,874
" Clean line facilities for letters of credit and other commitments"	324,529,363	324,529,364	110,429,551	67,565,811	133,275,180	13,258,822	-
	776,043,912	**776,043,914**	**141,703,451**	**92,365,483**	**366,341,440**	**98,497,665**	**77,135,874**

5.3.2 Financial instruments below and above 1 year's maturity

Group	December 2020			December 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
In thousands of Naira						
Cash and balances with banks	723,872,820	-	**723,872,820**	723,064,003	-	**723,064,003**
Investments under management	23,785,009	6,666,457	**30,451,466**	23,799,663	4,492,296	**28,291,959**
Non pledged trading assets						
Treasury bills	116,036,126	-	**116,036,126**	322,930	-	**322,930**
Bonds	1,696,330	90,219,488	**91,915,817**	40,021,277	-	**40,021,277**
Derivative financial instruments	173,942,133	77,170,611	**251,112,744**	41,649,342	102,051,110	**143,700,452**
Loans and advances to banks	392,821,307	-	**392,821,307**	152,825,081	-	**152,825,081**
Loans and advances to customers						
Auto Loan	5,755,745	8,309,097	**14,064,843**	6,341,170	11,438,338	**17,779,508**
Credit Card	12,295,511	11,370,011	**23,665,522**	6,682,170	12,428,820	**19,110,990**
Finance Lease	2,478,138	1,576,566	**4,054,704**	1,462,346	3,481,829	**4,944,175**
Mortgage Loan	31,479,529	89,560,137	**127,039,667**	42,087,859	99,794,711	**141,882,570**
Overdraft	300,717,703	-	**300,917,703**	252,985,681	-	**252,985,681**
Personal Loan	16,169,042	13,174,085	**29,343,128**	37,044,083	15,228,844	**52,272,927**
Term Loan	234,739,019	2,101,667,417	**2,336,404,437**	284,492,432	1,761,479,941	**2,045,972,373**
Time Loan	382,817,024	-	**382,817,024**	376,631,483	-	**376,631,483**
Pledged assets						
Treasury bills	184,103,896	-	**184,103,896**	522,956,307	-	**522,956,307**
Bonds	-	44,451,010	**44,451,010**	4,195,563	78,404,020	**82,599,583**
Investment securities						
-Financial assets at FVOCI						
Treasury bills	748,230,225	-	**748,230,225**	232,813,374	-	**232,813,374**
Bonds	3,947,114	215,667,759	**219,614,874**	-	81,977,676	**81,977,676**
Promissory note	-	80,033,790	**80,033,790**	18	-	**18**

-Financial assets at amortised cost						
Treasury bills	237,109,445	-	**237,109,445**	379,283,381	-	**379,283,381**
Bonds	5,029,820	272,410,180	**277,439,999**	16,049,498	250,229,498	**266,278,996**
Promissory note	-	427,536	**427,536**	-	-	**-**
Total return notes	45,527,717	-	**45,527,717**	-	-	**-**
Restricted deposit and other assets	154,047,953	1,368,267,121	**1,522,315,074**	-	1,016,582,843	**1,016,582,843**
	4,031,154,514	**4,380,971,268**	**8,183,570,874**	**3,750,263,553**	**3,437,589,929**	**6,582,297,588**
Deposits from financial institutions	958,397,171	-	**958,397,171**	1,186,356,314	-	**1,186,356,314**
Deposits from customers	3,283,925,347	2,303,492,866	**5,587,418,213**	4,254,115,046	1,724,410	**4,255,839,556**
Derivative financial instruments	12,374,376	8,506,153	**20,880,529**	6,673,932	153,361	**6,827,294**
Debt securities issued	122,195,240	46,964,818	**169,160,058**	1,218,979	156,768,898	**157,987,877**
Other liabilities	356,638,122	-	**356,638,122**	-	315,626,032	**315,626,032**
Interest-bearing borrowings	197,859,821	593,595,417	**791,455,237**	4,484,994	582,117,836	**586,602,830**
	4,931,390,076	**2,952,559,253**	**7,883,949,330**	**5,452,849,265**	**1,056,390,637**	**6,509,239,903**

Bank	December 2020			December 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
In thousands of Naira						
Cash and balances with banks	589,812,439	-	**589,812,439**	575,906,273	-	**575,906,273**
Investment under management	23,785,009	6,666,457	**30,451,466**	23,799,663	4,492,296	**28,291,959**
Non pledged trading assets						
Treasury bills	97,719,848	-	**97,719,848**	74,749,344	-	**74,749,344**
Bonds	225,507	12,337,757	**12,563,265**	17,933	2,204,485	**2,222,417**
Derivative financial instruments	167,393,435	77,170,611	**244,564,046**	41,428,962	102,051,110	**143,480,073**
Loans and advances to banks	231,788,276	-	**231,788,276**	164,413,001	-	**164,413,001**
Loans and advances to customers						
Auto Loan	845,076	3,398,428	**4,243,504**	685,393	5,782,560	**6,467,952**
Credit Card	10,819,861	11,370,011	**22,189,872**	4,984,546	12,428,820	**17,413,366**
Finance Lease	2,091,459	1,513,618	**3,605,077**	1,068,002	3,417,633	**4,485,635**
Mortgage Loan	277,059	2,754,373	**3,031,432**	164,020	1,972,420	**2,136,440**
Overdraft	283,473,925	-	**283,473,925**	245,768,584	-	**245,768,584**
Personal Loan	2,321,574	11,285,793	**13,607,367**	21,112,266	13,056,324	**34,168,590**
Term Loan	135,862,917	1,980,821,292	**2,116,684,210**	181,416,038	1,635,497,681	**1,816,913,719**
Time Loan	372,040,345	-	**372,040,345**	354,269,381	-	**354,269,381**
Pledged assets						
Treasury bills	184,103,896	-	**184,103,896**	522,956,307	-	**522,956,307**
Bonds	-	44,451,010	**44,451,010**	-	82,599,584	**82,599,584**
Investment securities						
-Financial assets at FVOCI						
Treasury bills	608,866,687	-	**608,866,687**	77,898,453	-	**77,898,453**
Bonds	1,912,888	105,011,768	**106,924,656**	-	18,950,446	**18,950,446**
Promissory note	16,575,739	88,436,029	**105,011,768**	807,602	-	**807,602**
-Financial assets at amortised cost						

Treasury bills	194,302,056	-	**194,302,056**	341,786,029	-	**341,786,029**
Bonds	4,561,362	246,638,524	**251,199,886**	23,881,032	237,791,842	**261,672,874**
Promissory note	-	427,537	**427,537**	58,664	-	**58,664**
Total return notes	45,527,717	-	**45,527,717**			
Restricted deposit and other assets	138,891,681	1,332,589,796	**1,471,481,477**	-	968,698,629	**968,698,629**
	3,341,753,658	**3,924,873,008**	**7,038,071,760**	**3,262,727,383**	**3,088,943,832**	**5,746,115,323**
Deposits from financial institutions	831,632,332	-	**831,632,332**	1,079,284,418	-	**1,079,284,418**
Deposits from customers	4,381,524,005	-	**4,832,744,493**	3,652,933,209	1,484,685	**3,654,417,894**
Derivative financial instruments	12,269,570	8,506,153	**20,775,723**	6,673,932	153,361	**6,827,294**
Debt securities issued	122,,195,240	46,964,818	**169,160,058**	-	157,987,877	**157,987,877**
Other liabilities	322,955,918	-	**322,955,918**	290,798,174	-	**290,798,174**
Interest-bearing borrowings	2,452,481	538,201,289	**540,653,770**	2,452,481	538,201,289	**540,653,770**
	6,123,029,548	**594,892,747**	**6,717,922,296**	**5,032,142,216**	**697,827,212**	**5,729,969,429**

6. Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

i) To comply with the capital requirements set by the Central Bank;
ii) To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
iii) To maintain a strong capital base to support the development of its business.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, a minimum ratio of 16% (15% + additional 1%) is to be maintained for deposit money banks designated as significant financial institutions. Following the CBN guideline on regulatory capital computation, the Regulatory Risk Reserve has been excluded from the capital computation. Standardised approach has been adopted in computing the risk weighted assets for Credit, Operational, and Market Risk. The following table provides an overview of the development of the capital ratios and risk-weighted assets (RWA):

The regulatory capital requirements are strictly observed when managing capital. The Bank's regulatory capital is managed by the Bank's Risk Management and Financial Control. Regulatory capital comprises two tiers:
- Tier 1 capital: This includes ordinary share capital, share premium, retained earnings and other reserves excluding regulatory reserves. Intangible assets, deferred tax assets and investment in subsidiaries were also deducted from Tier I capital for capital adequacy purposes; and
- Tier 2 capital: This includes fair value reserves, foreign currency translation reserves with adjustments for investments in subsidiaries.

IFRS 9 Regulatory Transition Arrangement

The Central Bank of Nigeria, in its circular on transitional arrangements on treatment of IFRS 9 expected credit loss for regulatory purposes by banks in Nigeria dated 18 October 2018, has recommended transitional arrangements to cushion the impact of IFRS 9 implementation on tier 1 regulatory capital. The Bank advised that the balance in regulatory risk reserve should be applied to retained earnings to reduce the additional ECL provisions on opening retained earnings. Where the additional ECL provision is higher than the regulatory risk reserve transfer, the excess shall be amortised in line with the transitional arrangements. The regulatory arrangement for amortization of the impact is as detailed in the table below:

Year	Provisions to be written back
Year 0 (January 1, 2018)	4/5 of Adjusted Day One Impact
Year 1 (December 31, 2018)	3/5 of Adjusted Day One Impact
Year 2 (December 31, 2019)	2/5 of Adjusted Day One Impact
Year 3 (December 31, 2020)	1/5 of Adjusted Day One Impact
Year 4 (December 31, 2021)	NIL

Therefore, the bank has computed Capital Adequacy Ratio based on the full impact of IFRS 9 and in line with regulatory provision described above

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Tier 1 capital with adjusted ECL impact				
Ordinary share capital	17,772,613	17,772,613	17,772,613	17,772,613
Share premium	234,038,850	234,038,850	234,038,850	234,038,850
Retained earnings	252,396,881	225,118,811	206,896,038	192,378,618
Add back IFRS impact(adjusted day one impact)	39,626,943	79,253,886	39,626,943	79,253,886
Other reserves	239,494,175	124,733,788	195,188,165	98,751,022
Non-controlling interests	7,338,726	8,528,833	-	-
	790,668,184	**689,446,782**	**633,071,707**	**622,194,988**
Add/(Less):				
Fair value reserve for available-for-sale	(60,106,564)	(964,243)	(59,574,139)	(835,472)
Foreign currency translation reserves	(18,132,330)	(11,780,013)	-	-
Other reserves	(876,762)	(1,881,768)	(876,761)	(1,881,767)
Total Tier 1	**711,552,526**	**674,820,757**	**633,071,707**	**619,477,748**
Add/(Less):				
Deferred tax assets	(4,240,448)	(8,807,563)	-	-
Regulatory risk reserve	(46,425,978)	(18,091,941)	(36,180,585)	(9,483,000)
Intangible assets	(69,189,841)	(65,932,754)	(67,496,078)	(71,003,729)
Adjusted Tier 1	**591,696,260**	**581,988,499**	**529,395,043**	**538,991,020**
50% Investments in subsidiaries	-	-	(82,125,766)	(65,729,355)
Eligible Tier 1	**591,696,260**	**581,988,499**	**473,966,862**	**473,261,665**
Tier 2 capital				
Debt securities issued	237,633,454	128,469,000	237,633,454	128,469,000
Fair value reserve for available-for-sale securities	60,106,564	964,243	59,574,139	835,472
Foreign currency translation reserves	18,132,330	11,780,013	-	-
Other reserves	876,762	1,881,768	876,761	1,881,767
Total Tier 2	**316,749,110**	**143,095,024**	**298,084,355**	**131,186,239**
Adjusted Tier 2 capital (33% of Tier 1)	**197,212,363**	**143,095,024**	**176,447,369**	**131,186,240**
50% Investments in subsidiaries	-	-	(82,125,766)	(65,729,355)
Eligible Tier 2	**197,212,363**	**143,095,024**	**94,321,603**	**65,456,885**
Total regulatory capital	**788,908,623**	**725,083,522**	**541,590,880**	**538,718,550**

Risk-weighted assets	**3,827,611,095**	**3,621,011,364**	**3,145,109,947**	**3,052,419,013**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	**20.61%**	20.02%	**17.22%**	17.65%
Total tier 1 capital expressed as a percentage of risk-weighted assets	**15.46%**	16.07%	**16.83%**	17.66%
IFRS 9 Regulatory Transition Arrangement computation				
IFRS 9 impact	**(264,255,539)**	(264,255,539)	**(264,255,539)**	(264,255,539)
Transfer from regulatory risk reserve	**66,120,824**	66,120,824	**66,120,824**	66,120,824
Net impact	**(198,134,715)**	(198,134,715)	**(198,134,715)**	(198,134,715)
Provision basis	**0.20**	0.20	**0.20**	0.20
IFRS 9 Regulatory Transition Arrangement	**39,626,943**	**39,626,943**	**39,626,943**	**39,626,943**

The IFRS 9 impact on Capital adequacy ration computation shows a significant increase from N73Bn which was the value of the impact at Access bank as at year of implementation to N264.2Bn for Bank . This is as a result of the merger between Access Bank Plc and the former Dimaond Bank Plc. The IFRS 9 impact from former Diamond Bank Plc was N190.79Bn for Bank

FINANCIAL STATEMENTS

04

Capital adequacy ratio without adjustment

This is the presentation of the capital adequacy ratio without IFRS 9 Regulatory Transition Arrangement computation

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Tier 1 capital without adjusted ECL impact				
Ordinary share capital	17,772,613	17,772,613	17,772,613	17,772,613
Share premium	234,038,850	234,038,850	234,038,850	234,038,850
Retained earnings	252,396,881	225,118,811	233,593,621	192,378,618
Other reserves	239,494	124,733,788	168,490,580	98,751,022
Non-controlling interests	7,338,726	8,528,833	-	-
	751,041,241	**610,192,896**	**653,895,665**	**542,941,103**
Add/(Less):				
Fair value reserve for available-for-sale	(60,106,564)	(964,243)	(59,574,139)	(835,472)
Foreign currency translation reserves	(18,132,330)	(11,780,013)	-	-
Other reserves	(876,762)	(1,881,768)	(876,761)	(1,881,767)
Total Tier 1	**671,925,585**	**595,566,873**	**593,444,764**	**540,223,864**
Add/(Less):				
Deferred tax assets	(4,240,448)	(8,807,563)	-	-
Regulatory risk reserve	(46,425,978)	(18,091,941)	(9,483,000)	(9,483,000)
Intangible assets	(69,189,841)	(65,932,754)	(67,496,078)	(71,003,729)
Adjusted Tier 1	**552,069,319**	**502,734,615**	**516,465,686**	**459,737,135**
50% Investments in subsidiaries	-	-	(82,125,766)	(65,729,355)
Eligible Tier 1	**552,069,319**	**502,734,615**	**434,339,920**	**394,007,780**
Tier 2 capital				
Debt securities issued	237,633,454	128,469,000	237,633,454	128,469,000
Fair value reserve for available-for-sale securities	60,106,564	964,243	59,574,139	835,472
Foreign currency translation reserves	18,132,330	11,780,013	-	-
Other reserves	876,762	1,881,768	876,761	1,881,767
Total Tier 2	**316,749,110**	**143,095,024**	**298,084,355**	**131,186,239**
Adjusted Tier 2 capital (33% of Tier 1)	**184,004,704**	**143,095,024**	**172,138,013**	**131,186,239**
50% Investments in subsidiaries	-	-	(82,125,766)	(65,729,355)

Eligible Tier 2	**184,004,704**	**143,095,024**	**81,113,942**	**65,456,884**
Total regulatory capital	**736,074,023**	**645,829,639**	**488,756,278**	**459,464,665**
Risk-weighted assets	**3,761,490,271**	**3,554,890,540**	**3,078,989,123**	**2,986,298,189**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	19.57%	18.17%	15.87%	15.39%
Total tier 1 capital expressed as a percentage of risk-weighted assets	14.68%	14.14%	15.91%	15.39%

7. Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different 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 Group presents segment information to its Executive Committee, which is the Group's Chief Operating Decision Maker, based on International Financial Reporting Standards.

Based on the market segment and extent of customer turnover, the group reformed the arrangement of segments from previous years into four operational segments as described below;

- Corporate and Investment Banking - The division provides bespoke comprehensive banking products and a full range of services to multinationals, large domestic corporates and other institutional clients. The division focuses on customers in key industry sector with minimum annual turnover of N20Billion. It also provides innovative finance solutions to meet the short, medium and long-term financing needs for the Bank's clients as well as relationship banking services to the Bank's financial institutions customers.

- Commercial banking - The commercial banking division has presence in all major cities in the country. It provides commercial banking products and services to the non-institutional clients, medium and small corporate segments of the Nigerian market whose annual turnover is above N1bn. The division also provides financial services to public sector, commercial institutions and oriental corporates.

- Retail banking – The retail banking division is the retail arm of the bank which provides financial products and services to individuals (personal and inclusive segments) and private banking segment. The name of this division was recently changed from 'personal banking' to Retail banking' during the year.The private banking segment focuses on offering bespoke services to High Net worth Individuals (HNI) and Ultra High Net worth Individuals (UHNI) by handling their wealth portfolio needs both locally and abroad.

- Business Banking - The Business banking division is a hybrid of Commercial and retail Banking Divisions. It focuses on small and medium scale enterprises providing them with business solutions to support their growing business needs. The division delivers commercial banking products and services to SME customers with annual turnover of less than 1billion.

All of the Segments reported at the end of the period had its,

- Reported revenue, from both external customers and intersegment sales or transfers, 10 per cent or more of the combined revenue, internal and external, of all operating segments, or

-the absolute measure of its reported profit or loss 10 per cent or more of the greater, in absolute amount, of
(i) the combined reported profit of all operating segments that did not report a loss and
(ii) the combined reported loss of all operating segments that reported a loss, or

-its assets are 10% or more of the combined assets of all operating segments.

Unallocated Segments represents all other transactions than are outside the normal course of business and can not be directly related to a specific segment financial information.

Thus, in essence, unallocated segments reconcile segment balances to group balances. Material items comprising total assets and total liabilities of the unallocated segments have been outlined below;

Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the income statement.

Material total assets and liabilities	**Group**	**Restated Group**
	December 2020	**December 2019**
In thousands of Naira		
Other Assets	1,548,891,262	1,055,510,452
Deferred tax asset	4,240,448	8,807,563
Assets Held for Sale	28,318,467	24,957,519
Goodwill	11,782,171	11,782,170
	1,593,232,348	**1,101,057,704**
Other liabilities	379,416,786	324,333,873
Debt Securities issued	169,160,059	157,987,877
Interest-bearing loans and borrowings	791,455,237	586,602,830
Deferred tax liability	14,877,281	11,272,928
Retirement Benefit Obligation	4,941,268	3,609,037
Total liabilities	**1,359,850,635**	**1,083,806,545**

Material revenue and expenses	**Group**	**Group**
	December 2020	**December 2019**
Interest expense on debt securities issued		
Interest expense on debts	(19,305,651)	(22,913,352)
	(19,305,651)	**(22,913,352)**

FINANCIAL STATEMENTS

04

7a Operating segments (continued)

Group

December 2020

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Retail Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	289,972,294	224,367,966	58,473,007	191,904,175	-	764,717,441	764,717,441
Derived from other business segments	289,972,294	224,367,966	58,473,007	191,904,175	-	764,717,441	764,717,441
Total Revenue							
	195,403,751	148,318,507	40,117,257	105,377,191	-	489,216,706	489,216,706
Interest Income	(111,083,079)	(61,996,287)	(16,063,295)	(37,124,001)	-	(226,266,663)	(226,266,663)
Interest expense	(15,608,521)	(20,245,461)	(12,789,574)	(14,249,564)	-	(62,893,120)	(62,893,120)
Impairment Losses							
	55,841,543	41,922,650	5,712,103	22,445,832	-	125,922,130	125,922,130
Profit/(Loss) on ordinary activities before taxation	(7,171,571)	(9,057,512)	(753,916)	(2,929,435)	-	(19,912,434)	(19,912,434)
Income tax expense							
						106,009,695	106,009,695
Profit after tax							
Assets and liabilities:	1,399,422,890	1,968,269,298	139,723,758	103,512,388	-	3,610,928,334	3,610,928,334
Loans and Advances to banks and customers							
		-	-	-	11,782,171	11,782,171	11,782,171
Goodwill							
	2,902,215,495	3,649,593,596	299,874,846	234,831,429	-	7,086,515,367	7,086,515,367
Tangible segment assets	-	-	-	-	1,593,232,348	1,593,232,348	1,593,232,348
Unallocated segment assets	2,902,215,495	3,649,593,596	299,874,846	234,831,429	1,593,232,348	8,679,747,715	8,679,747,715
Total assets							

	1,859,947,453	1,292,933,544	509,183,415	1,925,353,801	-	5,587,418,213	5,587,418,213
Deposits from customers							
	2,490,726,294	1,864,145,915	660,059,818	2,514,539,102	-	7,529,471,129	7,529,471,129
Segment liabilities	-	-	-	-	399,235,340	399,235,340	399,235,340
Unallocated segment liabilities	2,490,726,294	1,864,145,915	660,059,818	2,514,539,102	399,235,340	7,928,706,469	7,928,706,469
Total liabilities							
	411,489,201	1,785,447,681	(360,184,972)	(2,279,707,673)	1,193,997,009	751,041,246	751,041,248
Net assets	729,257,841	2,023,276,748	(275,974,070)	(1,958,900,982)	233,381,703	751,041,241	751,041,243

The line"Derived from external customers" comprises of interest income, fees and commission income, net gain on investment securities and net foreign exchange income. The basis of accounting of transactions among reportable operating segments is on accrual basis.

December 2019

Operating segments (continued)

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	254,417,337	148,861,002	40,344,338	223,130,923	-	666,753,600	666,753,600
Total Revenue	264,530,075	139,044,168	30,646,235	79,435,182	-	513,655,660	513,655,660
Interest Income	209,609,587	167,865,932	33,936,015	125,435,254	-	536,846,788	536,846,788
Interest expense	(115,726,715)	(85,244,219)	(15,622,270)	(43,024,588)	-	(259,617,791)	(259,617,791)
Impairment Losses	(8,963,226)	(9,585,092)	2,040,554	(3,681,629)	-	(20,189,393)	(20,189,393)
Profit/(Loss) on ordinary activities before taxation	76,773,700	19,416,879	1,084,898	18,103,102	-	115,378,579	115,378,579
Income tax expense	(4,777,999)	(5,899,391)	(750,595)	(6,440,934)	-	(17,868,920)	(17,868,920)
Profit after tax						97,509,659	97,509,659

December 2019

Assets and liabilities:							
Loans and Advances to banks and customers	1,370,155,157	1,283,314,337	143,528,577	267,406,717	-	3,064,404,788	3,064,404,788
Goodwill	-	-	-	-	11,782,170	11,782,170	11,782,170
Tangible segment assets	2,789,878,313	2,576,723,412	352,297,683	281,246,050	-	6,000,145,458	6,000,145,458
Unallocated segment assets	-	-	-	-	1,146,464,687	1,146,464,687	1,146,464,687
Total assets	2,789,878,313	2,576,723,412	352,297,683	281,246,050	1,146,464,687	7,146,610,145	7,146,610,145

Deposits from customers	1,238,932,440	880,391,040	315,565,547	1,820,948,275	-	4,255,837,303	4,255,837,303
Segment liabilities	1,546,782,315	1,536,814,623	550,852,661	2,565,751,815	-	5,452,610,707	5,452,610,707
Unallocated segment liabilities	-	-	-	-	339,215,838	1,083,806,545	1,083,806,545
Total liabilities	1,360,937,180	1,352,167,101	484,667,984	2,254,838,443	1,083,806,545	6,536,417,252	6,536,417,252
Net assets	1,428,941,133	1,224,556,311	(132,370,301)	(1,973,592,393)	62,658,142	610,192,893	610,192,895

The line"Derived from external customers" comprises of interest income, fees and commission income, net gain on investment securities and net foreign exchange income. The basis of accounting of transactions among reportable operating segments is on accrual basis.

7b Geographical segments

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

December 2020

In thousands of Naira	**Nigeria**	**Rest of Africa**	**Europe**	**Total Continuing Operations**	**Intercompany elimination**	**Total**
Derived from external customers	635,659,024	89,016,497	49,309,812	773,985,334	(8,472,637)	765,512,697
Total revenue	635,659,024	89,016,497	49,309,812	773,955,334	(8,472,637)	765,512,697
Interest income	396,678,299	62,344,622	38,508,141	497,531,063	(8,314,357)	489,216,705
Impairment losses	(39,650,582)	(2,032,882)	(21,209,659)	(62,893,122)	-	(62,893,122)
Interest expense	(198,403,593)	(25,408,814)	(10,768,614)	(234,581,021)	8,314,357	(226,266,663)
Net fee and commission income	74,235,193	39,866,505	(20,528,273)	93,573,424	-	93,573,424
Operating income	437,255,432	63,607,684	38,541,198	539,404,313	(158,280)	539,246,033
Profit before income tax	90,195,880	28,456,444	7,269,804	125,922,129	-	125,922,129
Assets and liabilities:						
Loans and advances to customers and banks	3,050,664,007	121,469,257	718,027,311	3,890,160,575	(279,232,242)	3,610,928,333
Total assets	7,624,979,718	642,141,020	937,200,529	9,204,321,267	(524,573,550)	8,679,747,714
Deposit from customers	4,832,744,495	421,675,525	332,998,195	5,587,418,214	-	5,587,418,213
Total liabilities	6,971,084,052	512,458,350	802,014,849	8,285,557,251	(356,850,777)	7,928,706,476
Net assets	653,895,666	129,682,670	135,185,680	918,764,016	(167,722,777)	751,041,239

December 2019	Nigeria	Rest of Africa	Europe	Total Continuing Operations	Intercompany elimination	Total
Derived from external customers	442,652,816	49,129,849	31,293,793	523,076,458	(5,133,132)	513,655,660
Derived from other segments	-	-	-	-	-	-
Total revenue	442,652,816	49,129,849	31,293,793	523,076,458	(5,133,132)	513,655,660
Interest income	354,927,957	31,701,585	23,529,022	410,158,564	(5,133,132)	405,025,432
Impairment losses	(9,505,859)	(1,066,967)	(37,866)	(10,610,692)	-	(10,610,692)
Interest expense	(179,072,242)	(13,593,379)	(7,274,932)	(199,940,554)	5,133,132	(194,807,422)
Net fee and commission income	43,717,331	(11,235,921)	23,529,022	56,010,432		56,010,432
Operating income	263,580,574	35,536,470	24,018,860	323,135,904	-	318,848,238
Profit before income tax	77,817,652	10,267,630	15,018,791	103,104,074	-	103,104,074
December 2019						
Assets and liabilities:						
Loans and advances to customers and banks	2,646,036,672	109,740,491	575,848,422	3,331,625,585	(267,220,794)	3,064,404,791
Total assets	6,311,041,282	463,255,864	923,193,664	7,697,490,810	(550,880,666)	7,146,610,143
Deposit from customers	3,668,339,811	306,476,348	281,021,142	4,255,837,302	-	4,255,837,302
Total liabilities	5,768,100,182	398,118,129	782,025,377	6,948,243,684	(411,814,937)	6,536,428,751
Net assets	542,941,104	65,137,735	141,168,287	749,247,131	(139,065,728)	610,181,397

No revenue from transaction with a single external customer or a group of connected economic entities or counterparty amounted to 10% or more of the Group's total revenue in the year ended 31 December 2020 and for the year ended 31 December 2019.

8 Interest income

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Interest income				
Cash and balances with banks	11,955,018	9,210,581	8,786,852	6,089,179
Loans and advances to banks	13,088,360	5,574,597	8,860,342	2,585,672
Loans and advances to customers	309,535,992	328,635,871	262,227,517	289,543,542
Investment securities				
-Financial assets at FVOCI	54,950,536	69,903,209	32,119,688	58,416,243
-Financial assets at amortised cost	36,136,132	40,225,955	30,115,126	34,824,373
	425,666,038	453,550,213	342,109,525	391,459,009
-Financial assets at FVPL	63,550,668	83,296,576	54,568,774	80,009,759
	489,216,706	**536,846,789**	**396,678,299**	**471,468,768**
Interest expense				
Deposit from financial institutions	58,238,619	44,108,564	59,054,574	45,307,058
Deposit from customers	118,437,140	168,565,047	94,931,205	147,879,993
Debt securities issued	19,305,651	22,913,352	19,305,651	22,913,352
Lease liabilities	4,524,454	1,122,276	549,938	742,970
Interest bearing borrowings and other borrowed funds	25,760,799	22,908,552	24,562,225	21,865,024
	226,266,663	**259,617,791**	**198,403,593**	**238,708,397**
Net interest income	**262,950,043**	**277,228,998**	**198,274,706**	**232,760,370**

Interest income for the year ended 31 December 2020 includes interest accrued on impaired financial assets of Group: N4.67Bn (31 December 2019: N3.21Bn) and Bank: N4.47Bn (31 December 2019: N408.46Mn).

The Group experienced significant reduction in interest expense attributable to the drop in interest payout for savings accounts based on the decision to reduce interest on savings to 10% of monetary policy rate (MPR) from 12%. This also stems from the fact that the deposit mix contains a significant portion of savings account category as can be seen from Note 33. The decrease in interest income is attributable to drop in yield of securities and decreased level of trading activities during the year.

9 Net impairment charge on financial assets

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Allowance for impairment on loans and advance to banks (note 22)	(1,188,950)	(1,537,520)	(1,098,823)	(1,281,782)
Allowance for impairment on loans and advance to customers	(60,346,132)	(20,032,578)	(37,501,273)	(21,412,497)

Allowance/(write back) on impairment on financial assets in other assets (note 26)	(2,634,937)	3,200,712	(2,431,517)	3,220,284
(Write back)/ Allowance on off balance sheet items (note 34c)	1,741,908	(1,266,048)	1,733,988	(1,190,751)
Allowance for impairment on money market placement (note 18b)	(113,411)	(91,339)	(32,880)	(534)
Allowance for impairment on investment securities	(341,797)	(462,619)	(310,276)	(390,201)
Allowance for impairment on pledged assets	(9,801)	-	(9,801)	-
	(62,893,120)	(20,189,392)	(39,650,582)	(21,055,481)

10 (a) Fee and commission income

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Credit related fees and commissions	32,535,663	26,561,530	21,948,207	17,683,528
Account maintenance charge and handling commission	15,112,706	14,006,591	14,540,673	13,094,190
Commission on bills and letters of credit	2,186,289	2,997,936	1,982,436	2,795,349
Commissions on collections	650,733	317,824	516,078	217,392
Commission on other financial services	6,750,542	7,870,500	4,006,997	5,502,930
Commission on foreign currency denominated transactions	2,711,097	2,413,190	1,036,431	1,626,951
Channels and other E-business income	56,092,578	36,040,864	52,204,077	32,979,392
Retail account charges	660,741	1,636,968	444,133	1,465,506
	116,700,349	**91,845,403**	**96,679,032**	**75,365,238**

Credit related fees and commissions are fees charged to corporate customers other than fees included in determining the effective interest rates relating to loans and advances carried at amortized cost. These fees are accounted for in accordance with the Group's revenue accounting policy. The representation of all fees and commission recognised in the year and prior year at a point in time and over a period of time is as shown below.

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Point in Time	108,633,355	84,745,586	94,688,344	72,038,314
Over Time	8,066,994	7,099,817	1,990,688	3,326,924
	116,700,349	**91,845,403**	**96,679,032**	**75,365,238**

Channels and other E-business income include income from electronic channels, card products and related services.

10 (b) Fee and commission expense

FINANCIAL STATEMENTS

04

In thousands of Naira	**December 2020**	**December 2019**	**December 2020**	**December 2019**
Bank and electronic transfer charges	3,651,408	2,231,967	2,940,445	1,549,919
E-banking expense	19,475,517	15,566,083	19,503,394	15,565,975
	23,126,925	**17,798,050**	**22,443,839**	**17,115,894**

Fees and commissions expenses are fees charged for the provision of services to customers transacting on alternate channels platform of the Bank and on the various debit and credit cards issued for the purpose of these payments. They are charged to the Bank on services rendered on internet banking, mobile banking and online purchasing platforms. The corresponding income lines for these expenses include the income on cards (both foreign and local cards), online purchases and bill payments included in fees and commissions. Fees and commissions expense includes the cost incurred to the bank for providing alternate platforms for the purposes of internet banking, mobile banking and online purchases. It also includes expenses incurred by the Bank on the various debit and credit cards issued.

11 Net gain on financial instruments at fair value

a Net gain on financial instruments at fair value through profit or loss

In thousands of Naira	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Trading gains on Fixed income securities	31,737,343	37,845,695	27,014,805	36,551,404
Fair value gains/ (loss) on Fixed income securities	8,169,463	2,265,686	8,169,463	2,265,686
Fair value Gain/(loss) on non-hedging derivatives	51,641,956	14,208,379	50,247,142	14,199,030
Fair value gain/(loss) on equity investments	28,608,430	11,237,409	28,608,431	11,237,409
Total Net gain on financial instruments at fair value through profit or loss	**120,157,192**	**65,557,169**	**114,039,841**	**64,253,529**

Net gains on disposal of financial instruments held as fair value through other comprehensive income

In thousands of Naira	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Debt instruments at FVOCI				
Fixed income securities	2,532,544	545,105	2,128,188	458,072
	2,532,544	**545,105**	**2,128,188**	**458,072**
Total	**122,689,735**	**66,102,274**	**116,168,029**	**64,711,601**

Net gains/(loss) on financial instruments includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value.

Fair value gain on equity investments is from investments in which the Bank has interests. Based on IFRS 9, the Bank measures changes in fair value of equity investments through profit or loss.

Gain on derivative instruments are from transactions to which the Bank is a party in the normal course of business and are held at fair value. Derivative financial instruments consist of forward, swap and future contracts.

12 (a) Net foreign exchange loss

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Foreign exchange Gain/(loss) on items not hedged	16,790,542	-	5,654,447	-
Foreign exchange realized trading gain/(loss)	27,875,594	(64,823,168)	27,742,803	(76,009,215)
Unrealised foreign exchange loss on revaluation	(52,234,392)	(19,053,227)	(49,943,169)	(17,029,703)
Total Net Foreign Exchange Loss	**(7,568,255)**	**(83,876,395)**	**(16,545,919)**	**(93,038,918)**

12 (b) Net loss on fair value hedge (Hedging ineffectiveness)

Net loss on fair value hedge (Hedging ineffectiveness)	(795,254)	-	(795,254)	-
	(795,254)	**-**	**(795,254)**	**-**

Dec-20 **Fair value hedges**	**Average strike price** **N'000**	**Nominal amount of hedging instrument** **N'000**	**Carrying amount of hedging instrument (Assets)** **N'000**	**Changes in fair value used for calculating hedge ineffective-ness** **N'000**
Foreign exchange risk on liabilities	363.71	944,300,000	232,534,048	37,173,124

*The liabilities are interest bearing loans and deposits from financial institutions denominated in USD.
The hedging instrument is recognised within derivative financial assets on the statement of financial position.

	Carrying amount of hedged item		**Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item**		**Line item in the statement of financial position where the hedging instrument is located**
	Assets	**Liabilities**	**Assets**	**Liabilities**	
Dec-20	**N'000**	**N'000**	**N'000**	**N'000**	
Fair value hedges					
Foreign exchange risk on foreign currency loan - Interest bearing loan	-	333,353,150	-	9,941,361	Interest bearing borrowings

FINANCIAL STATEMENTS

04

Foreign exchange risk on foreign currency loan - Deposit from financial institution	-	823,296,615	-	32,250,865		Deposit from financial institution

Dec 2020	Hedge ratio	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss (that includes hedge ineffectiveness)	Amount reclassified from the cash flow hedge reserve to profit or loss
Fair value hedge					
Hedging reserve - Fair value changes in hedging instrument (forward element)	90%	37,173,124	(795,254)	Net loss on fair value hedge (Hedging ineffectiveness)	N/A

Dec 2020	Ineffectiveness recognised in profit or loss
'Fair value hedges	N'000
Foreign exchange risk on foreign currency interest bearing borrowings and deposit from financial institutions	(795,254)

The following table shows the year in which the hedging contract ends:

Dec 2020	0-3 months	3-12 months	1-5 years	5-20 years	20+ years
Fair value hedging					
Hedging assets	-	206,986,509	25,547,539	-	-

For hedges of foreign currency liabilities, the Bank enters into hedge relationships where the critical terms of the hedging instrument are closely aligned with the terms of the hedged item. The Bank therefore performs a qualitative assessment of effectiveness. Sources of ineffectiveness include timing differences between the settlement dates of the hedged item and hedging instruments, quantity or notional amount differences between the hedged item and hedging instrument and credit risk of the Bank and its counterparty to the forward contract.

13 Other operating income

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Dividends on equity securities	2,319,994	3,151,485	2,319,993	3,151,485
Gain on disposal of property and equipment	1,987,366	594,872	1,978,982	183,049
Rental income	4,633	5,193	-	-
Bad debt recovered	34,585,475	38,389,088	34,392,933	37,783,409
Cash management charges	932,226	932,805	932,226	932,805
Income from agency and brokerage	401,871	475,587	263,363	466,801
Income from asset management	1,964,179	2,953,236	1,964,179	2,953,236
Income from other investments	1,510,836	845,403	339,700	-
Income from other financial services	727,582	8,462,861	448,208	8,082,700
Income from sale of investment property	40,000	-	40,000	-
Valuation gain on investment property	-	25,000	-	-
	44,474,162	**55,835,530**	**42,679,584**	**53,553,485**

Included in income from agency and brokerage is an amount of N30.65m (Dec 2019: N31.65m) representing the referral commission earned from bancassurance products.

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Point in Time	44,469,529	55,830,336	42,679,584	53,553,485
Over time	4,633	5,193	-	-
	44,474,162	**55,835,529**	**42,679,584**	**53,553,485**

14 Personnel expenses

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Wages and salaries	68,950,948	73,155,267	51,463,244	57,763,464
"Increase in defined benefit obligation (see note 37 (a) (i))"	782,313	600,060	782,312	600,060
Contributions to defined contribution plans	2,387,216	2,188,696	1,526,781	1,364,008
Restricted share performance plan (b)	1,052,699	1,020,115	818,383	985,315
	73,173,176	**76,964,138**	**54,590,720**	**60,712,847**

(a) Under the Restricted Share Performance Plan (RSPP), shares of the Bank are awarded to employees based on their performance at no cost to them. Under the terms of the plan, the shares vest over a 3 year year from the date of award. The scheme applies to only employees of the Bank that meet the stipulated performance criteria irrespective of where they work within the Group. Some members of the Group also have a similar scheme, over the vesting year of 7 years. The RSPP is an equity-settled scheme, where the Bank recognizes an expense and a corresponding increase in equity. Initial estimates of the number of equity settled instruments that are expected to vest are adjusted to current estimates and ultimately to the actual number of equity settled instruments that vest unless differences are due to market conditions.

By the resolution of the Board and Shareholders, the Bank sets aside an amount not exceeding twenty (20) per cent of the aggregate emoluments of the Bank's employees in each financial year to purchase shares of the Bank from the floor of the Nigerian Stock Exchange for the purpose of the plan. The Bank has also established a Structured Entity (SE) to hold shares of the Bank purchased. Upon vesting, the SE transfers the shares to the employee whose interest has vested. The SE is consolidated in the Group's financial statements.

(i) The shares allocated to staff has a contractual vesting year of three to seven years commencing from the year of purchase/allocation to the staff. The Group has no legal or constructive obligation to repurchase or settle on a cash basis.

(ii) The number and weighted-average exercise prices of shares has been detailed in table below;

Group

Description of shares		December 2020		December 2019	
		Number of Shares	Weighted Share Price per Share - Naira	Number of Shares	Weighted Share Price per Share - Naira
(i)	Outstanding at the beginning of the year;	563,504,767	8.28	522,296,572	7.93
(ii)	Granted during the year;	28,626,620	6.57	139,165,301	6.08
(iii)	Forfeited during the year;	(104,113,884)	9.36	(87,191,262)	9.36
(iv)	Exercised during the year;	(97,490,776)	10.65	(181,372,881)	5.66
(v)	Allocated at the end of the year;	390,526,727	8.50	392,897,730	8.42
(vi)	Shares under the scheme at the end of the year	729,103,014	8.61	563,504,767	8.28

	Naira ('000)	Price per Share - Naira	Naira ('000)	Price per Share - Naira
Share based expense recognised during the year	1,052,699	8.50	1,020,115	8.42

Outstanding allocated shares to staff at the end of the year have the following maturity dates

	Grant Date	Vesting year	Expiry date	Shares
Outstanding allocated shares for the 2018 - 2021 vesting period	1 July 2017	2018-2021	1 Jul 2021	27,114,748
Outstanding allocated shares for the 2019 - 2022 vesting period	1 Jan 2018	2019-2022	1 Jul 2022	90,144,982
Outstanding allocated shares for the 2019 - 2022 vesting period	1 July 2018	2019-2022	1 Jul 2022	19,502,038
Outstanding allocated shares for the 2020 - 2023 vesting period	1 Jul 2019	2020-2023	1 Jul 2023	253,764,959
				390,526,727

Bank

Description of shares		December 2020 Number of Shares	December 2020 Weighted Share Price per Share - Naira	December 2019 Number of Shares	December 2019 Weighted Share Price per Share - Naira
(i)	Outstanding at the beginning of the year;	492,053,323	8.28	451,894,911	8.04
(ii)	Granted during the year;	-	-	138,115,518	6.80
(iii)	Forfeited during the year;	(104,113,884)	9.36	(87,191,262)	9.36
(iv)	Exercised during the year;	(90,542,767)	10.00	(181,372,881)	5.66
(v)	Allocated at the end of the year;	297,396,672	10.95	321,446,286	9.17
(vi)	Shares under the scheme at the end of the year	635,972,959	8.61	492,053,323	8.28

	Naira ('000)	Price per Share - Naira	Naira ('000)	Price per Share - Naira
Share based expense recognised during the year	818,383	10.95	985,315	9.17

Outstanding allocated shares to staff at the end of the year have the following maturity dates

	Grant Date	Vesting year	Expiry date	Shares
Outstanding allocated shares for the 2018 - 2021 vesting period	1 July 2017	2018-2021	1 Jul 2021	18,206,174
Outstanding allocated shares for the 2019 - 2022 vesting period	1 Jan 2018	2019-2022	1 Jul 2021	75,236,408
Outstanding allocated shares for the 2019 - 2022 vesting period	1 July 2018	2019-2022	1 Jul 2021	7,554,147
Outstanding allocated shares for the 2020 - 2023 vesting period	1 Jan 2019	2020-2023	1 Jul 2021	102,890,780
				203,887,508

i. The weighted average remaining contractual life of the outstanding allocated shares is :

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
	years	years	years	years
Weighted average contractual life of remaining shares	2.08	0.65	1.23	0.60

Under the restricted share performance plan, N804.32 million worth of shares were granted to employees of the Bank at a wieghted avearge fair value of N6.7 per share on grant date. The fair value of shares is the grant date fair value of each ordinary shares of the Bank listed on the floor of the Nigerian Stock Exchange

ii. The average number of persons other than directors, in employment at the Group level during the year comprise:

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
	Number	Number	Number	Number
Managerial	386	345	284	292
Other staff	6,395	6,553	5,150	5,578
	6,781	**6,898**	**5,434**	**5,870**

iii. Employees, other than directors, earning more than N900,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following ranges:

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
	Number	Number	Number	Number
Below N900,000	-	-	-	-
N900,001 - N1,990,000	-	-	-	-
N1,990,001 - N2,990,000	836	612	836	612
N2,990,001 - N3,910,000	3	3	3	3
N3,910,001 - N4,740,000	1,081	1,404	743	1,135
N4,740,001 - N5,740,000	8	6	4	6
N5,740,001 - N6,760,000	1,857	1,894	1,580	1,677
N6,760,001 - N7,489,000	-	-	-	-
N7,489,001 - N8,760,000	1,079	1,093	831	882
N8,760,001 - N9,190,000	882	877	655	714
N9,190,001 - N11,360,000	-	-	-	-
N11,360,001 - N14,950,000	649	652	498	547
N14,950,001 - N17,950,000	-	-	-	-
N17,950,001 - N21,940,000	158	157	131	136
N21,940,001 - N26,250,000	132	97	85	85
N26,250,001 - N30,260,000	-	-	-	-
N30,261,001 - N45,329,000	75	79	56	58
Above N45,329,000	21	24	12	15
	6,781	**6,898**	**5,434**	**5,870**

In line with the provision of S.238 of CAMA 2020, the Remuneration of the managers of the company for the year ended Dec 2020 amounted to N3.73Bn (Dec 2019: N3.88Bn).

15 Other operating expenses

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Premises and equipment costs	15,584,830	13,362,597	13,587,535	11,632,172
Professional fees	9,246,562	6,593,943	7,066,566	5,398,715
Insurance	1,093,099	1,178,801	637,594	922,740
Business travel expenses	7,148,515	10,497,508	6,697,072	9,663,527
Asset Management Corporation of Nigeria (AMCON) surcharge	35,435,426	22,664,874	35,435,426	22,664,874
Bank charges	8,652,574	5,943,323	6,942,684	4,702,183
Deposit insurance premium	15,483,399	13,091,170	15,137,261	13,003,914
Auditor's remuneration	1,017,383	819,940	603,000	603,000
Administrative expenses	15,532,919	11,387,154	14,704,381	8,200,832
Merger expense	-	6,589,718	-	6,589,718
Board expenses	1,101,914	1,063,681	760,644	732,361
Communication expenses	7,528,371	3,326,899	6,147,800	2,202,869
IT and e-business expenses	18,739,108	9,772,169	15,466,830	8,107,826
Outsourcing costs	25,070,011	16,668,063	23,866,650	15,666,157
Advertisements and marketing expenses	11,323,254	6,273,743	10,607,889	5,686,650
Recruitment and training	5,015,579	2,207,379	4,753,818	1,828,270
Events, charities and sponsorship	8,780,654	5,688,399	8,541,672	5,437,900
Periodicals and Subscriptions	567,422	722,989	219,211	455,743
Security expenses	7,872,464	4,295,939	7,082,899	3,790,966
Loss on disposal of non current asset held for sale	-	198,850	-	198,850
Loss on disposal of investment property	-	153,946	-	153,946
Loss on lease modification		63,329		63,329
Cash processing and management cost	9,935,636	3,656,564	9,627,717	3,509,930
Stationeries, postage and printing	5,890,667	1,937,080	5,511,435	1,599,097
Office provisions and entertainment	2,455,287	720,634	2,250,092	472,112
Rent expenses	2,331,832	2,219,415	1,871,553	1,699,092
	215,806,906	**151,098,110**	**197,519,729**	**134,986,773**

FINANCIAL STATEMENTS

04

16 Income tax

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Current tax expense				
Corporate income tax	8,766,873	10,103,420	-	-
Minimum tax	1,581,359	2,981,861	1,581,359	2,981,861
IT tax	903,761	831,693	901,959	826,668
Education tax	4,512	9,895	-	-
Capital gains tax	127,162	7,274	127,162	7,274
Police fund tax levy	4,510	4,151	4,510	4,133
Prior year's under provision	-	88	-	-
	11,388,177	13,938,382	2,614,989	3,819,936
Deferred tax expense				
Origination of temporary differences	8,524,257	3,930,538	7,541,560	5,277,786
Income tax expense	19,912,434	17,868,919	10,156,549	9,097,722
Items included in OCI	(122,809)	145,140	(122,809)	145,140

The new Finance Act 2019 was introduced to amend some of the existing tax laws in Nigeria and to further reduce ambiguity that might or might not have existed. An assessment was carried out on Access Bank Plc for the year ended December 31, 2019 to identify areas of uncertainty in tax treatment in accordance with IFRIC 23. There has been some changes to the Company Income tax brought about by the New Finance Act. this addresses the areas of losses of a capital nature, expenses incurred for the purpose of deriving tax-exempt income, taxes or penalties borne on behalf of another person and other changes as can be seen from the standard

The computation of the Bank's income tax expense and deferred tax was carried out in accordance with the new 2019 Finance Act, CITA and other relevant tax laws. The changes made by the new act was incorporated in the Bank tax computation and it is believed by the management of the Bank that there is no uncertainty over its Income and Deferred tax treatment that relevant tax authorities may disagree with.

The movement in the current income tax liability is as follows:

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Balance at the beginning of the year	3,531,410	4,057,861	1,409,436	2,939,801
Acquired from business combination	-	472,844	-	327,525
Tax paid	(12,165,887)	(14,686,580)	(833,942)	(5,677,826)
Income tax charge	11,388,177	13,938,382	2,614,990	3,819,936
Prior year's under/excess provision	-	-	-	-
Withholding tax utilization	(643,591)	-	(643,591)	-
Translation adjustments	49,812	(251,097)	-	-
Balance at the end of the year	**2,159,921**	**3,531,410**	**2,546,893**	**1,409,436**

Income tax liability is to be settled within one year

Income tax for the Bank has been assessed under the minimum tax regulation.

In thousands of Naira	Group December 2020	Group December 2020	Group December 2019	Group December 2019
Profit before income tax		125,922,129		111,925,523
Income tax using the domestic tax rate	30%	37,773,637	30%	33,577,657
Effect of tax rates in foreign jurisdictions	-2%	(1,995,637)	-5%	(5,724,659)
Information technology tax	1%	905,477	1%	830,185
Capital allowance utilised for the year	0%	-	0%	-
Non-deductible expenses	42%	53,426,666	23%	25,885,701
Tax exempt income	-46%	(58,542,813)	-41%	(45,917,989)
Tax losses unutilised	0%	-	0%	-
Education tax levy	0%	9,895	0%	9,895
Capital gain tax	0%	127,162	0%	6,281
Capital allowance	-9%	(11,791,953)	8%	9,201,850
Under provided in prior years	0%	-	0%	-
Minimum tax effect	0%	-	0%	-
Effective tax rate	**16%**	**19,912,435**	**16%**	**17,868,921**

In thousands of Naira	Bank December 2020	Bank December 2020	Bank December 2019	Bank December 2019
Profit before income tax		90,195,880		90,195,880
Income tax using the domestic tax rate	30%	27,058,764	30%	27,058,764
Effect of tax rates in foreign jurisdictions	0%	-	0%	-
Information technology tax	1%	901,959	1%	826,668
Non-deductible expenses	46%	41,075,875	22%	19,810,104
Tax exempt income	-78%	(70,037,820)	-53%	(47,811,068)
Education tax levy	0%	-	0%	-
Capital gain tax	0%	127,162	0%	7,274
Nigerian Police fund levy	0%	4,510	0%	4,132
Effect of prior year under provision	0%	-	0%	-
Capital allowance	0%	-	10%	9,201,850
Origination and reversal of temporary deferred tax differences	8%	7,541,560		
Company income Tax	2%	1,903,181		
Minimum tax effect	2%	1,581,358	0%	-
Effective tax rate	**11%**	**10,156,549**	**10%**	**9,097,723**

Current income tax liabilities are due within 12 months from the year end date

Classified as:				
Current	2,159,921	3,531,410	2,546,893	1,409,436
Non current	-	-	-	-

17 Earnings per share

(a) Basic from continuing operations

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Profit for the year from continuing operations	104,682,985	93,048,868	80,039,331	70,115,989
Weighted average number of ordinary shares in issue	35,545,226	33,890,912	35,545,226	33,890,912
Weighted average number of treasury Shares	729,103	563,505	-	-
	34,816,123	33,327,408	35,545,226	33,890,912
In kobo per share				
Basic earnings per share from continuing operations	301	279	225	207

Diluted EPS

Diluted earnings per share is calculated by considering the impact of the treasury shares in weighted average number of ordinary shares outstanding

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Profit for the year from continuing operations	104,682,985	93,048,868	80,039,331	70,115,989
Weighted average number of Total shares in issue	34,816,123	33,327,408	35,545,226	33,890,912
Weighted average number of treasury shares in issue	729,103	563,505	-	-
Weighted average number of ordinary shares in issue	35,545,226	33,890,912	35,545,226	33,890,912
In kobo per share				
Diluted earnings per share from continuing operations	295	275	225	207

18 Cash and balances with banks

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Cash on hand and balances with banks (see note (i))	536,708,368	457,085,624	489,653,105	346,003,407
Unrestricted balances with central banks	51,127,105	117,883,814	13,639,189	97,734,073
Money market placements	89,783,183	48,838,459	40,095,277	32,822,516
Other deposits with central banks (see note (ii)	46,459,022	99,347,553	46,459,022	99,347,552
	724,077,678	**723,155,450**	**589,846,594**	**575,907,548**
ECL on Placements	(204,858)	(91,447)	(34,156)	(1,275)
	723,872,820	**723,064,003**	**589,812,439**	**575,906,273**

(i) Included in cash on hand and balances with banks is an amount of N33.93Bn (31 Dec 2019: N25.97Bn) representing the Naira value of foreign currencies held on behalf of customers to cover letter of credit transactions. The corresponding liability is included in customer's deposit for foreign trade reported under other liabilities (see Note 34). This has been excluded for cash flow purposes.

(ii) The balance of N89.3bn represents the nominal value of outstanding forward contracts entered on behalf of customers, with the Central Bank of Nigeria.

Movement in ECL on Placements

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance at beginning of the year	91,446	3,206	1,275	742
Acquired from business combination	-	4,064	-	4,063
-Charge for the year	113,411	91,338	32,880	534
Write off	-	(7,161)	-	(4,064)
Write back	-	-	-	
Closing balance	**204,856**	**91,447**	**34,156**	**1,275**

19 Investment under management

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Relating to unclaimed dividends:				
Government bonds	3,882,771	2,054,650	3,882,771	2,054,650
Placements	6,386,464	9,779,427	6,386,464	9,779,427
Commercial paper	4,132,806	6,849,720	4,132,806	6,849,720
Nigerian treasury bills	6,156,666	4,280,814	6,156,666	4,280,814
Mutual funds	7,109,072	2,889,702	7,109,072	2,889,702
Eurobonds	2,783,687	2,437,646	2,783,687	2,437,646
	30,451,466	**28,291,959**	**30,451,466**	**28,291,959**

The Bank entrusted the sum transferred to it by the Registrars in respect of unclaimed dividends with select Asset Managers who will ensure safekeeping and manage the funds for the benefit of the Bank. The investments by the Asset Managers are as listed above (the corresponding liability which is due to the Registrar is reported as "unclaimed dividend" in other liabilities.

20 Non pledged trading assets

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Government bonds	91,841,202	40,021,277	12,488,649	2,222,417
Eurobonds	74,615	-	74,615	-
Treasury bills	116,036,126	89,797,962	97,719,848	74,749,344
	207,951,943	**129,819,239**	**110,283,112**	**76,971,761**

21 Derivative financial instruments

In thousands of Naira

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	December 2020		December 2019	
Group				
Foreign exchange derivatives				
Total derivative assets	**1,132,096,948**	**251,112,745**	**1,200,294,464**	**143,520,553**
Non-deliverable future contracts	-	9,126,853	-	1,073,677
Forward and swap contracts	1,132,096,948	241,985,892	1,215,811,042	142,446,876
Total derivative liabilities	**301,693,689**	**(20,880,529)**	**82,812,664**	**(6,885,680)**
Non-deliverable future contracts	-	(9,126,851)	-	(1,027,272)
Forward and swap contracts	301,693,689	(11,753,678)	82,812,664	(5,858,408)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	December 2020		December 2019	
Bank				
Foreign exchange derivatives				
Total derivative assets	**1,089,971,280**	**244,564,046**	**1,150,759,629**	**143,480,073**
Non-deliverable future contracts	-	9,126,853	-	1,073,677
Forward and swap contracts	1,089,971,280	235,437,193	1,150,759,629	142,406,396
Total derivative liabilities	**227,896,259**	**(20,775,722)**	**78,393,273**	**(6,827,293)**
Non-deliverable future contracts	-	(9,126,852)	-	(1,027,272)
Forward and swap contracts	227,896,259	(11,648,870)	78,393,273	(5,800,021)

	December 2020	
	Fair Value	
	Group	Bank
Current (Hedging Instruments)	207,172,300	206,986,509
Non- Current (Hedging Instruments)	25,567,644	25,547,539
Current (Non-Hedging Instruments)	(2,507,729)	(8,745,723)
Non- Current (Non-Hedging Instruments)	-	-

Derivative financial instruments consist of forward, swap and future contracts. These are held for day to day cash management rather than for trading purposes and are held at fair value. The contracts have intended settlement dates of between 30 days and a year. All derivative contracts are considered to be valued with reference to data obtained from the Financial Market Dealer Quotation (FMDQ).

22 Loans and advances to banks

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Loans and advances to banks	393,473,191	154,450,204	232,086,898	165,774,988
Less allowance for impairment losses	(651,884)	(1,625,123)	(298,622)	(1,361,987)
	392,821,307	**152,825,081**	**231,788,276**	**164,413,001**

Group

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	599,261	-	-	599,261
Standard grade	188	-	-	188
Non Investment	-	-	52,435	52,435
Total	**599,449**	**-**	**52,435**	**651,884**

	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	270,188	-	1,354,935	1,625,122
-Charge for the year:				
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(358)	-	358	-
Total net P&L charge during the year	329,619	-	859,330	1,188,950
Amounts written off	-	-	(2,162,188)	(2,162,188)
At 31 December 2020	**599,449**	**-**	**52,436**	**651,884**

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	270,188	-	-	270,188
Standard grade	-	-	-	-
Non Investment	-	-	1,354,935	1,354,935
Total	**270,188**	**-**	**1,354,935**	**1,625,122**

	Stage 1	Stage 2	Stage 3	Total
Restated ECL allowance as at 1 January 2019	35,178	-	45,026	80,204
Acquired from Business Combination	3,245	-	4,154	7,399
Total net P&L charge during the year	231,765	-	1,305,755	1,537,520
At 31 December 2019	**270,188**	**-**	**1,354,935**	**1,625,123**

Bank

Loans to banks

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
Internal rating grade:				
Investment	245,933	-	-	245,933
Standard grade	188	-	-	188
Non Investment	-	-	52,501	52,501
Total	**246,121**	**-**	**52,501**	**298,622**

	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	7,053	-	1,354,935	1,361,987
-Charge for the year:				-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(358)	-	358	-
Total net P&L charge during the year	239,426	-	859,396	1,098,823
Amounts written off	-	-	(2,162,189)	(2,162,189)
At 31 December 2020	**246,121**	**-**	**52,500**	**298,621**

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	7,053	-	-	7,053
Standard grade	-	-	-	-
Non Investment	-	-	1,354,935	1,354,935
Total	**7,053**	**-**	**1,354,935**	**1,361,988**

	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2019	35,178	-	45,027	80,205
Total net P&L charge during the year	(28,125)	-	1,309,908	1,281,782
At 31 December 2019	**7,053**	**-**	**1,354,935**	**1,361,987**

23 Loans and advances to customers

a Group

In thousands of Naira	**December 2020**
Loans to individuals	
Retail Exposures	
Auto Loan	12,131,274
Credit Card	23,808,948
Finance Lease (note 23c)	1,581,736
Mortgage Loan	71,940,949
Overdraft	12,603,063
Personal Loan	29,890,378
Term Loan	50,830,204
Time Loan	6,517,424
	209,303,977
Less allowance for expected credit loss	(4,012,055)
	205,291,922
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,002,632
Credit Card	291,342
Finance Lease (note 23c)	2,665,738
Mortgage Loan	55,758,103
Overdraft	341,613,983
Personal Loan	-
Term Loan	2,370,093,900
Time Loan	385,431,589
	3,157,857,287
Less allowance for expected credit loss	(145,042,183)
	3,012,815,104
Loans and advances to customers (Individual and corporate entities and other organizations)	3,367,161,264
Less allowance for expected credit loss	(149,054,237)
	3,218,107,027

Management overlays are made to the impairment models to factor in additional facts that are not fully reflected in the impairment model at year end. These overlays are incorporated into the future model developments where applicable.

As at 31 December 2020, management overlay to the impairment allowance was N2.74bn which represents 1.95% of the total impairment

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment				-
Standard grade	-	-	-	-
Non-Investment	629,734	431,507	-	1,061,241
Sub-standard grade	-	329,538	2,621,276	2,950,813
Total	**629,734**	**761,045**	**2,621,276**	**4,012,055**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	712,723	1,223,765	3,239,997	5,176,485
- Charge for the year:				
Transfers to Stage 1	64,055	(62,854)	(1,201)	-
Transfers to Stage 2	(40,354)	110,913	(70,559)	-
Transfers to Stage 3	(44,509)	(1,628,858)	1,673,367	-
Total net P&L charge during the year	7,057	1,401,115	983,277	2,391,449
Amounts written off	-	-	(2,819,383)	(2,819,383)
Translation difference	(69,238)	(283,037)	(384,222)	(736,497)
At 31 December 2020	**629,734**	**761,045**	**2,621,276**	**4,012,055**

Loans to corporate entities and other organizations

In thousands of Naira

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	15,886,487	4,326,734	-	20,213,221
Standard grade	16,103,406	45,509,751	-	61,613,157
Non-Investment	-	8,394,219	54,829,504	63,223,723
Total	**31,989,893**	**58,230,704**	**54,829,504**	**145,050,101**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	20,708,736	109,914,849	55,590,669	186,214,254
- Charge for the year:				-
Transfers to Stage 1	12,929,622	(12,901,798)	(27,824)	-
Transfers to Stage 2	(1,580,280)	24,981,107	(23,400,827)	-
Transfers to Stage 3	(10,867,992)	(70,888,932)	81,756,924	-
Total net P&L charge during the year	8,473,613	5,842,676	43,638,394	57,954,683
Amounts written off	-	-	(102,338,382)	(102,338,382)
Translation difference	2,326,193	1,282,802	(389,449)	3,219,546
At 31 December 2020	**31,989,893**	**58,230,704**	**54,829,504**	**145,050,101**

Group

In thousands of Naira	December 2019
Loans to individuals	
Retail Exposures	
Auto Loan	14,653,393
Credit Card	19,014,547
Finance Lease (note 23c)	186,896
Mortgage Loan	81,814,281
Overdraft	18,645,708
Personal Loan	52,940,646
Term Loan	15,736,788
Time Loan	6,853,714
	209,845,973
Less Allowance for ECL/Impairment losses	(5,176,485)
	204,669,488
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	3,203,006
Credit Card	325,196
Finance Lease (note 23c)	4,959,983
Mortgage Loan	61,060,992
Overdraft	281,083,142
Personal Loan	-
Term Loan	2,169,523,811
Time Loan	372,968,343
	2,893,124,472
Less Alowance for ECL/Impairment losses	(186,214,253)
	2,706,910,220
Loans and advances to customers (Individual and corporate entities and other organizations)	3,102,970,446
Less Allowance for ECL/Impairment losses	(191,390,738)
	2,911,579,708

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	712,723	642,545	-	1,355,268
Non-Investment	-	581,220	3,239,997	3,821,217
Sub-standard grade	-	-	-	-
Total	**712,723**	**1,223,765**	**3,239,997**	**5,176,485**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2019	542,505	490,339	4,641,687	5,674,531
Acquired from Business Combination	3,778,488	257,325	6,028,142	10,063,955
- Charge for the year				
Total net P&L charge during the year	(3,608,271)	476,102	(6,397,737)	(9,529,906)
Amounts written off	-	-	(1,032,094)	(1,032,094)
At 31 December 2019	**712,722**	**1,223,765**	**3,239,998**	**5,176,485**

Loans to corporate entities and other organizations

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,918,337	27,033,883	-	28,952,220
Standard grade	18,790,398	32,848,728	-	51,639,126
Non-Investment	-	50,032,238	55,590,669	105,622,907
Total	**20,708,736**	**109,914,849**	**55,590,669**	**186,214,253**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2019	26,158,327	40,303,328	16,028,608	82,490,263
Acquired from Business Combination	28,717,717	41,269,036	89,170,100	159,156,853
- Charge for the year	-	-	-	-
Total net P&L charge during the year	(34,167,309)	28,342,484	35,387,308	29,562,484
Amounts written off	-	-	(91,492,193)	(91,492,193)
Translation difference	-	-	6,496,846	6,496,846
At 31 December 2019	**20,708,736**	**109,914,849**	**55,590,669**	**186,214,253**

23 Loans and advances to customers

b Bank

In thousands of Naira	December 2020
Loans to individuals	
Retail Exposures	
Auto Loan	2,302,812
Credit Card	22,330,433
Finance Lease (note 23c)	1,476,588
Mortgage Loan	3,148,606
Overdraft	12,137,933
Personal Loan	14,122,606
Term Loan	49,911,419
Time Loan	3,316,596
	108,746,993
Less Allowance for Expected credit loss	(2,831,594)
	105,915,399
Loans to corporate entities and other organizations	
Non-Retail Exposures	2,002,632
Auto Loan (note 23c)	291,064
Credit Card	2,235,225
Finance Lease (note 23c)	-
Mortgage Loan	324,438,511
Overdraft	2,123,869,130
Term Loan	376,334,715
Time Loan	2,829,171,277
	(116,210,945)
Less Allowance for Expected credit loss	**2,712,960,332**
	2,937,918,270
Loans and advances to customers (Individual and corporate entities and other organizations)	(119,042,539)
Less Allowance for Expected credit loss	
	2,818,875,731

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	569,710	431,507	-	1,001,218
Non-Investment	-	9,413	1,820,964	1,830,377
Total	**569,710**	**440,920**	**1,820,964**	**2,831,5954**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	632,815	1,117,221	3,026,908	4,776,944
- Charge for the year:				
Transfers to Stage 1	64,054	(62,854)	(1,201)	-
Transfers to Stage 2	(40,354)	110,913	(70,559)	-
Transfers to Stage 3	(26,014)	(1,849,852)	1,875,867	-
Total net P&L charge during the year	(60,790)	1,125,492	104,078	1,168,779
Amounts written off	-	-	(3,114,129)	(3,114,129)
At 31 December 2020	**569,710**	**440,920**	**1,820,964**	**2,831,594**

Loans to corporate entities and other organizations

In thousands of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	15,498,335	4,326,734	-	19,825,069
Standard grade	14,550,801	45,509,751	-	60,060,552
Non-Investment	-	711,224	35,614,100	36,325,324
Sub-standard grade	-	-	-	
Total	**30,049,136**	**50,547,709**	**35,614,100**	**116,210,945**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	18,388,166	107,357,776	50,476,533	176,222,475
- Charge for the year:				
Transfers to Stage 1	12,929,622	(12,901,798)	(27,824)	-
Transfers to Stage 2	(1,580,279)	24,981,106	(23,400,828)	-
Transfers to Stage 3	(1,800,198)	(68,961,472)	70,761,670	-
Total net P&L charge during the year	2,799,880	286,524	33,246,089	36,332,493
Amounts written off	-	-	(91,705,461)	(91,705,461)
Foreign exchange revaluation	(688,055)	(214,427)	(3,736,079)	(4,638,561)
At 31 December 2020	**30,049,136**	**50,547,709**	**35,614,100**	**116,210,945**

23 Loans and advances to customers

b Bank

In thousands of Naira	**December 2019**
Loans to individuals	
Retail Exposures	
Auto Loan	3,333,527
Credit Card	17,315,389
Finance Lease (note 23c)	71,791
Mortgage Loan	2,577,130
Overdraft	18,129,969
Personal Loan	34,817,131
Term Loan	14,708,495
Time Loan	5,062,800
	96,016,232
Less Allowance for ECL/Impairment losses	(4,776,944)
	91,239,288
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	3,203,006
Credit Card	324,891
Finance Lease (note 23c)	4,590,176
Mortgage Loan	-
Overdraft	262,574,362
Term Loan	1,932,416,926
Time Loan	363,497,497
	2,566,606,858
Less Allowance for ECL/Impairment losses	(176,222,475)
	2,390,384,383
Loans and advances to customers (Individual and corporate entities and other organizations)	2,662,623,090
Less Allowance for ECL/Impairment losses	(180,999,419)
	2,481,623,671

Impairment allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	632,815	642,546	-	1,275,361
Non-Investment	-	474,675	3,026,908	3,501,583
Total	**632,815**	**1,117,221**	**3,026,908**	**4,776,944**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2019	460,839	381,451	4,425,360	5,267,650
Write offs)	3,778,488	257,324	6,028,142	10,063,954
- Charge for the year	-	-	-	
Total net P&L charge during the year	(3,606,512)	478,445	(6,394,499)	(9,522,566)
Amounts written off	-	-	(1,032,094)	(1,032,094)
At 31 December 2019	**632,815**	**1,117,220**	**3,026,909**	**4,776,944**

Loans to corporate entities and other organizations

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,454,222	27,033,881	-	28,488,103
Standard grade	16,933,943	32,848,728	-	49,782,671
Non-Investment	-	47,475,169	50,476,532	97,951,701
Sub-standard grade	-	-	-	-
Total	**18,388,165**	**107,357,778**	**50,476,532**	**176,222,475**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2019	23,517,781	37,690,005	10,800,514	72,008,300
Acquired from Business Combination	28,717,717	41,263,043	89,170,101	159,150,861
- Charge for the year				
Total net P&L charge during the year	(33,847,332)	28,404,728	36,377,667	30,935,063
Amounts written off	-	-	(91,392,193)	(91,392,193)
Foreign exchange revaluation	-	-	5,520,444	5,520,444
At 31 December 2019	**18,388,166**	**107,357,776**	**50,476,533**	**176,222,475**

23(c) Advances under finance leases

Loans and advances to customers at amortised cost include the following finance lease receivables for leases of certain property, automobile/vehicle and equipment where the group is the lessor:

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Gross investment in finance lease, receivable	4,732,127	24,543,646	4,167,001	13,735,198
Unearned finance income on finance leases	(728,818)	(7,515,554)	(548,919)	(1,853,986)
Net investment in finance leases	4,003,309	17,028,092	3,618,082	11,881,212
Gross investment in finance leases, receivable:				
Less than one year	3,336,464	12,696,773	2,938,013	7,292,549
Between one and five years	1,395,662	11,846,874	1,228,988	6,442,649
Later than five years	-	-	-	-
	4,732,126	24,543,647	4,167,001	13,735,198
Unearned finance income on finance leases	(728,818)	(7,515,554)	(548,919)	(1,853,986)
Present value of minimum lease payments	4,003,308	17,028,093	3,618,082	11,881,212
Present value of minimum lease payments may be analysed as:				
- Less than one year	2,802,316	7,866,303	2,532,657	5,292,863
- Between one and five years	1,200,993	9,161,789	1,085,425	6,588,349
- Later than five years	-	-	-	-

24 Pledged assets

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
-Financial instruments at FVOCI				
Treasury bills	999,521	30,388,532	999,521	30,388,532
Government bonds	2,617,080	-	2,617,080	-
	3,616,601	30,388,532	3,616,601	30,388,532
-Financial instruments at amortised cost				
Treasury bills	98,097,771	452,686,283	98,097,771	452,686,283
Government bonds	41,833,930	82,599,583	41,833,930	82,599,583
	139,931,701	535,285,866	139,931,701	535,285,866
ECL on financial assets at amortized cost	(9,370)	-	(9,370)	-
	139,922,331	535,285,866	139,922,331	535,285,866
-Financial instruments at FVPL				
Treasury bills	85,006,603	39,881,493	85,006,603	39,881,494
Government bonds	-	-	-	-
	85,006,603	39,881,493	85,006,603	39,881,494
	228,545,535	**605,555,891**	**228,545,535**	**605,555,892**

ECL allowance on pledged assets at fair value through other comprehensive income

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance	-	-	-	-
Additional allowance	431	-	431	-
Allowance written back	-	-	-	-
Balance, end of year	**431**	**-**	**431**	**-**

ECL on financial assets at fair value through OCI are presented in statement of changes in equity.

ECL allowance on pledged assets at amortized cost

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance	-	-	-	-
Additional allowance	9,370	-	9,370	-
Allowance written back	-	-	-	-
Balance, end of year	**9,370**	**-**	**9,370**	**-**
The related liability for assets pledged as collateral include:				
Central Bank of Nigeria (CBN)	265,728,206	251,051,432	265,728,206	251,051,432
Bank of Industry (BOI)	43,116,940	22,191,400	43,116,940	22,191,400
	308,845,146	**273,242,832**	**308,845,146**	**273,242,832**

The other counterparties included in this category of pledged assets include FIRS, Valu card, interswitch, Nibss and others.

(i) The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above. Pledged assets includes pledges to counterparties for total return swap of N 759.31mn (31 December 2019: N117.97bn). The pledges have been made in the normal course of business of the Bank. In the event of default, the pledgee has the right to realise the pledged assets. This disclosure in 24(i) is inclusive of only liabilities that actual cash has been received for.

25 Investment securities

At fair value through profit or loss	Group	Group	Bank	Bank
	December 2020	December 2019	December 2020	December 2019
In thousands of Naira				
Equity securities at fair value through profit or loss (see note (i) below)	141,765,576	113,158,320	141,735,053	113,126,623

At fair value through other comprehensive income	December 2020	December 2019	December 2020	December 2019
In thousands of Naira				
Debt securities				
Government bonds	150,094,494	64,989,934	44,296,019	4,823,398
Treasury bills	748,230,225	232,813,374	608,866,687	77,897,548
Eurobonds	22,032,870	2,860,694	15,141,127	-
Corporate bonds	15,745,714	7,815,595	15,745,714	7,815,595
State government bonds	31,741,795	6,311,454	31,741,795	6,311,454
Promissory notes	80,033,790	807,619	80,033,790	807,619
	1,047,878,888	315,598,670	795,825,132	97,655,614
Changes in fair value of FVOCI instruments	57,683,203	6,477,225	58,444,389	7,373,186
Changes in allowance on FVOCI financial instruments	301,003	109,420	294,278	63,712
Net fair value changes in FVOCI instruments	**57,984,206**	**6,586,645**	**58,738,667**	**7,436,898**

At amortised cost				
In thousands of Naira				
Debt securities				
Treasury bills	237,109,445	379,283,381	194,302,056	341,786,029
Total return notes	45,527,717	-	45,527,717	-
Federal government bonds	271,536,033	255,138,534	245,366,108	240,150,170
State government bonds	4,933,952	9,236,259	4,933,952	9,236,259
FGN Promissory notes	427,536	10,844,042	427,537	10,844,042
Corporate bonds	472,288	510,162	472,288	510,162
Eurobonds	497,726	1,394,042	-	932,242
Gross amount	560,504,697	656,406,420	491,029,658	603,458,904
ECL on financial assets at amortized cost	(600,016)	(559,223)	(550,186)	(534,188)
Carrying amount	559,904,681	655,847,197	490,479,472	602,924,716
Total	**1,749,549,145**	**1,084,604,187**	**1,428,039,657**	**813,706,953**

ECL allowance on investments at fair value through other comprehensive income

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance at 1 January 2020	111,096	1,676	63,712	1,676
Additional allowance	301,003	109,420	294,278	62,036
Allowance written back	-	-	-	-
Balance, end of year	**412,099**	**111,096**	**357,990**	**63,712**

ECL on financial assets at fair value through OCI are presented in statement of changes in equity.

ECL allowance on investments at amortized cost

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance at 1 January 2020/1 Jan 2019	559,223	17,368	534,188	17,368
Acquired from business combination	-	188,655	-	188,655
-Charge for the year	42,672	353,200	17,877	328,165
Allowance written back	(1,879)	-	(1,879)	-
Balance, end of year	**600,016**	**559,223**	**550,186**	**534,188**
(i) Equity securities at FVPL (carrying amount)				
Central securities clearing system limited	5,643,750	4,312,500	5,643,750	4,312,500
Nigeria interbank settlement system plc.	7,802,112	4,999,760	7,802,112	4,999,760
Unified payment services limited	4,058,931	6,732,958	4,058,931	6,732,958
Africa finance corporation	114,520,852	89,805,806	114,520,852	89,805,806
E-Tranzact	534,682	598,936	534,682	598,936
African export-import bank	49,851	34,396	49,851	34,396
FMDQ Holdings	3,332,927	684,900	3,332,927	684,900
Nigerian mortage refinance company plc.	323,333	305,227	323,333	305,227
Credit reference company	792,743	391,854	792,743	391,854
NG Clearing Limited	213,223	227,491	213,223	227,491
Capital Alliance Equity Fund	4,412,649	4,982,794	4,412,649	4,982,794
Shared agent network expansion facility	50,000	50,000	50,000	50,000
Others	30,523	31,698	-	-
	141,765,574	**113,158,320**	**141,735,051**	**113,126,622**

25 (b) Debt instruments other than those designated at fair value through profit or loss

The table below shows the analysis of the Bank's debt instruments measured at FVOCI and amortized cost by credit risk, based on the Bank's internal credit rating system and year end- stage classificaton.

Group — **December 2020**

At fair value through other comprehensive income

In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	150,094,494	24,749
Treasury bills	748,230,225	117,544
Eurobonds	22,032,870	91,325
Corporate bonds	15,745,714	25,719
State government bonds	31,741,795	138,517
Promissory notes	80,033,790	14,247
Total	**1,047,878,888**	**412,101**

At amortised cost

In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	271,536,033	40,107	271,495,926
Treasury bills	237,109,445	13,999	237,095,446
Total return notes	45,527,717	-	45,527,717
Eurobonds	497,724	49,831	447,893
Corporate bonds	472,288	472,288	-
State government bonds	4,933,952	23,756	4,910,196
FGN Promissory notes	427,536	35	427,501
Total	**560,504,696**	**600,016**	**559,904,679**

Bank

At fair value through other comprehensive income

In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	44,296,019	24,749
Treasury bills	608,866,687	117,544
Eurobonds	15,141,127	37,215
Corporate bonds	15,745,714	25,719
State government bonds	31,741,795	138,517
Promissory notes	80,033,790	14,247
Total	**795,825,134**	**357,989**

At amortised cost

In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	245,366,108	40,107	245,326,001
Treasury bills	194,302,056	13,999	194,288,057
Total return notes	45,527,717	-	45,527,717
Eurobonds	-	-	-
Corporate bonds	472,288	472,288	-
State government bonds	4,933,952	23,756	4,910,196
Promissory notes	427,537	35	427,502
Total	**491,029,659**	**550,186**	**490,479,473**

Group

Financial instruments at fair value through other comprehensive income

In thousands of Naira	December 2020			
	stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	257,742,627	-	-	257,742,627
Standard grade	785,141,261	-	-	785,141,261
Non-Investment	4,995,001	-	-	4,995,001
Total	**1,047,878,889**	**-**	**-**	**1,047,878,889**

	stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	111,097	-	-	111,097
- Charge for the year	301,003	-	-	301,003
At 31 December 2020	**412,099**	**-**	**-**	**412,099**

Financial instruments at amortised cost

In thousands of Naira	**stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				-
Investment	115,002,758	-	-	115,002,758
Standard grade	443,956,581	-	472,288	444,428,868
Non-Investment	1,073,074	-	-	1,073,074
Total	**560,032,412**	**-**	**472,288**	**560,504,700**

	stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	94,814	1,879	462,530	559,223
Acquired from business combination				-
- Charge for the year	32,915	-	9,757	42,672
Write back	-	(1,879)	-	(1,879)
At 31 December 2020	**127,729**	**-**	**472,288**	**600,016**

Bank

Financial instruments at fair value through other comprehensive income

In thousands of Naira	December 2020			
	stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade			-	-
Investment	5,688,871	-	-	5,688,871
Standard grade	785,141,261	-	-	785,141,261
Non-Investment	4,995,001	-	-	4,995,001
Total	**795,825,133**	**-**	**-**	**795,825,133**

	stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	63,712	-	-	63,712
- Charge for the year	294,277	-	-	294,277
At 31 December 2020	**357,989**	**-**	**-**	**357,989**

Financial instruments at amortised cost

In thousands of Naira

	stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	45,527,717	-	-	45,527,716
Standard grade	443,956,581	-	472,288	444,428,868
Non-Investment	1,073,074	-	-	1,073,074
Total	**490,557,372**	**-**	**472,288**	**491,029,658**

	stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	69,778	1,879	462,531	534,188
- Charge for the year	8,120	-	9,757	17,877
Write back	-	(1,879)	-	(1,879)
At 31 December 2020	**77,898**	**-**	**472,288**	**550,186**

26 Restricted deposits and other assets

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Financial assets				
Accounts receivable	120,801,111	86,028,924	104,210,867	76,387,882
Receivable on E-business channels	78,265,416	61,158,239	77,297,389	60,961,016
Deposit for investment in AGSMEIS (see note (a)below)	13,363,490	9,685,037	13,363,490	9,685,032
Subscription for investment (see note (b) below)	7,306,029	16,873,391	7,306,028	16,873,390
Restricted deposits with central banks (see note (c)below)	1,308,729,111	848,846,575	1,275,279,265	810,636,067
	1,528,465,157	1,022,592,166	1,477,457,039	974,543,387
Non-financial assets				
Prepayments	22,858,594	37,023,629	15,835,561	34,102,137
Inventory (see note (d)below)	3,717,594	1,903,981	3,316,020	1,509,522
	26,576,189	38,927,610	19,151,581	35,611,659
Gross other assets	1,555,041,345	1,061,519,776	1,496,608,620	1,010,155,045
Allowance for impairment on other assets				
Accounts receivable	(5,254,712)	(6,009,324)	(5,136,728)	(5,844,763)
Subscription for investment	(895,371)	-	(838,833)	-
	1,548,891,262	**1,055,510,452**	**1,490,633,058**	**1,004,310,282**
Classified as:				
Current	220,388,002	180,105,449	195,523,109	167,115,787
Non current	1,328,503,260	875,405,003	1,295,109,948	837,194,495
	1,548,891,262	**1,055,510,452**	**1,490,633,058**	**1,004,310,282**

Movement in allowance for impairment on other assets:

In thousands of Naira	Group Accounts Receivable	Group subscription for investments	Bank Accounts Receivable	Bank subscription for investments
Balance as at 1 January 2019	1,907,699	25,002	1,808,352	25,001
ECL allowance for the period:				
Acquired from business combination	7,311,549	-	7,231,695	-
- Additional provision	-	-	-	-

- Provision no longer required	(3,200,712)	-	(3,220,285)	-
Net impairment	4,110,837	-	4,011,410	-
Allowance written off	-	-	-	-
-Transalation difference	(34,214)	-	-	-
Balance as at 31 December 2019/1 January 2020	5,984,322	25,002	5,819,761	25,001
ECL allowance for the period:				
- Additional provision	2,634,937	-	2,431,517	-
- Writeback	-	-	-	-
Net ECL allowance	2,634,937	-	2,431,517	-
Acquired from business combination	210,546	-	-	-
Allowance written back	-	(25,002)	-	(25,001)
- Write Off	(2,548,443)	-	(2,548,443)	-
-Reclassification	272,726		272,726	
-Translation difference	(404,006)	-	-	-
Balance as at 31 December 2020	6,150,083	-	5,975,561	-

(a) Deposit for investment in AGSMEIS represents the Bank's deposit as equity investment in Agri-business/Small and Medium Enterprises Investment Scheme. As approved by the Bankers' Committee on 9th February 2017, all Deposit Money Banks are required to invest 5% of prior year's Profit After Tax as equity investment in the scheme.

(b) Subscription for investment balance relates to deposits paid for the acquisition of equity investments for which shares have not been issued to the Bank.

(c) Restricted deposits with central banks comprise the cash reserve requirements of the Central Bank of Nigeria and other central banks of jurisdictions that the Group operates in as well as the special intervention fund with the Central Bank of Nigeria of N89.58Bn introduced in January 2016 as a reduction in the cash reserve ratio with a view of channeling the reduction to financing the real sector. These balances are not available for day to day operations of the Group.

(d) Inventory consists of blank debit cards, cheque leaves, computer consumables and other stationery held by the Bank. Increase in prepayments resulted from services that have been paid in advance for the year for which the amortization will be over the relevant year of service. These include rents and advertisements.

27(a) Subsidiaries (with continuing operations)

(i) Group entities

Set out below are the group's subsidiaries as at 31 December 2020. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation is also their principal place of business.

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit the group from having access, and in liquidation scenario, this restriction is limited to its level of investment in the entity. There are no significant restrictions on the ability of subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances

			Ownership interest	
	Nature of business	**Country of incorporation**	**December 2020**	**December 2019**
Access Bank Gambia Limited	Banking	Gambia	88.00%	88%
Access Bank Sierra Leone Limited	Banking	Sierra Leone	99.19%	97%
Access Bank Rwanda Limited	Banking	Rwanda	91.22%	75%
Access Bank Zambia	Banking	Zambia	70.00%	70%
The Access Bank UK	Banking	United Kingdom	100.00%	100%
Access Bank R.D. Congo	Banking	Congo	99.98%	100%
Access Bank Ghana	Banking	Ghana	93.40%	93%
Access Pension Fund Custodian	Custody	Nigeria	100.00%	100%
Access Bank Guinea S.A	Banking	Guinea	100.00%	100%
Access Bank Mozambique	Banking	Mozambique	99.98%	0%
Access Bank Kenya	Banking	Kenya	99.98%	0%

Diamond Finance B.V. is a structured entity, incorporated on former Diamond Bank's behalf by intertrust (a Netherlands corporate finance company) for the sole purpose of issuing loan participatory notes to interested parties for the purpose of funding a subordinated facility to former Diamond Bank. Access Bank (hereafter known as "The Bank") has determined that it has control over the entity due to the power it has to direct relevant activities of the entity. The Bank has no direct holdings in the entity. The former Diamond Bank issued dollar denominated notes of $50 million (N9.95 billion) through a structured entity, Diamond Finance BV, Netherlands, on 27 March 2014, which is due on 27 March 2021. The principal amount is payable at the end of the tenor which is 7 years while interest on the notes is payable semi-annually at 7% per annum. The net proceeds from the issue of the loan participatory Notes was used by the issuer (Diamond Finance BV) for the sole purpose of providing a loan to former Diamond Bank, which was used by the erstwhile Diamond Bank to support its business expansion and development. The bank unconditionally and irrevocably guaranteed the due payment of all sums by the issuer (Diamond Finance BV) in respect of the Notes. This obligation has been transferred to Access Bank upon the successful completion of the merger between both entities

During the year, the bank branched out to two other countries to further expand its international presence. The Bank obtained the Central Bank of Mozambique's approval to setup a subsidiary in the country. The approval was granted on 11th September, 2020 after prior approval by the Central Bank of Nigeria. The Bank has 99.98% ownership in the subsidiary.

The Bank also acquired Transnational Bank of Kenya during the year now (Access Bank Kenya). The central Bank of Kenya granted approval for the acquisition on the 20th July, 2020. The Bank has 99.98% ownership in the subsidiary.

Access bank Guinea has obtained operating license but is yet to commence operations as at the end of the reporting year

(ii) Structured entities:

			Ownership interest	
	Nature of business	**Country of incorporation**	**December 2020**	**December 2019**
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%
Diamond Finance BV	Banking	Netherlands	100%	100%

27(b)(i) Investment in subsidiaries

In thousands of Naira	Bank December 2020	Bank December 2019
Subsidiaries with continuing operations		
Access Bank, UK	60,044,822	60,044,822
Access Bank, Ghana	32,195,607	32,195,607
Access Bank Rwanda	5,220,925	1,578,825
Access Bank, Congo	13,205,190	13,205,190
Access Bank, Zambia	4,274,925	4,274,923
Access Bank, Gambia	7,061,501	7,061,501
Access Bank, Sierra Leone	3,398,136	1,582,486
Access Bank, Guinea	5,441,100	5,441,100
Access Bank, Mozambique	15,309,709	-
Access Bank, Kenya	11,614,775	-
Investment in RSPP scheme	4,484,842	4,074,255
Access Bank Pension Fund Custodian	2,000,000	2,000,000
Balance, end of year	**164,251,532**	**131,458,709**

Based on the contractual arrangements between the Bank and the shareholders in each of the entities, the Bank has the power to appoint and remove the majority of the board of Directors of each entity.

The relevant activities of each of the listed subsidiaries are determined by the Board of Directors of each entity based on simple majority shares. Therefore, the directors of the Bank concluded that the Bank has control over each of the above listed entities and were consolidated in the Bank financial statements.

All investment in subsidiaries have been classified as non current with a closing balance of N164.25Bn

27 (c) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at December 2020 are as follows:

Condensed profit and loss	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Diamond Finance B.V.	Access Bank Guinea	Access Bank PFC	Access Bank Mozambique	Access Bank Kenya
In thousands of naira	Access UK	Ghana		Congo		Gambia	Sierra Leone		BV	BV	BV	BV	BV
Operating income	38,428,533	40,218,339	4,148,186	7,447,932	3,508,052	1,079,923	1,698,025	-	27,672	-	587,869	1,719,824	2,573,527
Operating expenses	(9,949,070)	(15,639,551)	(2,729,461)	(5,213,383)	(2,192,067)	(858,099)	(933,736)	-	(22,756)	-	(406,351)	(1,711,299)	(2,813,676)
Net impairment loss on financial assets	(21,209,659)	(1,198,967)	(33,389)	(237,725)	(462,930)	(10,523)	(1,336)	-	-	-	(1,283)	-	(86,729)
Profit before tax	7,269,804	23,379,821	1,385,336	1,996,824	853,055	211,301	762,953	-	4,916	-	180,235	8,525	(326,878)
Income tax expense	(1,381,263)	(7,542,440)	(447,891)	-	(273,575)	(54,844)	-	-	(873)	-	(52,609)	-	-
Profit for the period	5,888,540	15,837,381	937,446	1,996,824	579,481	156,456	762,953	-	4,043	-	127,626	8,525	(326,878)
Assets													
Cash and cash equivalents	63,364,931	63,260,587	22,333,660	46,756,250	12,253,895	8,585,568	2,328,412	-	15,714	5,441,100	3,543,678	8,838,764	4,677,651
Non pledged trading assets	-	97,316,595	-	-	(42,383)	-	-	-	-	-	-	-	394,618
Pledged assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	4,750,080	1,798,618	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	333,225,682	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	364,424,736	67,768,331	11,946,904	19,553,103	6,192,467	1,041,309	1,253,181	-	20,376,893	-	45,043	206,308	11,081,031
Investment securities	134,875,103	121,041,959	18,558,626	-	15,842,191	8,235,318	7,741,028	-	-	-	-	495,459	14,719,803
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	7,213,162	7,622,064	1,148,618	1,387,102	2,167,413	4,760,685	794,397	-	512	-	3,069	384,459	2,942,883
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	626,803	-	-	-	-	-	-	5,111,646	-	-	-	-	-
Property and equipment	2,312,321	17,797,532	1,555,298	4,227,839	1,556,169	910,924	815,425	-	-	-	842,533	4,069,795	497,555
Intangible assets	902,947	146,056	337,657	167,326	112,908	115,169	65,007	-	-	-	54,716	12,721	6,175
Deferred tax assets	-	2,379,805	-	964,257	308,639	-	-	-	-	-	-	1,471	586,277
Non - current assets held for sale	-	-	-	-	-	-	-	-	-	-	190,000	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
	911,695,765	379,131,546	55,880,763	73,055,877	38,391,299	23,648,973	12,997,452	5,111,646	20,393,119	5,441,100	4,679,039	14,008,977	34,905,993

Financed by:													
Deposits from banks	437,045,501	16,255,788	-	-	2,141,688	3,832,755	242,547	-	-	-	-	-	-
Deposits from customers	332,998,195	250,878,031	43,496,599	49,709,004	27,207,792	14,401,879	8,202,484	-	-	-	-	725,395	27,054,342
Derivative Liability	104,808	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	-	13,275	-	340,622	3,223	-	-	-	-	-	-	-	-
Current tax liabilities	-	(897,774)	253,605	4,834	246,084	-	-	-	1,750	-	4,529	-	-
Other liabilities	11,324,418	13,651,658	3,710,312	4,643,567	1,095,944	1,538,332	364,965	-	3,441	-	93,995	1,579,903	2,678,540
Interest-bearing loans and borrowings	-	28,340,115	-	5,610,801	2,250,046	-	-	-	20,368,784	-	-	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	167,951	2,536,146	168,411	1,031	-	33,433	10,647	-	-	-	33,805	-	-
Equity	130,054,892	68,354,307	8,251,838	12,746,019	5,446,524	3,842,575	4,176,809	5,111,646	19,141	5,441,100	4,546,710	11,703,680	5,173,110
	911,695,765	379,131,546	55,880,763	73,055,878	38,391,301	23,648,974	12,997,452	5,111,646	20,393,119	5,441,100	4,679,039	14,008,978	34,905,993
Net cashflows from investing Altivities	22,500,192	(127,781,060)	(7,256,329)	(609,581)	(31,770)	(239,087)	(3,818,641)	-	1,495,842	-	(763,064)	(2,213,422)	-
Net cashflows from financing activities	-	11,312,636	-	1,911,520	832,142	-	1,816,039	-	(1,495,842)	-	-	-	-
Net cashflows from operating activities		106,965,527	13,414,957	10,309,489	18,600,432	2,670,014	2,914,836	-	5,281	-	(17,259)	862,554	-
Increase in cash and cash equivalents	(134,327,491)	(9,502,897)	6,158,628	11,611,427	19,400,804	2,430,928	912,234	-	5,281	-	(780,323)	(1,350,868)	-
Cash and cash equivalent, beginning of period	197,693,075	98,296,376	14,703,443	34,533,147	6,597,741	5,181,058	549,206	-	10,433	-	4,274,301	10,186,852	-
Effect of exchange rate fluctuations on cash held	1,020,357	3,234,690	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalent, end of period	64,385,941	92,028,169	20,862,071	46,144,574	25,998,545	7,611,986	1,461,440	-	15,714	-	3,493,978	8,835,984	

FINANCIAL STATEMENTS

04

27 (c) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at December 2019 are as follows:

Condensed profit and loss	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Diamond Finance B.V.	Access Bank Guinea	Access Bank PFC
In thousands of naira	**Access UK**	**Ghana**		**Congo**		**Gambia**	**Sierra Leone**		**BV**	**BV**	**BV**
Operating income	30,700,960	27,282,293	3,309,812	5,366,496	3,226,305	989,164	1,036,398	-	32,686	-	755,042
Operating expenses	(9,807,591)	(14,166,009)	(2,902,144)	(4,752,778)	(2,191,053)	(789,625)	(761,181)	-	(28,590)	-	(372,996)
Net impairment loss on financial assets	(348,543)	1,655,758	(54,167)	(92,104)	(283,921)	(7,979)	(5,664)	-	-	-	-
Profit before tax	20,544,826	14,772,042	353,501	521,614	751,331	191,560	269,553	-	4,096	-	382,046
Income tax expense	(4,606,537)	(3,113,081)	(101,387)	(438,714)	(241,987)	(46,971)	(69,386)	-	-	-	-
Profit for the year	15,938,289	11,658,961	252,114	82,900	509,344	144,589	200,168	-	4,096	-	382,046
Assets											
Cash and cash equivalents	187,344,128	68,941,205	12,676,174	38,494,916	9,478,061	4,972,172	1,157,626	-	8,692	5,441,100	4,273,554
Non pledged trading assets	-	52,847,477	-	-	-	-	-	-	-	-	-
Pledged assets	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	237,020,069	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	320,199,158	75,020,624	10,065,537	17,963,784	4,566,126	1,237,361	842,481	-	18,629,195	-	44,578
Investment securities	149,464,151	77,975,925	12,393,343	-	18,545,310	8,257,406	4,261,099	-	-	-	-
Investment properties	-	-	-	-	-	-	-		-	-	200,000
Other assets	3,130,785	6,229,773	301,298	1,413,911	2,559,750	829,531	736,115	-	688	-	21,275
Investment in associates	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	721,660	-	-	-	-	-	-	4,795,913	-	-	-
Property and equipment	1,352,209	14,327,417	1,911,436	3,117,354	659,043	746,674	402,984	-	-	-	62,666
Intangible assets	548,142	127,784	683,890	58,027	72,624	99,076	18,274	-	(3,223)	-	94,453
Deferred tax assets	-	2,351,401	-	991,418	431,757	2,708	45,890	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
	899,780,301	297,821,606	38,031,678	62,039,410	36,312,671	16,144,928	7,464,469	4,795,913	18,635,352	5,441,100	4,696,526

Financed by:											
Deposits from banks	488,810,476	13,684,596	-	-	4,896	-	599,309	-	-	-	-
Deposits from customers	281,021,142	189,142,072	31,322,448	41,347,878	28,265,734	11,389,389	5,008,829	-	-	-	-
Derivative Liability	17,907	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	2,772	11,877	-	172,366	3,962	-	-	-	-	-	-
Current tax liabilities	2,369,088	(561,481)	1,614	159,499	136,719	-	-	-	1,597	-	14,938
Other liabilities	9,757,522	6,890,321	2,713,263	2,688,965	524,984	1,207,319	281,639	-	11,591	-	225,344
Interest-bearing loans and borrowings	-	36,925,884	-	5,247,682	365,038	-	-	-	18,612,806	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	64,376	1,090,487	152,671	462,398	-	-	-	-	-	-	11,498
Equity	117,737,019	50,637,850	3,841,682	11,960,622	7,011,338	3,548,220	1,574,693	4,795,913	9,358	5,441,100	4,444,746
	899,762,395	297,821,606	38,031,678	62,039,410	36,312,671	16,144,928	7,464,469	4,795,913	18,635,352	5,441,100	4,696,526
Net cashflows from investing activities	(10,368,430)	(73,469,476)	(8,553,221)	(2,427,648)	(2,120,854)	(2,052,913)	(1,348,947)	-	-	-	180,403
Net cashflows from financing activities	13,719,022	11,202,804	(1,586,643)	7,400,164	(32,435)	-	-	-	-	-	-
Increase in cash and cash equivalents	(159,163,270)	(29,070,088)	(5,521,165)	16,362,390	9,478,151	1,165,550	158,098	-	-	-	55,250
Cash and cash equivalent, beginning of period	371,734,932	95,315,484	16,831,393	21,834,296	9,592,287	3,771,388	376,383	-	-	-	3,788,264
Effect of exchange rate fluctuations on cash held	522,957	3,947,968	-	-	-	-	-	-	-	-	-
Cash and cash equivalent, end of period	213,094,444	70,193,363	11,310,228	38,196,686	(114,136)	4,936,938	534,482	-	-	-	3,843,514

28 (a) Property and equipment

Group

In thousands of Naira	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Cost							
Balance at 1 January 2020	120,498,321	31,754,879	33,124,341	68,788,534	23,216,353	16,437,296	293,819,722
Acquired from business combination	93,480	-	13,657	170,603	-	-	277,740
Acquisitions	4,357,136	541,000	4,124,079	9,243,753	4,391,180	10,411,553	33,068,701
Disposals	(9,601,003)	(2,660,958)	(375,503)	(3,615,100)	(662,950)	-	(16,915,514)
Write-offs	(264,711)	-	(17,902)	(215,739)	(13,040)	(112,658)	(624,051)
Reversals/Reclassification from(to) others	-	-	-	-	-	-	-
Transfers	4,181,273	3,337,921	2,899,843	1,978,194	111,003	(12,508,234)	-
Translation difference	(104,132)	-	290,160	130,278	160,126	(257,816)	218,616
Balance at 31 December 2020	**119,160,365**	**32,972,842**	**40,058,675**	**76,480,524**	**27,202,674**	**13,970,142**	**309,845,214**
Balance at 1 January 2019	68,441,819	11,112,045	24,759,848	54,155,039	18,327,865	7,562,637	184,359,253
Acquired from business combination	45,822,253	20,507,420	1,711,188	6,638,063	1,351,558	219,213	76,249,695
Acquisitions	4,575,475	133,912	5,690,378	8,803,828	4,630,846	13,671,137	37,505,576
Disposals	(100,089)	-	(774,895)	(469,225)	(1,124,802)	-	(2,469,010)
Transfers	4,220,645	1,502	-	705,939	249,682	(5,177,767)	-
Write-offs	(36,266)	-	-	(4,064)	-	(94,008)	(134,339)
Translation difference	(2,425,516)	-	1,737,822	(1,041,046)	(218,796)	256,084	(1,691,453)
Balance at 31 December 2019	120,498,321	31,754,879	33,124,341	68,788,534	23,216,353	16,437,296	293,819,722

	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Depreciation and impairment losses							
Balance at 1 January 2020	17,089,709	-	24,271,518	43,552,881	11,877,305	-	96,791,413
Charge for the year	2,820,084	-	4,578,695	10,518,506	4,427,378	-	22,344,663
Impairment Charge	176,733	-	2,556	78,279	-	-	257,568
Disposal	(2,783,914)	-	(341,291)	(2,112,805)	(625,731)	-	(5,863,741)
Write-Offs	(264,711)	-	(16,151)	(226,602)	-	-	(507,464)
Transfers							-
Translation difference	(726,993)	-	295,627	167,082	145,087	-	(119,197)
Balance at 31 December 2020	**16,310,908**	**-**	**28,790,954**	**51,977,341**	**15,824,039**	**-**	**112,903,241**
Balance at 1 January 2019	14,840,634	-	21,299,150	34,740,360	9,810,386	-	80,690,530
Charge for the year	2,489,676	-	3,285,052	9,295,128	2,980,705	-	18,050,561
Disposal	(8,613)	-	(700,626)	(414,920)	(882,333)	-	(2,006,492)
Write-Offs	(33,234)	-	-	(1,898)	-	-	(35,132)
Translation difference	(198,754)	-	387,941	(65,789)	(31,453)	-	91,945
Balance at 31 December 2019	17,089,709	-	24,271,518	43,552,881	11,877,305	-	96,791,413
Carrying amounts	**102,849,457**	**32,972,842**	**11,267,721**	**24,503,183**	**11,378,635**	**13,970,142**	**196,941,972**
Right of use assets (see 28(b) below)	**29,536,732**	**-**	**-**	**-**	**-**	**-**	**29,536,732**
Balance at 31 December 2020	**132,386,189**	**32,972,842**	**11,267,721**	**24,503,183**	**11,378,635**	**13,970,142**	**226,478,704**
Balance at 31 December 2019	117,594,544	31,754,879	8,852,823	25,235,654	11,339,050	16,437,297	211,214,241

Depreciation charge on property plant and equipment and right of use assets

Total Depreciation charge (a+b)	**8,009,919**	**-**	**4,581,251**	**10,596,786**	**4,427,378**	**-**	**27,615,333**

(a) Estimates of useful life and residual value, and the method of depreciation, are reviewed at a minimum at each reporting year. Any changes are accounted for prospectively as a change in estimate.

(b) The leasehold improvements do not represent lessor's asset

The total balance for non current property, plant and equipment for the year is N226.12Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	102,849,457	32,972,842	11,267,721	24,503,183	11,378,635	13,970,142	196,941,978
	102,849,457	32,972,842	11,267,721	24,503,183	11,378,635	13,970,142	196,941,981

28 (b) Leases

Group

This note provides information for leases where the Bank is a lessee.

i Right-of-use assets	Land N'000	Building and Equipment N'000	Total N'000
Opening balance as at 1 January 2020	-	17,368,285	17,368,285
Acquired from business combination		298,037	298,037
Additions during the year	-	20,977,696	20,977,696
Disposals during the year		(536,494)	(536,494)
Reversals due to lease modifications		(812,775)	(812,775)
Translation difference		81,001	81,001
Closing balance as at 31 December 2020	**-**	**37,294,750**	**37,375,750**
Opening balance as at 1 January 2019	72,982	13,327,950	13,400,932
Acquired from business combination	-	1,813,081	1,813,081
Additions during the year	-	2,290,583	2,290,583
Disposals during the year	(72,982)	(63,329)	(136,312)
Closing balance as at 31 December 2019	-	17,368,285	17,368,285

Depreciation			
Opening balance as at 1 January 2020	-	3,182,353	3,182,353
Charge for the year	-	5,013,103	5,013,103
Disposals during the year	-	(173,519)	(173,519)
Reversals due to lease modifications	-	(290,336)	(290,336)
Translation difference		107,416	107,416
Closing balance as at 31 December 2020	**-**	**7,839,017**	**7,839,017**
Net book value as at 31 December 2020	**-**	**29,455,733**	**29,536,732**
Opening balance as at 1 January 2019	-	-	-
Charge for the year	-	3,182,353	3,182,353
Closing balance as at 31 December 2019	-	3,182,353	3,182,353
Net book value as at 31 December 2019	-	14,185,932	14,185,932

ii Amounts recognised in the statement of profit or loss

	N'000
Depreciation charge of right-of-use assets	5,013,103
Interest expense (included in finance cost)	922,385
Expense relating to short-term leases (included in administrative expenses)	586,791
Expense relating to leases of low-value assets (included in administrative expenses)	-
The total cash outflow for leases as at December 2020 was N933 million	933,650,433

28 (c) Property and equipment

Bank

In thousands of Naira	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Cost							
Balance at 1 January 2020	107,059,491	31,754,881	27,882,783	62,718,894	20,731,505	13,779,249	263,926,802
Acquisitions	766,703	-	3,090,823	8,589,782	4,029,803	4,728,258	21,205,368
Disposals	(6,988,740)	(2,660,958)	(307,876)	(2,390,296)	(596,542)	-	(12,944,412)
Reclassification	4,022,131	3,337,921	2,615,233	1,646,969	111,003	(11,733,257)	0
Reversals/Reclassification from(to) others	-	-	-	-	-	-	-
Write-Offs	(201,103)	-	(7,429)	(210,635)	-	(46,292)	(465,460)
Balance at 31 December 2020	**104,658,482**	**32,431,844**	**33,273,534**	**70,354,714**	**24,275,769**	**6,727,958**	**271,722,298**
Balance at 1 January 2019	55,008,145	11,112,047	22,322,764	47,436,345	15,853,637	6,119,044	157,851,982
Acquired from business combination	45,822,154	20,507,420	1,679,978	6,628,694	1,322,361	219,213	76,179,820
Acquisitions	3,529,489	133,912	4,572,215	8,480,739	4,361,880	11,181,145	32,259,370
Disposals	(98,889)	-	(692,174)	(437,712)	(1,041,595)	-	(2,270,369)
Transfers	2,798,592	1,502	-	610,828	235,222	(3,646,145)	-
Write-Offs	-	-	-	-	-	(94,008)	(94,008)
Balance at 31 December 2019	107,059,491	31,754,881	27,882,783	62,718,894	20,731,505	13,779,249	263,926,802

Depreciation and impairment losses	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Balance at 1 January 2020	13,975,776	-	19,838,724	38,999,208	10,507,905	-	83,321,613
Charge for the year (a)	2,147,377	-	3,790,037	9,717,062	4,099,496	-	19,753,972
Impairment charge	176,733	-	2,556	78,279	-	-	257,568
Disposal	(1,119,837)	-	(307,239)	(2,098,804)	(517,539)	-	(4,043,419)
Reclassifications	-						-
Write Off	(201,103)	-	(7,429)	(210,635)	-	-	(419,167)
Balance at 31 December 2020	**14,978,946**	**-**	**23,316,649**	**46,485,110**	**14,089,862**	**-**	**98,870,568**
Balance at 1 January 2019	12,223,170	-	17,890,242	30,766,704	8,579,321	-	69,459,437
Charge for the year	1,761,219	-	2,637,675	8,642,337	2,636,135	-	15,677,366
Disposal	(8,613)	-	(689,192)	(409,833)	(707,551)	-	(1,815,189)
Balance at 31 December 2019	13,975,776	-	19,838,724	38,999,208	10,507,905	-	83,321,615
Carrying amounts	**89,679,537**	**32,431,844**	**9,956,885**	**23,869,604**	**10,185,907**	**6,727,958**	**172,851,735**
Right of use assets (see 28(d) below)	19,041,585	-	-	-	-	-	19,041,585
Balance at 31 December 2020	**89,679,537**	**32,431,844**	**9,956,885**	**23,869,604**	**10,185,907**	**6,727,958**	**191,893,320**
Balance at 31 December 2019	93,083,717	31,754,881	8,044,058	23,719,687	10,223,601	13,779,249	188,634,458

Depreciation charge on property plant and equipment and right of use assets

Total Depreciation/Impairment charge (a+b)	**5,125,929**	**-**	**3,792,593**	**9,795,341**	**4,099,496**	**-**	**22,813,359**

(a) Estimates of useful life and residual value, and the method of depreciation, are reviewed at a minimum at each reporting year. Any changes are accounted for prospectively as a change in estimate.

The total balance for non current property, plant and equipment for the year is N191.89Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**89,679,537**	**32,431,844**	**9,956,885**	**23,869,604**	**10,185,907**	**6,727,958**	**172,851,733**
	89,679,537	**32,431,844**	**9,956,885**	**23,869,604**	**10,185,907**	**6,727,958**	**172,851,733**

28 (d) Leases

Bank

This note provides information for leases where the Bank is a lessee.

i) Right-of-use assets	**Land**	**Building and Equipment**	**Total**
	N'000	**N'000**	**N'000**
Opening balance as at 1 January 2020	-	9,465,519	9,465,519
Additions during the year		14,621,105	14,621,105
Disposals during the year		(415,739)	(415,739)
Reversals due to lease modifications		(812,775)	(812,775)
Closing balance as at 31 December 2020	**-**	**22,858,111**	**22,858,111**
Opening balance as at 1 January 2019	72,982	5,636,286	5,709,268
Acquired from business combination	-	2,079,481	2,079,481
Additions during the year	-	1,813,081	1,813,081
Disposals during the year	(72,982)	(63,329)	(136,311)
Closing balance as at 31 December 2019	-	9,465,519	9,465,518
Depreciation			
Opening balance as at 1 January 2020	-	1,436,253	1,436,253
Charge for the year (b)	-	2,801,819	2,801,819
Disposals during the year		(154,637)	(154,637)
Reversals due to lease modifications		(266,910)	(266,910)
Closing balance as at 31 December 2020	**-**	**3,816,525**	**3,816,525**
Net book value as at 31 December 2020	**-**	**19,041,585**	**19,041,585**

Opening balance as at 1 January 2019	-	-	-
Charge for the year (b)	-	1,436,253	1,436,253
Closing balance as at 31 December 2019	-	1,436,253	1,436,253
Net book value as at 31 December 2019	-	8,029,266	8,029,265

ii) Amounts recognised in the statement of profit or loss

	N'000
Depreciation charge of right-of-use assets (buildings)	2,801,819
Interest expense (included in finance cost)	851,155
Expense relating to short-term leases (included in administrative expenses)	586,791
Expense relating to leases of low-value assets (included in administrative expenses)	-
The total cash outflow for leases as at December 2020 was N927 million.	926,934,619

29 Intangible assets

Group

In thousands of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total Intangible
Cost							
December 2020							
Balance at 1 January 2020	5,235,837	1,218,346	31,147,503	28,664,776	12,651,500	4,724,566	83,642,528
Arising from business combination (See note 44)	6,546,334	-	104,643	-	-	-	6,650,977
Acquisitions		1,720,953	8,498,492	-	-	-	10,219,445
Reclassification	-	(1,374,049)	1,374,049	-	-	-	-
Write off	-	-	(227,514)	-	-	-	(227,514)
Translation difference	-	35,933	111,592	-	-	-	147,525
Balance at 31 December 2020	**11,782,171**	**1,601,183**	**41,008,765**	**28,664,776**	**12,651,500**	**4,724,566**	**100,432,961**
December 2019							
Balance at 1 January 2019	681,007	2,078,351	21,140,699	-	-	-	23,900,057
Arising from business combination (See note 44)	4,554,830	369,655	2,005,470	28,664,776	12,651,500	4,724,566	52,970,797
Acquisitions	-	883,820	6,909,093	-	-	-	7,792,913
Reclassification	-	(2,118,854)	2,118,854	-	-	-	-
Write off	-	(17,512)	(798,398)	-	-	-	(815,910)
Translation difference	-	22,886	(228,215)	-	-	-	(205,329)
Balance at 31 December 2019	5,235,837	1,218,346	31,147,503	28,664,776	12,651,500	4,724,566	83,642,528
Amortization and impairment losses							
Balance at 1 January 2020	-	-	17,709,774	2,149,858	948,863	354,342	21,162,837
Reclassification (a)	-	-	380,720	-	-	-	380,720
Amortization for the year	-	-	5,309,110	2,866,478	1,265,150	472,457	9,913,194
Write off	-	-	(227,514)	-	-	-	(227,514)

Translation difference	-	-	13,880	-	-	-	13,880
Balance at 31 December 2020	-	-	23,185,970	5,016,336	2,214,013	826,799	31,243,116
Balance at 1 January 2019	-	-	14,147,560	-	-	-	14,147,560
Amortization for the year	-	-	3,849,980	2,149,858	948,863	354,342	7,303,043
Impairment charge	-	-	624,642	-	-	-	624,642
Write off	-	-	(747,711)	-	-	-	(747,711)
Translation difference	-	-	(164,697)	-	-	-	(164,697)
Balance at 31 December 2019	-	-	17,709,774	2,149,858	948,863	354,342	21,162,837
Net Book Value							
Balance at 31 December 2020	11,782,171	1,601,182	17,822,795	23,648,440	10,437,487	3,897,767	69,189,845
Balance at 31 December 2019	5,235,837	1,218,346	13,437,729	26,514,918	11,702,637	4,370,224	62,479,692

a. This relates to the accumulated amortization balance of one of the subsidiaries wrongly mapped in prior year to other assets, not corrected

Intangible assets

Bank

In thousands of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total
Cost							
December 2020							
Balance at 1 January 2020	11,148,311	1,201,540	27,324,332	28,664,776	12,651,500	4,724,566	85,715,025
Acquisitions	-	1,285,545	7,905,935	-	-	-	9,191,480
Reclassification	-	(1,374,049)	1,374,049				-
Balance at 31 December 2020	**11,148,311**	**1,113,036**	**36,604,317**	**28,664,776**	**12,651,500**	**4,724,566**	**94,906,505**
December 2019							
Balance at 1 January 2019	-	2,269,477	17,391,856	-	-	-	19,661,333
Arising from business combination (See note 44)	11,148,311	369,655	1,940,709	28,664,776	12,651,500	4,724,566	59,499,517
Acquisitions	-	669,088	6,601,488	-	-	-	7,270,576
Reclassification	-	(2,106,680)	2,106,680	-	-	-	-
Write off	-	-	(716,401)	-	-	-	(716,401)
Balance at 31 December 2019	11,148,311	1,201,540	27,324,332	28,664,776	12,651,500	4,724,566	85,715,025
Amortization and impairment losses							
Balance at 1 January 2020	-	-	14,711,295	2,149,858	948,863	354,342	18,164,358
Amortization for the year	-	-	4,641,985	2,866,478	1,265,150	472,457	9,246,069
Balance at 31 December 2020	**-**	**-**	**19,353,279**	**5,016,336**	**2,214,013**	**826,799**	**27,410,426**
Balance at 1 January 2019	-	-	11,430,134	-	-	-	11,430,134
Amortization for the year	-	-	3,363,413	2,149,858	948,863	354,342	6,816,476
Write off	-	-	(706,894)	-	-	-	(706,894)
Impairment charge	-	-	624,642	-	-	-	624,642
Balance at 31 December 2019	-	-	14,711,295	2,149,858	948,863	354,342	18,164,358

Carrying amounts

Balance at 31 December 2020	**11,148,311**	**1,113,036**	**17,251,037**	**23,648,440**	**10,437,487**	**3,897,767**	**67,496,079**
Balance at 31 December 2019	11,148,311	1,201,540	12,613,037	26,514,918	11,702,637	4,370,224	67,550,666

Amortization method used is straight line.

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Classified as:				
Current	-	-	-	-
Non current	69,189,845	62,479,692	67,496,079	67,550,666

29(b) Intangible assets

(i) Goodwill is attributable to the acquisition of Diamond Bank Plc and the following subsidiaries:

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Diamond Bank Plc (see (a) below)	4,554,830	4,554,830	11,148,315	11,148,311
Access Bank Rwanda (see (b) below)	681,007	681,007	-	-
Access Bank Kenya (see (c) below)	6,546,334	-	-	-
	11,782,171	**5,235,837**	**11,148,315**	**11,148,311**

(a) Diamond bank:

The recoverable amount of Goodwill as at 31 December 2020 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N777bn

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the year and no losses on goodwill were recognized as at 31 December 2020 (31 December 2019: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. The CGU's are Corporate & Investment Banking, Commercial Banking, Business Banking and Personal Banking.

Goodwill impairment test was done by comparing the value-in-use for each group of CGUs to the carrying amount of the goodwill based on discounted cash flow projections. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 1.07%. A discount rate of 13.65% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

The key assumption used in computing the value-in-use for goodwill in during the year are as follows:

Compound annual volume growth (i)	2.00%
Long term growth rate (ii)	1.07%
Discount rate (ii)	13.65%

(i) Compound annual volume growth rate in the initial five-year period.

(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget year.

(iii) Post-tax discount rate applied to the cash flow projections.

Cash Flow Forecast

Cash flows were projected based on past experience, actual operating results and the 5-year business plan. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate

Post-tax discount rate of 13.65% was applied in determining the recoverable amounts for Diamond Bank Plc. This discount rate was estimated using the Bank's beta, the risk-free rate and the country risk premium for Nigeria.

Long-term growth rate

The long term growth rate applied was based on the long term growth rate in GDP of Nigeria.

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 entity (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation	(27,057,279)	33,643,882
Impact of change in growth rate on value-in-use computation	2,062,804	(2,049,618)

There were no write-downs of goodwill due to impairment during the year

(b) Access Bank Rwanda:

The key assumption used in computing the value-in-use for goodwill in during the year are as follows:

	December 2020
Compound annual volume growth (i)	7.16%
Long term growth rate (ii)	6.10%
Discount rate (iii)	33.0%

(i) Compound annual volume growth rate in the initial four-year period.

(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget year.

(iii) Post-tax discount rate applied to the cash flow projections.

Cash Flow Forecast

Cash flows were projected based on past experience, actual operating results and the 4-year business plan. These cash-flows are based on the expected revenue growth for the entity over this 4-year period.

Discount Rate

Post-tax discount rate of 33% was applied in determining the recoverable amounts for the only entity with goodwill (Access Bank Rwanda). This discount rate was estimated using the risk-free rate and the country risk premium for Rwanda.

Long-term growth rate

The long term growth rate applied was based on the long term growth rate in GDP of Rwanda

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."

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation	(2,002,243)	2,243,960
Impact of change in growth rate on value-in-use computation	2,847,002	(2,778,230)

(c) Access bank Kenya:

Goodwill represents the value derived from a larger branch network and combined synergies of operations. The Goodwill recognized from former Transnational Bank as at 20th July 2020 is provisional as the Bank has up till the end of the year from the acquisition date to complete all assessments. Goodwill is not deductible for tax purposes. The deferred consideration considered in the goodwill computation has been carried at its present value using a discount rate of 4.24% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Kenya.

The goodwill N6.5Bn arising from the acquisition of Transnational Bank Kenya (now Access Bank Kenya) is provisional.

30 Deferred tax assets and liabilities

(a) Group

The following items gave rise to temporary differences during the year. Deferred tax assets and liabilities are attributable to the following items below:

In thousands of Naira	December 2020			December 2019		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	19,462,799	(3,261,531)	16,201,267	12,636,537	(174,086)	12,462,451
Allowances/(Reversal) for loan losses	33,362,291	(11,185)	33,351,107	15,354,817	-	15,354,817
Tax loss carry forward	11,418,482	-	11,418,482	13,902,540	-	13,902,540
Exchange gain/(loss) unrealised	-	(71,612,263)	(71,612,263)	-	(44,198,469)	(44,198,469)
Acquired Deferred tax asset	-	-	-	-	-	-
Actuarial loss on retirement benefit obligation	8,842	(4,269)	4,573	8,606	(4,155)	4,451
Fair value gain on equity investments	-	-	-	8,845	-	8,845
Deferred tax assets (net)	64,252,414	(74,889,248)	(10,636,836)	41,911,345	(44,376,710)	(2,465,365)

(b) Bank

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	December 2020			December 2019		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	17,290,585	-	17,290,585	12,038,204	-	12,038,204
Allowances/(Reversal) for loan losses	30,977,333	-	30,977,333	13,281,036	-	13,281,036
Tax loss carry forward	11,418,483	-	11,418,483	13,902,540	-	13,902,540
Exchange gain unrealised	-	(71,612,263)	(71,612,263)	-	(43,728,890)	(43,728,890)
Acquired Deferred tax asset	-	-	-	-	-	-
Fair value gain on equity investments	-	-	-	-	-	-
Deferred tax on retirement benefit obligation	-	-	-	-	-	-
Deferred tax assets/(liabilities)	59,686,401	(71,612,263)	(11,925,861)	39,221,780	(43,728,890)	(4,507,110)

Deferred tax asset are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. After reviews of the medium-term profit forecasts, the Group considers that there will be sufficient profits in the future against which these losses will be offset.

There were no unrecognized deferred tax assets or liabilities as at 31 December 2020 (31 December 2019: nil)

	Group December 2020	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Deferred income tax assets				
– Deferred income tax asset to be recovered after more than 12 months	49,556,947	27,821,719	48,267,919	25,319,240
– Deferred income tax asset to be recovered within 12 months	14,695,469	14,089,626	11,418,482	13,902,540
	64,252,416	41,911,345	59,686,401	39,221,780

FINANCIAL STATEMENTS

04

Deferred income tax liabilities				
– Deferred income tax liability to be recovered after more than 12 months	(3,272,716)	(174,086)	-	-
– Deferred income tax liability to be recovered within 12 months	(71,616,532)	(44,202,624)	(71,612,264)	(43,728,890)
	(74,889,248)	(44,376,710)	(71,612,264)	(43,728,890)

30 Deferred tax assets and liabilities

(c) Movement on the net deferred tax assets / (liabilities) account during the year:	Group	Group	Bank	Bank
	December 2020	December 2019	December 2020	December 2019
In thousands of Naira				
Balance, beginning of year	(2,465,364)	(5,534,180)	(4,507,110)	(4,505,966)
Acquired from Business Combination	597,462	4,971,317	-	4,984,388
Tax charge	(8,524,257)	(3,930,538)	(7,541,560)	(5,277,786)
Translation adjustments	(367,481)	1,735,781	-	-
Items included in OCI	122,809	292,254	122,809	292,254
Net deferred tax assets/(liabilities)	(10,636,832)	(2,465,364)	(11,925,861)	(4,507,110)
Out of which				
Deferred tax assets	64,252,416	41,911,345	59,686,401	39,221,780
Deferred tax liabilities	(74,889,249)	(44,376,710)	(71,612,264)	(43,728,890)

	Group December 2020		Group December 2019	
	Deferred Tax Assets	Deferred Tax liabilities	Deferred Tax Assets	Deferred Tax liabilities
Entity				
Access Bank Sierra Leone	-	10,645	45,890	-
Access Bank Rwanda	-	168,411	-	152,671
Access Bank United Kingdom	-	167,950	-	64,376
Access Bank Ghana	2,379,805	2,536,146	2,351,402	1,090,487
Access Pensions	-	33,805	-	11,498
Access Bank Congo	964,257	1,031	991,418	462,398
Access Bank Gambia	-	33,433	2,708	-
Access Bank Zambia	308,639	-	431,757	-
Access Bank Kenya	586,277	-	-	-
Access Bank Mozambique	1,470	-	-	-
Access Bank Nigeria	-	11,925,862	4,984,388	9,491,498
Total Deferred Tax	**4,240,448**	**14,877,283**	**8,807,563**	**11,272,928**

Temporary difference relating to the Group's Investment in subsidiaries as at 31 December 2020 is N36.51billion (Dec 2019: N22.99billion). As the Group exercises control over the subsidiaries, it has the power to control the timing of the reversals of the temporary difference arising from its investments in them. The Group has determined that the subsidiaries' profits and reserves will not be distributed in the foreseeable future and that the subsidiaries will not be disposed of. Hence, the deferred tax arising from the temporary differences above will not be recognised.

Items included in Other Comprehensive Income

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Actuarial gain/loss on retirement benefit obligation				
Gross loss on retirement benefit obligation	383,777	913,293	383,777	913,293
Deferred tax @ 30%	(122,809)	(292,254)	(122,809)	(292,254)
Net balance loss after tax	260,968	621,039	260,968	621,039

Deferred Tax asset

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Classified as:				
Current	14,695,469	14,089,626	11,418,482	13,902,540
Non current	49,556,947	27,821,719	48,267,919	25,319,240

Deferred Tax liability

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Classified as:				
Current	(71,616,532)	(44,202,624)	(71,612,264)	(43,728,890)
Non current	(3,272,716)	(174,086)	-	-

31a Investment properties

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Balance at 1 January	927,000	-	727,000	-
Acquired from business combination	-	4,053,511	-	3,878,511
Additions for the year	-	2,435	-	2,435
Disposals during the year	(710,000)	(3,153,946)	(510,000)	(3,153,946)
Valuation gain/(loss)	-	25,000	-	-
Balance, end of year	**217,000**	**927,000**	**217,000**	**727,000**

Investment property of N217 million for the Group, represents the value of landed properties which are carried and measured at fair value. There was no rental income from such properties during the year and no restrictions on the realisability of the property.

Valuation technique used for fair valuation of investment properties
Investment properties are stated at fair value, which has been determined based on valuations performed by various Estate Surveyors and Valuers . The valuers are industry specialists in valuing these types of investment properties. The fair value is supported by market evidence and represents the amount that would be received to sell the properties in an orderly transaction between market participants at the measurement date in the principal market to which the Group has access at the date of valuation, in accordance with standard issued by the International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are reported in valuation gain on investment properties under other operating income (see note 13) . The profits or losses on disposal are also reported in the profit or loss as they occur.

The professional valuers engaged for the preparation of the valuation reports is Paul Osaji and Company (FRC/2013/00000000001098)

All investment properties have been classified as non current with a carrying amount of N217 million for Group and N217 million for Bank

31b Assets classified as held for sale

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Balance at 1 January	24,957,518	12,241,824	24,957,518	12,241,823
Acquired from business combination	-	7,976,260	-	-
Additions	5,370,949	14,660,695	5,180,949	14,660,695
Disposals	(2,010,000)	(9,921,260)	(2,010,000)	(1,945,000)
	28,318,467	**24,957,519**	**28,128,467**	**24,957,518**

The total balance for non current financial assets held for sale for the year is N28.32Bn for Group and N28.13Bn for Bank

Classified as:				
Current	-	-	-	-
Non current	28,318,467	24,957,519	28,128,467	24,957,518

The professional valuers engaged for the preparation of the valuation reports are: Ubosi Eleh and Company (FRC/2014/00000003997), Odudu and Company (FRC/2012/NIESV/00000000198), Paul Osaji and Company (FRC/2013/00000000001098), Banjo Adeleke and Company (FRC/2013/NIESV/00000003314); and Osas and Oseji (FRC/2012/000000000522)

32 Deposits from financial institutions

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Money market deposits	501,831,841	974,352,271	271,700,559	863,988,212
Trade related obligations to foreign banks	456,565,330	212,004,041	559,931,775	215,296,202
	958,397,171	**1,186,356,312**	**831,632,332**	**1,079,284,414**
Current	885,853,455	966,320,432	759,088,616	856,740,698
Non-current	72,543,716	220,035,880	72,543,716	222,543,716

33 Deposits from customers

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019

Term deposits	1,975,382,019	1,784,924,350	1,586,352,295	1,463,431,594
Demand deposits	2,301,974,129	1,681,564,464	1,991,980,453	1,453,307,535
Saving deposits	1,310,062,064	789,348,489	1,254,411,747	751,600,682
	5,587,418,213	**4,255,837,303**	**4,832,744,495**	**3,668,339,811**
Current	5,133,490,210	3,770,912,953	4,767,846,216	3,504,908,217
Non-current	453,928,003	484,924,350	64,898,279	163,431,594

34 Other liabilities

In thousands of Naira	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Financial liabilities				
Certified and bank cheques	4,508,867	4,526,529	4,133,280	3,084,912
E-banking payables (see (a) below)	89,242,387	64,552,944	88,490,471	64,219,999
Collections account balances (see (b) below)	152,676,595	71,047,441	150,896,742	69,631,695
Due to subsidiaries	-	-	548,835	588,431
Accruals	2,368,024	2,185,506	802,205	898,422
Creditors	10,820,370	6,493,771	2,417,023	2,564,043
Payable on AMCON	1,281,293	1,701,606	1,281,293	1,701,606
Customer deposits for foreign exchange (see (c) below)	40,494,867	39,937,507	40,494,867	39,937,459
Unclaimed dividend (see (d) below)	15,730,661	15,881,375	15,730,661	15,881,375
Lease liabilities	13,588,379	10,325,181	5,385,378	5,244,844
Other financial liabilities	23,186,625	94,447,723	10,156,074	87,078,269
ECL on off-balance sheet (see (e) below)	2,740,034	4,526,457	2,619,082	4,353,070
	356,638,102	315,626,040	322,955,910	295,184,125
Non-financial liabilities				
Litigation claims provision (see (f) below)	1,919,853	1,401,620	1,919,854	1,401,620
Other non-financial liabilities	20,858,831	7,306,220	17,584,504	5,676,205
Total other liabilities	**379,416,786**	**324,333,880**	**342,460,268**	**302,261,950**
Classified as:				
Current	368,332,745	316,513,040	337,848,886	297,791,103
Non current	11,084,041	7,820,840	4,611,382	4,470,847
	379,416,786	**324,333,880**	**342,460,268**	**302,261,950**

(a) E-banking payables represent settlements due to other banks use of their electronic channels by the Group's customers. The Group's Receivables from other banks is contained in Note 26.

(b) Collections are balances held in trust on behalf of customers for various transactions. These include escrows, collection for remittances, payments, etc.

FINANCIAL STATEMENTS
04

(c) Customer deposits for foreign exchange represents deposits that customers have made to fulfil foreign currency obligations. The Group's process requires that customers with foreign currency obligations deposit foreign currency to back the transactions. The corresponding balance is in Other deposits with central banks - Cash and balances with banks.

(d) Unclaimed dividend is the balance of dividend declared by the Bank but yet to be claimed by shareholders. The amount relates to the portion that has been transferred to the Bank by the Registrar in accordance with Securities and Exchange Commission guidelines on Return of Unclaimed Dividends (See Note 19) for the corresponding assets with Asset Managers. The amount is payable on demand to shareholders.

(e) Movement in ECL on contingents	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Opening balance at 1 January 2020/31 December 2019	4,526,457	1,482,932	4,353,070	1,482,931
Acquired from business combination	-	1,679,388	-	1,679,388
Charge for the year	(1,741,908)	1,266,048	(1,733,988)	1,190,751
Allowance written back		-	-	-
Revaluation difference	(44,515)	98,089	-	-
Balance, end of year	2,740,034	4,526,457	2,619,082	4,353,070

(f) Movement in litigation claims provision	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Opening balance	1,401,620	945,372	1,401,620	945,372
Additions	518,233	456,248	518,233	456,248
Closing balance	**1,919,853**	**1,401,620**	**1,919,853**	**1,401,620**

ii Lease liabilities

	Group N'000	**Bank N'000**
Opening balance as at 1 January 2020	10,325,181	5,244,844
Acquired from business combination	73,559	-
Additions	4,524,454	549,938
Interest expense	1,804,032	851,155
Lease payments	(2,193,539)	(306,700)
Leases terminations in the year	(442,526)	(314,461)
Lease liability remeasurements related to lease modifications	(639,396)	(639,396)
Translation difference	136,614	
Closing balance as at 31 December 2020	**13,588,379**	**5,385,380**
Current lease liabilities	3,378,658	505,900
Non-current lease liabilities	10,209,722	4,879,478

	13,588,379	**5,385,378**

ii Lease liabilities

	Group	Bank
	N'000	N'000
Opening balance as at 1 January 2019	7,246,007	2,312,629
Additions	2,635,212	2,495,673
Acquired from business combination	878,244	878,243
Interest expense	1,122,276	742,971
Payments made during the year	(1,556,558)	(1,184,674)
Closing balance as at 31 December 2019	**10,325,181**	**5,244,844**
Current lease liabilities	2,504,339	773,997
Non-current lease liabilities	7,820,842	4,470,847
	10,325,181	**5,244,844**

iii) Liquidity risk (maturity analysis of undiscounted lease liabilities)

Less than 6 months	1,248,776	477,832
6-12 months	1,758,239	681,531
Between 1 and 2 years	3,206,456	1,244,763
Between 2 and 5 years	5,950,451	4,146,251
Above 5 years	1,802,415	593,591
	13,966,337	**7,143,968**
Carrying amount	13,588,379	5,385,378

35 Debt securities issued

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Debt securities at amortized cost:				
Eurobond debt security (see (i) below)	122,195,240	110,933,768	122,195,240	110,933,768
Green Bond (see (ii) below)	15,423,330	15,426,233	15,423,330	15,426,233
Local Bond (see (iii) below)	31,541,489	31,627,876	31,541,489	31,627,876
	169,160,059	**157,987,877**	**169,160,059**	**157,987,877**

Movement in Debt securities issued:

In thousands of Naira	Group December 2020	Bank December 2020

FINANCIAL STATEMENTS

04

Net debt as at 1 January 2020	157,987,877	157,987,877
Debt securities issued	-	-
Repayment of debt securities issued	-	-
Total changes from financing cash flows	157,987,877	157,987,877
The effect of changes in foreign exchange rates	11,102,709	11,102,709
Other changes		
Interest expense	19,305,691	19,305,691
Interest paid	(19,236,218)	(19,236,218)
Balance as at 31 December 2020	**169,160,059**	**169,160,059**

In thousands of Naira	**Group December 2019**	**Bank December 2019**
Net debt as at 1 January 2019	251,251,383	251,251,383
Arising from business combination	74,270,686	74,270,686
Debt securities issued	45,000,000	45,000,000
Repayment of debt securities issued	(216,208,000)	(216,208,000)
Total changes from financing cash flows	154,314,069	154,314,069
The effect of changes in foreign exchange rates	3,124,782	3,124,782
Other changes		
Interest expense	22,913,352	22,913,352
Interest paid	(22,364,326)	(22,364,326)
Balance as at 31 December 2019	**157,987,877**	**157,987,877**

(i) This refers to US$300,000,000 notes of 10.5% interest issued on 19 October 2016 with a maturity date of 19 October 2021. It represents an amortized cost of N124.88bn.

(ii)The Bank issued an unsecured green bond on March, 18, 2019 with a coupon rate of 15.5% payable semi-annually. The bond has a tenor of 5 years and is due on March, 2024.

(iii) The Bank issued a local bond on July, 4, 2019 with a coupon rate of 15.5% payable semi-annually. The bond has a tenor of 7 years and is due on July, 2026.
The principal amount on the notes are payable at maturity, whilst interest is payable on a semi-annual basis at their respective interest rates.

36 Interest bearing borrowings

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
African Development Bank (see note (a))	17,755,228	20,939,343	17,755,228	20,939,343
Netherlands Development Finance Company (see note (b))	142,907,542	92,086,136	129,820,587	92,086,136
French Development Finance Company (see note (c))	1,767,670	15,520,364	-	-
European Investment Bank (see note (d))	37,430,800	36,380,291	36,379,295	11,543,928
Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (e))	4,198,814	4,693,167	4,198,814	4,693,167
International Finance Corporation (see note (f))	55,381,711	31,439,752	55,381,711	31,439,752
French Development Agency (see note (g))	12,048,263	-	12,048,263	-
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (h))	8,664,680	8,038,249	8,664,680	8,038,249
Bank of Industry-Intervention Fund for SMEs (see note (i))	2,258,000	2,363,684	2,258,000	2,363,684
Bank of Industry-Power & Airline Intervention Fund (see note (j))	3,387,775	4,879,470	3,387,775	4,879,470
Special Refinancing & Restructuring Intervention fund (SRRIF) (see note (k))	3,365,050	4,846,793	3,365,050	4,846,793
Central Bank of Nigeria - Salary Bailout facilities (see note (l))	60,370,979	62,044,365	60,370,979	62,044,365
Central Bank of Nigeria - Excess Crude Account (see note (m))	109,185,236	113,557,046	109,185,236	113,557,046
Real Sector And Support Facility (RSSF) (see note (n))	16,508,760	18,407,176	16,508,760	18,407,176
Development Bank of Nigeria (DBN) (see note (o))	75,022,451	3,858,756	75,022,451	3,858,756
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (p))	105,690,820	48,978,051	105,690,820	48,978,051
Nigeria Mortgage Refinance Company (NMRC) (see note (q))	5,736,228	5,885,062	5,736,228	5,885,062
Micro small and medium enterprise development fund (MSMEDF) (see note (r))	-	26,544.25	-	26,544
Africa Export and Import Bank (AFREXIM) (see note (s))	59,916,173	76,850,820	59,916,173	76,850,820
Diamond finance B V (Anambra State Government) (see note (t))	20,431,367	18,609,362	20,431,367	18,609,362
BOI Power and steel (PAIF) (see note (u))	11,762,893	14,866,955	11,762,893	14,866,955
Bank of Industry (RRF) (see note (u))	-	81,290	-	81,290
Creative Industry Financing Initiative Fund (CIFI) (see note (v))	1,636,867	2,250,153	1,636,865	68,277
Accelerated Agricultural Development Scheme (AADS) (see note (w))	2,938,301	-	2,938,301	-
Non-Oil Export Stimulation Facility (NESF) (see note (x))	4,020,064	-	4,020,064	-
Health Sector Intervention (HSI) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (y))	7,584,176	-	7,584,176	-
Lagos State Employment Trust Fund (LESTF) W Initiative (see note (z))	1,000,000	-	1,000,000	-
ECOWAS Bank for Investment and Development (EBID) (see note (aa))	5,203,595	-	-	-
Other loans and borrowings	15,281,794	-	190,557	-
	791,455,237	**586,602,830**	**755,254,273**	**544,064,226**

There have been no defaults in any of the borrowings covenants during the year.

FINANCIAL STATEMENTS

04

(a) The amount of N17,755,228,365 (USD 44,351,481) represents the outstanding balance in the on-lending facility granted to the Bank by AFDB (Africa Development Bank) in two tranches. The first tranche of USD35 million has matured and was fully paid out in August 2016. The second tranche was disbursed in August 2014 (USD 90m) for a period of 10years, while the third tranche came in June 2016 for (USD 10m) for a period of 9 years. The principal amount is repayable semi-annually starting from February 2017 for both tranches. Interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(b) The amount of N142,907,542,255 (USD 356,974,352) represents the outstanding balance in the on-lending facility granted to the Bank by the Netherlands Development Finance Company effective from March 2018 (USD 100m), Feb 2019 (USD 162.5m) ans 2020 (USD 93.8m)for a period of 5 years, 10 years and 10 years respectively. The principal amount is repayable semi-annually from July 2019, quarterly from May 2019 and January 2026 respectively while interest is paid semi annually at 5.5% above 6 months LIBOR, quarterly at 7.83% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years and quarterly at 9.61%. It also includes the facility granted to Ghana in July 2018 for a period of 7 years at 6.88% with interest and principal (starting June 2023) payable semi-annually. Two facilities were also granted to Congo in Dec 2019 for a period of 5 and 3 years respectively with the principal amount repayale semi-annually from Jan 2022 and Jan 2021 respectively while interest is paid semi annually at 4.2% above LIBOR and 4% above LIBOR respectively. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(c) The amount of N1,767,670,289 (USD 4,415,533) represents the outstanding balance in the on-lending facility granted to Ghana by the French Development Finance Company effective from 30 December 2014 for 7 years to support lending to the private sector at 5.98% with principal and interest repayable semi annualy. There is no outstanding balance in the onlending facility granted to the Bank effective from 15 December 2012 and disbursed in four tranches; February 2013 (USD 6m), October 2013 (USD 15m), October 2013 (USD 9m) and November 2014 (USD 30m) for a year of 6.5 years for the first three tranches and 5 years for the fourth tranche. The principal amount is repayable semi-annually from December 2014 with the fourth tranche repayable from January 2016 while interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(d) The amount of N37,4430,799,971 (USD 93,499,863) represents the outstanding balance on five on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013(USD 25m), September 2013 (USD 26.75m), June 2014 (USD 14.7m), September 2015 (USD 27.9m), March 2016 (USD 27.1m) and July 2020 (USD 68.7m) for a period of 6 years each for the first three, a period of 8 years each for the next two and a period of 5 years for the last one. Interest is paid semi-annually at 2.6%, 2.6% , 2.93%, 2.6%, 2.6% respectively above 6 months LIBOR and 3.04% for the last one. It also includes the facility granted to Ghana in Oct 2016 for a period of 7 years. Principal and interest are paid semi-annually at 4.57%. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(e) The amount of N4,1,98,813,609 (USD 10,488,381) represents the outstanding balance on the on-lending facility of USD 15mn granted to the Bank by the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) in December 2017 (USD 15m) for a period of 7 and a half years. The principal amount will be repayable semi-annually from May 2019 while interest is paid semi annually at 7.69% above 6months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(f) The amount of N55,381,710,870 (USD 138,340,147) represents the outstanding balance on the on-lending facility of USD 87.5mn and USD 50mm granted to the Bank by International Finance Corporation for a period of 10 years and 1 year respectively. The principal amount will be repayable quarterly from September 2019 and October 2020 respectively, while interest is paid semi annually at 7.69% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years and 4.25% above 6 months LIBOR for a year From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(g) The amount of N12,048,262,888 (USD 30,095,828) represents the outstanding balance on the on-lending facility of USD 30mn granted to the Bank by French Development Agency for a period of 8 years. The principal amount will be repayable semi annually from November 2020 while interest is paid quarterly at 3.57%. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(h) The amount of N8,664,679,827 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) in respect of Commercial Agriculture Credit Scheme (CACS) established by both CBN and the FGN for promoting commercial agricultural enterprises in Nigeria. The facility is for a maximum year of 7 years at a zero percent interest rate to the Bank The Bank did not provide security for this facility. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(i) The amount of N2,258,000,000 represents an outstanding balance on the intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility has a tenor of 10 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(j) The amount of N3,387,775,315 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria, to be applied to eligible power and airline projects. The total facility has a maximum tenor of 13.5 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers within the power and aviation sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(k) The amount of N3,365,050,022 represents the outstanding balance on intervention credit granted to the bank by the Bank of Industry (BOI) under the Special refinancing and Restructuring intervention fund, with a 10 year tenor which is due on the 31 August 2024. The bank has a 36 months moratorium on the facility after which principal repayment will be charged quarterly. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(l) The amount of N60,370,978,502 represents the outstanding balance on the state salary bailout facilities granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments for payments of salary of workers of the states. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(m) The amount of N109,185,235,757 represents the outstanding balance on the excess crude account loans granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(n) The amount of N16,508,760,313 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) established by CBN. The facility tenor is for a range of 7 to 10 years inclusive of 24 months moratorium at a 3% interest rate to the Bank. An additional facility of NGN2bn was disbursed under the scheme for a period of 7 years inclusive of 1 year moratorium at a 3% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(o) The amount of N75,022,450,705 represents the outstanding balance on four on-lending facilities granted to the Bank by the Development Bank of Nigeria in two series in respect of the Micro, Small and Medium Scale Enterprises (MSMEs) and Small Corporates. The facilities are for a maximum of 3 years at a 9.6% interest rate to the Bank. A third series of about 1.68bn was disbursed for a period of 10 years. The fourth facility of about 70bn was disbursed for a period of 10 years at an interest rate of 10%. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(p) The amount of N105,690,819,749 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) established by CBN supporting Reddington Multi-specialist Hospital, Dana Motors, Lafarge Africa PLC. The facility is for a maximum period of 7 years inclusive of 12 months moratorium for Reddington and Dana and a 24 months moratorium for Lafarge at a 0% interest rate to the Bank. Additional amounts were disbursed between July 2019 and November 2019 in favor of 5 other beneficiaries amounting to 34.58bn for a period of 7 years with 2 years moratorium at 2% interest rate on a quarterly basis for the first 4 counterparties and 10 years with no moratorium at 1% interest rate on a quarterly basis for the last counterparty. There were additional facilities disbursed in 2020 in favor of 16 other beneficiaries amounting to about N59bn for a period of 4 to 10 years inclusive of 6 months to 2 years moratorium at 2% interest rate on a quarterly basis. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(q) The amount of N5,736,227,740 represents the outstanding balance on the on-lending facility granted to the Bank by Nigeria Mortgage Refinance Company. The facility is for a maximum period of 15 years commencing from the date of execution of this agreement at a 14.5% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(r) This on-lending facility granted to the Bank under the Central Bank of Nigeria scheme Micro, Small and medium Enterprise Development Fund (MSMEDF). The on-lending facility is for a maximum tenor of 5 years where the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% to 9% per annum depending on the beneficiary. The principal amount of the on-lending facility is repayable on a monthly basis over the tenor of the borrowing which will expire in August 2020. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(s) The amount of N59,916,173,054 (USD 149,666,957) represents the outstanding balance on the on-lending facility of USD 25mn granted to the Bank by Africa Export and Import Bank (AFREXIM) in May 2018 for a period of 3 years. The principal amount will be repayable semi-annually from November 2018 while interest is paid quaterly at 7% above 3 months LIBOR. In December 2019, AFREXIM disbursed a USD200mn for a period of 3 years to be paid quarterly with a 6 months moratorium with Interest also paid quarterly at 3.64% and LIBOR. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(t) The amount N20,431,367,123 (USD 51,036,313) represents the outstanding balance on the Group's issued dollar denominated loan particpatory notes of $50 million (N9.95 billion) through a structured entity, Diamond Finance BV, Netherlands, on 27 March 2014, which is due on 27 March 2021. The principal amount is payable at the end of the tenor while interest on the notes is payable semi-annually at 7% per annum. The net proceeds from the issue of the Loan Participatory Notes, was used by the Issuer (Diamond Finance BV) for the sole purpose of providing a loan to Diamond Bank, which was in turn used by the Bank to support its business expansion and development. Diamond Bank (now Access Bank Plc), unconditionally and irrevocably guaranteed the due payment of all sums by the Issuer (Diamond Finance BV) in respect of the Notes. The Group has not had any defaults of principal or interest with respect to its subordinated liabilities during the period ended 30 June 2020. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(u) The amount of N11,762,893,086 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria. The total facility has a maximum tenor of 15 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7%. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2020

(v) The amount of N1,636,867,019 represents the outstanding balance on the on-lending facility granted to the Bank by the Central Bank of Nigeria under the Creative Industry Financing Initiative established by the CBN. The initiative is on a request by request basis. The tenor of the facilities granted ranges from 3 to 10 years inclusive of a maximum of 24 months moratorium. There are currently 14 beneficiaries under the initiative. The Bank is under obligation to on-lend to customers at an all-in interest rate of 9% with 2% remitted to CBN. The Bank remains the primary obligor to CBN and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(w) The amount of N2,938,300,788 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Accelerated Agricultural Development Scheme (AADS) on behalf of Bayelsa State Government. The facility is for a period of 3 years inclusive of 24 months moratorium at a 4% interest rate repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(x) The amount of N4,020,064,265 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Non-Oil Export Stimulation Facility (NESF) supporting Leaf Tobacco and Commodities Nigeria Limited in acquiring additional machinery for expansion of their facilities. The facility is for a period of 6 years inclusive of 12 months moratorium at a 1% interest rate repayable on a quarterly basis which will increase to 2% effective March 1, 2021. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(y) The amount of N7,584,175,739 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria through the Health Sector Intervention Facility (HSIF) window of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) supporting 8 beneficiaries (N7.6bn). The tenor of the facility ranges from 4 to 10 years inclusive of maximum moratorium of 12 months. The interest is set at 1% repayable on a quarterly basis which will increase to 2% effective March 2021. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(z) The amount of N1,000,000,000 represents the outstanding balance on the on-lending facility granted to the Bank by Lagos State Employment Trust Fund (LESTF) The tenor of the facility is 2 years. The interest is set at 5% repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

aa) The amount of f N5,203,595,207 (USD 12,998,264) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by ECOWAS Bank for Investment and Development (EBID) which attracts an interest rate of 2.75% for 60 days with four different facilities disbursed between October and December (2 Oct 2020, 3 Nov 2020, 5 Dec 2020 and 6 Dec 2020) all with principal and interest payable at maturity. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

In thousands of Naira	Group December 2020	Bank December 2020
Balance as at 1 January 2020	586,602,830	544,064,226
Proceeds from interest bearing borrowings	256,015,899	253,841,702
Repayment of interest bearing borrowings	(75,582,339)	(66,636,469)
Total changes from financing cash flows	767,036,390	731,269,459
The effect of changes in foreign exchange rates	19,565,682	19,565,680
Other changes		
Interest expense	25,760,799	24,562,225
Interest paid	(20,907,634)	(20,143,091)
Balance as at 31 December 2020	**791,455,237**	**755,254,273**

	Group December 2019	Bank December 2019
Balance as at 1 January 2019	388,416,734	363,682,441
Proceeds from interest bearing borrowings	245,332,824	223,834,913
Arising from business combination	92,240,671	92,240,672
Repayment of interest bearing borrowings	(142,101,478)	(138,295,724)
Total changes from financing cash flows	583,888,751	541,462,302
The effect of changes in foreign exchange rates	2,080,813	2,085,384
Other changes		
Interest expense	22,908,552	21,865,024
Interest paid	(22,275,286)	(21,348,484)
Balance as at 31 December 2019	**586,602,830**	**544,064,226**

37 Retirement benefit obligation

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Recognised liability for defined benefit obligations (see note (a) below)	4,584,149	3,418,060	4,584,149	3,418,060
Liability for defined contribution obligations	357,119	190,977	-	-
	4,941,268	**3,609,037**	**4,584,149**	**3,418,060**

(a) Defined benefit obligations

The amounts recognised in the statement of financial position are as follows:

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Post employment benefit plan (see note (i) below)	4,584,148	3,418,060	4,584,149	3,418,060
Recognised liability	**4,584,148**	**3,418,060**	**4,584,149**	**3,418,060**

(i) Post employment benefit plan

The Bank operates a non-contributory, unfunded lump sum defined benefit post employment benefit plan for top executive management of the Bank from General Manager and above based on the number of years spent in these positions. The scheme is also aimed at rewarding executive directors and other senior executives for the contributions to achieving the Bank's long-term growth objectives.

There is no funding arrangement with a trustee for the Post employment benefit plan as the Bank pays for all obligations from its current year profit as such obligations fall due. Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade.

The amount recognised in the statement of financial position is as follows:

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Defined benefit obligations at 1 January	3,418,060	2,319,707	3,418,060	2,319,707
Charge for the year:				
-Interest costs	335,624	223,940	335,624	223,940
-Current service cost	446,688	376,120	446,688	376,120
-Benefits paid	-	(415,000)	-	(415,000)
Net actuarial gain/(loss) for the year remeasured in OCI:	-	-	-	-
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	(225,495)	913,293	(225,495)	913,293
Remeasurements - Actuarial gains and losses arising from changes in salary increases	(457,067)	-	(457,067)	-
Remeasurements - Actuarial gains and losses arising from changes in promotions	67,849	-	67,849	-
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	998,490	-	998,490	-
Balance, end of year	**4,584,148**	**3,418,060**	**4,584,149**	**3,418,060**

Expense recognised in income statement:

Current service cost	446,688	376,120	446,688	376,120
Interest on obligation	335,624	223,940	335,624	223,940
Total expense recognised in profit and loss (see Note 14)	**782,312**	**600,060**	**782,312**	**600,060**

All retired benefit obligations have been classified as non current with a closing amount of N4.58 billion for both Group and Bank

The weighted average duration of the defined benefit obligation is 7.5 years. The information on the maturity profile of the defined benefit plan includes the maturity analysis and the distribution of the timing of payment. The estimated contribution to the plan for the next annual reporting year is: N769.66m.

Risk exposure

Through its defined benefit pension plan, the group is exposed to a number of risks, the most significant of which are detailed below:

i) Changes in bond yields - A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

ii) Inflation risks - Some of the group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities.

iii) Life expectancy - The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities

The sensitivities below relates to Group and Bank.

December 2020	**Impact on defined benefit obligation**		
In thousands of Naira	**Decrease in assumption by 1%**	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 5.6%	4,841,189	(271,107)
Effect of changes in assumption to the salary growth	Decrease in liability by 4.9%	4,359,049	213,593
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.02%	4,583,274	917

	Impact on defined benefit obligation		
	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in liability by 5.2%	4,346,049	225,995
Effect of changes in assumption to the salary growth	Increase in the liability by 5.2%	4,824,327	(250,865)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.1%	4,585,103	(917)

December 2019	**Impact on defined benefit obligation**		
In thousands of Naira	**"Decrease in assumption by 1%"**	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 5.3%	3,610,727	(192,667)

Effect of changes in assumption to the salary growth	Decrease in liability by 5.4%	3,243,830	174,230
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.1%	3,413,659	4,401

	Impact on defined benefit obligation		
	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in liability by 5.5%	3,239,613	178,447
Effect of changes in assumption to the salary growth	Increase in the liability by 5.2%	3,604,553	(186,493)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.1%	3,422,855	(4,795)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the year) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Actuarial assumptions:

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

The most recent valuation was performed by Alexander Forbes as at 31 December 2020.

	December 2020	**December 2019**
Discount rate	7.10%	11.90%
Future salary increases	5.00%	5.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	11.70%	3.40%
Withdrawal rate: 18 – 29	4.50%	4.50%
Withdrawal rate: 30 – 44	6.00%	6.00%
Withdrawal rate: 45 – 50	5.00%	5.00%
Withdrawal rate: 51 – 59 (average rate)	1.50%	3.75%

Assumptions regarding future mortality before retirement are based on A49/52 ultimate table published by the Institute of Actuaries of United Kingdom. The rate used to discount post employment benefit obligations has been determined by reference to the yield on Nigerian Government bonds of medium duration. This converts into an effective yield of 7.1% as at 31 December 2020. 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.

38 Capital and reserves

A Share capital

In thousands of Naira	**Bank December 2020**	**Bank December 2019**
(a) Authorised:		
Ordinary shares:		
38,000,000,000 Ordinary shares of 50k each	19,000,000	19,000,000
Preference shares:		
2,000,000,000 Preference shares of 50k each	1,000,000	1,000,000
	20,000,000	20,000,000

In thousands of Naira	**Bank December 2020**	**Bank December 2019**
(b) Issued and fully paid-up :		
35,545,225,662 Ordinary shares of 50k each	17,772,613	17,772,613

Ordinary shareholding:

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Bank. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the Bank.

Preference shareholding:

Preference shares do not carry the right to vote. Preference shareholders have priority over ordinary shareholders with regard to the residual assets of the Bank and participate only to the extent of the face value of the shares plus any accrued dividends. No preference shares were in issue as at the end of the year

The movement on the issued and fully paid-up share capital account during the year was as follows:

In thousands of Naira	**Bank December 2020**
Balance, beginning of the year	17,772,613
Balance, end of the year	17,772,613

In thousands of Naira	Bank December 2019
Balance, beginning of the year	14,463,986
Additions through scheme of merger	3,308,627
Balance, end of the year	17,772,613

(c) The movement on the number of shares in issue during the year was as follows:

In thousands of units	Group December 2020	Group December 2019
Balance, beginning of the year	35,545,226	35,545,226
Balance, end of the year	35,545,226	35,545,226

B Share premium

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

In thousands of Naira	Group December 2020
Balance, beginning of the year	234,038,850
Balance, end of the year	234,038,850

In thousands of Naira	Group December 2019
Balance, beginning of the year	197,974,816
Additions through scheme of merger	36,064,034
Balance, end of the year	234,038,850

C Retained earnings

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Retained earnings	252,396,881	221,665,749	206,896,038	188,925,555

D Other components of equity

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Other regulatory reserves (see i(a) below)	115,575,107	93,322,654	95,067,599	83,061,699
Share Scheme reserve	876,762	1,881,768	876,761	1,881,767
Treasury Shares	(5,111,646)	(4,795,914)	-	-
Capital Reserve	3,489,080	3,489,080	3,489,081	3,489,081
Fair value reserve	60,106,564	964,243	59,574,139	835,473
Foreign currency translation reserve	18,132,330	11,780,013	-	-
Regulatory risk reserve	46,425,978	18,091,941	36,180,585	9,483,000
	239,494,174	**124,733,785**	**195,188,165**	**98,751,020**

(i) Other reserves

Other regulatory reserves

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 Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

SMEEIS Reserves

The Small and Medium Enterprises Equity Investment Scheme (SMEEIS) reserve is maintained to comply with the Central Bank of Nigeria (CBN)/ Banker's committee's requirement that all licensed deposit money banks in Nigeria set aside a portion of the profit after tax in a fund to be sued to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by a 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' contribution shall thereafter reduce to 5% of profit after tax

However, this is no longer mandatory. Therefore, no additional appropriation has been done during the year.

The small and medium scale industries equity investment scheme reserves are non-distributable.

i(a)	Statutory reserves		SMEEIS Reserves		Total	
	December 2020	December 2019	December 2020	December 2019	December 2020	December 2019
Group						
In thousand of Naira						
Opening	82,063,378	82,063,378	826,568	826,568	82,889,946	82,889,946
Transfers during the year	22,252,453	10,432,708	-	-	22,252,453	10,432,708
Closing	104,315,831	92,496,086	826,568	826,568	105,142,399	93,322,654
Bank						
In thousand of Naira						
Opening	71,199,773	71,199,773	826,568	826,568	72,026,341	72,026,341
Transfers during the year	12,005,900	11,035,359	-	-	12,005,900	11,035,359
Closing	83,205,673	82,235,132	826,568	826,568	84,032,241	83,061,700

(ii) Share scheme reserve

This represents the total expenses incurred in providing the Bank's shares to its qualifying staff members under the RSPP scheme.

(iii) Treasury shares

This represents the shares held by the new RSPP scheme which have not yet been allocated to staff based on the pre-determined vesting conditions.

(iv) Capital reserve

This balance represents the surplus nominal value of the reconstructed shares of the Bank which was transferred from the share capital account to the capital reserve account after the share capital reconstruction in October 2006. The Shareholders approved the reconstruction of 13,956,321,723 ordinary shares of 50 kobo each of the Bank in issue to 6,978,160,860 ordinary shares of 50 kobo each by the creation of 1 ordinary shares previously held.

(v) Fair value reserve

The fair value reserve comprises the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired.

(vi) Foreign currency translation reserve

This balance appears only in the Group accounts and represents the foreign currency exchange difference arising from translating the results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency.

(vii) Regulatory risk reserve

The regulatory risk reserves warehouses the difference between the allowance for impairment losses on balance on loans and advances based on Central Bank of Nigeria prudential guidelines and Central Bank of the foreign subsidiaries regulations, compared with the loss incurred model used in calculating the impairment under IFRS.

(viii) Retained earnings

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

D Non-controlling interest

This represents the Non-controlling interest's (NCI) portion of the net assets of the Group

In thousands of Naira	Group December 2020	Group December 2019
Access Bank, Gambia	775,786	720,721
Access Bank, Sierra Leone	42,577	52,367
Access Bank Zambia	683,783	2,139,647
Access Bank, Rwanda	838,327	1,110,453
Access Bank, Congo	3,617	3,248
Access Bank, Ghana	4,991,465	4,502,399
Access Bank, Mozambique	1,744	-
Access Bank, Kenya	1,428	-
	7,338,727	**8,528,835**

This represents the NCI share of profit/(loss) for the year

In thousands of Naira	Group December 2020	Group December 2019
Access Bank, Gambia	18,775	17,351
Access Bank, Sierra Leone	6,180	5,044
Access Bank Zambia	173,844	152,803
Access Bank, Rwanda	82,308	63,029
Access Bank, Congo	400	17
Access Bank, Ghana	1,045,267	769,491
Access Bank, Mozambique	2	-
Access Bank, Kenya	(65)	-
	1,326,709	**1,007,735**

	Group December 2020	Group December 2019
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	12%	12%
Access Bank, Sierra Leone	1%	3%
Access Bank Zambia	30%	30%
Access Bank, Rwanda	9%	25%
Access Bank Congo	0%	0%
Access Bank, Ghana	7%	7%
Access Bank, Mozambique	0.02%	0%
Access Bank, Kenya	0.02%	0%

E Dividends

In thousands of Naira	Bank December 2020	Bank December 2019
Interim dividend paid (June 2020: 25K, June 2019: 25k)	8,886,306	8,886,306
Final dividend paid (Dec 2019: 40k, Dec 2018: 25k)	14,218,090	8,886,306
	23,104,397	**17,772,612**
Final dividend proposed (Dec 2020: 55k, Dec 2019: 40k)	19,549,874	14,218,090
Number of shares	35,545,226	35,545,226

The Directors proposed a final dividend of 55k for the year ended 31 December 2020

39 Contingencies

Claims and litigation

The Group is a party to numerous legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate. N1.9Bn provision has been made as at 31 December 2020.

Contingent liability and commitments

In common with other banks, Group conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, endorsements, guarantees and letters of credit.

Nature of instruments

An acceptance is undertaken by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Group in respect of bills of exchange, which have been paid and subsequently rediscounted.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the 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 custom and performance bonds and are generally short term commitments to third parties which are not directly dependent on the customer's credit worthiness. Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed year, or have no specific maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Group to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The table below summarises the fair value amount of contingent liabilities and commitments off-financial position risk:

Acceptances, bonds, guarantees and other obligations for the account of customers:

a. These comprise:

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
In thousands of Naira				
Contingent liabilities:				
Transaction related bonds and guarantees	378,808,847	477,932,816	335,064,193	451,514,549
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	445,538,945	419,584,999	341,751,564	324,529,363
	824,347,792	**897,517,816**	**676,815,757**	**776,043,912**

The Bank granted clean line facilities for letters of credit during the year to guarantee the performance of customers to third parties. Contractual capital commitments undertaken by the Bank during the year amounted to N2.011Bn(31 Dec 2019: N311.92Mn)

FINANCIAL STATEMENTS

04

40 Cash and cash equivalents

(a) Cash and cash equivalents include the following for the purposes of the statement of cash flows:

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Cash on hand and balances with banks	502,781,098	431,130,867	456,588,630	321,270,808
Unrestricted balances with central banks	51,127,104	117,883,813	13,639,189	97,734,073
Money market placements	89,783,184	48,838,460	40,095,276	32,822,515
Investment under management	23,785,009	23,799,663	23,785,009	23,799,663
Treasury bills with original maturity of less than 90days	170,370,193	604,378,216	170,370,193	604,378,213
	837,846,588	**1,226,031,019**	**704,478,297**	**1,080,005,272**

Cash and cash equivalent for the purpose of the preparation of the statement of cash flows excludes cash collaterals held for letters of credit and the mandatory cash deposit held with the Central Bank of Nigeria.

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

	Debt securities issued		Interest bearing borrowings	
	Group December 2020	**Bank December 2020**	**Group December 2020**	**Bank December 2020**
Net debt	157,987,877	157,987,877	586,602,830	544,064,226
Proceeds from interest bearing borrowings	-	-	256,015,899	253,841,702
Repayment of interest bearing borrowings	-	-	(75,582,339)	(66,636,469)
Debt securities issued	-	-	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	157,987,877	157,987,877	767,036,390	731,269,459
The effect of changes in foreign exchange rates	11,102,709	11,102,709	19,565,682	19,565,680
Other changes				
Interest expense	19,305,691	19,305,691	25,760,799	24,562,225
Interest paid	(19,236,218)	(19,236,218)	(20,907,634)	(20,143,091)
Balance	**169,160,059**	**169,160,059**	**791,455,237**	**755,254,273**

	Debt securities issued		Interest bearing borrowings	
	Group	Bank	Group	Bank
	December 2019	December 2019	December 2019	December 2019
Net debt	251,251,383	251,251,383	388,416,734	363,682,441
Proceeds from interest bearing borrowings	-	-	245,332,824	223,834,913
Arising from business combination	74,270,687	74,270,687	92,240,672	92,240,672
Repayment of interest bearing borrowings	-	-	(142,101,478)	(138,295,723)
Debt securities issued	45,000,000	45,000,000	-	-
Repayment of debt securities issued	(216,208,000)	(216,208,000)	-	-
Total changes from financing cash flows	154,314,070	154,314,070	583,888,752	541,462,303
The effect of changes in foreign exchange rates	3,124,782	3,124,782	2,080,812	2,085,384
Other changes				
Interest expense	22,913,352	22,913,352	22,908,552	21,865,024
Interest paid	(22,364,327)	(22,364,327)	(22,275,286)	(21,348,484)
Balance	**157,987,877**	**157,987,877**	**586,602,829**	**544,064,227**

(C) Non-cash investing activities and financing activities:

The following activities as listed below are the items that have been identified as non cash investing and financing activities arising from the merger

Acquisition of Right of use assets-(see note 28 (b)

Partial settlement of a business combination through the issuance of shares (see note 44(a)i

41 Contraventions of the Banks and Other Financial Institutions Act of Nigeria and CBN circulars

S/N	Regulatory Body	Infraction	Date
(I)	Central Bank of Nigeria	Sum of N220 million in respect of sourcing for FX from the Nigerian FX market for the importation of Textile	28 Feb 2020
(II)	Central Bank of Nigeria	Sum of N57 million in respect of failure to comply with the CBNs AML/CFT review for the period of April 2018-March 2019	2 Mar 2020
(III)	Central Bank of Nigeria	Sum of N42.8million in respect of failure to comply with the CBNs AML/CFT regulations and KYC policies in a transaction	5 Feb 2020
(IV)	The Nigerian stock exchange	Sum of N2.2 million in respect of failure to obtain Exchange's (NSE) approval prior to announcement of Notice of Meeting of Board of Directors of the Bank	27 Jan 2020
(V)	Central Bank of Nigeria	Sum of N1million in respect of operating a Tier 3 account without valid means of ID	21 July 2020
(VI)	Central Bank of Nigeria	Sum of N10million in respect of inadequate KYC and KYCB and filing STR relating to IBSmartify Nigeria	25 Aug 2020
(VII)	Central Bank of Nigeria	Sum of N131.23million in respect of contravention of CBN FOREX manual and TED ACT	23 Sep 2020

42 Events after reporting date

Subsequent to the end of the financial year, the Board of Directors proposed a final dividend of 55k each payable to shareholders on register of shareholding at the closure date.

43 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 one other party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

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 includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Access Bank Plc and its subsidiaries.

Parent

The parent company, which is also the ultimate parent company, is Access Bank Plc.

(a) Loans and advances to related parties

The bank granted various credit facilities to its subsidiary companies and key management personnel. Key Management Personnel is defined as members of the Board of Directors of the bank, including their close members of family and any entity over which they exercise control. Close member of family are those who may be expected to influence or be influenced by that individual in dealings with the bank. The rates and terms agreed are comparable to other facilities being held in the bank's portfolio. Details of these are described below:

Year ended 31 December 2020	Directors and other key management personnel (and close family members)	Subsidiaries	Total
In thousands of Naira			
Balance, beginning of year	1,466,257	178,148,506	179,614,763
Net movement during the year	(442,274)	(5,047,983)	(5,490,257)
Balance, end of year	1,023,983	173,100,523	174,124,506
Interest income earned	36,563	2,860,936	2,897,499
ECL due from related parties expense	-	-	-

The loans issued to directors and other key management personnel (and close family members) as at 31 December 2020 is N1.02Bn and they are repayable in various cycles ranging from monthly to annually over the tenor. The transactions were carried out at arms length and have an average tenor of 2 years. The loans are collateralised by a combination of lien on shares of quoted companies, fixed and floating debentures, corporate guarantee, negative pledge, domiciliation of proceeds of company's receivables, legal mortgages and cash.

"The loan to subsidiaries relates to a foreign interbank placements of USD453M granted during the year. It is a non-collateralised placement advanced at an average interest rate of 0.8% and an average tenor of 11 months. This loan has been eliminated on consolidation and does not form part of the reported Group loans and advances balance.

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 year end.

(b) Deposits from related parties

Year ended 31 December 2020	**Directors (and close family members and related entities)**	**Subsidiaries**	**Total**
In thousands of Naira			
Balance, beginning of year	3,775,504	112,433,617	116,209,122
Net movement during the year	(1,177,843)	(5,003,819)	(6,181,663)
Balance, end of year	2,597,662	107,429,798	110,027,459
Interest expenses on deposits	82,545	3,703,696	3,786,241

The deposits are majorly term deposit with an average interest rate and tenor of approximately 3% and 7 months for directors and 5% and 3 months for subsidiaries.

(c) Borrowings from related parties

In thousands of Naira	**Subsidiaries**	**Total**
Borrowings at 1 January 2020	18,629,957	18,629,957
Net movement during the year	1,738,827	1,738,827
Borrowings at 31 December 2020	20,368,784	20,368,784
Interest expenses on borrowings	1,495,827	1,495,827

The borrowings from subsidiaries represent the borrowings of Access Bank Plc from Diamond Finance BV in respect of the dollar guaranteed notes issued by Diamond Finance B.V, Netherlands which has a maturity of 27 March 2021. The notes were issued on 27 March 2017 for a year of 5 years with the principal amount repayable at the end of the tenor while interest on the Notes is payable semi-annually at 7%, in arrears on 27 March and 27 September in each year. The annual effective interest rate is 7.22%. The notes is a dollar denominated loan particpatory notes of $50 million.

(d) Other balances and transactions with related parties

In thousands of Naira	**Directors (and close family members and related entities)**	**Subsidiaries**	**Total**
Cash and cash equivalent	-	27,482,898	**27,482,898**
Receivables	-	1,534,266	**1,534,266**
Payables	-	1,724,372	**1,724,372**
Other Liabilities	-	352,928	**352,928**
Fee and commission expense	-	27,915	**27,915**
Debt securities	-	-	**-**
Other operating income	-	130,718	**130,718**
Interest bearing borrowings	-	-	**-**
Off balance sheet exposures	-	53,862,006	**53,862,006**

(e) Key management personnel compensation for the year comprises:

Directors' remuneration

In thousands of Naira	December 2020	December 2019
Non-executive Directors		
Fees	54,820	51,875
Other emoluments:		
Allowances	550,804	421,955
	605,624	473,830

	December 2020	December 2019
Executive directors		
Short term employee's benefit	332,500	266,420
Defined contribution plan	31,615	27,840
Share based payment	45,923	68,628
Retirement benefits paid	-	415,000
	410,038	**777,888**

(f) Directors remuneration:

Remuneration paid to directors of the Bank (excluding pension contributions and other benefits) was as follows:

In thousands of Naira	December 2020	December 2019
Fees as Directors	54,820	51,875
Other emoluments	381,916	286,330
Wages and salaries	332,500	266,420
Allowances	168,889	135,625

The Directors remuneration shown above includes

	December 2020	December 2019
Chairman	65,630	52,208
Highest paid director	120,000	120,000

The emoluments of all other directors fell within the following ranges:

	December 2020	December 2019
N13,000,001-N20,000,000	-	-
N20,000,001-N37,000,000	7	6
AboveN37,000,000	10	9
	17	15

44 Business Combination

(a) Business Combination with Diamond Bank

Access Bank Plc completed the merger with former Diamond Bank Plc with effect from 19 March 2019. The merger involved Access Bank acquiring the entire issued share capital of Diamond Bank in exchange for a combination of cash consideration and shares in Access Bank via a Scheme of Merger. The Bank also completed an acquisition of Transnational Bank Kenya with details in note (c) below

In fulfilment of the consideration for the acquisition, Diamond Bank's shareholders received a consideration comprising (i) a cash consideration of N1.00 (one Naira) per Diamond Bank Share representing a total cash amount of N23,160,388,968 (twenty-three billion, one hundred and sixty million, three hundred and eighty-eight thousand, nine hundred and sixty-eight Naira) (ii) the allotment of 6,617,253,991 (six billion, six hundred and seventeen million two hundred and fifty-three thousand, nine hundred and ninety-one) new Access Bank ordinary shares, representing the 2 new Access Bank ordinary shares for every 7 Diamond Bank shares. The acquisition was accounted for as a business combination which resulted in acquired intangible assets of N50.60bn (Bank, N57.19bn).

The purchase price allocation for the acquired intangibles from Diamond Bank was not completed as at the last reporting date but has now been completed in this financial statement. These comprise Core deposits intangible of N28.7bn, Customer relationship of N12.7bn, Brand of N4.7bn and Goodwill of N4.6bn for group (Bank: Core deposits intangible of N28.7bn, Customer relationship of N12.7bn, Brand of N4.7bn and Goodwill of N11.14bn). The intangible assets have been categorized into those with definite and indefinite useful life as follows

Intangible	Useful life
Core deposits intangible	Definite
Customer relationship	Definite
Brand	Definite
Goodwill	Indefinite

Core deposits, brand and customer relationship intangible assets are amortized over 10 years. Intangible assets with indefinite useful life are tested for impairment annually or whenever there is an impairment trigger.

The residual Goodwill of N4.6bn has been allocated to the Bank's business segements as shown below:

	Group	Bank
	December 2020	December 2020
Corporate and Investment Banking	1,568,579	3,790,426
Commercial Banking	865,857	1,672,247
Business Banking	1,459,238	2,118,178
Personal Banking	661,157	3,567,460
	4,554,832	**11,148,311**

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	"The methods employed for the measurement of fair values for identifiable intangible assets are: Relief-from-royalty method , Replacement Cost and the Funding Benefit Method The relief-from-royalty method considers (The Rfr method) values the brand by reference to the amount of royalty the acquirer would pay in an arm's length transaction i.e. it estimates the value for an asset based on the cost savings realised through ownership compared to paying licencing fees. The multi-period excess earnings method; The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets. The replacement cost value: The replacement cost method is used to determine the value of customer relationship and is calculated as the estimated cost of acquiring new customers multiplied by the number of unique customers acquired from the Transaction. The Funding Benefit Method: The Funding Benefit Method is calculated based on the after-tax present values of the net cost of funding, defined as the difference between the interest expense on acquired deposit and the cost of alternative funding over the useful life of the deposit; and net service fees earned on the deposits (net income earned as a percentage of deposit."
Investment securities	Reference to quoted observable market prices of the instruments or similar instruments

In thousands of Naira	**Group December 2019**	**Bank December 2019**
Considerations:		
Cash payment	23,160,389	23,160,389
Access Bank's shares issued to Diamond Bank's shareholders (see (i) below)	39,372,661	39,372,661
Total Consideration	**62,533,050**	**62,533,050**
Net assets/(liabilities) acquired from business combination prior to fair value adjustment (see note 44 (b) below)	2,962,303	(3,631,177)
Fair value adjustment	55,015,917	55,015,914
Adjusted Net assets/(liabilities) acquired from business combination (see note 44 (b) below)	57,978,220	51,384,737
Goodwill	**4,554,830**	**11,148,315**

(i) 6,617,253,991 (six billion, six hundred and seventeen million two hundred and fifty-three thousand, nine hundred and ninety-one) new Access Bank ordinary shares, representing the 2 new Access Bank ordinary shares were alloted for every 7 Diamond Bank shares.

The fair value of the shares alloted was derived at Access Bank's market price of N5.95 as at the effective date of the merger i.e 19th March 2019. The total acquisition-related costs are within merger costs within other operating expenses. Issue costs amount to 201.95Mn, and the remaining amount of N6.39Bn relates to all other non-issuance related transaction costs.

The fair value of the net assets/ (liabilities) acquired include:

(b)	Group March 2019	Fair value adjustment March 2019	Total Fair value March 2019	Bank March 2019	Fair value adjustment March 2019	Total Fair value March 2019
Assets						
Cash and balances with banks	311,585,028	-	311,585,028	311,581,376	-	311,581,376
Non pledged trading assets	20,811,592	-	20,811,592	20,811,592	-	20,811,592
Derivative financial assets	336,110	-	336,110	336,110	-	336,110
Pledged assets	107,279,524	-	107,279,524	107,204,232	-	107,204,232
Loans to banks	82,959,460	-	82,959,460	107,224,889	-	107,224,889
Loans and advances to customers	510,828,965	-	510,828,965	510,813,249	-	510,813,249
Investment securities	155,918,073	(3,568,189)	152,349,884	155,812,009	(3,568,189)	152,243,818
Investment properties	4,053,511	-	4,053,511	3,878,511	-	3,878,511
Other assets	36,519,653	-	36,519,653	36,417,649	-	36,417,649
Investment in subsidiaries	-	-	-	2,000,000	-	2,000,000
Investment in associates	98,915	-	98,915	98,915	-	98,915
Property and equipment	63,706,493	12,543,265	76,249,758	63,636,623	12,543,265	76,179,888
Intangible assets	48,415,967	46,040,840	94,456,807	48,351,207	46,040,840	94,392,047
Deferred tax assets	4,984,388	-	4,984,388	4,984,389	-	4,984,389
	1,347,497,679	**55,015,916**	**1,402,513,595**	**1,373,150,751**	**55,015,916**	**1,428,166,667**
Asset classified as held for sale and discontinued operations	48,965,253	-	48,965,253	7,976,261	-	7,976,261
Total assets	**1,396,462,932**	**55,015,916**	**1,451,478,848**	**1,381,127,012**	**55,015,916**	**1,436,142,928**
Liabilities						
Deposits from financial institutions	51,430,800	-	51,430,800	51,430,800	-	51,430,800
Deposits from customers	1,101,188,191	-	1,101,188,191	1,105,069,175	-	1,105,069,175
Derivative Liabilities	18,294	-	18,294	18,294	-	18,294
Current tax liabilities	472,844	-	472,844	327,527	-	327,527
Other liabilities	54,182,450	-	54,182,450	61,401,034	-	61,401,034
Deferred tax liabilities	13,071	-	13,071	-	-	-
Debt securities issued	74,270,686	-	74,270,686	74,270,686	-	74,270,686
Interest-bearing borrowings	92,240,671	-	92,240,671	92,240,671	-	92,240,671
	1,373,817,007	**-**	**1,373,817,007**	**1,384,758,187**	**-**	**1,384,758,187**
Liabilities classified as held for sale and discontinued operations	19,683,622		19,683,622	-	-	-
Total liabilities	**1,393,500,629**	**-**	**1,393,500,629**	**1,384,758,187**	**-**	**1,384,758,187**
Net assets/ (liabilities)	**2,962,303**	**55,015,916**	**57,978,219**	**(3,631,175)**	**55,015,916**	**51,384,741**

(c) Business Combination with Transnational Bank Kenya

The Bank recently acquired Transnational Bank in Kenya with effect from 20 July 2020. The acquisition involved the Bank acquiring the 99.98% issued share capital of Transnational Bank in exchange for cash consideration of N5,517,428,970 (Five billion, five hundred and seventeen thousand, four hundred and twenty eight thousand, nine hundred and seventy naira)

In fulfilment of the consideration for the acquisition, Transnational Bank's shareholders received a total cash consideration offer of N5,634,410,000 comprising of (i) a cash consideration payment of N4,225,807,500 (Four billion, two hundred and twenty five million, eight hundred and seven thousand, five hundred Naira) (ii) a deferred payment of N1,408,602,500 (one billion, four hundred and eight million six hundred and two thousand, five hundred naira) to be made to shareholders at the expiration of 2 years. For the purpose of the goodwill computation , this deferred consideration has been carried at its present value of N1,291,620, 470 using a discount rate of 4.24% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Kenya. The goodwill computation is provisional at the time of this report.

In thousands of Naira	**Bank**
	July 2020
Considerations:	
Cash payment	4,225,808
Consideration deferred	1,291,620
Total Consideration	**5,517,428**
Net assets/ (liabilities) acquired from business combination (see note 44 (d) below)	(1,028,906)
Goodwill	**6,546,334**

The fair value of the net assets/(liabilities) acquired include:

(d)

	Group
	July 2020
Assets	
Cash and balances with banks	7,618,165
Non pledged trading assets	-
Derivative financial assets	-
Pledged assets	-
Loans to banks	-
Loans and advances to customers	17,416,132
Investment securities	12,143,738
Investment properties	-
Other assets	1,915,647
Investment in subsidiaries	-
Investment in associates	-
Property and equipment	575,777
Intangible assets	104,643
Deferred tax assets	597,462
	40,371,564
Asset classified as held for sale and discontinued operations	-
Total assets	**40,371,564**
Liabilities	
Deposits from financial institutions	-
Deposits from customers	32,906,716
Derivative Liabilities	-
Current tax liabilities	-
Other liabilities	8,493,018
Deferred tax liabilities	-
Debt securities issued	-
Interest-bearing borrowings	-
	41,399,734
Liabilities classified as held for sale and discontinued operations	-
Total liabilities	**41,399,734**
Net assets/ (liabilities)	**(1,028,170)**
Non controlling interest	734
Owners of the Bank equity	**(1,028,906)**

45 Director-related exposures

Access Bank has some exposures that are related to its Directors. The Bank however follows a strict process before granting such credits to its Directors. The requirements for creating and managing this category of risk assets include the following amongst others:

a. Complete adherence to the requirements for granting insider-related exposure as stated in the Bank's Credit Policy Guidelines, the Insider-related Policy as well as the Bank's duly approved Standard Operating Procedure for managing insider-related exposures.

b. Full compliance with the relevant CBN policies on insider-related lending.

c. All affected Directors are precluded from taking part in the approval process of credit request wherein they have interest.

d. The related Director is required to execute a document authorizing the Bank to use their accruable dividends to defray any related-obligor's delinquent exposures.

e. The Directors are required to execute documents for the transfer of their shares to the Bank's nominated broker to ensure effective control as required by the CBN policy to enhance the bank's Corporate Governance structure.

f. Section 89 of the Bank's Article of Association also reiterated that "a related Director shall vacate office or cease to be a Director, if the Director directly or indirectly enjoys a facility from the Bank that remains non-performing for a year of more than 12months.

The Bank's principal exposure to all its directors as at 31 December 2020 is N242.85Mn. However, the relevant obligors under this category also have credit balances and deposits maintained in their bank accounts which mitigate the risks to the bank.

Below is a schedule showing the details of the Bank's director-related lending:

S/N	Name of borrower	Relationship to reporting institution	Name of related Directors	Facility type	Outstanding Principal	Status	Nature of security
1	Asset Management Group Limited	Ex-Chairman	Mr. Gbenga Oyebode	Time loan	1,870,107,501	Performing	Pledged properties at Ikoyi Lagos
						Performing	Personal guarantee
						Performing	Domiciliation of Rental Income
2	Sic Property and Investment Company Ltd	Ex Non-executive director	Mr Ortisedere Otubu	Term Loan	119,983,765	Performing	Legal Mortgage
						Performing	Personal guarantee
						Performing	Debenture
3	Paul Usoro & Company	Non-executive director	Mr Paul Usoro	Overdraft	200,599,868	Performing	Cash collateral
				Credit Card	21,807,961	Performing	Cash collateral
4	Okey Nwuke	Non-executive director	Mr Okey Nwuke	Term Loan	15,000,000	Performing	Cash collateral
				Overdraft	3,802,259	Performing	Cash collateral
				Credit Card	1,640,240	Performing	Cash collateral
	Balance, end of year				**2,232,941,594**		

FINANCIAL STATEMENTS 04

46 (a) Restatement of prior year financial information

(i) Changes to statement of changes in equity

In thousands of Naira

	Reported Group December 2019	Restatements	Restated Group December 2019	Reported Bank December 2019	Restatements	Restated Bank December 2019
Retained earnings	225,118,812	-	225,118,812	192,378,618	-	192,378,618
Restatement of identified intangible asset at acquisition amortization for Dec 2019	-	(3,453,063)	(3,453,063)	-	(3,453,063)	(3,453,063)
Restated balance as at 31 Dec 2019	**225,118,812**	**(3,453,063)**	**221,665,749**	**192,378,618**	**(3,453,063)**	**188,925,555**

(ii) Changes to statement of financial position

	Reported Group December 2019	Restatements	Restated Group December 2019	Reported Bank December 2019	Restatements	Restated Bank December 2019
Intangibles	14,656,075	-	14,656,075	13,814,576	-	13,814,576
Restatement of identified intangible asset at acquisition amortization charge for Dec 2019	-	42,587,779	42,587,779	-	42,587,779	42,587,779
Restatement of goodwill	51,276,679	(46,040,842)	5,235,837	57,189,153	(46,040,842)	11,148,310
Restated balance	**65,932,754**	**(3,453,063)**	**62,479,691**	**71,003,729**	**(3,453,063)**	**67,550,665**

(iii) **Changes to statement of comprehensive income**

	Reported Group December 2019	Restatements December 2019	Restated Group December 2019	Reported Bank December 2019	Restatements December 2019	Restated Bank December 2019
Interest income on financial assets not at FVTPL	453,550,213	-	453,550,213	391,459,009	-	391,459,009
Interest income on financial assets at FVTPL	83,296,576	-	83,296,576	80,009,759	-	80,009,759
Interest expense	(259,617,791)		(259,617,791)	(238,708,397)		(238,708,397)
Net interest income	277,228,998	-	277,228,998	232,760,371	-	232,760,371
Net impairment charge	(20,189,393)	-	(20,189,392)	(21,055,479)	-	(21,055,481)
Net interest income after impairment charges	257,039,605	-	257,039,605	211,704,892	-	211,704,892
Fee and commission income	91,845,403		91,845,403	75,365,238		75,365,238
Fee and commission expense	(17,798,050)	-	(17,798,050)	(17,115,894)	-	(17,115,894)
Net fee and commission income	74,047,353	-	74,047,353	58,249,344	-	58,249,344
Net gains/(loss) on investment securities	66,102,274	-	66,102,274	64,711,601	-	64,711,601
Net foreign exchange (loss)/income	(83,876,395)	-	(83,876,395)	(93,038,918)	-	(93,038,918)
Other operating income	55,835,529	-	55,835,530	53,553,485	-	53,553,485
Profit on disposal of subsidiaries	-		-	4,287,666	-	4,287,666
Personnel expenses	(76,964,138)	-	(76,964,138)	(60,712,847)	-	(60,712,847)
Rent expenses	-	-	-	-	-	-
Depreciation	(21,232,914)	-	(21,232,914)	(17,113,619)	-	(17,113,619)
Amortization	(4,474,622)	-	(7,927,685)	(3,988,055)	-	(7,441,118)
Restatement of amortization of identified intangible asset at acquisition for 2019	-	(3,453,063)	(3,453,063)	-	(3,453,063)	(3,453,063)
Other operating expenses	(151,098,113)	-	(151,098,110)	(134,986,773)	-	(134,986,773)

04 FINANCIAL STATEMENTS

Profit before tax	**115,378,579**	**(3,453,063)**	**111,925,517**	**82,666,776**	**(3,453,063)**	**79,213,712**
Income tax	(17,868,920)	-	(17,868,920)	(9,097,722)	-	(9,097,722)
Profit for the Year	**97,509,659**	**(3,453,063)**	**94,056,597**	**73,569,054**	**(3,453,063)**	**70,115,990**
Other comprehensive income (OCI) net of income tax :						
Remeasurements of post-employment benefit obligations	(621,039)	-	(621,039)	(621,039)	-	(621,039)
Items that may be subsequently reclassified to the income statement:						
Foreign currency translation differences for foreign subsidiaries						
- Realised gains during the Year	-	-	-	-	-	-
- Unrealised gains /(losses) during the Year	(4,155,945)	-	(4,155,945)	-	-	-
Net changes in fair value of AFS financial instruments		-	-	-		
-Fair value changes during the Year	6,586,645	-	6,586,645	7,436,899	-	7,436,899
Fair value changes on AFS financial instruments from associates	-	-	-	-	-	-
Other comprehensive gain, net of related tax effects	1,809,661	-	1,809,661	6,815,860	-	6,815,860
Total comprehensive income for the Year	**99,319,320**	**(3,453,063)**	**95,866,257**	**80,384,914**	**(3,453,063)**	**76,931,850**
Profit attributable to:						
Owners of the bank	96,501,925	(3,453,063)	93,048,861	73,569,054	(3,453,063)	70,115,990
Non-controlling interest	1,007,734	-	1,007,735	-	-	-
Profit for the Year	**97,509,659**	**(3,453,063)**	**94,056,596**	**73,569,054**	**(3,453,063)**	**70,115,990**
Total comprehensive income attributable to:						
Owners of the bank	98,660,849	(3,453,063)	95,207,783	80,384,914	(3,453,063)	76,931,850
Non-controlling interest	658,472	-	658,474	-	-	-
Total comprehensive income for the Year	**99,319,320**	**(3,453,063)**	**95,866,257**	**80,384,914**	**(3,453,063)**	**76,931,850**

Earnings per share attributable to ordinary shareholders						
Restated Basic (kobo)	290	(10)	279	217	(10)	207
Restated Diluted (kobo)	285	(10)	275	217	(10)	207

[1]Amortization of identified intangible asset at acquisition for 2019

The purchase price allocation for the acquired intangibles have now been concluded. These comprise Core deposits intangible of N28.7bn, Customer relationship of N12.7bn, Brand of N4.7bn and Goodwill of N4.6bn.

(a) Effect of reduction of N3.45bn amortization charge in retained earnings on statement of changes in equity

(b) Effect of N3.45bn amortization charge recognised in intangibles as a result of amortization of goodwill from merger of former Diamond Bank on statement of financial position

(c) Effect of N3.45bn additional amortization charge recognised as a result of amortization of identifiable intnagible asset from merger of former Diamond Bank on statement of comprehensive income

48 Discontinued operations

Assets and liabilities of a disposal group held for sale and discontinued operations

(a) Assets and liabilities of disposal group held for sale comprise the assets and liabilities of Diamond Bank UK as at 19 March 2019.

Diamond Bank UK was disposed effective 3 April 2019. The disposal group comprised the following assets and liabilities

	Group	Intercompany eliminations	Total	Bank
	19 March 2019	19 March 2019	19 March 2019	19 March 2019
Assets				
Cash and balances with central banks	1,644,802	-	1,644,802	-
Derivative financial instruments	34,498	-	34,498	-
Loans and advances to banks	35,494,396	(7,257,193)	28,237,203	-
Loans and advances to customers	5,081,990	-	5,081,990	-
Investment in subsidiaries	-	-	-	7,976,260
FVOCI investments	11,533,351	-	11,533,351	-
Property and equipment	-	-	-	-
Intangible assets	-	-	-	-
Goodwill	-	-	-	-
Other assets	2,433,409	-	2,433,409	-
	56,222,446	**(7,257,193)**	**48,965,253**	**7,976,260**
Liabilities				
Deposits from banks	25,693,923	(24,274,898)	1,419,025	-
Deposits from customers	3,408	-	3,408	-
Derivative liability	-	-	-	-
Current tax liabilities	-	-	-	-
Other liabilities	1,744,295	-	1,744,295	-
Borrowings	16,516,894	-	16,516,894	-
Total liabilities held for sale	**43,958,520**	**(24,274,898)**	**19,683,622**	

	Group	Intercompany eliminations	Total
	19 March 2019	19 March 2019	19 March 2019
Gross earnings	1,400,795	(195,945)	1,204,850
Interest income	1,188,856	(164,167)	1,024,689
Interest expense	(710,365)	446,910	(263,455)
Net interest income	478,491	282,743	761,234
Net impairment charge	-	-	-
Net interest income after impairment charges	478,491	282,743	761,234
Fee and commission income	167,355	(31,778)	135,577

Fee and commission expense	(42,841)	8,864	(33,977)
Net fee and commission income	124,514	(22,914)	101,600
Provision for losses	(1,359,896)	-	(1,359,896)
Net trading income	(74,314)	-	(74,314)
Other operating income	118,898	-	118,898
Net operating income	(1,315,312)	-	(1,315,312)
Personnel expenses	(556,176)	-	(556,176)
Depreciation and Amortization	(23,453)	-	(23,453.00)
Operating lease expenses	(88,287)	-	(88,287)
Other operating expenses	(236,321)	-	(236,321)
Total operating expenses	(904,237)	-	(904,237)
Profit before tax	(1,616,544)	259,829	(1,356,715)
Income tax	-	-	-
Profit for the year	(1,616,544)	259,829	(1,356,715)
Other comprehensive income			
Foreign currency translation differences	175,251	-	175,251
Fair value gains on FVOCI investments	77,840	-	77,840
Total other comprehensive income for the year	253,091	-	253,091
Total comprehensive income for the year	**(1,363,453)**	**259,829**	**(1,103,624)**

(b) Disposal of subsidiary

	Group	**Bank**
	31 December 2019	**31 December 2019**
Proceeds Received	12,622,649	12,622,649
Cost of sale	(358,723)	(358,723)
Net proceeds	**12,263,926**	**12,263,926**
Net assets	12,263,926	7,976,260
Impairment charged	-	-
Net realizable value	12,263,926	7,976,260
Gain/(Loss) on Disposal	**-**	**4,287,666**

47 Non-audit services

During the year, the Bank's auditor, PricewaterHouseCoopers, was awarded the contract below;

	Service	Description	Sum N'000
1	2019 Recovery Plan review	PwC was required to review the Bank's 2019 Recovery Plan in order to comply with the Central Bank of Nigeria (CBN) and the Nigerian Deposit Insurance Company (NDIC guidelines on Recovery and Resolution Planning.	3,250
2	Data Migration Support	"PwC was requested to perform a review of the data migration exercise of the Bank's business applications in 7 of its African subsidiaries namely. The objective of the project will be to determine that the data was migrated in line with the business rules defined by the bank. "	75,000
3	Bank Risk and Whistleblowing Assessment 2020	PwC was required to assess the Bank's risk management practices, internal controls and level of compliance with regulatory directives and provide a composite risk rating for the Bank.	25,000
4	Review of 2020 Recovery and Resolution Plan.	PwC was requried to conduct a review of the Bank's 2020 Recovery and Resolution Plan.	5,500

In the Bank's opinion, the provision of this service to the bank did not impair the independence and objectivity of the external auditor.

OTHER DISCLOSURES

1.0 ASSESSMENT OF COVID-19 IMPACT ON GOING CONCERN

The outbreak of the COVID-19 pandemic had a more than expected negative impact on the global economy in the year 2020 as global attention shifted to saving lives at huge economic cost. Not surprising, Nigeria's GDP growth in Q2-2020 contracted to about -6.10%. There was however a modest improvement (though still a contraction) in Q3 2020 to about -3.62%

The Nigeria economy faced serious macroeconomic disequilibrium and distortions in 2020 as the pandemic together with dollar shortages led to a spike in inflation to about 15.75% as at Q4-2020. The pandemic outbreak also led to a decrease in oil prices & production levels, lower level of investment, weak government revenue to finance critical projects & bailouts, weak alignment of fiscal and monetary policy thrusts, foreign currency (FX) supply bottlenecks and delay in implementing new FX regime, declining external reserves making LCY support tough, rising public debt without improvement in infrastructure and huge Naira devaluation. The spike in inflation resulted in rising food prices following supply disruptions, increased logistic cost, impact of rising exchange rate of the local currency and continuous border closure.
The rising inflation made Nigerians poorer as purchasing power dips, decreased disposable income, elevate cost of doing business and generally keep real interest rates in the negative territory.

As a Bank operating within this environment, it was also directly impacted by the pandemic. Some of the factors that directly impacted the Bank's operations includes:

1. The pandemic led to a decline in savings and demand for credit while also putting pressure on asset quality
2. Foreign currency liquidity challenges following oil prices collapse affected diaspora remittances
3. 3. The huge Naira devaluation of the official currency rate of 23% to N379 and I&E window by 13% to N410, brought about an increase in the Bank's demand for dollar asset that has little or no risk -weighting in capital adequacy ratio computation
4. Increased inflation rate brought about by currency devaluation, VAT increase and continuous border closure made cost management in 2020 very crucial
5. The lockdown imposed by the government forced most employees of the Bank to work from home which brought about huge investment in improving the Bank's cybersecurity and purchase of home-work devices like laptops
6. The Pandemic also resulted in the Bank spending more on personal protective kits.
7. Increased fraud rate

In combating the challenges above, the Group was able to deploy its Business Continuity Plan and put in place some measures to ensure that its going concern status is not threatened. See below a summary of some of the measures, amongst others, put in place by the Group to ensure its operations are not halted by the pandemic:

1. Intensify our cybersecurity activities to prevent operational losses due to electronic frauds
2. Business support and constant engagement with customers operating within those sectors badly hit by the pandemic.
3. Push Brand awareness, electronic and mobile payments and convenience banking.
4. Adequate Liquidity management
5. Activation of Incident Command Center
6. Provision of virtual private network (VPN) access to critical staff
7. Daily monitoring and assessment of our loan portfolio
8. Continuous communications and customer engagements throughout this period.
9. Constant monitoring of sectors severely affected by the pandemic and proactively ascertaining the liquidity of secured collateral to exposure in the sector
10. To manage increased operating cost brought about by the pandemic, several cost cutting initiatives were introduced within the Bank
11. Constant monitoring of staff working from Home to ensure that the Bank's productivity level does not relapse.

In addition to the above, a forecast of macroeconomic indicators under different scenarios using key macro indicators that drive the Nigerian economy such as Government spending, revenue from Oil & Non-oil exports, Exchange rate, GDP, Interest Rate, Inflation, Capital and money market was also done.

As the global economy is currently recovering from the first wave of the pandemic and with the fear of a looming second wave, the possible quantitative impact to the Group is constantly being monitored and reviewed.

At this point however, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow various government policies and advice, and we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people. The Group is confident that, based on the risk management processes in place, the going concern status of the institution is not threatened and the Group will continue to operate into the foreseeable future

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira

	Group December 2020	%	Group December 2019	%
Gross earnings	764,717,441		666,753,600	
Interest expense				
Foreign	(52,735,999)		(51,896,854)	
Local	(128,464,214)		(161,899,034)	
	583,517,228		452,957,712	
Net impairment (loss) on financial assets	(61,527,162)		(21,570,098)	
Net impairment loss on other financial assets	(1,365,958)		1,380,705	
Bought-in-materials and services				
Foreign	(5,925,977)		(4,615,091)	
Local	(231,686,137)		(163,158,795)	
Value added	**283,011,993**		**264,994,433**	
Distribution of Value Added				
To Employees:				
Employees costs	73,173,177	26%	76,964,138	24%
To government				
Government as taxes	19,912,433	7%	17,868,920	10%
To providers of finance				
Interest on borrowings	45,066,452	16%	46,944,180	11%
Dividend to shareholders	23,104,397	8%	17,772,613	7%
Retained in business:				
For replacement of property and equipment and intangible assets	37,528,528	13%	25,707,536	9%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	84,227,008	30%	79,737,046	40%
	283,011,995	**100%**	**264,994,433**	**100%**

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira	Bank December 2020	%	Bank December 2019	%
Gross earnings	634,863,770		576,347,839	
Interest expense				
Foreign	(54,293,516)		(54,084,352)	
Local	(100,242,201)		(139,845,670)	
	480,328,053		382,417,817	
Net impairment (loss) on financial assets	(39,650,580)		(22,694,279)	
Net impairment loss on other financial assets	-		1,638,801	
Bought-in-materials and services				
Foreign	(6,340,427)		(4,615,091)	
Local	(212,301,421)		(146,744,603)	
Value added	**222,035,624**		**210,002,645**	
Distribution of Value Added				
To Employees:				
Employees costs	54,590,721	25%	60,712,847	20%
To government				
Government as taxes	10,156,549	5%	9,097,722	8%
To providers of finance				
Interest on borrowings	43,867,876	20%	45,521,346	19%
Dividend to shareholders	23,104,397	10%	17,772,613	8%
Retained in business:				
For replacement of property and equipment	32,059,429	14%	21,101,675	9%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	58,256,650	26%	55,796,442	35%
	222,035,624	**100%**	**210,002,645**	**100%**

OTHER NATIONAL DISCLOSURES

Other financial Information

Five-year Financial Summary

Group	December 2020	December 2019	December 2018	December 2017	December 2016
	12 months	12 months	12 months	12 months	12 months
In thousands of Naira	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	723,872,820	723,064,003	740,926,362	547,134,325	413,421,081
Investment under management	30,451,466	28,291,959	23,839,394	20,257,131	14,871,247
Non pledged trading assets	207,951,943	129,819,239	38,817,147	46,854,061	44,629,579
Pledged assets	228,545,535	605,555,891	554,052,956	447,114,404	314,947,502
Derivative financial instruments	251,112,745	143,520,553	128,440,342	93,419,293	156,042,984
Loans and advances to banks	392,821,307	152,825,081	142,489,543	68,114,076	45,203,002
Loans and advances to customers	3,218,107,027	2,911,579,708	1,993,606,233	1,995,987,627	1,809,459,172
Investment securities	1,749,549,145	1,084,604,187	501,072,480	278,167,758	229,113,772
Investment properties	217,000	927,000	-	-	-
Other assets	1,548,891,262	1,055,510,452	704,326,780	489,563,282	363,723,078
Property and equipment	226,478,704	211,214,241	103,668,719	97,114,642	84,109,052
Intangible assets	69,189,845	62,479,692	9,752,498	8,295,855	6,939,555
Deferred tax assets	4,240,448	8,807,563	922,660	740,402	1,264,813
Assets classified as held for sale	28,318,467	24,957,519	12,241,824	9,479,967	140,727
Total assets	8,679,747,714	7,143,157,088	4,954,156,938	4,102,242,823	3,483,865,564
Liabilities					
Deposits from financial institutions	958,397,171	1,186,356,312	994,572,845	450,196,970	167,356,583
Deposits from customers	5,587,418,213	4,255,837,303	2,564,908,384	2,244,879,075	2,089,197,286
Derivative financial instruments	20,880,529	6,885,680	5,206,001	5,332,177	30,444,501
Current tax liabilities	2,159,921	3,531,410	4,057,862	7,489,586	5,938,662
Other liabilities	379,416,786	324,333,880	246,438,951	258,166,549	115,920,249
Deferred tax liabilities	14,877,285	11,272,928	6,456,840	8,764,262	3,699,050
Debt securities issued	169,160,059	157,987,877	251,251,383	302,106,706	316,544,502
Interest-bearing borrowings	791,455,237	586,602,830	388,416,734	311,617,187	299,543,707
Retirement benefit obligations	4,941,268	3,609,037	2,336,183	2,495,274	3,075,453
Total liabilities	7,928,706,469	6,536,417,257	4,463,645,183	3,591,047,786	3,031,719,993
Equity					
Share capital and share premium	251,811,463	251,811,463	212,438,802	212,438,802	212,438,802
Retained earnings	252,396,881	221,665,749	155,592,892	113,449,307	91,265,019
Other components of equity	239,494,175	124,733,788	114,609,701	178,399,413	142,194,725
Non controlling interest	7,338,726	8,528,834	7,870,360	6,907,515	6,247,025
Total equity	751,041,247	606,739,834	490,511,755	511,195,037	452,145,571
Total liabilities and Equity	8,679,747,713	7,143,157,088	4,954,156,938	4,102,242,823	3,483,865,564

Gross earnings	764,717,441	666,753,601	528,744,579	459,075,779	381,320,781
Profit before income tax	125,922,129	111,925,523	103,187,703	78,169,119	87,990,444
Profit from continuing operations	106,009,695	94,056,603	94,981,086	60,087,491	69,090,335
Profit for the year	106,009,695	94,056,603	94,981,086	60,087,491	69,090,335
Non controlling interest	1,326,710	1,007,735	962,845	13,090	322,322
Profit attributable to equity holders	104,682,985	93,048,868	94,018,240	60,074,401	68,768,013
Dividend paid	23,104,397	17,772,613	18,803,180	18,803,180	15,910,384
Earning per share - Basic	300k	279k	330k	218k	249k
- Adjusted	294k	274k	325k	214k	245k
Number of ordinary shares of 50k	35,545,225,623	35,545,225,623	28,927,971,631	28,927,971,631	28,927,971,631

OTHER NATIONAL DISCLOSURES

Other financial Information

Five-year Financial Summary

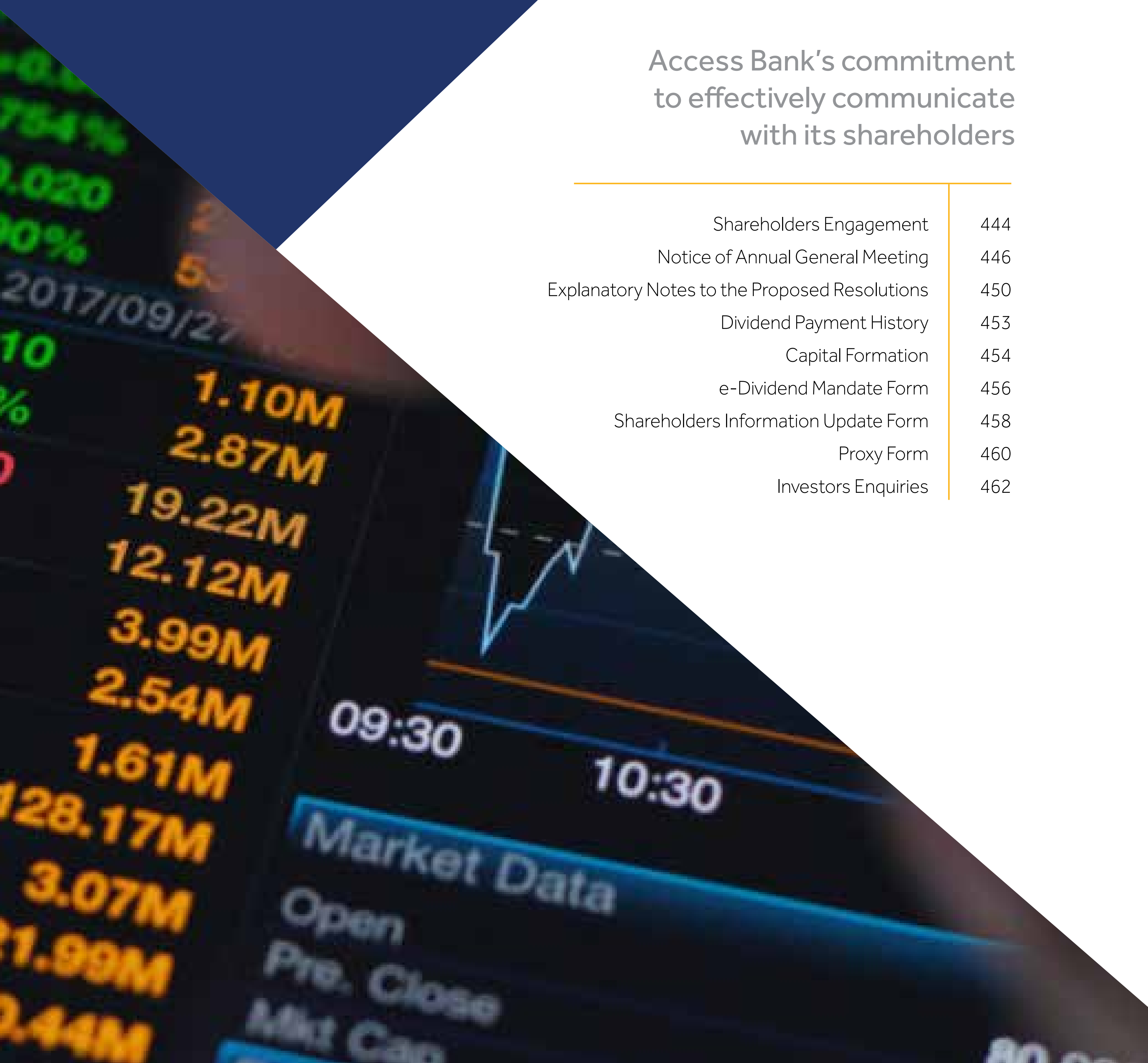
Bank	December 2020	December 2019	December 2018	December 2017	December 2016
	12 months	12 months	12 months	12 months	12 months
In thousands of Naira	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	589,812,439	575,906,273	338,289,912	252,521,543	219,813,090
Investment under management	30,451,466	28,291,959	23,839,394	20,257,131	14,871,247
Non pledged trading assets	110,283,112	76,971,761	36,581,058	43,016,990	44,629,579
Pledged assets	228,545,535	605,555,892	554,052,956	440,503,327	314,947,502
Derivative financial instruments	244,564,046	143,480,073	128,133,789	92,390,219	155,772,662
Loans and advances to banks	231,788,276	164,413,001	100,993,116	101,429,001	104,006,574
Loans and advances to customers	2,818,875,731	2,481,623,671	1,681,761,862	1,771,282,739	1,594,562,345
Investment securities	1,428,039,657	813,706,953	258,580,286	121,537,302	161,200,642
Other assets	1,490,633,058	1,004,310,282	625,813,176	469,812,502	348,778,639
Investment properties	217,000	727,000	-	-	-
Investment in subsidiary	164,251,532	131,458,709	111,203,496	87,794,631	59,239,252
Property and equipment	191,893,320	188,634,458	88,392,543	83,676,723	71,824,472
Intangible assets	67,496,079	67,550,666	8,231,197	5,981,905	5,173,784
Deferred tax assets	-	-	-	-	-
Assets classified as held for sale	28,128,467	24,957,518	12,241,824	9,479,967	140,727
Total assets	7,624,979,718	6,307,588,216	3,968,114,609	3,499,683,980	3,094,960,515
Liabilities					
Deposits from banks	831,632,332	1,079,284,414	616,644,611	276,140,835	95,122,188
Deposits from customers	4,832,744,495	3,668,339,811	2,058,738,930	1,910,773,713	1,813,042,872
Derivative financial instruments	20,775,722	6,827,293	5,185,870	5,306,450	30,275,181
Debt securities issued	169,160,059	157,987,877	251,251,383	302,106,706	243,952,418
Current tax liabilities	2,546,893	1,409,437	2,939,801	4,547,920	5,004,160
Other liabilities	342,460,268	302,261,950	222,046,143	242,948,060	109,887,952
Retirement benefit obligations	4,584,149	3,418,060	2,319,707	2,481,916	3,064,597
Interest-bearing borrowings	755,254,273	544,064,226	363,682,441	282,291,141	372,179,785
Deferred tax liabilities	11,925,861	4,507,110	4,505,966	7,848,515	3,101,753
Total liabilities	6,971,084,052	5,768,100,173	3,527,314,852	3,034,445,256	2,675,630,906
Equity					
Share capital and share premium	251,811,463	251,811,463	212,438,802	212,438,802	212,438,802
Retained earnings	206,896,038	188,925,555	148,238,575	115,966,230	90,980,177
Other components of equity	195,188,165	98,751,019	80,122,380	136,833,692	115,910,630
Total equity	653,895,666	539,488,038	440,799,757	465,238,724	419,329,609

Total liabilities and Equity	7,624,979,718	6,307,588,220	3,968,114,609	3,499,683,980	3,094,960,515
Gross earnings	634,863,770	576,347,840	435,743,037	398,161,576	331,000,972
Profit before income tax	90,195,880	79,213,711	75,248,146	65,140,136	78,230,565
Profit for the year	80,039,329	70,115,989	73,596,295	51,335,460	61,677,124
Dividend paid	23,104,397	18,803,180	18,803,180	15,910,384	13,729,777
Earning per share - Basic	225k	207	177k	221k	174k
- Adjusted	225k	207	184k	221k	174k
Number of ordinary shares of 50k	28,927,971,631	28,927,971,631	28,927,971,631	28,927,971,631	22,882,918,908

05

SHAREHOLDERS INFORMATION

Access Bank's commitment to effectively communicate with its shareholders



05 || SHAREHOLDERS INFORMATION

SHAREHOLDERS ENGAGEMENT

The Board and Management of Access Bank are committed to ensuring transparency in their dealings with stakeholders. Accordingly, we provide shareholders with a continuous and timely flow of financial and non-financial information in order to ensure that their expectations are aligned with the Bank's corporate objectives.

Access Bank continues to carry out several enhancements of its investor relations programme to effectively communicate with shareholders. The Bank, in keeping with best practice, employs various channels of communication to provide information to its shareholders:

CHANNEL	DESCRIPTION
Annual Report and Accounts	The Annual Report and Accounts is a comprehensive report of the Bank's activities throughout the preceeding year. It is produced in paper and electronic formats and posted to Shareholders and other stakeholders at least 21 days before the Annual General Meeting as required by law.
Website	The Bank's website, www.accessbankplc.com. serves as a go-to resource and is continuously updated with relevant information for our shareholders.
Result Announcement	The Bank ensures complete access to financial performance information through the publication of quarterly and annual results in the papers and online media.
Conference calls	Following the publication of the Bank's results is the conference call with shareholders. investors and analysts. The conference calls provide the investors community to gain a better understanding of the Bank's performance and future plans.
Annual General Meeting (AGM)	The Annual General Meeting is an annual event during which the Bank's Board and Senior Management meet with shareholders to discuss the Bank's performance, strategy and other concerns of shareholders. Decisions are reached by majority vote as required by law.
Shareholder Associations Meeting	In addition to the Annual General Meeting, the Bank considers it important to hear from representatives of various shareholder associations in order to address shareholders' concerns and receive advice from shareholders.
Non-Deal Road Show	The Bank's management team ensures that it meets international and local Shareholders at least once a year.

Rights and responsibilities of Shareholders

Our Shareholders are encouraged to share in the responsibility of sustaining the Bank's corporate values by exercising their rights which include

- Voting at the Shareholders' meeting
- Sharing in the property of the company upon dissolution
- Participating in Shareholders' meetings
- Electing and removing Directors
- Approving bylaws and changes thereto
- Appointing the auditor of the Bank
- Examining corporate records, financial statements and Directors' reports and
- Approving major or fundamental changes (such as those affecting a company's structure or business activities).

Enquiries and Complaints Management

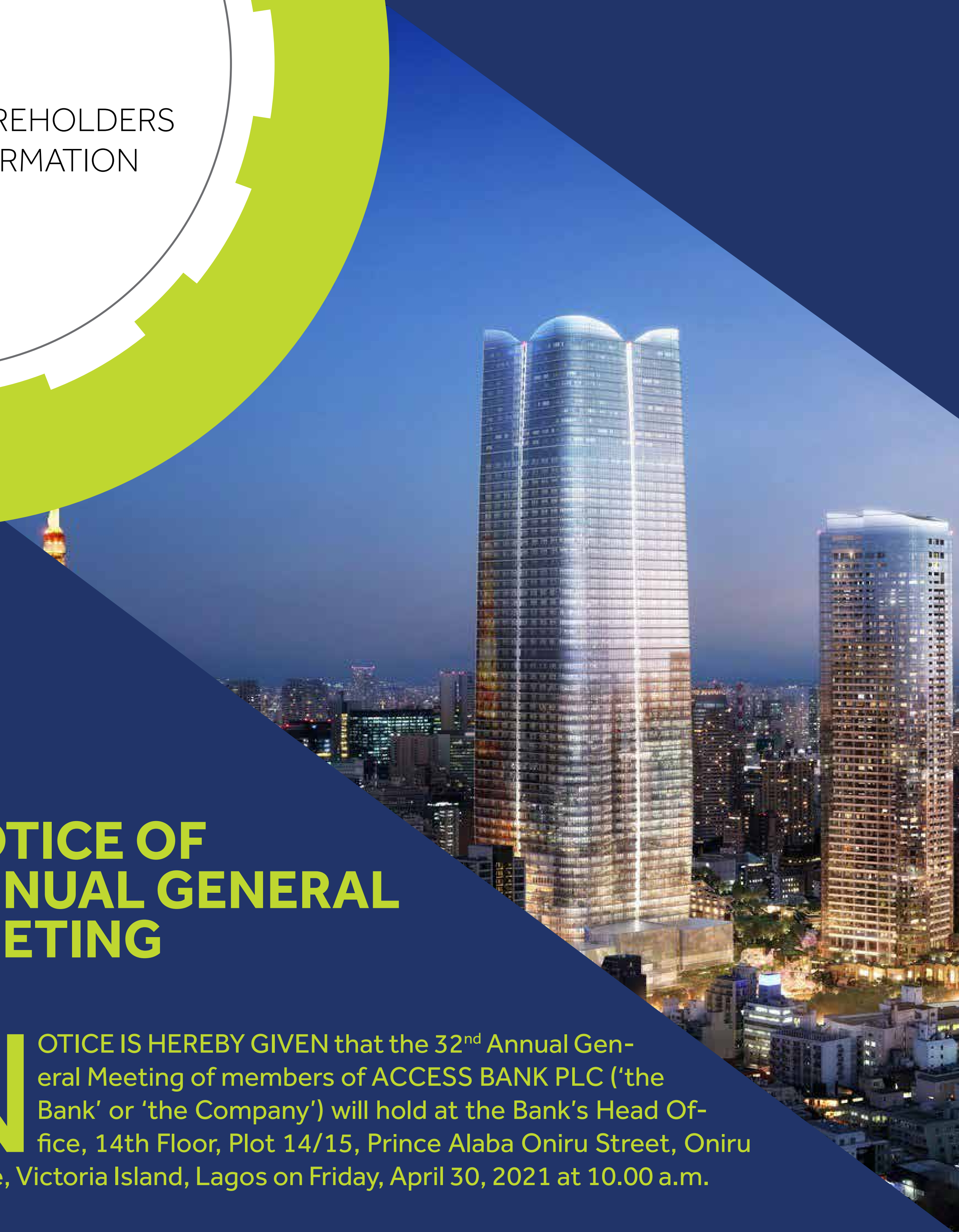
The Investors Enquiries and Complaints Management Policy ('the Policy') sets out the manner and circumstances in which the Shareholders of the Bank may contact the Bank regarding their shareholding interest in the Bank and how the Bank will address the shareholders' concerns. It provides guidance to the individuals within the Bank that are responsible for handling and resolving shareholders' complaints or enquiries. The policy provides for efficient, fair and timely management and resolution of shareholders' enquiries and complaints.

The policy is made pursuant to the Securities and Exchange Commission's rules relating to the Complaints Management Framework of the Nigerian Capital Market and the implementing Circular Number NSE/LARD/CIR6/15/04/22 issued by the Nigerian Stock Exchange and is contained in Page 462 of this report.

INVESTOR RELATIONS CONTACT DETAILS

	Retail Shareholders	Institutional Investors & Financial Analysts
E-mail	shareholderservices@accessbankplc.com info@coronationregistrars.com	investorrelations@accessbankplc.com
Phone	234-1-2364130 234-1-2714566-7	234-1-2364130
Contact Address	Coronation Registrars Ltd. Plot 09, Amodu Ojikutu Street, Victoria Island, Lagos. Shareholder Services Unit, Access Bank Plc. Access Tower 14/15, Prince Alaba Oniru Road, Oniru, Lagos	Investor Relations Unit Access Bank Plc Access Tower 14/15 Alaba Oniru Street, Oniru Estate, Victoria Island, Lagos.

05 ||
SHAREHOLDERS INFORMATION



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting of members of ACCESS BANK PLC ('the Bank' or 'the Company') will hold at the Bank's Head Office, 14th Floor, Plot 14/15, Prince Alaba Oniru Street, Oniru Estate, Victoria Island, Lagos on Friday, April 30, 2021 at 10.00 a.m.

You will be asked to consider and, if thought fit, to pass the resolutions below:

A. ORDINARY BUSINESS

As Ordinary Resolutions:

1. To receive the Group's Audited Financial Statements for the year ended December 31, 2020 and the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a final dividend.
3. To re-elect Mr. Paul Usoro, SAN as a Non-Executive Director.
4. To elect Mr. Hassan Musa Tanimu Usman who was appointed as an Independent Non- Executive Director by the Board of Directors since the last Annual

General Meeting.

5. To elect Mrs. Omosalewa Fajobi who was appointed as a Non-Executive Director by the Board of Directors since the last Annual General Meeting.
6. To approve the appointment of Mr. Oluseyi Kumapayi who was appointed as an Executive Director by the Board of Directors since the last Annual General Meeting.
7. Disclosure of the remuneration of Managers of the Bank.
8. To authorise the Directors to fix the remuneration of the Auditors.
9. To elect/re-elect members of the Audit Committee.

B. SPECIAL BUSINESS

As Ordinary Resolution:

10. That the Directors' fees for the financial year ending December 31, 2021 be and is hereby fixed at NGN 58, 125,000.00 (Fifty-Eight Million, One Hundred and Twenty-Five Thousand Naira Only).

PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A Proxy need not also be a member. A proxy form is attached to the Notice and it is valid for the purpose of the meeting. All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at the office of the Registrars, Coronation Registrars Limited, Plot 09, Amodu Ojikutu Street, off Saka Tinubu Street, Victoria Island, Lagos, not later than 48 hours prior to the time of the meeting.

In the case of Joint Shareholders, the signature of any one of them will suffice, but the names of all the Joint Shareholders must be stated. If the shareholder is a corporation, the proxy form must be under the Common Seal or under the hand of the same officer or attorney duly authorised by the Corporation to act on its behalf.

Dated this 6th day of April 2021.

BY ORDER OF THE BOARD

SUNDAY EKWOCHI
Company Secretary
FRC/2013/NBA/00000005528

NOTES

1. Attendance by Proxy

In view of the Covid-19 pandemic, attendance at the Annual General Meeting ("AGM") shall only be by proxy. A shareholder of the Company entitled to attend and vote at the AGM is advised to select from the under-listed proposed proxies, to attend and vote in his stead:

I. Dr. (Mrs.) Ajoritsedere Awosika, MFR, mni

ii. Dr. Herbert Wigwe, FCA

iii. Mr. Paul Usoro, SAN

iv. Mrs. Ifeyinwa Osime

v. Sir. Sunday Nwosu

vi. Mr. Gbenga Idowu

vii. Mr. Eric Akinduro

viii. Mr. Boniface Okezie

ix. Mrs. Bisi Bakare

x. Dr. Faruk Umar

xi. Alhaji Kabiru Tambari

2. Stamping of Proxy

The Company has made arrangements, at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

3. Live Streaming of the AGM

The AGM will be streamed live online. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live streaming will be made available on the Company's website at www.accessbankplc.com.

4. Compliance with Covid-19 Related Directives and Guidelines

The Federal Government of Nigeria, State Governments, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of Covid-19 in Nigeria. Particularly, the Federal Government prohibited the gathering of more than 50 people, while the Corporate Affairs Commission 'CAC' issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

5. Dividend

If the proposed Final Dividend of 55 Kobo per every 50 Kobo ordinary share is approved, dividend will be payable on April 30, 2021 to shareholders whose names appear in the Register of Members at the close of business on April 15, 2021 (bringing the Total Dividend paid for 2020 financial year to 80 kobo per share).

Shareholders who have completed the e-dividend mandate forms will receive direct credit of the dividend into their bank accounts on the date of the Annual General Meeting.

6. Closure of Register of Members

The Register of Members and Transfer Books of the Bank will be closed on April 16, 2021 to enable the Registrar prepare for the payment of dividend.

7. Statutory Audit Committee

The Audit Committee consists of 3 shareholders and 2 Directors. In accordance with Section 404 of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

The Central Bank of Nigeria and the Securities and Exchange Commission in their respective Codes of Corporate Governance require that at least one member of the Audit Committee should be knowledgeable in internal control processes, accounting and financial matters. Consequently, a detailed resume disclosing requisite qualification should be submitted with each nomination.

8. E-Dividend

Shareholders are kindly requested to update their records and advise the Registrar, Coronation Registrars Limited of their updated records and relevant bank account details for payment of dividend. Detachable forms in respect of mandate for e-dividend payment, unclaimed dividend/ stale warrants and shareholder's data update are attached to the Annual Report for convenience. The aforementioned forms can also be downloaded from the Bank's website at www.accessbankplc.com or from Coronation Registrars Limited's website at www.coronationregistrars.com.

The duly completed forms should be returned to Coronation Registrars Limited, Plot 09, Amodu Ojikutu Street, off Saka Tinubu Street, Victoria Island, Lagos or to any branch of Access Bank Plc.

9. E-Annual Report

The electronic version of the Annual report will be available at www.accessbankplc.com. Shareholders who have provided their email details to the Registrar will receive the electronic version of the Annual Report via email. Additionally, Shareholders who are interested in receiving the electronic version of the Annual Report may request via e-mail to info@coronationregistrars.com or groupcompanysecretariat@accessbankplc.com.

10. Biographical Details of Directors for Re-election/Approval

Biographical details of Directors submitted for re-election or approval are contained in the Annual Report.

10. Website

A copy of this Notice and other information relating to the meeting can be found at http.www.accessbankplc.com/ investors relations.

11. Questions from shareholders

Shareholders and other holders of the Company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Annual Report and Accounts. Please send questions, comments or observations to Company Secretariat Department, Access Bank Plc, 14/15, Prince Alaba Oniru Street, Oniru Estate, Victoria Island, Lagos or by e-mail to groupcompanysecretariat@accessbankplc.com not later than April 26, 2021. Questions and answers will be presented at the Annual General Meeting.


MORE
IN AFRICA
MORE TO THE WORLD
A bright future is only attainable with sustainable growth. This is why we support agriculture in Nigeria through the provision of Agric Loans to farmers.
Explore growing possibilities with us and experience more than banking.
accessbankplc.com
Africa | Asia | Europe | UAE
access
more than banking

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

The Notes below provide explanation to the proposed resolutions.

ALL the resolutions are being proposed as ordinary resolutions. This means that for each resolution to be passed a simple majority of votes in favour of the resolution is required. Please note that if you abstain from voting you will not be counted in the calculation of the proportion of votes 'for 'or 'against' a resolution.

Resolution 1: Annual Report and Accounts

The directors are required under Section 388 (1) of the Companies and Allied Matters Act 2020 to lay before the company in General Meeting for each financial year copies of the financial statements of the company made up to a date not exceeding nine months prior to the date of the meeting. This provides the shareholders the opportunity to ask questions on the content of the Annual Report and Financial Statements.

Resolution 2: Declaration of Final Dividend

By Section 426 (1) of the Companies and Allied Matter Act 2020, the General Meeting has the power to approve or reduce the final dividend recommended by the directors but cannot increase the amount. If the 55 Kobo final dividend per ordinary share recommended by the Directors is approved, the final dividend net of withholding tax will be payable on April 30, 2021 to those shareholders registered on the Company's register of shareholders as at April 15, 2021.

Resolutions 3-6: Re-election/and Approval of Directors

Your company's Articles of Association require one third of all Non-Executive Directors (rounded down) to stand for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting ('AGM'). In keeping with the requirement, Mr. Paul Usoro, SAN will retire at this Annual General Meeting and being eligible for re-election will submit himself for re-election. It is hereby confirmed that following a formal evaluation, the Director continues to demonstrate commitment to his role as a Non-Executive Director.

The Board pursuant to the powers vested on it by the Articles of Association has appointed Mr. Hassan M.T Usman and Mrs. Omosalewa Fajobi as Independent Non-Executive Director and Non-Executive Director respectively. The appointments have been approved by the Central Bank of Nigeria. As required by the Articles of Association, the appointments will be tabled before the shareholders for approval. Pursuant to the powers contained the Articles, the Board has also appointed Mr. Oluseyi Kumapayi as an Executive Director. The appointment has been approved by the Central Bank of Nigeria and will be tabled before the shareholder for ratification at this meeting.

The Board considers all the Directors as well experienced and capable of adding value to the Board.

The biographical details of the four Directors are contained at pages 130 to 134 of this report. The Board recommends the election/approval of the four Directors to enable it maintain the needed balance of skill, knowledge and experience.

The interest of Directors standing for election and re-election in the ordinary shares of the Bank as at December 31, 2020 are as shown below.

S/N	Director's Name	Direct Holding	Indirect Holding
1	Mr. Paul Usoro	1,209,634	NIL
2	Mr. Hassan M.T. Usman	NIL	NIL
3	Mrs. Omosalewa Fajobi	NIL	NIL
4	Mr. Oluseyi Kumapayi	24,014,208	NIL

Resolution 7: Disclosure of Remuneration of Managers

The Companies and Allied Matters Act in S257 provides that the compensation of managers of a company shall be disclosed to members of the company at the Annual General Meeting. In accordance, shareholders will be requested to note the disclosure on the remuneration of the managers of the company as contained in Page 344 of the Annual Report.

Resolution 8: Approval of Auditors' Remuneration

PricewaterhouseCoopers was appointed as the statutory auditor of the Bank by the ordinary resolution of shareholders passed at the 24th Annual General Meeting held on April 25, 2013. Section 408 (1) (b) of the Companies and Allied Matters Act 2020 provides that the remuneration of auditors of a company shall be subject to Section 408 (1) (a) be fixed by the company in general meeting or in such manner as the company in general meeting may determine. Pursuant to this provision, the shareholders will be required to authorize the directors to fix the remuneration of the statutory auditor for the financial year ending December 31, 2021.

Resolution 9: Election/Re-election of Members of Audit Committee

In accordance with S.404 (6) of the Companies and Allied Matters Act 2020, any member may nominate a shareholder for election as a member of the Shareholders Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Members will be required to vote at the Annual General Meeting to elect or re-elect members of the Bank's Shareholders Audit Committee.

Resolution 10 – Approval of Directors' Fees

You company is required by law to seek the approval of the annual fees payable to the Non-Executive Directors. Shareholders will therefore be required to approve annual fees of NGN 58,125,000.00 (Fifty-Eight Million, One Hundred and Twenty-Five Thousand Naira Only) for the Non-Executive Directors for the 2021 financial year. The proposed rate of remuneration is maintained at the 2015 level.

DIVIDEND HISTORY INFORMATION

Dividend No.	Year Ended	Date Received	Total Dividend	Dividend per share	Total Dividend Paid as at December 31, 2020 N	Amount Unclaimed as at December 31, 2020 N
7	31/03/2009	7/14/2009	10,214,982,816.57	0.70	9,212,821,890.12	1,002,160,926.45
8	30/06/2010	7/14/2010	3,219,885,266.04	0.20	2,898,424,290.19	321,460,975.85
9	31/12/2010	4/28/2011	5,366,475,443.40	0.30	4,951,535,605.12	414,939,838.28
10	30/06/2011	9/21/2011	3,577,650,295.60	0.20	3,247,211,324.53	330,438,971.07
11	31/12/2011	4/27/2012	6,866,475,435.00	0.30	6,310,577,721.98	555,897,713.02
12	30/06/2012	10/17/2012	5,148,656,754.30	0.25	4,668,117,126.70	480,539,627.60
13	31/12/2012	4/25/2013	12,356,776,210.32	0.60	11,112,087,247.30	1,244,688,963.02
14	30/06/2013	9/18/2013	5,148,656,754.30	0.25	4,655,579,595.04	493,077,159.26
15	31/12/2013	4/30/2014	7,208,119,746.95	0.35	6,455,049,715.77	753,070,031.18
16	30/06/2014	9/23/2014	5,148,656,754.30	0.25	4,556,898,251.75	591,758,502.55
17	31/12/2014	5/6/2015	7,208,119,456.02	0.35	6,380,403,687.55	827,715,768.47
18	30/06/2015	9/10/2015	6,508,795,773.20	0.25	5,608,132,117.22	900,663,655.98
19	31/12/2015	4/26/2016	7,810,552,340.37	0.30	6,998,231,864.06	812,320,476.31
20	30/06/2016	9/14/2016	6,508,795,763.64	0.25	5,843,911,332.01	664,884,431.63
21	31/12/2016	3/29/2017	10,523,898,704.16	0.40	9,412,153,261.62	1,111,745,442.54
22	30/06/2017	9/21/2017	6,579,385,418.35	0.25	5,884,733,302.25	694,652,116.10
23	31/12/2017	25/04/2018	10,543,652,010.12	0.40	9,283,774,926.03	1,259,877,084.09
24	30/06/2018	9/21/2018	6,590,513,640.52	0.25	5,820,679,318.64	769,834,321.88
25	31/12/2018	4/25/2019	8,093,007,625.67	0.25	7,187,238,818.33	905,768,807.34
26	30/06/2019	10/3/2019	8,090,057,979.07	0.25	7,198,815,266.37	891,242,712.70
27	31/12/2019	5/29/2020	12,956,339,977.00	0.40	11,281,167,285.94	1,675,172,691.06
28	30/06/2020	9/25/2020	8,106,049,074.40	0.25	7,032,211,838.70	1,073,837,235.70

CAPITAL FORMATION

S/N	Timeline	Corporate Action	Number of Shares	Amount
1	11/5/1998	Public Issue for Cash	1,200,000,000	600,000,000
2	9/21/2001	Bonus	300,000,000	150,000,000
3	9/23/2001	Public Issue for Cash	1,200,000,000	600,000,000
4	3/31/2003	Bonus	300,000,000	150,000,000
5	8/30/2004	Bonus	1,000,000,000	500,000,000
6	8/31/2005	Bonus	1,158,746,000	579,373,000
7	31/09/2005	Public Issue for Cash	4,111,214,000	2,055,607,000
8	31/11/2005	Private Placement	499,358,000	249,679,000
9	12/31/2005	Share Exchange Capital & Marina Banks	4,187,003,722	2,093,501,861
10	10/31/2006	Share Reconstruction	-6,978,160,860	-3,489,080,430
11	7/31/2007	Public Issue for Cash	9,164,340,987	4,582,170,494
12	12/31/2008	IFC Loan Conversion to Equity	71,756,590	35,878,295
13	31/06/2009	Bond Conversion	47,788,360	23,894,180
14	31/06/2010	Bonus	1,626,204,679	813,102,340
15	1/23/2012	Share Exchange Intercontinental Bank	4,994,667,430	2,497,333,715
16	8/30/2015	Right Issue	6,045,052,723	3,022,526,362
17	4/1/2019	Diamond Bank Merger	6,617,253,991	3,308,626,996
			35,545,225,622	**17,772,612,811**

05

SHAREHOLDERS INFORMATION

CORONATION

E-MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all sections of this form to make it eligible for processing and return to the address below.
The completed form can also be submitted through any Access Bank Plc nearest to you.
This service costs *N150.00* per approved mandate per company.

The Registrar,
Coronation Registrars Limited RC 126257
9 Amodu Ojikutu Street, Off Saka Tinubu,
Victoria Island, P.M.B 12753 Lagos, Nigeria.

Website: www.coronationregistrars.com
E-mail: info@coronationregistrars.com

For enquiries, please call 012 272 570 or send e-mail to customercare@coronationregistrars.com

ONLY CLEARING BANKS ARE ACCEPTABLE

Coronation Registrars Limited hereby disclaims liability or responsibility for errors/omissions/misstatements in any document transmitted electronically.

AFFIX CURRENT PASSPORT PHOTOGRAPH
(to be stamped by bankers)

Please write your name at the back of your passport photograph

SHAREHOLDER ACCOUNT INFORMATION

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies at the right hand column be credited directly to my\our bank detailed below:

Bank Verification No.

Bank Name

Bank Account No.

Account Opening Date D D M M Y Y Y Y

SHAREHOLDER ACCOUNT INFORMATION

Surname/ Company Name

First Name

Other Name(s)

Address

City | State | Country

Previous Address (if any)

CHN (if any)

Mobile Telephone 1 | Mobile Telephone 2

E-mail

Signature(s)

Joint/ Company Signatories

Company Seal (if applicable)

Kindly tick & quote your shareholder account no. in the box below:

√	NAME OF COMPANY	SHAREHOLDER No.
	Access Bank PLC	
	Access Bank Bond	
	Access Bank Green Bond	
	Afrinvest WA Ltd – NIDF	
	AIICO Insurance PLC	
	AIICO Money Market Fund	
	Airtel Africa PLC	
	Air Liquide Nigeria PLC	
	Caverton Offshore Support Group	
	ChapelHill Denham – NIDF, NREIT	
	Coronation Asset Management Limited	
	Coronation Insurance Plc (formerly Wapic Insurance)	
	First Ally Asset Management	
	Dangote Cement Bond	
	Dangote Cement PLC	
	FirstTrust Mortgage Bank PLC	
	FSDH Asset Management Limited	
	Food Emporium International Limited	
	Gombe State Government	
	IHS Nigeria PLC	
	Lagos State Government	
	Lead Asset Management Limited	
	McNichols Consolidated PLC	
	Mixta Real Estate Bond	
	MTN Nigeria Communication PLC	
	NASD PLC	
	NDEP PLC	
	NIPCO PLC	
	Red Star Express PLC	
	SFS Capital Nigeria Limited	
	STACO Insurance PLC	
	Three Points Industries Limited	

05

SHAREHOLDERS INFORMATION

CORONATION

REQUEST FOR CHANGE OF ADDRESS

INSTRUCTION
*This field is COMPULSORY, failure to comply with this instruction means your form will not be processed.

The Registrar,
Coronation Registrars Limited RC 126257
9 Amodu Ojikutu Street, Off Saka Tinubu,
Victoria Island, P.M.B 12753 Lagos, Nigeria.

Website: www.coronationregistrars.com
E-mail: info@coronationregistrars.com

For enquiries, please call 012 272 570 or send e-mail to customercare@coronationregistrars.com

Coronation Registrars Limited hereby disclaims liability or responsibility for errors/omissions/misstatements in any document transmitted electronically.

AFFIX CURRENT PASSPORT PHOTOGRAPH
(to be stamped by bankers)

Please write your name at the back of your passport photograph

Re-Shareholding in

Kindly effect a change of my contact address in the above named company as stated below:

From: Old Address — RESIDENCE / TOWN / CITY / STATE / COUNTRY — P.O. Box

(Please indicate P.O Box of PMB Number if applicable)

To: New Address — RESIDENCE / TOWN / CITY / STATE / COUNTRY — P.O. Box

Request made by: SURNAME / MIDDLE NAME / FIRST NAME

SHAREHOLDER'S SIGNATURE

Name SURNAME / MIDDLE NAME / FIRST NAME

Date D D M M 2 0 Y Y — Signature*

Kindly return the duly completed form to the Registrar, Coronation Registrars Limited at the address stated above.

Coronation Registrars Limited | 9 Amodu Ojikutu, VI | 012 272 570 | +234 816 288 1632 | info@coronationregistrars.com | www.coronationregistrars.com

05

SHAREHOLDERS INFORMATION

PROXY FORM

access
RC 125384

32nd ANNUAL GENERAL MEETING to be held at Access Tower, Plot 14/15, Prince Alaba Oniru Street, Oniru Estate, Victoria Island, Lagos on Friday, April 30, 2021 at 10:00 a.m.

"I/WE

(Name of Shareholder in block letters)

Being a member/(s) of the above named Company hereby appoint Dr. (Mrs.) Ajoritsedere Awosika MFR, mni or failing her any of the underlisted shareholders

1. Dr. Herbert Wigwe, FCA
2. Mr. Paul Usoro, SAN
3. Mrs Ifeyinwa Osime
4. Sir Sunday Nwosu
5. Mr. Gbenga Idowu
6. Mr. Eric Akinduro
7. Mr. Boniface Okezie
8. Mrs. Bisi Bakare
9. Dr. Faruk Umar
10. Alhaji Kabiru Tambari

Dated this ....day of 2021

Signature of Shareholder

As my/our proxy to vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Friday, April 30, 2021 and at any adjournment thereof. Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

ORDINARYBUSINESS/ ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. To receive the Group's Audited Financial Statements for the year ended December 31, 2020 and the Reports of the Directors, Auditors and Audit Committee thereon.			
2. To declare a final dividend.			
3. To re-elect **Mr. Paul Usoro, SAN** as a Non-Executive Director.			
4. To elect **Mr. Hassan Musa Tanimu Usman** who was appointed as an Independent Non- Executive Director by the Board of Directors since the last Annual General Meeting.			
5. To elect **Mrs. Omosalewa Fajobi** who was appointed as a Non-Executive Director by the Board of Directors since the last Annual General Meeting.			
6. To approve the appointment of **Mr. Oluseyi Kumapayi** who was appointed as an Executive Director by the Board of Directors since the last Annual General Meeting.			
7. Disclosure of the remuneration of Managers of the Bank.			
8. To authorise the Directors to fix the remuneration of the Auditors.			
9. To elect/re-elect members of the Audit Committee.			
SPECIAL BUSINESS/ORDINARY RESOLUTION	**FOR**	**AGAINST**	**ABSTAIN**
10. That the Directors' fees for the financial year ending December 31, 2021 be and is hereby fixed at **NGN 58, 125,000.00 (Fifty-Eight Million, One Hundred and Twenty-Five Thousand Naira Only).**			

Please indicate with an 'X' in the appropriate box how you may wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

ADMISSION CARD

ACCESS BANK PLC RC 125,384

32nd Annual General Meeting to be held at Access Tower, Plot 14/15, Prince Alaba Oniru Street, Victoria Island, Lagos on Friday, April 30, 2021 at 10.00 a.m

Name and Address of Shareholder:

....

....

Number of shares Held: ....

IMPORTANT NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A Proxy need not also be a member. A proxy form is attached to the Notice and it is valid for the purpose of the meeting. All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at the office of the Registrars, Coronation Registrars Limited, Plot 09, Amodu Ojikutu Street, off Saka Tinubu Street, Victoria Island, Lagos, not later than 48 hours prior to the time of the meeting. Note that the payment of stamp duties for all instrument of proxy shall be at the Company's expense.

   In the case of Joint Shareholders, the signature of any one of them will suffice, but the names of all the Joint Shareholders must be stated. If the shareholder is a corporation, the proxy form must be under the Common Seal or under the hand of the same officer or attorney duly authorised by the Corporation to act on its behalf.

2. Shareholders should note that the Corporate Affairs Commission has in view of the Covid-19 pandemic and following the Government's restriction on public gathering approved that attendance to the Meeting shall only be by proxy to ensure public health and safety.

3. Shareholders are therefore requested to submit their completed proxy forms in line with the Corporate Affairs Commissions' Guideline to the office of Group Company Secretary, Access Bank Plc , Plot 14/15 , Prince Alaba Oniru Street, Oniru Estate, Victoria Island, Lagos not later than April 25 2021 to enable the Bank stamp the proxy forms and lodge same with the Registrars not later than 48 hours prior to the time of the meeting.

4. If proxy form is executed by a company, it should be sealed under its common seal or the hand and seal of its attorney. and seal of its attorney.

Signature of Person Attending

05

SHAREHOLDERS INFORMATION

INVESTORS' ENQUIRIES AND COMPLAINTS MANAGEMENT POLICY

1. SCOPE AND OBJECTIVES OF THE POLICY

This Investors' Enquiries and Complaints Management Policy ('the Policy') sets out the manner and circumstances in which the shareholders of Access Bank Plc ('the Bank or Access Bank') may contact the Bank regarding their shareholding interest in the Bank and how the Bank will address the shareholders' concerns. It provides guidance to the individuals within the Bank that are responsible for handling and resolving shareholders' complaints or enquiries. The Policy provides for efficient, fair and timely management and resolution of shareholders' enquiries and complaints.

The Policy is made pursuant to the Securities and Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market and the implementing Circular Number NSE/LARD/CIR6/15/04/22 issued by the Nigerian Stock Exchange.

The policy does not cover complaints and enquiries by the Bank's customers, suppliers or other stakeholders or complaints falling outside the purview of the Securities and Exchange Commission ('SEC'). The Bank's Registrars, United Securities Limited has its own complaints handling procedures and policies, which are not covered by this policy. The contact details of the Registrars are contained in Article 9 of this Policy.

2. STATEMENT OF COMMITMENT

Access Bank is committed to providing high standards of services to shareholders, including:

i. Efficient and easy access to shareholders' information;

ii. Enabling shareholders to have their matters acknowledged and addressed; and

iii. Providing the means for shareholders' enquiries and complaints to be appropriately handled.

3. DEFINITIONS

Unless otherwise described in the Policy, the following terms and definitions apply throughout this policy:

3.1 'Access Bank Plc' means the company which has its ordinary shares listed on the Nigerian Stock Exchange under ISIN Number NGA ACCESS 0005 and further identified with Legal Entity Identifier Number 029200328C3N9Y12D660.

3.2 'Shareholder' means the registered owner of ordinary shares in Access Bank

3.3 'Competent Authority' means the Nigerian Stock Exchange.

4. ENQUIRIES AND COMPLAINTS PROCEDURES

There are a number of ways shareholders can access relevant information about their shareholding and make related enquiries and complaints.

4.1 Visiting the Bank's Website

Shareholders may visit the Bank's website at www.accessbankplc.com for detailed information to assist them in managing their investments. Information available on the website include but not limited to calendar of key dates, useful shareholder forms, frequently asked questions and Annual General Meeting Notices.

4.2 Contact our Registrar

Shareholders who wish to make an enquiry or complaint about their shareholding should first of all contact the Registrar, United Securities Limited (see the contact details in Article 9 of this policy). The Registrar manages and updates all the registered information relating to shareholdings, including shareholder's name(s); payment of dividend; distribution of Annual Report and company's meeting notices; distribution of share certificates and e-allotment; change of shareholder's address, mandate and name as well as filing of caution on shares and e-dividend mandate.

4.3 The Web Registry Platform

This is a web based platform provided by the Bank's Registrar to the Bank's shareholders. The platform affords shareholders the opportunity to enjoy the following services:

i. Ability to generate, print or export their Statement of Shareholding.

ii. Access to view certificate details, including dividend and other transaction history.

iii. Ability to initiate certificate dematerialisation request and follow up on the status of the request independent of the stock broker prior to the broker submitting the physical documentation.

iv. On-line change of address without having to write the Registrars.

How to Access the Web Registry Service

i. Download form from the Registrar's website at www.unitedsecuritieslimited.com

ii. Complete form and return to the Registrar

iii. Pay an Annual Subscription fee of N1,000

iv. Receive log-on detail and password

v. Access portal on the Registrar's website.

The Web Registry provides a quick, convenient and secure way for conducting standard shareholders' enquiries and transactions.

4.4. Investor Relations Desk at the Bank's Branches Shareholders can visit any of the Bank's branches nationwide and submit their completed forms or complaint letters at the branch which are transmitted to the Investor Relations Unit for resolution or referenced to the Registrar as the case may be.

5 ENQUIRIES AND COMPLIANTS TO THE BANK'S INVESTOR RELATIONS UNIT

Access Bank is committed to responding to shareholders' enquiries and complaints fairly and promptly, whether by email, telephone or post. The following actions will be taken upon receipt of an enquiry or complaint:

5.1 Complaints received by e-mail shall be acknowledged by e-mail within two (2) working days. Where complaints are received by post, the Bank shall respond within five (5) working days of the receipt of the complaint. The Bank will respond using the same or similar medium that was used for the initial enquiry unless otherwise notified or agreed with the shareholder. The acknowledgement letter will typically contain the following information.

a) Details of how the complainant will be updated on the complaint status.

b) Name, designation and direct contact of the officer dealing with the complaint.

c) Complaint management and resolution procedure and requirements

d) Anticipated closure time.

5. 2 The Bank shall endeavour to resolve all complaints received by it within ten (10) working days (upon the shareholder meeting all conditions precedent) and notify the competent authority within two (2) days of the resolution.

5.3 Where the complaint is not resolved within the given time frame, the complainant may refer the complain to the Competent Authority within two (2) working days enclosing a summary of events leading to the referral and copies of relevant supporting documents.

6. RECORDING OF ENQUIRIES AND COMPLAINTS AND REPORTING

The Bank shall maintain an Electronic Register for Complaints and Enquiries. The register shall contain the following information:

i. The date the enquiry or complaint was received;

ii. Name of the shareholder;

iii. Telephone number, e-mail address or other contact details;

iv. Nature of enquiry or complaint;

v. Details of enquiry

vi. Whether there is any cost associated;

vii. Action taken;

viii. Copy of all correspondence sent to the shareholder

ix. Remarks and Comments.

The Company Secretary shall compile and file electronic copies of the report to the Nigerian Stock Exchange on a quarterly basis at ir@nse.com.ng or any other e-mail address as may be advised by the Nigerian Stock Exchange.

7. LIAISON WITH THE BANK'S REGISTRAR

In investigating a shareholder's enquiry, complaint or feedback, the Bank may liaise with the Registrar. If necessary, the Bank's engagement with the Registrars will include:

i. Determining the facts;

ii. Determining what action has been taken by the Registrar (if any); and

iii. Coordinating a response with the assistance of the Registrar.

8. CONDITIONS FOR CLOSURE

The Bank shall consider a complaint closed in any of the following situations.

i. When the Bank has fully met the shareholder's request.

ii. Where the shareholder has accepted the Bank's response.

iii. Where the shareholder has not responded to the Bank within 4 weeks of receiving the letter of closure.

iv. Where the Bank's Company Secretary or the General Counsel has certified that the Bank has met its contractual, statutory or regulatory obligation.

v. Where the shareholder reverts with a fresh complaint after a letter of closure has been sent.

9. REGISTRAR'S CONTACT DETAILS

The Bank's Registrar, Coronation Registrars Limited may be contacted through the following means

Office Address

Plot 09, Amodu Ojikutu Street, Off Saka Tinubu
Street. Victoria Island, Lagos, Nigeria
Telephone: +234 (1) 271 4566, +234 (1) 271 4567
E-mail: info@coronationregistrars.com

10. THE BANK'S INVESTOR RELATIONS UNIT

Shareholders seeking more information about the Bank may contact the Investor Relations Unit at:
Access Towers, 14/15, Alaba Oniru,
Victoria Island, Lagos
Telephone: +234(1) 2804130
Email: investorrelations@accessbankplc.com

11 PUBLICATION

This policy is available on the Bank's website at www.accessbankplc.com

12. RESOURCES

The Bank shall provide sufficient resources so that shareholders enquiries and complaints may be dealt with adequately and in an efficient and timely manner.

13. CHARGES AND FEES

Wherever possible and subject to statutory requirement, Access Bank will not charge shareholders for making enquiries , giving feedback, providing a response or for any aspect in the course of resolving a shareholder's matter.

The Registrar may however reserve the right to charge the shareholders for value adding services.

14. REVIEW

The Bank will regularly review this policy and the procedure concerning shareholders' enquiries and complaint. Any changes or subsequent versions of this policy shall be published in the Bank's website at www.accessbankplc.com.

05

SHAREHOLDERS INFORMATION

06

CORPORATE INFORMATION

A Directory of Access Bank's Offices, ATM locations, Subsidiaries and Correspondent Banks Worldwide.

BRANCH NETWORK

STATE	NUMBER OF BRANCHES
ABIA STATE	15
ABUJA	41
ADAMAWA STATE	2
AKWA IBOM STATE	10
ANAMBRA STATE	25
BAUCHI STATE	1
BAYELSA STATE	3
BENUE STATE	9
BORNO STATE	5
CROSS RIVER STATE	6
DELTA STATE	13
EBONYI STATE	4
EDO STATE	18
EKITI STATE	5
ENUGU STATE	18
GOMBE STATE	6
IMO STATE	16
JIGAWA STATE	3
KADUNA STATE	17
KANO STATE	14
KASTINA STATE	8
KEBBI STATE	2
KOGI STATE	5
KWARA STATE	5
LAGOS STATE	180
NASSARAWA STATE	8
NIGER STATE	7
OGUN STATE	21
ONDO STATE	9
OSUN STATE	10
OYO STATE	27
PLATEAU STATE	9
RIVERS STATE	30
SOKOTO STATE	6
TARABA STATE	2
YOBE STATE	2
ZAMFARA STATE	4
Grand Total	566

OFFSITE ATM
LOCATIONS DETAILS

STATE	NUMBER OF LOCATIONS
ABIA STATE	5
ABUJA	44
ADAMAWA STATE	3
AKWA IBOM STATE	4
ANAMBRA STATE	20
BAUCHI STATE	3
BAYELSA STATE	3
BENUE STATE	8
BORNO STATE	5
CROSS RIVER STATE	7
DELTA STATE	8
EDO STATE	30
EKITI STATE	6
ENUGU STATE	11
GOMBE STATE	5
IMO STATE	12
KADUNA STATE	23
KANO STATE	16
KASTINA STATE	1
KOGI STATE	7
KWARA STATE	5
LAGOS STATE	249
NASSARAWA STATE	16
NIGER STATE	8
OGUN STATE	42
ONDO STATE	2
OSUN STATE	21
OYO STATE	30
PLATEAU STATE	15
RIVERS STATE	13
SOKOTO STATE	4
TARABA STATE	1
Grand Total	627

CORRESPONDENT BANKS

S/N	BANK	ADDRESS
1	ABSA Bank	"7th Floor Absa Towers West 15 Troye Street Johannesburg 2001"
2	Bank of Beirut	17A Curzon St, Mayfair, London W1J 5HS, UK
3	Banque Libano	"Liberty Plaza building, 5, Rome street, Hamra Beirut"
4	British Arab Commercial Bank	"8-10 Mansion House Place London, EC4N 8BJ"
5	Byblos Bank, London	Berkeley Square House, Berkeley Square, Mayfair, London W1J 6BS, UK
6	CitiBank London	Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB, UK
7	CommerzBank AG	"Commerzbank AG, Kaiserplatz 60261 Frankfurt am Main Frankfurt"
8	Credit Agricole	91-93 Blvd. Pasteur, Paris, 75015
9	Credit Suisse AG	"Paradeplatz 8 8070 Zurich"
10	Danske	"Holmens Kanal 2-12 DK-1092 Copenhagen K"
11	Deutsche Bank	"Taunusanlage 12 D-60325 Frankfurt am Main"
12	FBN UK	28, Finsbury Circus London EC2M 7DT, UK
13	First Abu Dhabi Bank	3rd Floor, Elite Center, Khalifa St Intersection of Sheikh Khalifa Street & Baniyas Street
14	FirstRand Bank	1st Floor, 4 Merchant Place Corner Fredman Drive and Rivonia Road Sand-ton, 2196
15	IFC	2121 Pennsylvania Av. NW Washington DC 20433, USA
16	ING	Avenue Marnix 24 Brussels, 1000
17	J.P. Morgan	25 Bank street, Canary Wharf London
18	KBC	"Havenlaan 2, B - 1080 Brussels, Belgium"
19	Mashreq Bank	Ground Flr, Omar Ibn Al Khatab Rd Next to Al Ghurair Center - Abu Dhabi - United Arab
20	Nordea	"Satamaradankatu 5 Helsinki FI-00020 Nordea"
21	ODDO BHF	"Bockenheimer Landstrasse 10 Frankfurt am Main, 60323"
22	SMBC	99 Queen Victoria StreetLondon EC3V 4EH, UK
23	Societe Generale	29, Boulevard Haussmann 75009 Paris
24	Standard Bank	Standard Bank Centre, 5 Simmonds Street, Johannesburg 2001
25	Standard Chartered	1 Basinghall Ave, London EC2V 5DD, UK
26	SVENSKA HANDELSBANK	"Kungsträdgårdsgatan 2 SE-106 70 Stockholm"
27	The Access Bank UK	"4 Royal Court, Gadbrook Way, Gadbrook Park, Northwich, Cheshire CW9 7UT"
28	UBA New York	1 Rockefeller Plaza, New York, NY 10020, USA
29	UBS	"Bärengasse 16 8001 Zurich"
30	UniCredit	Piazza Cordusio 20123 Milano

AGENCY BANKING NETWORK

SUMMARY OF THE BANK'S AGENCY BANKING NETWORK AS AT DECEMBER 31, 2020

Access Bank through the Access Closa Agent Network has changed the financial inclusion landscape across Nigeria, providing ease of access to financial services to millions of Nigerians through our network of over 52,000 agents spread across every community in Nigeria and increasing financial services touchpoints to areas where these services were either difficult to access or totally unavailable. The monumental growth in the number of our agent locations in 2020 has helped ensure that our customers and indeed customers of other banks have access to financial services in an easy, safe and convenient manner.

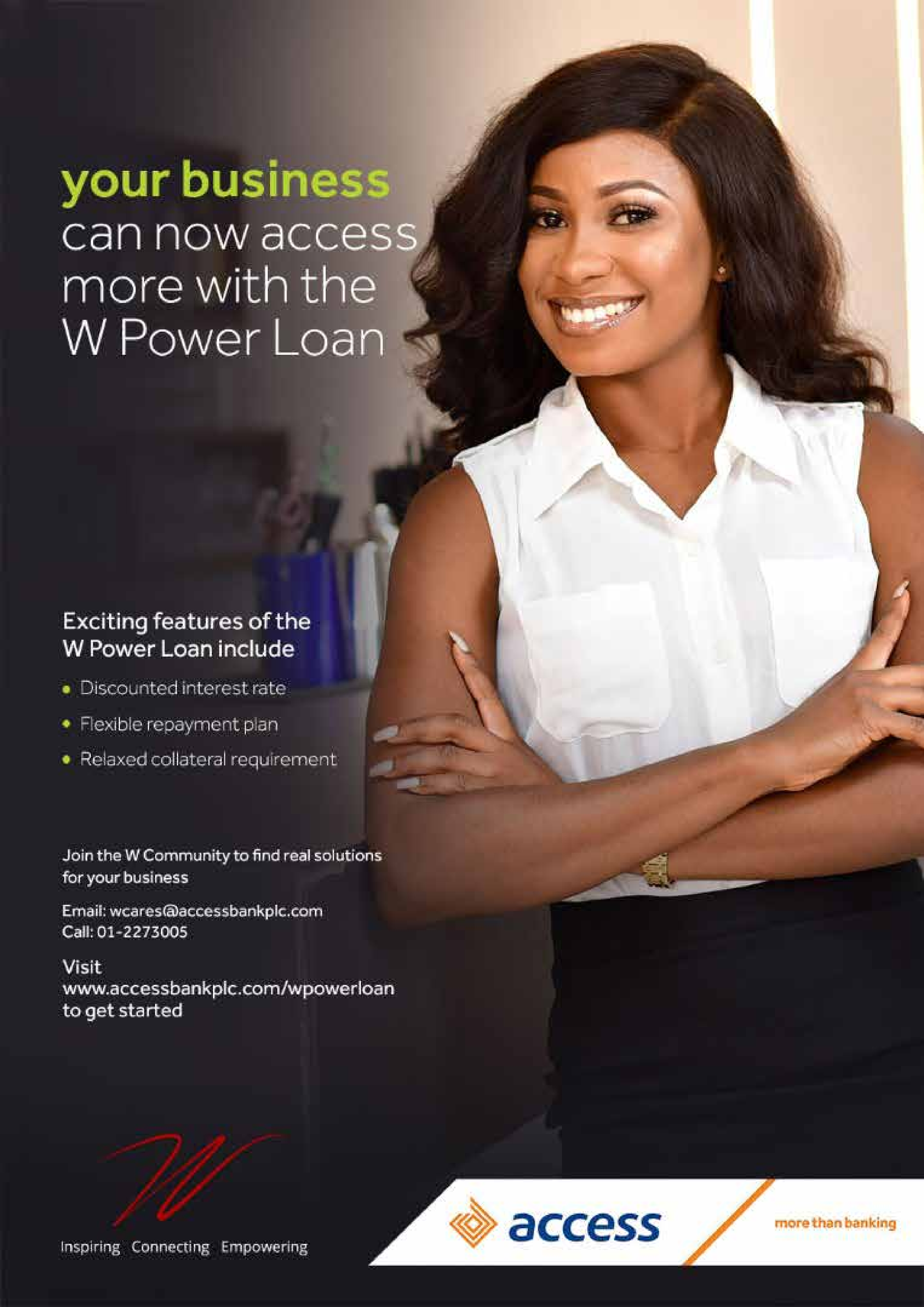
In 2020, we also made it easier to locate our agents by branding over 10,000 agent locations in partnership with Google. Our agents can be easily located by simply searching 'Access Closa Agent' on Google maps.

The Closa Agent Network has created thousands of jobs both directly and indirectly across the entire agency banking ecosystem in Nigeria and also greatly improved the income levels of thousands of local businesses who have partnered with Access Bank to drive our financial inclusion strategy. Our Agents have become brand ambassadors for the Access Bank brand.

The growth and wide acceptance of our agent network was characterised by the surge in daily transaction values from N2 million in January 2020 to N5 Billion by end of December 2020, with over 1,600% in revenue growth as revenues moved from N43 million in January to over N700 million by December 2020.

Number of agents as at December 2020			
Geo-Political Zone	**2020**	**2019**	**2018**
FEDERAL CAPITAL TERRITORY	4,419	1,874	672
NORTH-CENTRAL	6,833	2,734	668
NORTH-EAST	3,729	1,316	551
NORTH-WEST	7,311	2,192	635
SOUTH-EAST	6,560	1,325	323
SOUTH-SOUTH	7,309	2,956	589
SOUTH-WEST	16,256	6,348	2,320
Total	**52,417**	**18,745**	**5758**

Full details are provided at http://www.accessbankplc.com/contact-us/Agent-Banking-Details.aspx


your business
can now access
more with the
W Power Loan
Exciting features of the
W Power Loan include
• Discounted interest rate
• Flexible repayment plan
• Relaxed collateral requirement
Join the W Community to find real solutions
for your business
Email: wcares@accessbankplc.com
Call: 01-2273005
Visit
www.accessbankplc.com/wpowerloan
to get started
Inspiring Connecting Empowering
access
more than banking

CGRS

Better For Business

RATED

access

OUR SERVICE MANTRA:

Exceptional Service	Customers
Our DNA...	**Our Priority...**

Corporate Head Office:
Access Tower, 14/15. Prince Alaba Oniru Street,
Oniru Estate, Victoria Island, Lagos, Nigeria.
www.accessbankplc.com