# 2023
# ANNUAL REPORT & ACCOUNTS

access
BANK PLC

Expanding Horizons,
**Shaping Financial Future**

**Expanding Horizons,**
Shaping Financial Future

# CONTENTS

WELCOME

# **Expanding Horizons,** Shaping Financial Future

This theme captures the essence of Access Bank Plc's expansion into key African and global financial markets as it works towards realising its vision to be the World's Most Respected African Bank. It also emphasises the Bank's commitment to draw from its rich heritage in pioneering innovative solutions that shape a brighter financial future for its customers and stakeholders.

# 1

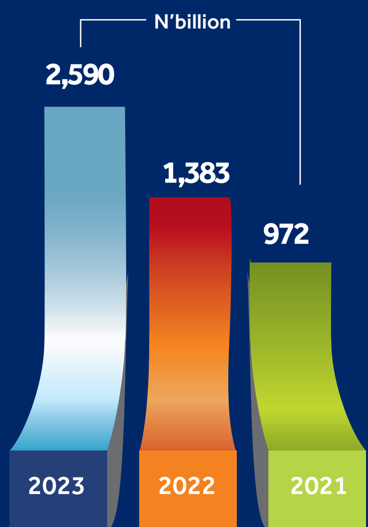
# OVERVIEW

A brief review of Access Bank Plc's Financial and Operational Performance.

# BUSINESS & FINANCIAL HIGHLIGHTS

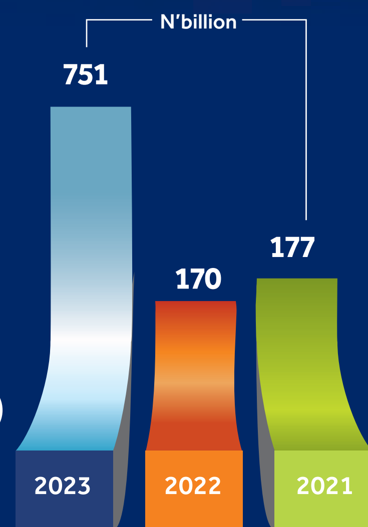
**GROSS EARNINGS**

87%



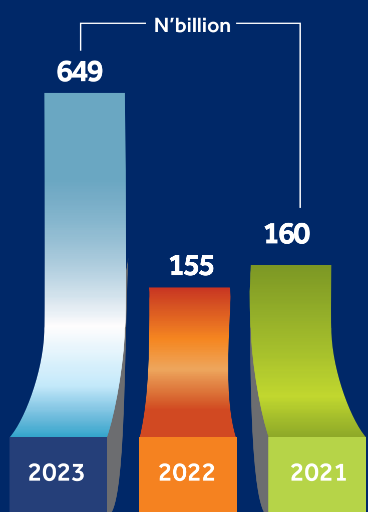

**PROFIT BEFORE TAX**

341%



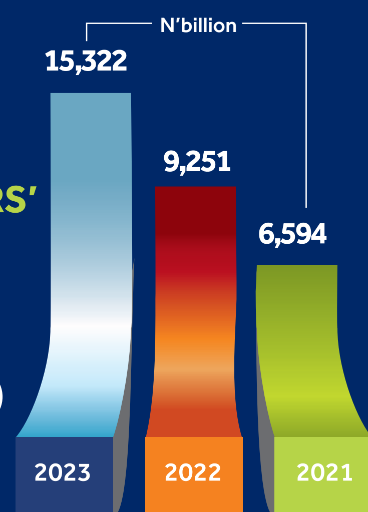

**PROFIT AFTER TAX**

316%



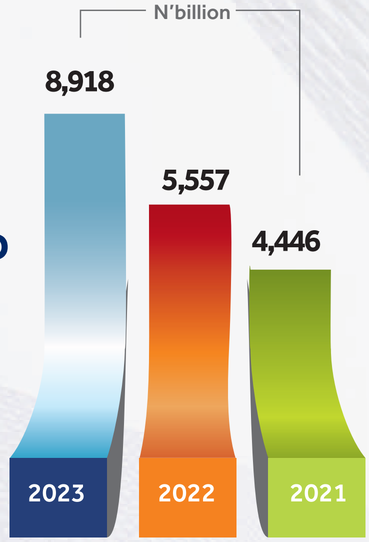

**CUSTOMERS' DEPOSITS**

66%



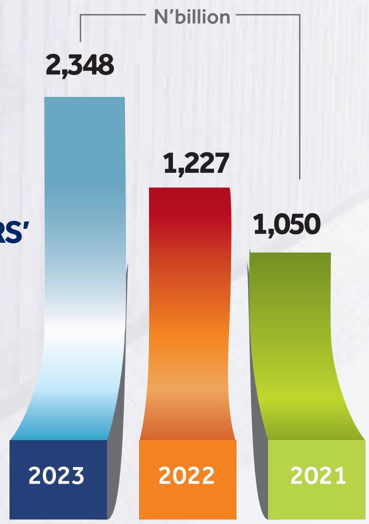
## LOANS AND ADVANCES

61%



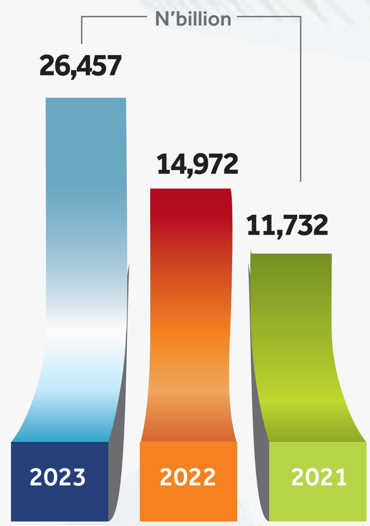

## SHAREHOLDERS' FUND

91%




## TOTAL ASSETS

77%




| | 2023 N' Million | 2022 N' Million | 2021 N' Million | Growth ('22 - '23) Percentage |
|---|---|---|---|---|
| Gross Earnings | 2,589,874 | 1,382,773 | 971,885 | 87.3% |
| Profit Before Tax | 751,086 | 170,394 | 176,701 | 340.8% |
| Profit After Tax | 645,462 | 155,165 | 160,216 | 316.0% |
| Customers' Deposits | 15,322,752 | 9,251,238 | 6,954,827 | 65.6% |
| Loans and Advances | 8,918,257 | 5,556,517 | 4,445,912 | 60.5% |
| Shareholders' Funds | 2,348,432 | 1,226,891 | 1,050,029 | 91.4% |
| Total Assets | 26,457,042 | 14,972,311 | 11,731,965 | 76.7% |

# LOCATIONS AND OFFICES

# SUBSIDIARIES LOCATIONS AND BRANCHES

We are a leading financial institution heaquatered in Lagos, Nigeria, driven by strong core values that enable us to 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 and best-in-class technology across Sub-Saharan Africa, United Kingdom, and Asia.**

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

We are proud of our ability to add value to clients and 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 14 subsidiaries within West Africa, East Africa, Southern 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 branches in the United Arab Emirates, and Paris as well as as a restricted license in Hong Kong.

| | Subsidiaries | Location | No. of branches |
|---|---|---|---|
| | Access Bank Ghana | Ghana | 50 |
| | Access Bank Rwanda | Rwanda | 7 |
| | Access Bank Zambia | Zambia | 18 |
| | Access Bank DR Congo | DR Congo | 16 |
| | Access Bank Gambia | Gambia | 7 |
| | Access Bank Sierra Leone | Sierra Leone | 6 |
| | Access Bank UK | UK | 3 |
| | Access Bank Kenya | Kenya | 25 |
| | Access Bank Mozambique | Mozambique | 11 |
| | Access Bank South Africa | South Africa | 6 |
| | Access Bank Guinea | Guinea | 2 |
| | Access Bank Botswana | Botswana | 8 |
| | Access Bank Cameroon | Cameroon | 3 |
| | Access Bank Angola | Angola | 15 |

| | Rep Offices | Location | No. of branches |
|---|---|---|---|
| Rep Office | India Rep Office | India | 1 |
| | China Rep Office | China | 1 |
| | Lebanon Rep Office | Lebanon | 1 |
| Branch of AccessUK | United Arab Emirates Office | UAE | 1 |
| | Paris | France | 1 |
| | Hong Kong Office | Hong Kong | 1 |

# CHAIRMAN'S STATEMENT

## PAUL **USORO, SAN**

*Chairman,*
*Access Bank Plc*

**It gives me great pleasure to present to you, my beloved shareholders, my maiden report as the Chairman of your bank. I would like to start by expressing gratitude to all my predecessors-in-office for the solid foundation they laid and upon which we have continued to build.**

As I proceed, please let us take a minute to remember Dr. Herbert Wigwe, who passed away on February 9, 2024, alongside his wife Doreen and son Chizi. Dr. Wigwe played an instrumental role in the transformation of our bank from March 2002 until 2024, when he died. We will continue to uphold his vision for our great institution by fostering a culture of excellence and prioritizing the needs of our clients and stakeholders.

I am pleased to report that, in the financial year under review, your bank demonstrated remarkable resilience and adaptability notwithstanding the myriad of significant monetary and fiscal policy changes, geopolitical tensions, and technological disruptions that heightened the uncertainties in our operating environment. All of these had a multipronged impact on our business operations. However, leveraging our resilience and strong presence in diverse strategic markets, we effectively harnessed market opportunities to create value for our stakeholders.

During the year, the world continued to battle inflation as major monetary policy authorities across the globe tightened key monetary policy tools, leading to drastic changes in monetary policies and significant fluctuations in exchange rates. These, coupled with material changes in fiscal policies, led financial markets to uncharted territories marked by heightened risks and uncertainties. It is, therefore, not strange that international banks are shifting their focus away from Africa, India, and some parts of Europe.

With careful and robust risk management practices and governance, we can tap into opportunities in every crisis. Access Bank is always poised for such opportunities, as we have demonstrated over the years. True to our nature, we will continue to assess such opportunities and seize them where they are in congruence with our strategic vision.

### Financial Performance

Your bank delivered outstanding financial results in 2023, maintaining its industry leadership position across key metrics.

We continued to maintain strong liquidity and capital buffers above regulatory requirements while returning competitive returns to shareholders with a sustainable business model and governance practices, delivering a sturdy Earnings Per Share (EPS) of ₦18.04kobo (2022, ₦4.52kobo), a Group Capital Adequacy Ratio of 21.09% (2022, 20.24%), and a Tier I capital ratio of 15.50% (2022, 15.18%).

**The Bank remains steadfast in its pursuit of sustainable economic growth and therefore prioritises environmental consciousness and social impact, even as we aim relentlessly for profitability in our operations.**

### Dividend

In line with our commitment to providing robust and sustainable returns to our shareholders, the Board has declared a final dividend of ₦2.22 kobo per ordinary share of 50 kobo each for the 2023 financial year. This brings the total dividend for the financial year to ₦2.62 kobo per share, subject to withholding tax.

### The Board

As of December 31, 2023, the board met ten times during the year to deliberate on strategic issues facing the institution. The corporate governance section of this report includes the details of our meetings.

In line with our commitment to strengthening the executive team and improving gender diversity, the Board appointed Mrs. Iyabo Soji-Okusanya as Executive Director, Corporate and Investment Banking Division. Mrs. Soji-Okusanya joins the Board with over three decades of professional work experience cutting across accounting practice and banking. The Central Bank of Nigeria has approved her appointment, and we will present her for your approval at this annual general meeting.

### Sustainability

We recognize the profound impact of our operations on the environment, society, and economy. As a responsible corporate citizen, we are committed to integrating sustainability into every aspect of our business to drive positive change and deliver lasting value to our stakeholders.

Environmental Responsibility: We acknowledge our responsibility to minimize our environmental footprint and mitigate climate change risks. Through sustainable practices and investments in green technologies, we strive to reduce energy consumption, minimize waste generation, and promote biodiversity conservation. Our aim is to contribute to a healthier planet for current and future generations.

By providing access to financial services, supporting small and medium enterprises and investing in education, healthcare, and infrastructure, we aim to uplift underserved communities and drive sustainable economic growth. We also prioritize diversity, equity, and inclusion within our workforce and strive to create a supportive and inclusive work environment for all employees.

Ethical Governance: Integrity, transparency, and ethical conduct are the cornerstones of our governance. We adhere to stringent ethical standards, regulatory compliance, and international best practices to ensure accountability and build trust. Our governance framework is designed to protect the interests of our stakeholders and ensure the long-term sustainability of our business.

Innovation and Collaboration: We embrace innovation and collaboration as catalysts for positive change. By leveraging technology, partnerships, and collective expertise, we seek innovative solutions to address pressing environmental and social challenges. Through collaboration with stakeholders, including governments, Non-Governmental Organisation, and industry peers, we aim to amplify our impact and drive systemic change.

Continuous Improvement: We are committed to continuous improvement and transparency in our sustainability efforts. We regularly assess our performance, set ambitious targets, and report transparently on our progress. We actively seek feedback from stakeholders and incorporate their input into our decision-making processes to ensure that our sustainability initiatives are effective and responsive to evolving needs.

In this regard, I am delighted to inform you that we received over 80 prestigious awards during the year under review. These awards underscore our commitment to sustainable economic growth and our indubitable leadership in sustainability. The Sustainability section of this report contains details of the awards.

### 2024 economic outlook

According to the International Monetary Fund, global growth is projected at 3.1% in 2024 and 3.2% in 2025, on account of greater-than-expected resilience in the United States and several large emerging markets and developing economies, as well as fiscal support in China. Inflation is projected to improve faster than expected in most regions, amid unwinding supply-side issues and restrictive monetary policy. We expect global headline inflation to decline to 5.8% in 2024 and to 4.4% in 2025.

**As we reflect on the accomplishments of the past year and set our sights on the future, I am privileged to unveil to you today, in very broad strokes, our vision for the journey ahead.**

### Moving Forward

As we reflect on our wins of the past year and set our sights on the future, I am privileged to unveil to you today, in broad strokes, our vision for the journey ahead.

As custodians of your trust and confidence, we stand resolute in our quest for operational excellence and strategic advancement. This will entail increased investments in innovative technology, enrichment of our product portfolio, and extension of our footprints into new markets, even as we consolidate the gains of expansion over the years, grow scale in the various markets where we operate, and create value for our shareholders. Adherence to strong corporate governance and innovative risk management practices will underpin all these efforts, ensuring the resilience and sustainability of our franchise.

We remain unwavering in our dedication to nurturing a culture of diversity, inclusivity, and collaborative leadership, acknowledging that the diverse talents and perspectives of our team amplifies our collective strength. Together, we will continue to harness the forces of innovation and adaptability to confront our challenges while harvesting the opportunities we come across.

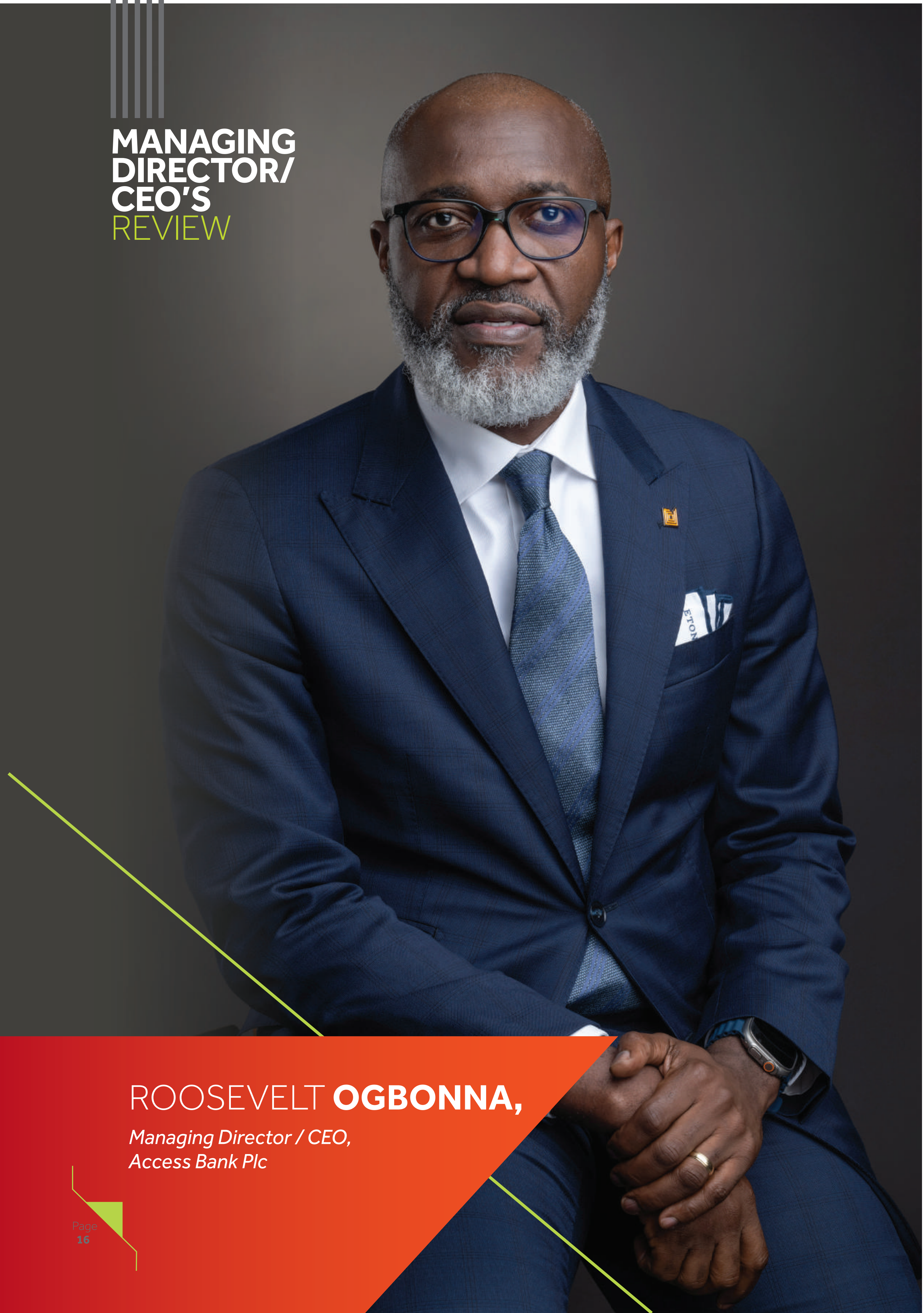
### Conclusion

On your behalf, I thank our esteemed management team and dedicated employees for their undiluted commitment to delivering on our strategic objectives. Their hard work and dedication have been pivotal to the attainment of our shared goals.

Our deep appreciation also goes to our treasured shareholders, and loyal customers for their steadfast trust and loyalty to the franchise which have been an integral part of our success.

**Paul Usoro**
Chairman, Access Bank Plc.
FRC/2013/PRO/DIR/003/00000002957

# MANAGING DIRECTOR/ CEO'S REVIEW



ROOSEVELT **OGBONNA,**

*Managing Director / CEO,*
*Access Bank Plc*

**Dear Shareholders,**

**I am delighted to present Access Bank Plc's 2023 Annual Report to you. This year has been marked by noteworthy events, reflecting a rewarding journey for our institution. Our steadfast commitment to delivering sustainable value to stakeholders, particularly our esteemed shareholders, remains unwavering as we strive towards our vision of becoming the "World's Most Respected African Bank.**

## Introduction

I am delighted to present Access Bank Plc's 2023 Annual Report to you. This year has been marked by noteworthy global events, which include geopolitical tensions, climate change and sustainability efforts, advancements in technology such as artificial intelligence and automation, social movements around equity and justice, as well as shifts in consumer behavior and preferences. This is coupled with significant developments in the domestic macroeconomic environment in which we operate. Notable amongst these are the inauguration of a new government in Nigeria, the unification of exchange rates, major shifts in fiscal and monetary policies, inflation, and oil price movement. Notwithstanding these, our steadfast commitment to delivering sustainable value to stakeholders, particularly our esteemed shareholders, remains unwavering as we strive towards our vision of becoming the "World's Most Respected African Bank."

However, before I go into the full details of the review of our 2023 performance, I would like to take a moment to pay tribute to Dr. Herbert Wigwe, my predecessor who until his passing on February 9, 2024, was the Group Chief Executive Officer of Access Holdings Plc. Over the last 2 decades, Herbert played an instrumental role in driving the growth and success of Access Bank Plc as you know it today, championing the transformation of the Bank since becoming the CEO of the institution in 2013, building on the foundation that his predecessor, Aigboje Aig-Imoukhuede, laid, having jointly taken over the management of the institution in 2002, envisioning a transformation journey for the bank.

Herbert's legacy will continue to be cherished, and the vision that he crafted for the bank will continue to be pursued with passion and vigor.

On behalf of the executive management team, I also extend our gratitude to all customers and stakeholders for their unwavering support and trust in our ability to guide this esteemed institution towards sustainable industry leadership. We appreciate and thank all our customers for their continuous patronage.

We also thank all our employees who "show up" every day seeking to make a difference; their dedication to excellence, leadership, and innovation has been instrumental to our successes and the outstanding results that we achieved in 2023.

## 2023 Global and Macro Economic Review

The state of the global economy in 2023 was characterized by inflationary pressure, low consumer demand, interest rate hikes, weaker trade, and growing spates of geopolitical tensions (Russia -Ukraine, civil conflict in Sudan and Israeli - Hamas crisis). All of which impacted investors' confidence, created market dislocations, and supply chain distortions. In response, Central Banks around the world increased interest rates in the first half of the year with the aim of controlling inflation in the near term.

While these uncertainties reversed some of the growth experienced in the prior year, it was not sufficient to plunge the global economy into another round of chaos nor reverse the post covid recovery gains of the prior year. According to the World Bank, global growth settled at an estimated 2.6% in 2023.

In the Sub-Saharan Africa (SSA) region, economies were confronted with multiple layers of challenges ranging from slow growth, rising inflation levels, debt sustainability, currency depreciation, and regional political tensions (especially in West Africa). Also, external factors in the global economy also played a role, particularly affecting capital flows into countries such as Nigeria.

In 2023, Nigeria's economic performance was influenced by pro-market reforms introduced by the new administration, which aimed to shift the economy towards a private sector-led growth model. These reforms had a significant impact on Nigeria's economic trajectory for the year. Specifically, fuel subsidy removal and exchange rate unification, caused a sharp depreciation of the naira and led to a more restrictive interest rate environment.

Inflation closed at 28.9% in 2023, with food, energy, and transportation costs being the most impacted, while the naira devalued by over 100% year on year.

To resolve the issue of FX illiquidity, the government proposed to clear the backlogs of FX forward contracts using $7 billion in Nigeria Liquified Natural Gas Ltd, (NLNG) dividend securitization, and the $3.3 billion crude oil prepayment loan facility from Afreximbank.

Despite the array of macroeconomic challenges, there are promising indications that Nigeria's macroeconomic situation would improve. This was supported by Moody's Ratings Agency, which upgraded Nigeria's credit outlook from "stable" to "positive" in December 2023. Moody's cited the potential reversal of fiscal and external position deterioration due to market-led reform efforts as the basis for this revision.

In South Africa, the slow growth of the South African economy, representing roughly 20% of the region's GDP, persisted in 2023 primarily due to issues in its power sector. These difficulties persisted during the period, notably impacting the country's manufacturing and mining sectors. Interest rates closed at 8.25%, while inflation stood at 5.10% in 2023 in South Africa.

In Angola, challenges of underproduction in the oil sector, had a negative impact on the economy. This limited growth stemmed from reduced oil revenue and government expenditure. Interest rates closed at 18%, while inflation stood at 20.01% in 2023 in Angola.

United Kingdom continued to experience recovery but still below the pre-pandemic levels as inflation continued to be a challenge. CPI inflation stood at 4.0% as at December 2023. According to the Office for National Statistics (ONS), UK GDP is estimated to have increased by 0.1% in 2023, following growth of 4.3% in 2022.

### 2023 Financial Performance

We grew Gross revenue by 87.3% to ₦2.59 trillion in 2023 from ₦1.38trillion for prior year. This was driven by a 100.1% growth in interest income to ₦1.65trillion from ₦826.6 billion, and a 68.2% growth in non-interest income to ₦935.8 billion in 2023 from ₦556.2 billion in 2022 as we witnessed increased transaction volumes on our digital platforms and expanding retail network across the network. Net interest income grew by 99.7% to ₦716.6 billion in 2023 from ₦358.8billion, in the prior year.

Operating expenses grew 40.3% year-on-year to ₦694.4billion from ₦494.6billion, due to increased personnel costs, regulatory costs, technology related costs and general inflationary pressures. However, cost to income ratio improved to 43.8% within the same period, from 57.9% in 2022. This is from higher operating income accretion in the year and the impact of the business improvement initiatives implemented.

> **Access Bank UK has continued to improve profitability and grow its assets sustainably, providing a buffer to the Group's balance sheet and overall earnings profile.**

Net impairment loss on financial assets improved year-on-year to ₦139.5 billion, for the period, from ₦197.7 billion in the prior year with an improved NPL ratio of 2.8%.

Profit before tax (PBT) grew by 340.8% year-on-year to ₦751.1 billion from ₦170.4 billion while Profit after Tax (PAT) also witnessed the same growth trajectory with a 316.0% growth to end the period to ₦645.4 billion from ₦155.2 billion in 2022. This stellar performance was supported through diversified earnings from the business segments in Access Bank Nigeria and revenue from the African and International subsidiaries.

Africa and International subsidiaries had a 104% growth in operating income, 985% growth in PBT (strengthened by a better earnings profile from Access Bank UK and Access Bank Ghana). Particularly, Access Bank UK has continued to improve profitability and grow its assets sustainably, providing a buffer to the Group's balance sheet and overall earnings profile.

Customer deposits grew by 65.6% year-on-year from ₦9.25 trillion to ₦15.32 trillion at the end of the year. Loans and advances grew by 60.5% to ₦8.92 trillion at the end of 2023 from ₦5.56 trillion in 2022. Total assets increased by 76.7% year-on-year to ₦26.5 trillion in 2023 from ₦15.0 trillion in 2022.

Business segments witnessed year-on-year growth in key performance areas due to robust customer engagement initiatives, strategic market penetration efforts, innovative product offerings, and enhanced digital banking services, all of which contributed to increased transaction volumes and expanded market share.

Overall, the Banking Group has consistently outperformed on all key growth metrics against targets. Gross Revenue has grown at a compounded annual growth rate of 61% from 2021 FY. We have also maintained a double digit return on ROAE in the last 5 years, as we delivered sustainable returns to our shareholders with ROAE at 36.11%.

## Strategic Highlights

To actualize our vision, Access Bank has continued to create enduring footprints across the African continent and globally. In the first quarter of the year, we concluded the issuance of a USD 300 million Additional Tier 1 ("AT1") capital instrument to further bolster the capital of the Bank, support its future growth aspirations, and withstand any macro shocks.

Access UK opened a branch in Paris and obtained regulatory approval for banking operations in Hong Kong. The Banking Group also acquired a 99.8% shareholding in Finibanco Angola S.A. and signed a share purchase agreement to acquire a majority shareholding in select Standard Chartered Banks in Africa. (Angola, Cameroon, The Gambia, Sierra Leone, and its consumer, private, and business banking businesses in Tanzania). These transactions have resulted in the banking group's continuous geographical expansion, with a presence now in twenty-two countries and four continents.

## Looking Forward

As we enter the second year of our five-year strategy cycle, our focus remains on executing our strategy playbook by:

- Advancing our retail banking presence across Africa, utilizing technology and analytics-driven insights to deepen customer understanding, reduce service costs, and enable informed decision-making.
- Strengthening collaboration within wholesale banking to capitalize on opportunities in trade, payments, and correspondent banking across Africa and globally.
- Expanding the trade and correspondent banking capabilities of our international subsidiaries, including the initiation of banking operations in global trade hubs outside Africa.
- Attracting, developing, and retaining top-tier talent to drive ongoing success and innovation in our global operations.
- Central to our global operations will be a robust technology platform, empowering us to deliver seamless and efficient financial services to our customers while maintaining agility and adaptability in an ever-evolving market environment.

**Our commitment to driving positive change and fostering economic development remains resolute despite the myriad of challenges faced throughout the year. Through innovation, resilience, and collaboration, we have navigated turbulent waters and emerged stronger.**

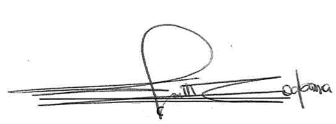
## Conclusion

Our commitment to driving positive change and fostering economic development remains resolute despite the myriad of challenges faced throughout the year. Through innovation, resilience, and collaboration, we have navigated turbulent waters and emerged stronger.

We are energized by the opportunities that lie ahead. With a deep-rooted dedication to our communities and a relentless pursuit of excellence, we are poised to unlock new avenues of growth and prosperity across the continent.

As we forge ahead in this chapter of our collective journey, we reaffirm our unwavering commitment to responsible stewardship. We will continue to build a brighter, more inclusive future for Africa.

Thank you for your continued partnership and trust in Access Bank. Together, we are shaping a better tomorrow for generations to come.



**Roosevelt Ogbonna**
Managing Director / CEO, Access Bank Plc
FRC/2017/PRO/DIR/003/00000016638

# 2

# BUSINESS REVIEW

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


## Our Core Values

### 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.

### 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.

### Leadership

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

### 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.

### 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.

2

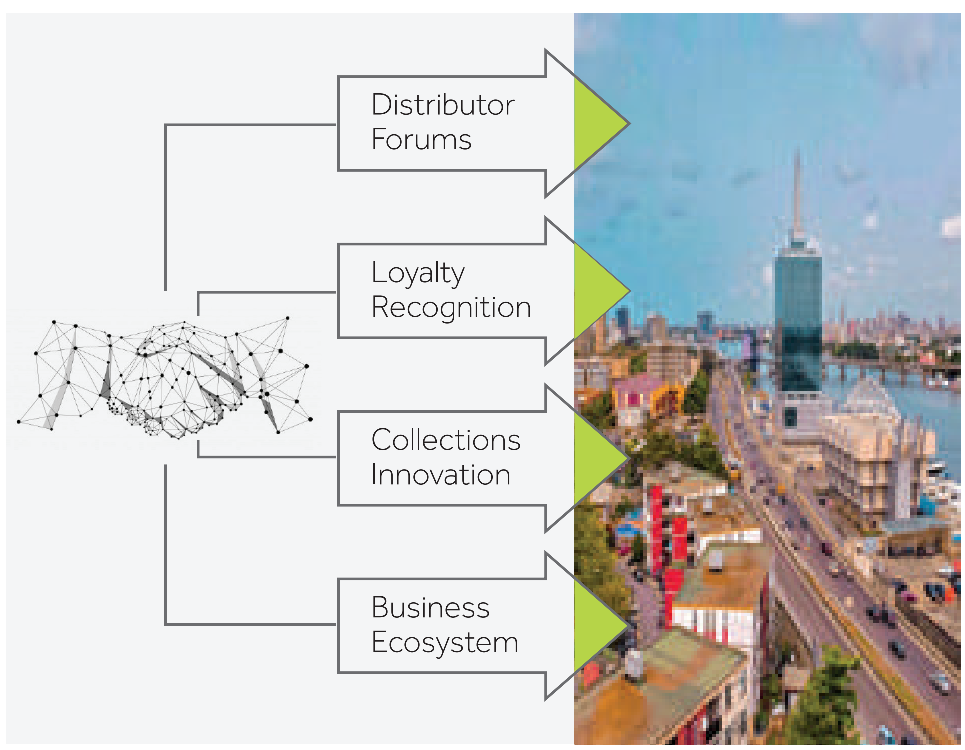
# COMMERCIAL BANKING

## INTRODUCTION

**The Commercial Banking Division (CBD) plays a pivotal role within the Bank, consistently making significant strides towards the realisation of its overarching business goals. Throughout its evolution, the division has achieved sustainable growth, not only by deepening its market share in the existing market base and acquiring new customers but also by mobilising deposits, fostering revenue growth, driving innovation, and effecting improvements in the brand.**

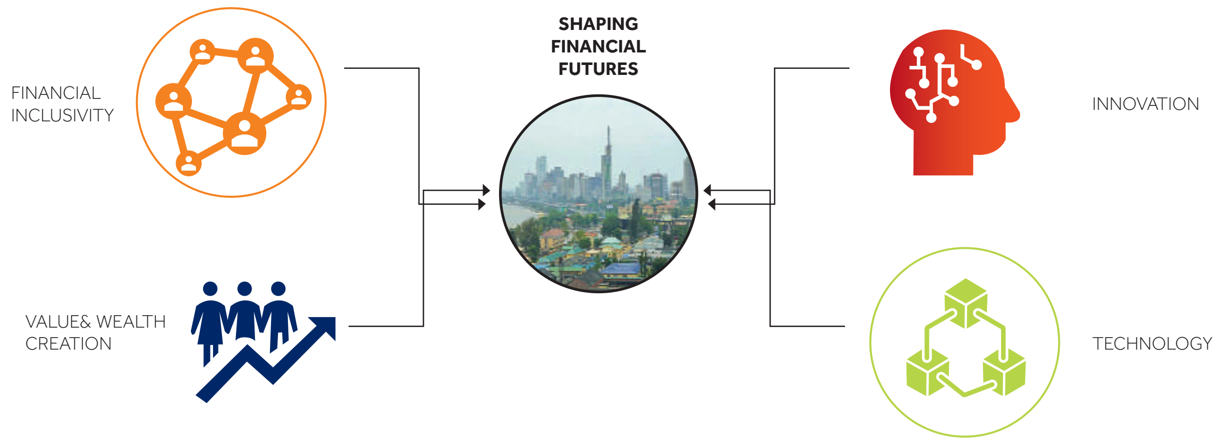
This success is attributed to the division's commitment to customer-centric operational models and the delivery of bespoke financial solutions.

Functioning as a strategic hub within the Bank, the CBD effectively harnesses resources from both within the institution and the broader financial markets. This approach enables the division to provide customers with finely tuned solutions and crucial information, contributing substantially to the actualization of the Bank's business aspirations. The CBD's impact extends beyond mere financial transactions, playing a pivotal role in shaping the Bank's image and market positioning.



In reflecting on the achievements of the Commercial Banking Division in 2023, it is noteworthy that the division has successfully expanded horizons and played a pivotal role in shaping financial futures. This was achieved through the incorporation of cutting-edge technologies, a commitment to financial inclusivity, and a proactive stance towards ever-changing market trends. This forward-looking strategy has firmly positioned the division as a trailblazer in the financial sector, fostering economic growth and empowerment.

Despite the macro-economic challenges in 2023, the Commercial Banking Division has achieved and sustained financial success for the benefit of its customers and the broader community. This was accomplished through careful listening, handholding, and provision of services that made it easy for customers to navigate these difficulties, thus creating a positive impact on their businesses.

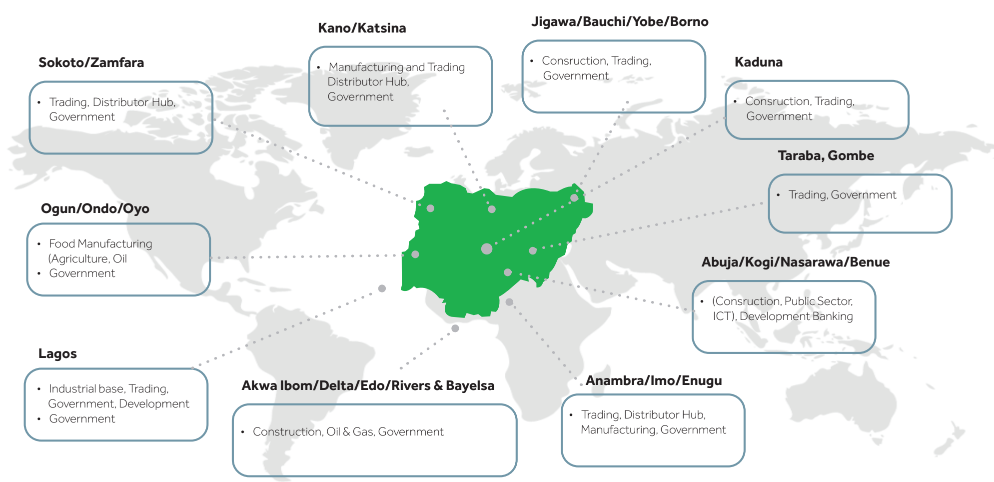



***Through the incorporation of cutting-edge technologies, a commitment to financial inclusivity, and a responsive stance towards market trends, the Commercial Banking Division not only met but surpassed the evolving needs of its diverse clientele.***

## BUSINESS MODEL

The business model of the Commercial Banking Division revolves around generating fresh business prospects and expanding into untapped markets using our unique digitalised product offerings. Simultaneously, we provide a wide range of services leveraging the strength of the Access Nation ecosystem within Nigeria and the African markets. This approach is fortified by our dynamic, tenacious, and proficient workforce, responsible for orchestrating daily operations, aimed at fostering growth in all performance indicators within the Division and the Bank at large.

Steering this initiative is the Executive Director, overseeing five strategically positioned business groups in the North, East, West, South, Lagos, and Abuja; 20 zones; and 66 teams, all working in cohesive synergy to achieve the set goals.



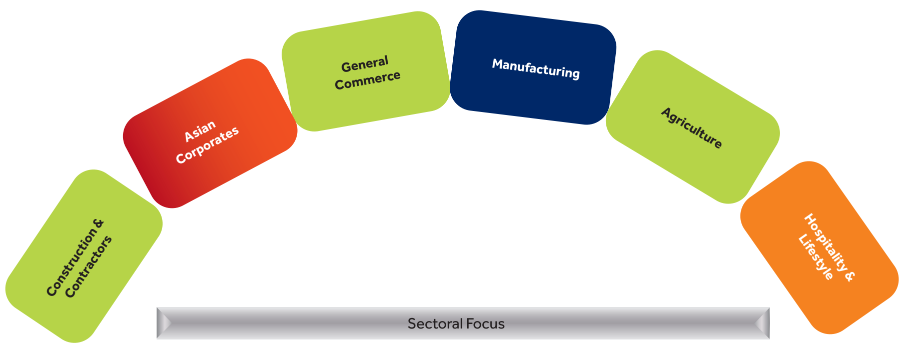

***Access Bank Plc's Commercial Banking presence and Sector Focus in the Nigerian Market.***

The Division's business generally comprises the private and public sector businesses:

- **Public Sector:** Our tailored and accessible product offerings cater to the Revenue Collection, Finance, Payment, and Financial Inclusion expansion needs of the Federal, State and Local tiers of the Government in over twenty-seven (27) states in Nigeria.

  Our public sector caters for the business needs of government-owned financial institutions, parastatals, Ministries, Departments and Agencies (MDAs). Within the public sector business, Access Bank Plc takes a behind-the-scenes approach to support Sub-Nationals in their quest to achieve their infrastructural developmental programs using our Contractor Infrastructure Development Scheme (CIDS), a program that provides financial assistance to government-approved contractors engaged in nationwide infrastructure development projects. These projects include the construction of roads, motorways, bridges, waterways, and railroad transportation. We also provide financial services to the state via the support of our Utilities and Government Revenue Collection solution. With this solution, we are able to support the state in its tax and revenue collections which enhances their Internally Generated Revenue and ultimately provides the firepower for the state to function and impact its residents.

- **Private Sector:** Our bouquet of innovative and industry steering products ensures our targeted customers have the competitive advantage in their various sectors.




Our private sector businesses are driven by our talented professionals that bring to bear their skill and expertise in servicing these businesses.

We offer services ranging from financial Advisory, Trade and Structured finance, Intervention Schemes, Payment Solutions, Tailored Lending Scheme (Value Chain), Cash and Liquidity Management.

In expanding our horizons for increased business opportunities and capturing emerging businesses in Africa, we have employed a unique style of banking that caters to our international customers based on the context of their culture and language, strategically reshaping the business terrain in Africa and seizing our financial future, today. Our customers are now able to expand their businesses internationally by leveraging remove our Pan-African footprints and market knowledge across the continent.

## INTERNATIONAL DESKS

Recognising the importance of seamless international trade for our customers, Access Bank has partnered with Development Finance Institutions (DFIs) to bridge the gap between the Bank and foreign businesses. These collaborations have led to the establishment of dedicated desks that provide customised business solutions, innovative products to our network of international clients.

### German Desk

Our strong partnerships with Deutche Investitions und Entwicklungsgesellschaft (DEG), Delegation of German Industry and Commerce (AHK Nigeria), and the support of the German Federal Ministry for Economic Cooperation and Development (BMZ), have helped us to establish our own German Desk which provides banking solutions to businesses of German origin.

### Dutch Desk

Access Bank Plc, in partnership with Invest International and Dutch FMO Development Bank, established the Dutch desk to provide support for Dutch businesses in Nigeria. These partnerships enable us to provide project development expertise and finance for Dutch and Dutch-affiliated businesses that wish to enter or expand their business in Nigeria, with particular focus on Agri-food, water, Infrastructure, Healthcare, Manufacturing and Energy. The Dutch desk being the first of its kind in Lagos, Nigeria serves as the bridge connecting indigenous and African businesses to opportunities for finance from and beyond Invest International. With great ease of doing business and gain to finance for Dutch companies and its affiliates, the opportunity for growth in and beyond the Nigerian market is immense.

### French Desk

In recognition of the immense potential that lies within the Franco-Nigerian business community, this year, Access Bank Plc launched its French Desk in partnership with the French Government, BPI France and Business France. Through these partnerships, the Bank will expand its reach, benefit from sector-specific expertise, and unlock funding for businesses in both Nigeria and France. More so with the launch of a subsidiary in Paris France, this strategic platform also connects Business France, development finance institution PROPACO, and a public international financial institution AFD (Agence Française de Développement), providing customised support and guidance for French businesses in Nigeria and vice versa.

### Chinese Desk

In recognition of the increased influence of the Chinese and Chinese state-owned businesses in Africa, Access Bank established the Chinese Desk to cater to these customers. Through this initiative, we are able to provide tailor-made services in agreement with Chinese norms and customs to these clients. Furthermore, our service ambassadors speak mandarin and are therefore able to identify our clientele's business needs and solving same. This desk has grown over the years and have been extended to our African subsidiaries.

Generally, with the expertise of our International Desk Concierge for the German, Dutch, Chinese and French desks, we are poised to cater to our international clientele's unique businesses needs with a more customised and targeted approach within the context of peculiar cultural nuances, for more efficient business outcome. Asides providing basic banking services like account opening, transaction banking and trade finance, this service bridges communication gaps, provides an established network of customers, and a value chain ecosystem to support new international businesses looking to thrive in Nigeria and Africa. The goal is to enhance customer satisfaction and strengthen the bank's relationships within the targeted international market. This approach, as well as the creation of other specialised desks, has helped to grow our market share of businesses within the Chinese, Indian, Germans, Dutch and French communities in Nigeria and Africa.

## AGRICULTURAL DESK

Our Agriculture desk specialises in creating agricultural products and loans tailor-made for agribusinesses based on proper evaluation and mitigation of inherent business risks and assessing the financial viability of agricultural projects. Upon completion, funds are disbursed through various CBN intervention schemes to support and stimulate Non-Oil Sector growth. This desk also provides financial Advisory services to agribusiness clients to take advantage of investment opportunities for sector players, understand financial products, and implement strategies to optimise financial returns in the agricultural sector through capacity building programs for agribusiness owners. This helps enhance their financial literacy, improve business management skills, and ultimately contribute to the sustainable development of the agricultural sector. Our aim in the coming year is to actively play in the Agro-Commodity value chain via the provision of structured finance to cater to the players in this chain.

## DEVELOPMENT BANKING DESK

The Development Banking desk is another brainchild of Access Bank's Commercial Banking Division, focusing on driving business development from Not-for-Profit Organisations (NGOs), International Non-Governmental Organisations (INGOs), Donor Agencies, Bilateral and Multilateral Institutions, and Embassies.

At Access Bank, we provide support for these businesses with unique requirements and provide dynamic financial services in line with their requirement from time to time. With the dedicated expertise of our Access Bank professionals and an in-depth understanding of the ever-changing business terrain, we offer financial intermediation services to these clients, serving as a bridge between the funding sources (government grants, international organisations, and local businesses) and the projects/project owners. Our focus sectors on this desk includes agriculture, healthcare, education, and construction for affordable housing while aligning with global sustainable business development goals. We have found that attention to this sector of businesses is critical thus the establishment of the Development Banking desk.

## BUSINESS GROWTH

The increased global conflicts have not only worsened geopolitical tensions, but also exacerbated energy costs and fuel inflation globally, compelling central banks across the world to raise their monetary policy rates (MPR) to stem inflationary pressures. There is now a significant rise in the cost of scarce global capital for emerging economies resulting in weakened currencies of which the Naira was not exempt. These global economic situations have resulted in rising price levels and increased cost of doing business amongst our customers.

Despite the challenges, Access Bank's Commercial Banking Division remained undeterred and resolute in its pursuit to support its customers through these turbulent times. We were deliberate in providing timely and accurate financial information about happenings in the African and world economies that enabled them take positions on Trade and foreign currency which ultimately led to cost reduction in their businesses.

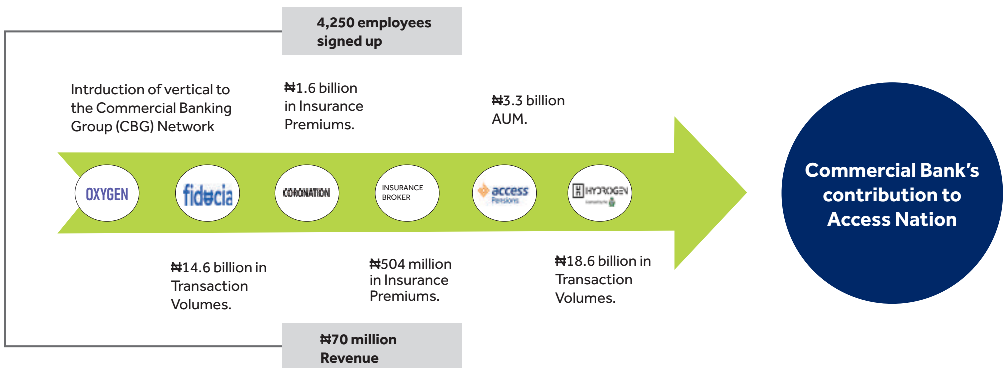
### Embracing Digital Transformation and Intra-African Trade

The Division, recognising the transformative power of digital technology and the importance of supporting intra-African trade for economic growth, incorporated the same into its business model for 2023. This strategic focus on enhancing our digital footprint across the continent has been instrumental to our success. It has led to landmark achievements, including a very significant investment by Afrexim Bank in Lagos State to finance critical transport infrastructure projects. We have also extended this structure to 10 other Sub-Sovereign States in Nigeria.

This deal signifies the Commercial Banking Division's commitment to fostering strong partnerships with key stakeholders in Africa to encourage direct investments and boost economic growth. These partnerships play a crucial role in the Bank's transition into a leading international banking institution. By leveraging our digital capabilities, expanding our reach into new markets, and forging strategic collaborations, we are poised to shape the future of banking in Africa and beyond.

## COLLABORATIONS – ACCESS VERTICALS

In fulfillment of its commitment to the Access Nation ecosystem, the CBD division remains a reliable partner, deploying resources towards the attainment of set goals. Following the initial teething challenges, we have now enhanced the knowledge and capacity of our sales force on the verticals whilst also building sustainable structures to drive sales within the ecosystem. Our customers have indeed benefitted from the cross-sell opportunities, thereby making us a one-stop-shop for everything financial and more.




## EMBRACING CORPORATE SOCIAL RESPONSIBILITY

We remain grounded in the bank's mission to give back to the markets and communities we serve, forming the bedrock for sustainable banking and enabling us to create an impact in the communities where we operate. Access Bank's Commercial Banking Division (CBD) is committed to Corporate Social Responsibility (CSR), prioritising initiatives that positively impact communities in healthcare, education, and environmental protection. These initiatives empower communities, promote financial inclusion, and contribute to economic growth.

The 2023 CSR project focused on education, health, and vocational skills training, reaching students and teachers in three major regions across Nigeria. For greater impact in 2023, the initiatives in these targeted regions were as follows:

- **Kano (North):** Sponsorship of Tonsillitis surgery for 20 individuals and funding of media campaigns to raise awareness of Vesicovaginal Fistula (VVF).
- **Enugu and Anambra States (South):** Provision of school sandals/shoes for 2,000 pupils in rural areas. CBD launched its two-year CSR project, "Giving a Child a Chance at a Better Future," to alleviate the impact of the pandemic on families in rural areas.
- **Kaduna State (North):** CBD sponsored the expansion of the Fifth Chukker Modern Primary School to accommodate 8,000 students, providing access to quality education for underprivileged children, particularly girls from underserved communities.
- **Ijebu-Ode, Ogun State (West):** Vocational training for 200 underprivileged adults in collaboration with Project M.E.N.D, a non-governmental organisation (NGO) with similar goals.

The impact of these initiatives has been far-reaching, leaving the people and communities in a better state and with the hope of a brighter future. By making these CSR investments, the Commercial Banking Division is expanding the horizons and shaping the financial future of several communities. We remain resolute in fostering sustainable development through these initiatives.

## THE FUTURE

In alignment with the Bank's 5-year strategy plan for the cycle, starting in 2023 and extending to 2028, the Commercial Banking Division intends to play an increasingly critical role in expanding Access Bank's reach and deepening its impact on the communities it serves. Looking ahead to 2024, our division's strategy emphasises growth, innovation, and social impact. Leveraging the unique talents of our people, we aim to deliver premium business advisory services, expand our digital capabilities across Africa and introduce value-added products to drive brand dominance in our ever-changing markets.

With a renewed focus on leveraging our expertise in trade finance and value chain management, we have devised trade solutions that facilitate global trade for multinationals seeking to expand their business operations across the African continent. Additionally, we have created digital solutions to aggregate customer collection points across all countries. This is in tandem with providing supply chain financing to harness the benefits from the entire value chain ecosystem. We will continue to establish strong partnerships with stakeholders to drive inter-African and intra-African trade and investment.

Our ability to innovate, supported by our digital technologies, will enable us to provide seamless and accessible financial services to our customers, opening new doors to markets across the African continent. We are focused on the digitalisation and introduction of Artificial Intelligence in our processes to create a seamless banking experience at all touchpoints for our customers. Concurrently, we will upgrade our various e-channels while also implementing measures to combat cybersecurity threats.

Access Bank's Commercial Banking Division has a proven track record of success, consistently delivering exceptional results despite challenging market conditions. Our commitment to fostering a world-class banking environment for our customers and partners, enabling them to thrive and achieve their financial goals, will position us as their preferred partner and as a leading international banking institution shaping the future of Africa's financial landscape.

2

# RETAIL BANKING

## AGENCY BANKING (ACCESS CLOSA)

Agency banking (Access Closa) is a tool used to expand demand for banking services, decongest bank branches; reduce the cost to serve, and achieve financial inclusion.

**Services Offered.**

- Cash Deposit
- Cash withdrawals
- Funds transfer
- Bills payment
- Airtime purchase
- Account opening.

## BANCASSURANCE

The Bancassurance partnership with Coronation Insurance, successfully unified insurance and financial services in Nigeria. This strategic move further digitised the process flow across the Bank's various channels -Access More, Access Online, USSD *901*25# (for referrals and insurance payments), etc. created a one-stop shop for customer financial needs, thereby confirming our position as a leader in the industry.

Under the Bancassurance partnership delivery strategy, the Bank in collaboration with our Bancassurance partner, Coronation Plc, introduced a variety of schemes, including, but not limited to the following;

- House Holder Policy designed to protect personal home belongings,
- Business Protection Bundle Policy to protect businesses against financial loss resulting from fire, theft or material damage to property/items (stock/inventory/goods).
- Group Life Policy to provide cover or financial benefits to employees or members of a group in the event of death, permanent disability or accidental medical expenses,
- Enhanced Term Life to protect customers and their dependents against financial loss in case of demise or permanent disability,
- Personal Accident Insurance Policy to provide financial help to individual clients in the event of a serious/fatal accident, injury or disability and a few others.

## BANK TO BROKER

The Bank-To-Broker partnership with Coronation Securities delivers a brokerage partnership that will transform the Investment landscape in Nigeria, and Sub-Saharan Africa at large and take us further to offering innovative solutions and delivering superior value to our clients.

This new offering made available by the Bank to our valued customers provides a seamless experience in the process of purchasing Capital Market products and Services (such as stocks) through our partner, Coronation Securities Limited, via our digital Channels (Access More) and Non-digital Channel (In-Branch visit).

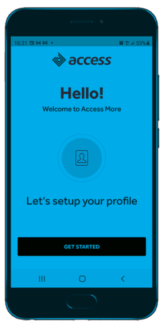
As a part of the partnership, our customers who wish to purchase other capital market products like Mutual Funds, and FGN Savings bonds are also referred to Coronation via our Non-digital channel (In-Branch visit).

This offering is available in AccessMore under 'Wealth management'

## CHANNELS

### E-Banking/Online Services

#### Access More App




Our Mobile banking service is convenient, quick, and secure banking transactions on your mobile device anywhere anytime. This App is available to download on smartphones (iOS and Android)

***Features Include:***

- Local and International Funds Transfer,
- Access Africa- Transfer to our African subsidiaries
- QR Payments with mVisa
- Payday Loan
- Bill Payments
- Flight booking
- e-Voucher Gift Card
- Bill Splitting
- Scheduled transfers and payments
- Debit Card Request
- Virtual Card Creation
- Cheque Management
- Cardless Withdrawal
- Generate receipts and E-signed statements.

#### Internet Banking


Access Bank Internet Banking platform is a secure web-based electronic platform designed to provide our retail customers with amazing features to make banking available anywhere, it is very easy and efficient.

***Features include:***

- Account Management
- Transfer (single, bulk, and other African countries with Access Bank presence)
- Bills payment
- Loan and investment management
- Standing order for reoccurring transaction
- Card and Cheque management
- Redeem western union funds transfer
- Bancassurance
- Balance and Transaction Reporting.

## *901#


Unstructured Supplementary Service Data (USSD) allows users to perform a wide variety of Banking transactions with ease, by simply dialling the *901# code from any mobile phone. The user does not need to have internet service to dial the code.

***Features include:***

- Funds Transfers
- Airtime Purchase
- Account Opening
- Balance Enquiry
- Bills Payment
- USSD for Cardless Withdrawal at any ATM in Nigeria
- Payday Loan
- Merchant Payment
- Other Enquiry Services (Account Number, BVN and Mini statement).

## Automated Teller Machine (ATM)


Our ATMs can be found in different locations both branch and offsites across the 36 states and the Federal Capital city in Nigeria.

***Features include:***

- Cash Withdrawal
- Cardless Withdrawal
- Quickteller Bills (Cable Tv, Electricity, Airtime Topup, Transfers)
- Instant Pin Change
- Paycode Cash Withdrawal
- Phone number withdrawal (PayAttitude)
- Pay Arena Bills
- Balance Enquiry
- Account Opening

## Debit Cards


***Features include:***

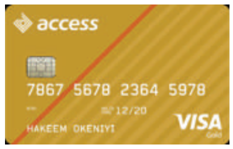
- Available in VISA, Master card and Verve card Scheme
- Multi-Channel Usage -ATM, POD, WEB etc
- Chip and pin technology for safety and security of transactions
- Visa debit cards can be linked to a NGN or USSD Domiciliary Account
- Virtual Debit card available in different Currency (NGN, USD, EUR,GBP)

## Credit Cards

***Features include:***

- Available in Naira and Dollar currency
- Multi-channel usage - ATMs, POS, WEB etc.
- 24/7 access to cash and payment for purchases across all merchants categories
- 45 days interest free period.

## Prepaid Cards




***Features include:***

- This is a reloadable payment card that can be funded via multiple channels and used for transactions on ATM, POS and WEB etc.
- Available in VISA, Mastercard and Verve card schemes.
- The prepaid card is available in NGN and USD currencies.

## Premium Cards (Credit and Debit)


***Features include:***

- Black Card & Platinum Credit Card.
- AMEX Gold & Platinum credit cards

## Primus Plus

PrimusPlus is an online enterprise suite of payment and collection solutions that gives businesses a safe, convenient, and affordable alternative to cash and cheque payments across multiple banks.

## Acquiring and Collections Products:

- POS
- mPOS
- Breezepay
- NQR

## CONSUMER BANKING

**Consumer liability products**

- HIDA
- DiamondXtra
- Premier Savings
- Current account (Individual)
- Premium current account
- Instant Savings (Tier 1 & 2)
- Evergreen account (savimgs and current)
- Domicialliary account (savings and current)
- Diaspora (savings and current)
- Solo account
- Community current account

**XclusivePlus Proposition**

**Consumer Assets**

- Personal loan
- Vehicle finance
- Leases
- Home loan
- Advance for School fees
- Vacation finance

**EVC**

- Everyday Banking account (Premium salary account)
- Everyday banking savings account
- Everyday Banking Domiciliary account
- Payroll Card account

## DIGITAL LENDING

### DIGITAL LOANS FOR SALARY EARNERS

- PayDay Loan
- Salary Advance
- Small Ticket Personal Loan

***Benefits:***

- No documentation or collateral required.
- Available on Access More, QuickBucks, and USSD - *901*11#
- Qualifying amounts between 50% and 400% of average monthly salary.
- Repayment tenors between 30 days and 12 months.

### DIGITAL LOANS FOR NON-SALARY EARNERS

- NYSC Loan
- Lending Against Turnover
- Instant Business Loan

***Benefits:***

- No collateral or documentation required.
- Available on QuickBucks, Access More, and USSD - *901*11#
- Borrow up to N10 million with the Instant Business Loan

### ASSET FINANCING WITH QUICKBUCKS

- Device Finance is an innovative small asset financing digital loan solution by Access Bank designed to help finance the purchase of new devices through a flexible repayment plan, offering customers 3-month to 12-month options at 30% p.a.
- MTN and 9mobile airtime bundles available.
- Pay with QuickBucks provides credit worthy customers with a quick and easy credit line, as they make payments for products and services online via an API Integration with partnering merchant platforms.

### VEHICLE FINANCE, COMING SOON TO QUICKBUCKS

- Digital end-to-end process for obtaining Access Bank vehicle loans.
- 3 – 5 days turnaround time.

## EMERGING BUSINESSES

- **EB liability products.**
  - DBA
  - ASA
  - MSME CURRENT ACCOUNT
  - HIDA CORPORATE/LITE
  - EB DOMICILIARY ACCOUNT

### DBA:

Diamond Business Advantage (DBA) is a current account designed to add value to Micro, Small and medium businesses (MSMEs) to enable them to grow their enterprise with smart banking.

It is a flexible current account with modest fixed monthly fee which helps MSMEs reduce the cost of banking which can be ploughed back into their business. MSMEs get to enjoy discounts in terms of fees for monthly transactions. The discount is favorable for higher variants of DBA.

The different variants include:

- DBA Special Scheme (LSETF Scheme account)
- DBA Lite (Business/Individual)
- DBA TraderLite (Business/Individual)
- DBA Basic (Business/Individual)
- DBA Growing
- DBA Established
- DBA Premium
- DBA Prestige

### ASA:

Access School Advantage Account (ASA) is a Current Account designed specifically for Private Schools registered in Nigeria. It is essentially a low-cost account for schools to carry out their business transactions. Eligible schools (Creche/Primary/Secondary) are those that are duly registered with the CAC and/or Ministry of Education. Subscribers are only required to pay termly fees at school anniversary dates (Month end of every new term).

### EB DOM ACCOUNT:

This account is designed to allow MSMEs save, settle, and receive payments in foreign currencies in the following denominations: Dollars, Pounds, and Euros. Subscribers do not pay any maintenance fee and can withdraw without limits.

**HIDA CORPORATE/LITE:**

High Interest Deposit Account (HIDA) is a Special call account that caters to the needs of Individual and Business customers who want better returns on their idle funds. Subscribers are required to have a primary business/transactional account. Interests earned are dependent on the volume of funds customers have in their accounts. Thus, interests are banded.

**MSME CURRENT ACCOUNT:**

MSME Current Account is a current account designed to meet the daily business banking needs of Micro, Small and medium businesses (MSMEs). It is a flexible current account without transaction limits and with a maintenance fee on all transactions.

- **EB asset products.**
  - IBL
  - CASHFLOW LENDING
  - DEBS
  - EB Time/ Term Loan
  - Asset Finance
  - EB Overdraft
  - Loyalty Lending

**Instant Business Loan**

This is a Digital Product that seeks to provide instant funding primarily for SME's to enable them meet their short term funding requirements. Customers can access up to ₦10m without collateral and ₦50m with collateral.

**Cashflow Lending**

The cash-flow lending product is a lending methodology that is based on establishment of cash flow adequacy and regularity as against the conventional turnover approach. It emphasises that collateral in whatever form must not replace a good/strong credit analysis. The use of this methodology allows the use of other Banks statement, sales records and customer's net asset position as against traditional lending approach which solely depend on customers' turnover with the bank. Customers can access up to ₦5m without collateral under this product.

**Emerging Business School Loans**

The Diamond Emerging Business School loan, a facility that is available to Private school owners duly registered with CAC (Government approved) who require extra cash for the smooth running of their school operations.

This loan facility helps private school owners increase investment in their education institution in asset acquisition of up to ₦20m for up to 36 months, to finance various administrative needs: payment of salaries, finance rent, purchase of laboratory equipment, school buses, furniture, books for the library, school renovation and expansion. The credit scheme also allows for purchasing essential assets such as school buses and power generating sets, among others.

**Emerging Business Time/ Term Loan**

Term/Time loans are facilities with a clearly defined tenor and repayment schedule. The time loan is usually for a tenor of one year or less, while term loan is for tenor a longer than one year. Term/Time loans are normally given to finance specific transactions, capital projects, expansion programs etc. Loans availed under this category are usually collaterised with tangible of flexible collateral. Here, customer can access loans up to ₦100m.

**Asset Finance**

This facility is used to finance the acquisition of new assets for the day-to-day business of SMEs. The loan product gives businesses the opportunity to acquire that important machinery or equipment to increase efficiency and productivity.

**Emerging Business Overdrafts**

Overdraft facilities are provided to cover the working capital requirements of businesses and may also be revolving credits. The maximum tenor of overdraft is 12 months, subject to renewal on application by the customer and appropriate approval in line with the bank's credit risk management policies.

**Loyalty Lending**

This is essentially a loyalty clean lending initiative for our good historical borrowers.

## FINANCIAL INCLUSION

- **ACCESS MONEY WALLET**

Access Wallets Account is a product combining both financial and telecommunication services via all registered mobile network and phone (any phone type). It is a convenient service that enables ALL mobile phone subscribers in Nigeria to conduct financial transactions through their mobile phones in a convenient manner.

***Features include:***

- zero account opening balance
- easy account opening process by dialling *901*10#
- interest rate of 5.4% per annum on tier 3 Access Money account
- ability to open account with little or no documentation
- ability to carry out all financial transactions e.g., bills payment, airtime purchase, transfers, merchant payment etc
- Multiple transaction channels e.g., branch, ATM, Agent location.

## WOMEN BANKING

**LOANS**

- **W Power Loan**

W Power Loan is a financing option specifically designed to provide financial support for female-owned businesses. It is our approach to bridging the financing gap faced by female-owned businesses and ensuring that more female owned businesses are structured, positioned for financing, and sustainable. This scheme is available to female-owned and managed businesses.

- **W Power Vehicle Loan**

The W Power Vehicle Loan offers financing options for WSMEs (Women-owned Small and Medium Enterprises) to acquire new and pre-owned vehicles for businesses purposes. SUVs, Sedans, Buses, Trucks, and Vans are available for purchase under this scheme. Equity release is also available for vehicles already purchased.

- **MHSS**

Maternal Health Service Support is a social impact product specially designed for women to help families overcome financial challenges and support them in their quest for parenthood and quality healthcare. It provides low-cost health financing to facilitate payment and access to expensive medical care. It covers a wide range of procedures, including IVF treatment, child delivery, and specialised procedures/treatments such as fibroid, dental, bariatric (weight loss), and eye surgeries.

**PREMIUM CARDS (DEBIT)**

- **W Branded Debit Card**

This is a specially designed debit card available exclusively to female customers of the Bank. It was introduced to heighten the awareness of the special offerings geared towards meeting the lifestyle needs of women through the W initiative. The W Branded Debit Cards are accepted for payments at all debit card enabled merchant locations, web payment platforms, and ATMs worldwide.

**NON-FINANCIAL OFFERINGS & INITIATIVES**

- **Womenpreneur Pitch-a-ton**

The Womenpreneur pitch-a-ton program is dedicated to supporting and empowering women entrepreneurs. It provides resources, guidance, and networking opportunities for women to grow, and scale their businesses. Through mentorship, capacity building, and access to funding, It aims to foster the success and economic empowerment of women in business.

- **Ladies Let's Drive**

The "Ladies Let's Drive" initiative was set up to empower women with driving skills in partnership with the Federal Road Safety Corps (FRSC) as well as FRSC certified driving schools. It promotes safe practices with the understanding that driving is an essential life skill.

- **W Sessions in branches**

The "W Session in Branches" is a cluster engagement tailored for women to enhance their knowledge and skills in areas related to business, career, and lifestyle advancement. This event provides a platform for women to gather, engage in informative sessions, gain valuable insights, and foster collaborations. It aims to empower women, equip them with valuable knowledge and skills, and inspire them to achieve their goals and aspirations.

## PRIVATE BANKING

- Access MedicAir is a premium lifestyle medical emergency designed in partnership with De flight Medics Nigeria Limited. Emergency services are provided to HNI customers for an annual subscription fee which provides coverage of up to $150,000

## PAYMENTS AND REMITTANCES

- **ACCESSAFRICA**

AccessAfrica is Access Bank's proprietary payment solution built to facilitate cross border payments within Africa and beyond. The payments can be for personal or business purposes. Transfers can be from Person to Person (P2P), Business to Business (B2B), Person to Business (P2B) and any other payment activities/flows. It is a payment platform that facilitates cross-border multi-currency funds transfer.

**AccessAfrica is suitable for transfers to UK, Europe, North America, Africa and Asian countries.**

***Features:***

- Send transactions in either local currency or USD.
- Transfers are instant to the beneficiaries.
- AccessAfrica can process batch FX transfers for cash transactions.
- No correspondent/Intermediary Bank to delay the transfer process.
- It is available to Non account holders and Account holders.
- The FX regulation as it applies to FCY Transfers also applies to AccessAfrica Platform.
- Easy tracking of transactions.
- Creates an opportunity to maintain ties with family and friends.
- Secure payment option.
- There are no telex charges, so it is cheaper to the customer. (Concessions are also available based on business cases).

**REMITTANCES**

The following Remittance products enable our customers to receive funds from diaspora into their domiciliary account or collect cash (USD) over the counter. The maximum payout per the CBN policy is US$10,000.

- Ria
- MoneyGram
- SendWave
- WorldRemit
- Boss Revolution
- Paysend
- Small World
- Transfast
- First Apple
- Thunes
- Simbapay
- Quickremit
- MoneyGram
- Nairagram
- Glocurrency
- VGG and more.

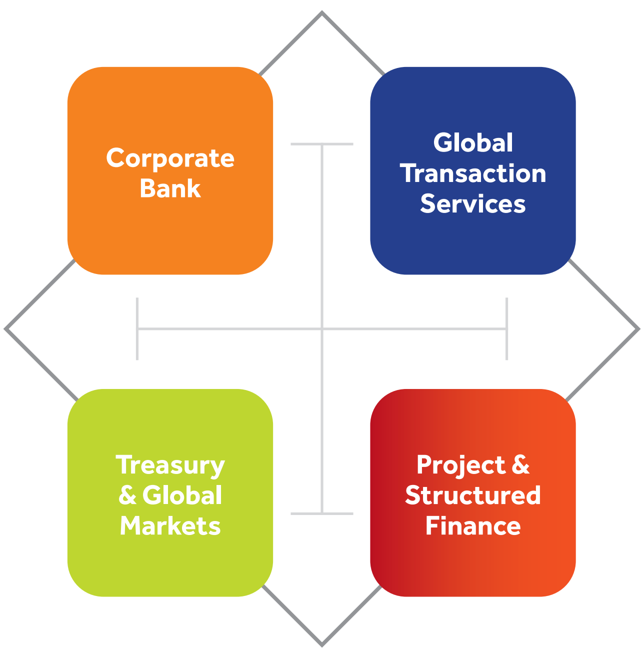
***Features:***

- Available to both account holders and walk-in-customers who are above 18 years.
- Fast, Safe and Reliable.
- Funds can be received into domiciliary account or as cash over the counter.
- Easy, secure and efficient means for funds transfer.
- Pay out currency in USD.
- No cost to beneficiary.

2

# CORPORATE AND INVESTMENT BANKING

**The Corporate and Investment Banking Division (CIBD) supports multinational corporates, financial institutions and institutional clients. The division comprises four (4) primary business groups: Corporate Bank, Global Transaction Banking, Project & Structured Finance, and Treasury & Global Markets.**




## Business Review

In 2023, the Central Bank responded to inflation and an overheating economy by raising the Money Policy Rate from 16.5% to 18.75%. Consequently, our clients experienced higher interest rates on loans and credit facilities for their businesses. Despite disruptions caused by economic factors like the removal of fuel subsidy and exchange rate unification leading to naira devaluation, our division successfully managed these challenges by providing tailored solutions to our clients. We maintain a clear strategy focused on enhancing customer experience, driving revenue and profit growth, and remaining a leader in global trade facilitation and payments. Leveraging our international connectivity and robust balance sheet, we continue to support clients in executing large strategic transactions.

Furthermore, 2023 marked another significant milestone with increased client deposits, reflecting our strengthened partnerships and client loyalty, aligning with our strategic goal of being the preferred international financial partner for our clients.

Throughout 2023, we continued to forge strategic partnerships to strengthen our scale and capabilities. Some notable transactions and events include:

- Facilitation of the largest ever swap deal between a leading oil and gas player and a Bank in Nigeria.

- Initiated an aviation forum to provide market trends, regulatory updates, financial strategies, and investment prospects within the aviation sector.
- Collaboration with a prominent energy solution provider as the global coordinator and financier for the launch of its Power Project.
- A Partnership was established with a top transportation service provider to finance the development of a northern standard gauge rail line.
- A Partnership was established with a healthcare service provider to facilitate asset acquisition financing.
- Participation in a consortium that secured the advisory mandate for Nigeria LNG Limited (NLNG) Train 7 construction.
- Capacity building sessions conducted for key distributors of major corporates in Nigeria and across Africa, aimed at empowering distributors across various sectors to enhance their expertise in critical areas.

## Our People

The Division's commitment to thought leadership and knowledge exchange is integral to upholding the Bank's core values and driving transformative development. Led by highly competent professionals with extensive industry experience, our leadership fosters these values through structured knowledge-sharing sessions, including leadership series and weekly workshops. These initiatives empower our talents to engage in high-level discussions and identify lucrative business opportunities at every point.

Our team of seasoned professionals boasts of deep insights into relevant markets, enabling us to deliver tailored solutions that meet our clients' unique business requirements. Maintaining a gender-balanced human capital ratio (52:48 male to female) ensures diverse perspectives in our approach to business.

At the core of our organisation's integrity, effectiveness, and sustainability lies our people. Their dedication and expertise are fundamental to our success and continued growth.

Looking ahead, we remain steadfast in our mission to drive sustainable growth, foster enduring partnerships, and deliver unrivalled experiences to our clients. Our unwavering commitment to excellence and customer-centric approach will continue to differentiate us in the competitive landscape.

The Division's results highlight our resilience, stability, and commitment to delivering exceptional results. We are poised for continued success, guided by our core values and vision for the future.

## Corporate Bank

The Corporate Bank Group plays a pivotal role in facilitating financial services for corporate clients across various industries banded into 10 sectors. With a commitment to excellence, we provide tailored banking solutions to meet the diverse needs of our corporate clientele focusing on fostering long-term relationships built on trust, reliability, and innovation. The Group maintained a robust portfolio of prominent clients across the African continent, including multinational entities in sectors such as Energy, Telecommunications, Food and Beverages, Cement and Metal Fabrications, Transportation, Financial Institutions, Partnerships and Digital Capabilities.

Throughout 2023, the Corporate Bank Group demonstrated resilience and agility in navigating the dynamic economic landscape. We maintained a prudent approach to risk management while capitalising on opportunities for sustainable growth and value creation. We continue to provide access to global markets, regulatory insights, and cutting-edge technology to our clients considering their scale or stage of growth. Our team of seasoned professionals leverage their expertise to provide these strategic innovative financing solutions and we express our enduring appreciation for their invaluable contributions.

During the year, we continued to strengthen our market presence and expand our client base, demonstrating resilience and adaptability in a challenging environment. Our commitment to innovation and technology integration enhanced our operational capabilities and enriched our clients' experience. As always, the Corporate Bank Group is committed to upholding the highest standards of transparency and regulatory compliance whilst adhering to stringent risk management practices to safeguard the interests of our clients.

## Global Transaction Services

The Global Transaction Services (GTS) Group acts as a primary support group to the relationship management teams using the Client Service Team Model from the perspective of trade support, treasury sales, government & utilities remittances and distributor collections. Our solutions focus on liquidity management, cash flow optimization, structured trade, utilities, and government remittances. We utilize cost-efficient collection and payment platforms, leveraging technology and our strong balance sheet to streamline customer value chains and payment processes.

Over time, we have expanded our customer network and increased the Bank's market share maintaining a 30% dominant share of key corporates, particularly in areas such as trade sales, taxes, utilities, government remittances, value chain management, and supply chain management. This growth has solidified our position as a leader in our customers' businesses.

The GTS Group spearheads a range of innovative digital solutions, providing swift, efficient, and secure payment and collection frameworks for both domestic and cross-border transactions. Our suite of digital products for cash and liquidity management services includes AccessPay, Point of Sales (POS) Solutions, Instant Pay, E-bills, Paydirect, and Payment Gateway, among others. Furthermore, we assist our clients in optimising their working capital, recognizing that access to finance is a significant challenge for small and medium-scale enterprises. Collaborating with major corporates and a supply chain finance technology provider, we have implemented solutions that offer low-cost financing to bridge working capital gaps for both corporates and their suppliers.

In addition, our Utilities and Government Revenue Collections unit supports leading local corporates and multinationals in tax and utility payments, covering taxes, levies, rates, bills, fees, fines, and other revenue sources. We have secured revenue collection mandates across all 36 states of the Federation and the Federal Capital Territory (FCT), as well as mandates for collecting revenue from Federal Government Revenue Yielding Agencies. Likewise, our successful initiatives have led to collaborations with key states in the Federation, to enhance their Internal Generated Revenue (IGR) generation. Through our robust platform, we ensure seamless tax remittance for our customers.

Lastly, our Trade Sales Team delivers specialized services for international trade clients, offering structured trade services, trade instruments, customized FX solutions, and correspondent relationships with international banks worldwide.

## Treasury

The Treasury Group is responsible for the efficient management of the Bank's Liquidity, ensuring an appropriate mix of Assets and Liabilities and maintaining healthy income margins. This enables the Bank to uphold its pride of place as the world's most respected African Bank. Our extensive client interactions over the years have empowered us to create client-centric products and frameworks that address both immediate and long-term business challenges.

Our offerings include Fixed Income and Foreign Exchange Trading, Liquidity and Cashflow Management, Risk Advisory and Hedging, Debt Restructuring, Escrow Services and Derivative Products. The successful delivery of these service offerings has consistently distinguished us from our peers across all the markets where we are active.

With an enhanced foreign currency trade and settlement platform, we offer market participants real-time price discovery and liquidity for major currencies. Our customised suite of fixed income services, including prime brokerage, repurchase agreements, and other yield-enhancing products, solidifies Access Bank's position as the preferred choice for executing fixed income transactions among international clients, asset managers, hedge funds, pension fund administrators, and other non-primary market dealers.

We maintain our lead as a Primary Dealer Market Maker and have contributed significantly to the volume and value of transactions carried out in the secondary market.

Ultimately, our unwavering commitment lies in prioritising our customers, ensuring their needs are met with excellence. We remain dedicated to crafting best-in-class treasury product offerings and services for our clients in the future, aligning with the Bank's overarching vision of attaining recognition as the world's most respected African Bank.

## Project & Structured Finance (PSF)

The Project & Structured Finance (PSF) Group continues to be a dynamic solutions provider in Project Finance and Structured Funding, dedicated to supporting the Bank's clients in Nigeria and across Africa. In alignment with its mandate, the PSF Group facilitated seamless coordination of transactions and projects by collaborating closely with the Bank's Strategic Business Units.

This Group's initiatives emphasizes its aspiration to play a pivotal role in facilitating critical infrastructure development and economic growth in Nigeria and across Africa. From Kenya to DRC, Botswana to Mozambique, the Group is contributing to the expansion and enhancement of vital infrastructure, industrial facilities, and renewable energy projects.

During the year, the PSF Group also executed agreements for transactions amounting to US$250 million in funding from various Development Finance Institutions to finance Trade, Medium, Small and Micro Enterprises (MSMEs) and Women Businesses.

Looking ahead, the Group remains poised for continued success. Building upon the achievements of 2023, the Group is committed to further strengthening its capabilities, expanding its service offerings, and fostering strategic partnerships to address evolving client needs and market opportunities. The Group's performance in 2023 reflects our unwavering dedication to excellence, innovation, and client-centricity.

2

# DIGITAL BANKING

## Introduction

**Prioritizing Digitisation remains at the core of the Access Bank's journey to actualise its strategic vision. This comes with a consistent quest for innovation and investment in Human Resources and Technology.**

Access Bank's substantial investment in cutting-edge digital solutions has streamlined internal processes and ushered in a new era of convenience and efficiency for its vast customer base.

By leveraging state-of-the-art technology, the Bank has transformed the customer experience, offering seamless and user-friendly digital services that align with the evolving needs of modern banking. This relentless pursuit of digital excellence has been instrumental in the Bank's expansion efforts. The ability to reach and engage customers across diverse markets has been enhanced, allowing Access Bank to extend its footprint within and beyond African borders.

In the broader financial landscape, Access Bank has gained recognition as a leader in digital transformation, setting industry standards for others to follow. The Bank's proactive approach to embracing technology has not only future-proofed its operations but has also solidified its position as a dynamic and forward-thinking financial institution. Numerous digital innovations characterised 2023, and we delivered substantial value to our customers through the following initiatives:

### Access More

Access More, the super mobile app, has revolutionised the landscape of mobile applications, setting a new standard for excellence. Over the past year, the app has undergone transformative updates, introducing cutting-edge features that have elevated customer experience to unprecedented heights. Users have witnessed a remarkable shift, experiencing improved functionality, seamless interactions, and innovative capabilities. Some new features include Esusu, Network Status Notification, Loan Offerings Enhancement, Premium Payments for Coronation, FCY Conversion to LCY, etc.

These upgrades haven't just made waves regarding technology; they've also significantly boosted customer satisfaction and ratings. The user interface enhancements and additional features have resonated positively, creating a more engaging and enjoyable experience for millions of users. The app is rated 4.4 on the Play Store by over 300 thousand users and 4.6 on the App Store by over 200 thousand users. The Access More app, a technological marvel, boasts an impressive user base of 5 million active individuals.

In 2023 alone, the platform carried out over 1 billion transactions worth over 95 trillion naira. As a beacon of innovation, this super app actively caters to users in Nigeria and across nine other subsidiaries. Its reach extends far and wide, touching users' lives in diverse regions, including Ghana, South Africa, Gambia, Guinea, Kenya, Congo, Cameroon, Sierra Leone, Zambia, and Rwanda.

The journey ahead is marked by innovation, and with unwavering dedication, we are set on pushing the boundaries of what's possible and venturing into new horizons that redefine the landscape of mobile applications. Currently, our team is immersed in creating exciting features designed to augment and improved the app's functionality, ensuring an unparalleled experience for our users.

Some of the features and services in the pipeline include improved UI/UX, AI-driven experience, account opening support, improved customer journey, and deployment of MLP 2 to subsidiaries. We believe in constantly raising the bar, and as we evolve, our primary objective remains resolute: to deliver a mobile app experience that not only meets the expectations of our diverse user base but surpasses them.

## Access Rewards

Access Rewards, the first and only digital loyalty program in the Nigerian Banking industry has been seamlessly integrated into the super App, offering customers a rewarding experience. Those who have opted for this service on the Access More App accrue redeemable points through various transactions, including airtime transactions and bill payments. This strategic rewards program is designed to foster customer retention and engagement, providing users with tangible benefits for their routine app usage.

The Rewards Program has 1.6 million subscribed members, and this is a testament to our deep understanding of customer needs. As we continue to prioritise customer satisfaction, the high number of interested customers who have subscribed to the loyalty program highlights the success of our approach in delivering valuable and appreciated services.

## Capital Market Orchestration: Bank to Broker

As the concept of Open Finance is becoming embedded in customers' financial needs, Access Bank remains committed to exploring new avenues that enrich the financial experiences of its users. The collaboration between Access Bank, a strategic partnership with Coronation Securities (a Stockbrokerage Firm), signifies a paradigm shift in providing Access Bank customers with unparalleled access to the dynamic world of capital market and Insurance products within the Access More App.

Bank to Broker, launched in January 2023, is a groundbreaking feature that facilitates seamless interaction between customers and the stock trading realm. This innovative feature encompasses a spectrum of functionalities, including customer onboarding, wallet funding, purchase and sale of stocks, transaction history tracking, user investment portfolio management, real-time status views of orders, wallet balance monitoring, stock trends analysis, and easy withdrawal from the wallet account to the bank.

The feature has garnered significant relevance since its launch, with over 10,000 investment accounts opened, underscoring its effectiveness in providing users with a comprehensive and user-friendly avenue for managing their investments. Access Bank is dedicated to continually improving and expanding these features to ensure a cutting-edge and a rewarding financial experience for its users.

## Startup Acceleration and Incubation

Organised by Access Bank's Africa Fintech Foundry (AFF), the accelerator program aims to empower tech startups across various industries. Providing access to mentorship from industry-agnostic thought leaders, experts, and investors, the program is designed to help structure businesses for success.

Winners from the AFF x CBN eNaira Hackathon seamlessly transitioned into the 2023 Incubation program, incorporating an accelerator phase. This comprehensive initiative involved weeks of mentoring sessions, investor pitches, internal product review, and specialised classes and concluded with a Demo Day in November 2023.

Beyond the accelerator phase, startups within our acceleration ecosystems continue to enjoy post-accelerator benefits. These include ongoing business support from AFF mentors, access to a network of investors, opportunities to collaborate with Access Bank customers and co-work space facilities.

Additionally, AFF partnered with Future Perspective, a non-profit foundation that offers a dynamic platform dedicated to shaping a better Africa, to organised a training called Innovation to Transform Education. The program covered digital skills, project cycle & and planning, evidence-based, technical & and methodological, and intercultural & social skills. The training also included a pitch competition for evaluations. The top EdTech startups will be integrated into our 2024 Incubation and Acceleration program, ensuring continued support for their growth.

The AFF accelerator program is strategically positioned to cultivate the next generation of African unicorns. By identifying ecosystem challenges, targeting potential solutions, and implementing a sustainable curriculum, the program creates facilities to nurture talent, fostering innovation and growth in a streamlined and efficient manner.

## Digital Innovation Initiatives

Aligned with Access Bank's goal to become one of the top two retail banks in Nigeria, the institution has strategically embraced a digital banking approach, positioning itself as an industry leader in innovative solutions. The Bank has proactively spearheaded the digitisation of banking services and products through the establishment of the Digital Steering Committee (DSC) and Digital Design Council (DDC)

The Digital Design Council (DDC) is a working committee dedicated to digital products, services, and innovations. In line with Charter, the initiative is guided by three pillars, which includes, understanding business needs in alignment with economic and ecosystem outlooks, exploring initiatives to digitally enhance business, and evaluating the benefits and effectiveness of completed ideations.

The key activities of the DDC encompass designing, changing, and developing innovations that align with key customer/client areas and needs. This involves championing, injecting and executing innovative, disruptive ideas and novel products within the business and in collaboration with partners. The DDC is also responsible for the operational and monitoring aspects of novel products until they reach maturity, ensuring their successful integration into the market.

In 2023, this initiative yielded noteworthy achievements, with the successful rollout of 37 projects, out of which 8 are currently live. Among these are the Service hubs which serves as an online platform for customers to log complaints, facilitating swift resolution by the Customer Experience team. The all-in-one CCO form consolidates top service requests at the Customer Care Operations desk, optimising form submissions and reducing paper usage. MobiPay offers a seamless alternative to traditional account numbers, enabling inflows into customer accounts using mobile numbers.

The Straight Through FX Processing initiative guarantees a streamlined end-to-end process for Foreign Currency transfers across all platforms. Additionally, the KYC Expiration Monitoring system proactively notifies customers and Relationship Managers of impending document expiration to prevent account dormancy or restriction. The USSD Activation Incentives initiative has successfully driven adoption, onboarding over 5,000 customers, while the Sustainable Account Reactivation digital initiative allows customers in Gambia to reactivate dormant accounts conveniently without visiting a branch.

These projects have significantly impacted customer service and transactions, showcasing the tangible outcomes of our commitment to digital innovation, and enhancing the overall banking experience.

In line with our core values on innovation, the Basement ID8 Portal stands out as a prominent addition to the 2023 innovations. This portal was built to provide a robust platform where employees' diverse talents throughout the Access Nation can converge. Its primary function is to facilitate the seamless submission of innovative concepts and ideas, fostering a culture of creativity and collaboration.

The iD8 portal signifies the commitment to harnessing the collective intellectual wealth within the organisation, recognising that groundbreaking ideas can emerge from any corner of the Access Nation. It serves as an inclusive space, encouraging employees to share their unique perspectives and inventive solutions, with the goal of driving positive change and progress across the company.

## Awards

In 2023, we received the following awards in acknowledgment of our commitment to delivering exceptional services to our valued customers:

- Asian Banker Awards: Best Retail Bank 2023
- Digital Banker Africa Awards: The Most Innovative Digital Bank in Nigeria 2023
- Digital Banker Africa Awards: Best Mobile Banking App Nigeria 2023.

## Outlook

### Blockchain Journey

Blockchain, identified as a transformative technology, has witnessed rapid adoption in recent years, sparking disruption across various industries. Its pervasive impact is poised to play a significant role in the impending shift towards disruption in the years to come. Substantive progress has already been made within the blockchain ecosystem, notably with our innovative blockchain solution, BLINK Network.

This groundbreaking initiative has achieved noteworthy milestones, including successful demo presentations of a compelling value proposition for interbank transfers to key stakeholders and directors at the Central Bank of Nigeria (CBN), controlled pilot interbank test transactions, and integration of unique features. These advancements show the transformative potential of blockchain technology within the financial landscape, setting the stage for continued innovation and disruption.

### Artificial Intelligence Centre of Excellence

Access Bank's Africa Fintech Foundry is actively exploring the capabilities of Generative AI as part of its strategic initiatives. Establishing the Artificial Intelligence Centre for

Excellence (CoE) within Access Bank Plc is pivotal, focusing on the comprehensive development, deployment, and governance of AI initiatives. The CoE's vision is to lead AI adoption, innovation, and expertise across Access Bank Plc.

Its versatile capabilities span various domains, including loan portfolio management, financial reporting, credit score management, analysis and forecasting automation, financial advisor services, AI-based fraud detection, chatbots, and compliance management. The Centre of Excellence is committed to advancing AI technologies across diverse facets of Access Bank Plc, contributing to a culture of innovation and technological excellence.

### Ecosystem Orchestration – (Real Estate and Automotive)

Access Bank strategically builds platforms that seamlessly coordinate diverse ecosystems, offering a spectrum of services tailored to various industry verticals.  We have commenced exploring various ecosystems. Home Buddy is a prime example in the real estate sector, connecting landlords, agents, and property developers with potential tenants and buyers.

With a focus on building a property ecosystem in Nigeria, Home Buddy offers customers a convenient way to own or rent their dream homes, accessible through web and mobile. Features include utility payment, repair services, a marketplace, property listings, and affordable housing options. The platform went live on 31 January 2024.

Also, we are currently exploring the automotive ecosystem. Our envisioned platform caters to enthusiasts, dealers, and consumers. It establishes a transparent marketplace enhancing the overall automobile experience, featuring a marketplace, spare parts access, rentals, finance options, repair stations, and provisions for insurance and tracking. The platform is being designed to ensure a seamless automotive experience for all stakeholders.

### Agency Banking

Continuing our commitment to agency banking, we aim to expand the accessibility of financial services. In Q1, 2024, we plan to launch this initiative, onboarding agents to extend financial services to more communities. To enrich the user experience, we will introduce additional features and payment methods, ensuring a comprehensive and user-friendly platform. Our vision includes scaling this service to Access Bank subsidiaries and broadening its impact across regions. Additionally, we are exploring innovative avenues, such as White Labelling to commercialise

### Open Banking

Access Bank believes in extending the benefits of open innovation beyond payments to diverse financial services. Open banking aims to foster competition, drive innovation, enhance market efficiency, and provide better services for end-users, promoting inclusivity for the unbanked. This approach prioritises financial system stability and consumer rights. In leveraging an API economy, Access Bank identifies and standardises over 183 APIs, ensuring secure deployment to third-party consumers. This strategic move is aimed at creating value and expanding banking services to external entities. The goal is to continue our open banking journey in 2024 by building and deploying more APIs to the Sandbox.

### Conclusion

In conclusion, Access Bank stands resolute in its commitment to digital innovation, continually pushing the boundaries to redefine the landscape of financial services. Despite various groundbreaking digital milestones, our dedication to delivering cutting-edge digital solutions remains constant. The path toward a more digitally connected future is thrilling and demanding, and Access Bank is unwavering in its commitment to spearheading advancements that reshape the banking industry. In 2024, we are poised to intensify our efforts, utilising emerging technologies and refining existing platforms to enhance the banking experience for our esteemed customers.

# 2 OUR PEOPLE, CULTURE AND DIVERSITY

**At Access Bank, we believe that our people are our most valued asset and an integral driver in the achievement of Bank's vision of being the world's most respected African bank. We continue to enrich our workforce, empowering our employees for the future in the ever-changing global business landscape.**

Our over 30,000 strong workforce remains the most integral component in the continuous delivery of superior value to our customers and the communities we serve (our valued stakeholders) as we continue to channel resources towards human capital development and the maintenance of a safe workplace. Their tremendous effort, expertise, and unrivaled dedication culminated in our entry into the Namibian market in furtherance of the Bank's expansion drive and the attainment of being Africa's gateway to the world.

## NEXT GENERATION TALENTS

### Advance Africa

Launched in 2021 in partnership with Udacity to provide in-demand digital skills to young, vibrant African youth working to transform Africa's economy through digital reform, Advance Africa has impacted young Africans through its programme paths, including Business Analytics, Data Science, Digital Marketing, Introduction to Programming, and Product Management.

Designed with robust curriculums, internship opportunities to work with leading experts on real-world projects, and a charitable scholarship scheme, Advance Africa has transformed the career trajectory of over 20,000 young Africans across Nigeria, Ghana, Kenya, South Africa, Botswana, Rwanda, Guinea, Zambia, Gambia, Sierra Leone, Mozambique, Cameroon, and Congo (DRC). The programme was designed for youths to learn and carry out innovative projects that offers solutions to real-world problems that will enable them to level-up their skills, earn badges/nanodegrees and be ready for the future.

The Advance Africa project which has now ended received over 150,000 applications over the two-year period with 20,000 participants selected. Following the training exercises, a combined 2,000 individuals have been given the opportunity to earn a Nanodegree.

The programme has given thousands of young professionals the competitive edge to thrive in the global corporate ecosystem.

## EMPLOYEE DEVELOPMENT AND EMPOWERMENT

In our bid to further empower our employees and equip them for the future, the Bank increased its investment in developmental and capacity building initiatives such as the Art of Coaching workshop organised by the School of Leadership, Guest lecture Series facilitated by top leaders in the corporate world across Africa, PCTP programme (to increase regulatory professional banking certification levels for employees in Nigeria), Emotional Intelligence Masterclass among others. In line with efforts to achieve capacity building and broaden leadership capabilities and potential, 433 employees across the Group participated in high-level leadership and key talent trainings from top institutions around the world. Training hours for the year stood at 646,405 hours, which is 105% of the Group training target.

## SCHOOL OF BANKING EXCELLENCE (SBE)

In 2023, 805 fresh graduates in Nigeria and across our African subsidiaries joined the Bank through the Entry Level Trainee Programme (ELTP) at the School of Banking Excellence, completing the 3-month course programme, and gaining practical banking experience during the 3-month on-the-job training.

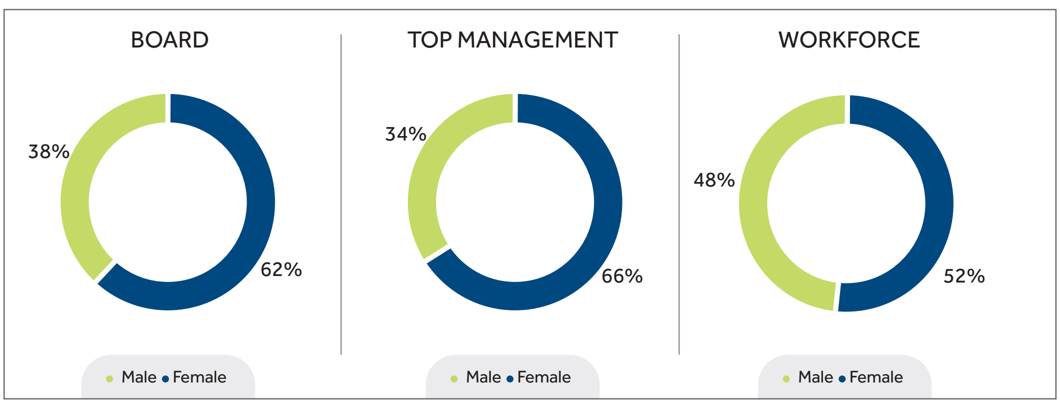
## GENDER DIVERSITY

Our commitment to gender diversity and inclusion is constantly upheld.

**Gender Composition of Top Management**

| Name | Gender | Designation |
|---|---|---|
| Roosevelt Ogbonna | M | MD |
| Etuokwu Victor | M | DMD, Retail North |
| Chizoma Okoli | F | DMD, Retail South |
| Jobome, Gregory Ovie | M | ED, Risk Management |
| Ambursa, Hadiza | F | ED, Commercial Banking |
| Oluseyi Kumapayi | M | ED, African Subsidiaries |
| Iyabo Soji-Okusanya | F | ED, Corporate And Investment Banking |

## Employee Composition by Gender



# 2

# OUR SUSTAINABILITY STRATEGY AND FRAMEWORK

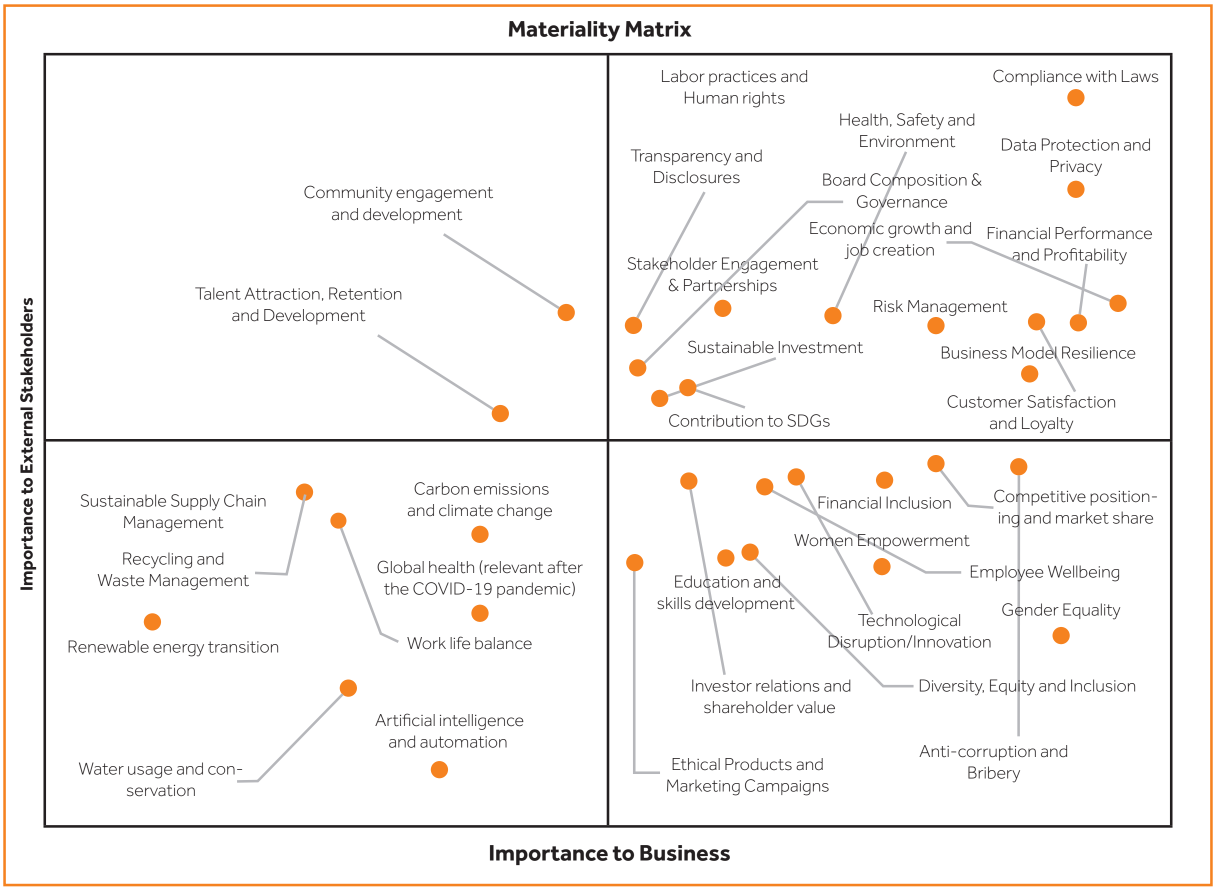
**In line with our vision and mission, Access Bank continues to embed sustainability in our corporate DNA. We remain steadfast in our commitment to supporting progress towards achieving the Sustainability Development Goals (SDGs). Our customer-centric initiatives are designed to create shared values for all our stakeholders. As responsible corporate citizens, we recognise the need to contribute positively to socio-economic development and the environment, while remaining highly profitable for our shareholders.**

Our sustainability strategy aligns seamlessly with the overarching 5-year strategy of our parent company, Access Holdings, reinforcing our dedication to creating enduring value. This strategic alignment ensures that our sustainability initiatives resonate with the core objectives and targets set by Access Holdings, amplifying the impact of our efforts across the workplace, marketplace, and community.

1) **Our Workplace Focus:** This includes employee engagement, Health, Safety, Security, and Environment (HSSE), carbon emissions reduction, waste management, and sustainable procurement.

2) **Our Marketplace Focus:** In this area, we are focusing on sustainability bonds, SME lending of which 70% beneficiaries will be women and youth, affordable housing, healthcare financing, W Banking, Youth banking, and DFIs.

3) **Our Community Focus:** Our community focus covers education, entrepreneurship, health, and the environment.




## Environmental Sustainability

Embedded within our values and purpose is a profound commitment to the protection of the environment in which we operate. This commitment is not merely an addendum to our business strategy, but is viewed as an integral and sound business practice. At Access Bank, we recognise that a sustainable and eco-conscious approach is not just a trend but a responsibility, and we actively embrace it.

Our dedication to reducing our environmental footprint is evident through a series of strategic measures. These initiatives are designed not only to align with global sustainability goals, but also to serve as a testament to our genuine concern for the planet we share. From energy-efficient practices to waste reduction strategies, our focus is on adopting environmentally friendly measures across all facets of our operations.

To instill a culture of environmental responsibility, we have implemented comprehensive policies, engaging training programs, and multifaceted engagement initiatives. These efforts are aimed at encouraging not only our employees but also our customers, suppliers, and all stakeholders to adopt sustainable practices. By fostering awareness and a sense of shared responsibility, we believe in collectively contributing to a more sustainable future.

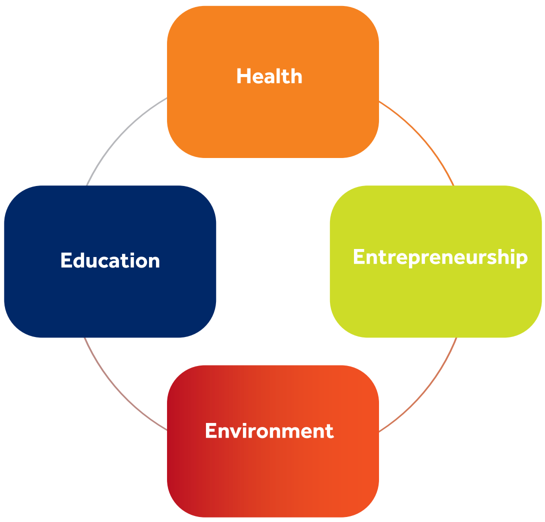
Care for the environment is not just an incidental aspect of our corporate identity; it is one of our key responsibilities and a crucial component of the way we conduct business. At Access Bank, sustainability is not viewed as a standalone initiative but rather as an integral part of our overarching business strategy. We firmly believe that by prioritising environmental stewardship, we not only fulfill our corporate duties but also contribute to a more sustainable and resilient world.

## CSI Strategy and Framework

At the core of Access Bank Plc's operations is a commitment to extend our social impact beyond conventional business and financial services, ensuring a tangible presence in the communities where we operate. To realise this vision, we have meticulously crafted a Social Impact Framework that addresses diverse societal challenges.

Our Corporate Social Investment, synonymous with Corporate Social Responsibility (CSR), serves as a comprehensive blueprint guiding our strategy and providing a practical toolkit for executing impactful initiatives. The framework delineates four pivotal focus areas, strategically identified to effect meaningful change in Africa and the communities we serve. These encompass the promotion of progressive educational programs and the reduction of out-of-school children, facilitation of economic growth through entrepreneurship, championing environmental sustainability via targeted initiatives, and promoting health and wellness.

Figure 1: Our CSI focus areas




Acknowledging that the prosperity of Access Bank Plc is intricately tied to the well-being of the communities in which we operate, we emphasise the significance of community support in our success. Accordingly, our commitment extends to environmental stewardship, fostering economic prosperity within our communities, upholding local values and customs, and actively engaging with the people to cultivate a shared set of values.

Aligned with our dedication to social responsibility, our impact agenda is designed to contribute to the realisation of the United Nations Sustainable Development Goals (SDGs). Our Corporate Social Investment (CSI) initiatives are strategically crafted to address various goals and targets of the SDGs, including but not limited to reducing income inequality, promoting gender equality, enhancing health and education outcomes, combating climate change, and forging partnerships to collectively advance the SDGs.

## Human Rights

Access Bank Plc fully respects human rights and all related charters on the subject-matter. We subscribe to the Universal Declaration of Human Rights and our Bank's Human Rights policy guides the actions of every staff without exception. We demonstrate our respect for the rights of all people (men, women, old, young) people living with HIV/AIDS (PLWHA), people with disabilities, amongst others. Our gender-inclusive, equal opportunity, and non-discriminatory workplace cultures make Access Bank a conducive environment for all our people.

In addition, we also promote human rights compliance through our lending decisions and supply chain relationships. Accordingly, our procurement and credit risk teams have adopted due diligence processes to ensure that the Bank does not conduct business with individuals or entities 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. Our internal and external stakeholders can use this line to 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 Inclusion

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

Our leadership is actively involved in the initiation and implementation of strategies, policies, and programmes on diversity and inclusion. The Bank remains focused on improving gender diversity at all levels, particularly the workplace, marketplace, and community. Through our participation in a number of external partnerships, we actively promote gender equality across the industry and the wider business environment. Our collegiate efforts to advance diversity is yielding positive results as seen in the rise of more female employees among the leadership of several banks.

## Access Women Network (AWN)

The AWN supports, develops, promotes, and retains female talent in the Bank. The network provides female employees with an enabling work environment to grow and attain leadership positions. Having achieved significant success in Nigeria, the network is currently available in all our subsidiaries, with Ghana, Kenya, Rwanda, Gambia, Zambia, Mozambique, and Congo fully active.

Over the years, AWN has recorded several achievements in line with its strategic pillars: Recognition & Communication; Career and Networking; Volunteering and Community Service; and Mentorship. Our female employees' careers are transformed across these pillars as they undergo training and have access to tools and resources, coaching, connections, collaboration, sponsorships, and events, amongst others.

### Community initiatives

Our community initiatives are dedicated to fostering social prosperity for both individuals and businesses in the localities where we operate. We prioritise providing access to impactful projects, organisations, and events that contribute positively to the environment.

Throughout 2023, Access Bank actively engaged in various Corporate Social Investment (CSI) initiatives, reaching out to and benefiting more than 1,870 communities and 10,007,979 individuals. Collaboration was key, as the Bank partnered with over 310 Non-Governmental Organiaations (NGOs) and Civil Society Organisations (CSOs) to effectively implement these initiatives. Moreover, the commitment of Access Bank employees was evident, as they collectively devoted over 72,402 hours to the successful execution of these community-focused programs.

## EDUCATION

Throughout the year 2023, Access Bank reached 1,946,103 individuals through diverse educational initiatives. These programs were strategically crafted to cultivate children's enthusiasm for Science, Technology, Engineering, and Mathematics (STEM), fostering innovation and igniting a passion for STEAM disciplines in youngsters aged 7 to 15 years. The Bank achieved this through engaging activities such as career talks, hands-on STEAM experiences, and educational games. The overarching goal was to enhance future-oriented thinking, broaden access to education, boost financial literacy among children, and nurture entrepreneurial skills. Notable initiatives in this regard include.

### Global Money Week (GMW) Programme

To further empower children with financial literacy skills, Access has partnered with 9ijaKids, an initiative of Lorem Excellentiam and a trademark of Nimdee Learning Company Limited, to enhance the capacity of children in the areas of financial education and entrepreneurship. This is an annual global awareness-raising campaign aimed at promoting financial literacy among young people from an early age. The goal is to ensure young people acquire the knowledge, skills, attitudes, and behaviors necessary to make sound financial decisions and ultimately achieve financial well-being. This program was implemented in 10 states in Nigeria and Accra, Ghana; Nairobi, Kenya; and Limpopo, South Africa.

The notable outcomes of this program include.

- Reached 53,009 children in ten (10) Nigerian states (Adamawa, Akwa-Ibom, Anambra, Benue, Ebonyi, Edo, Ekiti, Gombe, Kano, Kaduna, Kogi, and Ondo) and 3 other African Countries (Accra Ghana, Nairobi Kenya, & Limpopo South Africa.
- Impacted 336,446 lives through various community and media financial literacy campaigns.
- Established 12 financial literacy clubs
- Distributed 2,000 financial literacy books to students

This program was in line with the following SDGs

SDG 1: No poverty; SDG 4: Quality education; and SDG 17: Partnerships for the goals.

### School Renovation Projects

In pursuit of our commitment to advancing education accessibility, Access, as a pivotal component of its social impact initiative, contributed to the renovation and enhancement of two prominent educational institutions. One of these transformative projects involved the Government Secondary School Tungan Maje in Abuja, while the other focused on uplifting St. Louis Secondary School in Owo, Ondo State.

Through these initiatives, Access aimed to create an enduring impact on the learning environments of these schools, fostering a conducive atmosphere for academic growth and personal development. By renovating and upgrading the infrastructure, we sought to provide students with modern facilities that align with contemporary educational standards.

These efforts underscore Access's dedication to empowering communities through education, recognising it as a cornerstone for societal progress. We remain steadfast in our commitment to fostering positive change and contributing to the advancement of educational opportunities for all.

## ENTREPRENEURSHIP

In addressing poverty and youth unemployment, youth entrepreneurship empowerment has proven to be an effective avenue. Recognising this, Access Bank, as a socially responsible organisation, has positively influenced 2,002,909 individuals through various entrepreneurship programs, with notable initiatives aimed at fostering economic empowerment.

**C-PET Training:** In June and December 2023, Access and CSR-in-Action's School of Corporate Citizenship organised a workshop, tagged "Crisis Communication for Nonprofits & The Love Quotient: Building and Sustaining Efficient Teams These workshops focused on how nonprofit organisations understand, inform, and influence their various constituencies in times of crisis and maintain their workforce for increased impact.

CSR-in-Action is a social enterprise that is devoted to the advancement of social ethics, social responsibility, and corporate governance in Nigeria. Since 2015, Access Bank and the social enterprise have developed the capacity of Civil Society Organisations (CSOs) in Nigeria, training over 760 participants through the CSO Professionalism and Effectiveness Therapy (C-PET) Workshop.

The immediate outcomes of this projects includes;

- 219 NGOs/CSOs took the training on Crisis Communication for Nonprofits.
- 63 NGOs participated in the training on building and sustaining efficient teams
- Participants received a clear understanding of new solutions to challenges faced by private organisations in seeking partnerships with CSOs

**Women Digital Entrepreneurship Program:** In a bid to promote women's entrepreneurship and improve economic outcomes for women and bridge the gap inherent in women's involvement in the digital economy, Access Bank Plc partnered with NerdzFactory Foundation, a non-profit to enhance women's involvement in the digital economy. This program, currently in its third phase, draws women from all over the country, empowering them with viable digital skills to earn income, enhance their businesses, and participate actively in the digital economy.

The impacts of this program include.

- 3,540 women trained in digital skills to thrive in the digital economy.
- 59 pitches received and 12 businesses funded.

This program aligns with SDGs 1: No Poverty; SDG 8: Decent Work and Economic Growth: SDG 10: Reduced Inequality; SDG 13: Climate Action; and SDG 17: Partnerships for the goals.

**Youth Transition Program:** Access Bank in partnership with NerdzFactory Foundation, developed this program to address youth unemployment in Nigeria and Africa by empowering individuals, including young graduates, final-year students, unemployed youth, NYSC members, and girls aged 18-35.

This was achieved by providing essential digital and soft skills to facilitate successful workforce transitions and entrepreneurship. This program aligns with SDG 1: No Poverty; SDG 8: Decent Work and Economic Growth: SDG 10: Reduced Inequality; and SDG 17: Partnerships for the goals

The immediate outcomes of this initiative include.

- Empowered 1,275 individuals, including young graduates, final-year students, unemployed youth, NYSC Corp members, and girls aged 18-35.
- Equipped participants with essential digital and soft skills for successful workforce transition and entrepreneurship.
- 159 young people graduated from the digital boot camp
- 360 youths were reached during the one-day symposium event and got the opportunity to ask questions and interact with professionals and entrepreneurs.

**Women Traditional Textile Design Project:** To promote entrepreneurship and provide economic empowerment among women, Access Bank partnered with EGO Foundation to implement the Women Traditional Textile Design Program in Lagos State. The program focused on the acquisition of vocational skills in traditional textile design such as Adire (tie and die) and Batik (African wax prints).

The immediate impact of this project includes

- Trained 136 in textile design and textile business management
- 14,529 lives were reached through community awareness campaigns on entrepreneurship and business management.
- Developed e-commerce and onboarded 30 beneficiaries in its online store.

SDG 1: No Poverty; SDG 8: Decent work and economic growth: SDG 10: Reduced Inequality; and SDG 17: Partnerships for the goals.

## HEALTH

In 2023, Access Bank maintained its steadfast commitment to prioritising health, achieving a significant impact. Access Bank's diverse health initiatives reached 3,023,116 individuals. Among the notable programs are:

**Sickle Cell Programs:** Access Bank worked with Temitayo Awosika Help Foundation (TAHF) and Nirvana Initiatives to support vulnerable families and individuals living with sickle cell anemia through various impact projects. Via these initiatives, tremendous efforts were made to impact the lives of sickle cell patients by providing them with drugs, medicare services, and social welfare services, economically empowering their caregivers, among other support. TAHF is an NGO focused on helping persons or patients living with sickle cell disease and the vulnerable in society.

Some notable outcomes include:

- Medical tests (PCV checks and results) were done for the warriors along with medical bill support.
- 1,500 warriors and their caregivers benefited from the food succor program
- Provided medical checkups and drugs to 554 warriors
- Empowered 50 caregivers with business start-up support.
- Provision of health insurance for 100 warriors
- Sponsor leg-ulcer surgeries for 12 warriors.
- Sponsored a bone marrow transplant and spine surgery for warriors
- Trained 200 health workers on best practice sickle-cell care.
- Increased awareness and reduced misinformation and myths around sickle through various awareness campaigns.

**End Malaria Project:** In commemoration of World Malaria Day 2023, themed "Harness innovation to reduce the burden of malaria disease and save lives," Access Bank in partnership with HACEY Health Initiative executed the End Malaria program across 12 rural Nigerian communities in Lagos, Delta, Kaduna, and Akwa-Ibom states. Through this program, we enhanced knowledge, regarding prevention, treatment, and control methods, reaching a minimum of forty thousand people. We also reduced malaria morbidity in endemic project communities through mandatory malaria chemical prophylaxis among pregnant women and children under five; and Implemented effective malaria diagnosis and treatment by conducting rapid diagnostic testing and treating malaria-positive individuals with Artemisinin-based Combination.

The impact of this project includes

- 2,081 beneficiaries received free Malaria diagnostic tests.
- 194 Pregnant women and mothers who tested positive for Malaria began immediate treatment with the host health facilities.
- Distribution of 2,000 LLINs to pregnant women and mothers. 2,000 IPTp-SP distributed to health facilities across project communities in Nigeria.
- 450,000 lives were reached through information on malaria prevention and cure.

**Save Little Heart:** Access Bank in collaboration with Hospitals for Humanities facilitated a transformative initiative focusing on healthcare around congenital heart disease (CHD) awareness, preventive and management care, and surgeries.

Some immediate outcomes of this initiative include

- Conducted Pediatric Cardiothoracic surgeries and Cardiac Catheterisation on 5 children with CHD and provided continued medical care.
- Screened 1,500 children for Open Heart Disease
- Trained 130 medical practitioners on CHD-responsive care
- Reached over 6,219 people through the CHD webinar.

## ENVIRONMENT

Recognising the detrimental consequences of climate change and the imperative to address environmental degradation, Access Bank places a significant emphasis on environmental stewardship. In the year 2023, Access Bank actively demonstrated its commitment as an environmentally responsible organisation through a range of initiatives. These encompassed diverse environmental programs such as renewable energy projects, solarization, campaigns to promote environmental awareness, waste management programs, tree planting initiatives, and various other environmental projects. As a result of these concerted efforts, Access Bank reached 3,035,851 individuals.

***Some of our initiatives include:***

**Light Up & Solarization Project:** In Nigeria, there are about 93 million people who lack access to electricity. This has led many citizens to resort to using high CO2-emitting energy sources like kerosene and charcoal, which apart from their high carbon pollution, is also hazardous to people's health.

In 2023, Access Bank partnered with the Glow Initiative, a non-governmental organisation focused on enabling communities to become economically viable, to light up the Kwale market in the Kwale community, in Delta State. The community has an estimated population of 4,500 people. The project involved the training of 50 people from the community on Solar PV appreciation and entrepreneurship (sales and marketing).

A solar power system was also installed in the Kwale community market to increase economic activities and reduce crime. The project will enhance the livelihoods of residents in the community, while also reducing their exposure to harmful carbon pollution.

In furtherance of our clean energy empowerment agenda, Access empowered schools and communities in Utagbe Ogbe Delta State, Ugbenu, and Urum of Anambra State and provided clean water to Ulepa Ntezi and Ameshi communities in Ebonyi and Enugu states, respectively.

The immediate outcomes of these programs include:

- Provided 3 units of 200 watts solar panels and a hybrid inverter with an inbuilt charge controller were installed in the school libraries
- Trained 50 girls on solar PV basics engineering and installation.
- Trained 100 community youths on PV engineering and installation.
- Installed 3.5 KW
- Sensitized 5,700+ community members on the need to adopt cleaner energy sources.
- Provided clean water to communities in Enugu & Ebonyi
- Installed solar inverters in selected rural secondary schools in Urum, Anambra thereby providing access to stable and reliable electricity, helping students study during the night-time consequently boosting academic performance.
- Reduced crime and social vices and boosted economic activities in rural markets via solar light installation.

These initiatives are in alignment with SDGs 4: Quality Education, 11: Sustainable Cities & Communities,13: Climate Action & 17: Partnerships for the goals.

**Beach Clean-up & Walk for Nature Programme:** Identifying the need for proper waste management education and sensitisation, Access Bank partnered with Trash users and HACEY health to champion an industry-wide cleanup and walk for nature in commemoration of World Environment Day, the major activities included environmental sanitation, environmental education and advocacy, and community development. The clean-up was held at Lafiaji Beach, Lagos.

The immediate outcomes of these programs are;

- 75 volunteers participated in the beach clean-up exercise.
- 384kg of solid waste and 60.2kg of recyclable waste picked up.

The initiatives are in alignment with SDG 13: Climate action; SDG 14: Life below water; SDG 17: Partnerships for the goals.

Act for Earth Program:  Access Bank recognises the increasing urgency to address environmental challenges and in partnership with Glow Initiative for Economic Empowerment  launched the 'Act for the Earth Program.' This initiative is a response to the pressing need for global action to combat issues stemming from human activities, such as climate change, air and water pollution, soil degradation, and loss of biodiversity. Through this program, we aim to mobilise individuals, communities, schools, and organisations in Nigeria to actively contribute to reducing pollution, protecting and restoring natural habitats, and promoting sustainable practices.

The immediate outcomes of these programs are;

- 100 trees planted across various locations in Enugu.
- 37 young volunteers mobilised for an environmental clean up exercise
- Received 380 essay entries relating to environmental protection from young people within Enugu Nigeria and the top entry published in a National daily.

This program is in alignment with SDG 11: SDG 13: Climate action; SDG 14: Life below water; SDG 17: Partnerships for the goals.

**Grantee Programme:** Access Bank has a partnership with ACT Foundation to provide grants to NGOs across Nigeria and Africa. During the year under review, the foundation availed grants to 115 grantee organisations in four focus areas. The summary below highlights some of the milestones achieved amongst the grantees:

**Milestones Reached with the Grantee Programme**

| Sectors | Number of beneficiary NGO | Number of people reached (as verified through impact reporting) |
|---|---|---|
| Health | 39 | 116,963 |
| Entrepreneurship | 36 | 247,582 |
| Environment | 24 | 77,282 |
| Leadership | 16 | 733,295 |
| Total | 115 | 1,175,122 |

## Gender in the Workplace

At the core of our organisational ethos lies a steadfast commitment to gender diversity, recognising its pivotal role in driving innovation and facilitating sound decision-making. Our dedication to cultivating an inclusive work environment is unwavering, valuing diverse experiences, perspectives, and backgrounds. In our recruitment, training, and career progression practices, we are resolute in providing equal opportunities for both men and women, striving to create a workplace where every employee can realise their full potential.

With a workforce comprising about 30,000 individuals (48% male, 52% female), we are steadfast in upholding gender equality across all hierarchical levels. Our commitment is evident in our merit-based recruitment processes, comprehensive training programs that promotes inclusivity, and robust support systems aimed at empowering women in their career trajectories. We consistently evaluate policies, foster open dialogues on gender-related issues, and remain steadfast in our advocacy for gender diversity, recognising its vital role in ensuring the enduring success of our organisation.

## Employee Volunteering Initiatives

Access Bank's employee volunteering initiatives aim to make a positive impact in local communities. We encourage employees to volunteer their skills and resources during work hours to address social, environmental, and economic issues in local communities. In 2023, our employees volunteered 235,722 hours in community projects across Africa reaching 918,389 individuals. Some of the notable employee volunteering initiatives include:

The Retail Operations Group (ROG) of Access Bank is leading a crucial healthcare enhancement project to address the inadequate quality of care in five primary healthcare facilities across different Nigerian communities. With a focus on clinical governance and patient care quality improvement, the project involves procuring essential healthcare equipment for these centers, organising commissioning events to engage the community, educating attendees about the Bank's support and services, and promoting the initiative through banners and posters. The initiative requires a total of ₦28,008,000 aiming to reduce infant and maternal mortality rates among the approximately 4000 beneficiaries. Additionally, labor room delivery equipment was supplied to enhance the facilities, aligning with the Bank's CSR theme of "Health" and benefiting from the financial contributions of bank employees who are members of professional bodies.

Centralised Operations Group has collaborated with Olorunfunmi Grammar School to address the issue of overcrowded classrooms and provide a conducive learning environment. The first phase of the project, completed in 2021, involved rehabilitating three classrooms to accommodate more students and enhance staff comfort.

The second phase saw the delivery of the school's first Computer Laboratory for the students. The school, located in Lagos State, had around 100 students per class and houses staff rooms, labs, and a library. The project aligns with the Bank's focus on School Infrastructural Intervention and contributes to Sustainable Development Goals. The initiative not only demonstrates Access Bank's commitment to community welfare but also complements government efforts in education. The Computer Laboratory will empower over 2000 students, fostering digital knowledge and skills essential in the modern age.

## Corporate & Investment Banking Group

The Go Green Initiative, led by the Corporate Bank Division, represents a 5-year program (2018-2023) in collaboration with the Lagos State Parks Garden Agency (LASPARK). The initiative focuses on sustainability and carbon reduction by greening key streets in Lagos, including Adeola Odeku Street, Ahmadu Bello Way in Victoria Island, and Admiralty Way/Admiralty Road in Lekki Scheme 1. Through consistent tree planting and maintenance, the project has reduced carbon emissions by over 300kg annually, enhancing the environment's aesthetic appeal. With the support of LASPARK and contractors, such as Kiosque Vegetal, and Dialpay Solutions, the initiative has positively impacted over a million individuals who frequent these prime locations, creating a healthier, greener community and underscoring the Bank's commitment to sustainability and community welfare.

## Internal Audit Group

In the year 2023, Access Bank Plc's Internal Audit department spearheaded a Corporate Social Responsibility (CSR) initiative with a profound focus on education. The chosen recipient was Wright Memorial Primary School in

Shomolu, Lagos, a community grappling with socio-economic challenges, notably known for the presence of hoodlums and street urchins.

The core elements of the initiative encompassed the provision of essential school items to underprivileged primary school pupils. Co-branded school uniforms, sandals, socks, branded school bags, and a selection of stationery and writing materials, including books, pens, rulers, erasers, and pencils were thoughtfully curated to address immediate educational needs.

This initiative, strategically aligned with the CSR strategy, aimed to empower young learners with the transformative power of education. The focus on Wright Memorial Primary School, situated in a community facing hardships, not only addressed the immediate necessities of the pupils but also sought to instill hope for a brighter future.

Behind this initiative lay a deep sense of empathy for the underprivileged pupils, reflecting Access Bank's commitment to contributing to community growth. By choosing education as a focal point, the Bank aimed to create a lasting impact on the lives of these young learners, recognising the pivotal role education plays in breaking cycles of poverty.

The project showcased Access Bank's dedication to making a positive impact on the community, portraying itself as more than just a financial institution. It reinforced the bank's brand identity as a responsible corporate citizen invested in the well-being and future of the areas it serves. The initiative, by providing tangible support to the Shomolu community, underscored the bank's commitment to giving back and caring for the communities where it operates.

### Impacts:

- Impacted 230 students at Wright Memorial School
- Invested 2,550 hours to the project

### Human Resources

In a collaborative effort, the Human Resource Group, in conjunction with the Bethesda Child Support Group, conducted a career talk session at Bethesda Secondary School. The session, marked by insightful knowledge-sharing, directly impacted students by offering practical insights into a variety of career paths and opportunities.

In addition to the informative session, the Group made a significant contribution by donating educational materials to the students at Bethesda Secondary School. This tangible support directly impacted 150 students and underscored the team's commitment to making a meaningful difference. The collective volunteering efforts amounted to an impressive 598 hours, reflecting the team's hands-on approach to community engagement.

This collaborative initiative serves as a commendable example of the positive outcomes that arise when organisations join forces to uplift educational experiences and shape the aspirations of the younger generation.

### Channels

The Digital Operation & IT Channels group successfully executed a Corporate Social Responsibility (CSR) project encompassing the renovation and equipping of the Food & Nutrition lab at Ikeja Grammar School. This multi-faceted CSR initiative unfolded over 3 years, commencing in 2021, with predefined milestones achieved at various intervals.

A pivotal aspect of the project involved a comprehensive renovation of the Food and Nutrition Lab, elevating the learning environment for students. Alongside this, the Group organised a culinary competition aimed at nurturing the culinary skills of the students. This unique event, held as part of the CSR initiative, featured esteemed celebrity food vloggers and chefs as judges, adding both prestige and expertise to the competition.

In the culinary competition, Team C emerged as the winner, demonstrating exceptional culinary prowess. To commend the efforts of all participants, cash prizes were awarded, fostering a spirit of encouragement and recognition for the students' talents and hard work.

Furthermore, the Group conducted impactful career and financial literacy sessions with the students. These sessions were designed to equip them with essential skills and information necessary for making informed career choices. By extending beyond the physical renovation, this holistic approach aimed to empower students not only in their academic pursuits but also in their broader personal and professional development.

The Digital Operation & IT Channels group's CSR project exemplifies a commitment to education and skill development, contributing to the holistic growth of Ikeja Grammar School's student community.

### Conduct & Compliance

The group as part of its CSR projects to foster access to education undertook the re-construction of a block of 4 classrooms at Zion African Church Secondary School, Otun Village, Akute, Ogun State. The school was in a deplorable state wherein the classrooms were built with mud before our intervention. Sequel to this, the pupils who required twelve (12) classrooms were clustered in just two (2) dilapidated classrooms. The old mud building was demolished and the reconstruction of the new building. We are working closely with the Ogun State Ministry of Education Science and Technology.

The completed classroom blocks will cater to 4,689 students and the group has during the project duration invested ₦21,600,300 to this project.

### Information and Cybersecurity Group

In the realm of many public schools today, the learning experience of students often falls short due to the absence of a conducive and welcoming environment. The Muritala Ajadi Animashaun Community Junior and Senior Grammar School, unfortunately, mirrors this challenge, as it lacks the fundamental elements necessary to create an enjoyable and conducive learning atmosphere. The school's infrastructure is in a deplorable state, characterised by inadequate desks and chairs, the absence of ceiling fans, and whiteboards, and deficient restroom facilities, among other essential amenities.

Recognising this pressing need, the Information and Cybersecurity Group took a proactive stance by initiating a comprehensive facelift for the Muritala Ajadi Community Grammar School. This transformative effort involved the painting of 11 classrooms, the installation of 2 substantial whiteboards, and the enhancement of 3 walkways. In addition to this, the group provided essential chairs, collectively contributing to the creation of a more conducive environment for the 1,200 students attending the school.

To materialise this impactful project, the group committed a financial contribution of 1.2 million and invested 264 hours of dedicated effort. Through this endeavour, the Information and Cybersecurity group not only addressed the immediate physical needs of the school but also significantly contributed to fostering a more positive and inspiring learning environment for the students at Muritala Ajadi Community Grammar School.

## SUBSIDIARIES

Access Bank Ghana's commitment to community welfare is exemplified through its impactful initiatives. The Chosen Children Centre in Darkuman benefitted from the bank's provision of a 10,000L water tank and a 392L chest freezer. This initiative, aimed at food preservation and water conservation, directly impacted 100 orphans and 20 caretakers, contributing to the improvement of their welfare. The bank's brand visibility on the donated PolyTank and deep freezer reflects a perfectly aligned corporate social responsibility effort, fostering brand affinity and promoting teamwork.

In an effort to enhance community health, Rotary Club - Kumasi initiated the drilling of a mechanised borehole and provided portable water to the Amomorso Health Post and the surrounding community in the Bosome Freho District of the Ashanti Region. This health-focused endeavor, situated within EVP 2 (Ahodwo, Alabar, New Amakom, Kejetia, Adum, Suame, KNUST), involved 134 participants dedicating 18 hours which impacted users of Amomorso Health Post and the broader community.

The project aimed at facelifting the Community Health Post and ensuring the provision of portable drinking water for both the facility and the community. With a financial contribution of GHS25,000 from Rotary Club - Kumasi, the initiative garnered goodwill and commendation for improving water facilities in the community. The residents of Amomorso directly benefited from this intervention, which aligns with the vision of Rotary Club - Kumasi and fosters unity among team members.

In alignment with Access Bank Ghana's commitment to societal welfare and community impact, such initiatives contribute significantly to fostering positive change, enhancing brand image, and positioning the Bank as a respected entity in the minds of the people it serves.

Access Bank DRC Mwasipreuneur Initiative is a dedicated effort within Access DRC to promote entrepreneurship, focusing on the economic development of women and contributing to poverty reduction. Through a two-month project, involving 6,448 hours of commitment and an investment of 198,400 USD, the initiative collaborates with REMIFAE, a local organisation, to empower Congolese women and foster entrepreneurship.

To fulfill its commitment to societal welfare, Access Bank engaged in a meaningful campaign to provide support to 30 widows of FARDC soldiers in eastern DRC and 30 women who are engaged in bread selling. This support was extended through the provision of sewing machines, bakery subscriptions, and equipment for the women vendors. The initiative aims to empower these women economically, encourage their business growth, and contribute to their well-being.

Access Bank Mozambique took the lead in organising a significant book delivery day at selected schools, demonstrating our steadfast commitment to education. The event featured impactful branding elements such as roll-ups, backdrops, and gazebos. Notably, we placed stainless steel plates bearing our branding at the entrance of each school's library, symbolising our enduring support. Implemented in the provinces of Tete and Nampula, this initiative highlights our profound dedication to nurturing education and community engagement. Our employees actively contributed to making this endeavor a success, embodying our values and goals.

Access Bank Mozambique's Corporate Communications Department is supporting Mbuzine Primary School in the Marracuene district by initiating a sustainable project focused on transforming a designated planting area into a self-support vegetable garden. This endeavor addresses the prevalent challenges in the country's educational sector, particularly the lack of basic supplies such as desks, school materials, and sanitary ware in public schools. The chosen school, Mbuzine Complete Primary School in Maputo Province, will benefit from the project, which involves planting almost 1 hectare of land to create a sustainable source of quality, fresh food for over 2,500 students.

Access Bank Cameroon, initiated a laudable endeavor titled "Reach out to Young Street Men," directed at young individuals facing challenging circumstances. The bank, represented by three dedicated staff members, devoted three hours to this initiative. Collaborating with "Hope for the Abused and Battered," the project specifically aimed to assist street people in Douala's Littoral Region, aligning perfectly with Access Bank's emphasis on social welfare. Through financial backing, the Bank facilitated a two-part outreach program spanning January and February 2023. This included a get-together and psycho-social sessions, benefiting approximately 20 street individuals. During these interactions, Access Bank staff delivered motivational talks, urging these individuals to seize control of their lives. This initiative reaffirms the Bank's commitment to social welfare and its drive to empower marginalised communities, effectively breaking the cycle of poverty.

Access Bank Kenya, showcased its commitment to the environment, sports, and social welfare through its involvement in the Lewa Marathon 2023. Represented by a dedicated Corporate Communications team of three, the bank contributed 312 hours and KES 111,600. This initiative, in partnership with Lewa Conservancy and the Lewa community in Meru, centered on conservation, education, and women's empowerment within microfinance groups. Serving as the sustainability partner for the Lewa Marathon, Access Bank organised clinics for microfinance women groups, visited Ngare Ndare and Subuiga schools, supplemented wildlife conservation efforts, and monitored planted trees' progress from 2022. The Bank's contribution of KES 2 million positioned it as a caring partner in the community, earning appreciation and brand exposure alongside other major sponsors like Black Rock, Safaricom, and Huawei.

Access Bank Kenya's Kijani Initiative is a resounding example of the bank's dedication to environmental sustainability. With 145 staff members from Branches & Corporate Communications, 2900 hours, and KES 435,000, the initiative engaged communities near its branches, collaborating with the Kenya Forest Service, local authorities, schools, and county governments to plant trees. Aligned with the bank's environmental focus and the government's directive to plant 15 billion trees by 2032, the initiative planted 1600 mangrove trees in coastal communities and riparian lands, positively impacting around 15,000 lives.

Access Bank Gambia demonstrated its commitment to social responsibility by extending support to the Methodist Special School, which caters to children with Trisomy 21 (Down syndrome) and those with physical challenges. Aligned with the bank's EVP, the initiative involved donating food items to the school. This act of kindness greatly impacted over 100 children and their families, as the school authorities expressed deep gratitude for the timely assistance in providing nourishment to these vulnerable children. Access Bank's support significantly contributed to improving the lives of these children and their families.

Access Bank Botswana showcased its commitment to corporate social responsibility with a noteworthy initiative at Ramotswa Centre for the Deaf. Spearheaded by the Banking Operations team, the project aimed to support education by raising funds to donate 91 pairs of shoes to disabled students at the school. Managed by the Botswana Society for the Deaf, Ramotswa Centre for the Deaf caters to 91 disabled children from across Botswana. The donation of shoes, presented by a representative from the local Ministry of Education, is expected to enhance students' happiness and pride in attending school. This initiative not only reinforces the bank's dedication to corporate social responsibility but also underscores its commitment to making a positive impact on education and inclusivity in the Ramotswa community.

Serowe Branch's Project 2, under the "Health Education" category, involved the donation of sanitary pads to Mmashoro Junior Secondary School's boarding students in the Mmashoro community. The project aimed to empower 189 students at Mmashoro JSS with the necessary resources for managing menstrual hygiene, aligning with the bank's corporate social responsibility commitment to education and health. The donation of sanitary pads also sought to address the issue of students missing classes during their menstrual cycles due to a lack of access to these essential items, promoting regular school attendance among the beneficiaries.

Access Bank Rwanda spearheaded a philanthropic initiative at Iramiro Health Center in Kanombe-Kigali through OPS&IT. The project focused on constructing two bathrooms and providing sanitary products, comfortable beddings, and essential items like donated mattresses, bed sheets, bed covers, rice, sugar, cooking oil, water, toilet paper, milk, biscuits, flour, and soaps. In collaboration with GCVT and the community, this effort aimed at boosting morale and inspiring 26 children, making a positive impact on their lives.

Access Bank Sierra Leone supported Elim International Academy's Career Day activities at 12 Collage Road in Freetown, hosted by Education Corp. Communications. The event, spanning three hours and involving over 50 students, aimed to provide insight into various fields of study. The initiative reached 150 children emphasising the importance of quality education in alignment with the government's focus. This community visibility effort showcased the Bank's support for education and engaged over

500 children interested in diverse fields, including banking.

Access Bank Sierra Leone's Corporate Communications and Financial Control (FINCON) units supported the Parliament of Sierra Leone in providing budget training for the Parliamentary Oversight Committee. The initiative, which held at Tower Hill, Freetown, enhanced the skills of lawmakers, increased the Bank's brand visibility, and fostered trust by creating a relationship between the Bank and the country's legislators.

## Awards and Recognitions

In recognition of its defining roles across the African continent, Access Bank was recognised by reputable domestic and global organisations in 2023. Some of these awards and recognitions include:

**Euromoney Market Leaders 2023 (Ranking)**

| Country | Category | Bank | Rank |
|---|---|---|---|
| Nigeria | Corporate banking | Access Bank | Market Leader |
| Nigeria | CSR | Access Bank | Market Leader |
| Nigeria | Digital solutions | Access Bank | Market Leader |
| Nigeria | ESG | Access Bank | Market Leader |
| Nigeria | SME banking | Access Bank | Market Leader |
| Ghana | CSR | Access Bank | Market Leader |
| Ghana | Corporate banking | Access Bank | Highly Regarded |
| Ghana | Digital solutions | Access Bank | Highly Regarded |
| Ghana | SME banking | Access Bank | Highly Regarded |

| AWARD CATEGORY | AWARD ORGANISATION |
|---|---|
| Most Sustainable Bank in Nigeria | World Finance Awards |
| Best Consumer Digital Bank | World Finance Awards |
| Best Bank (Ghana) | Euromoney Awards for Excellence |
| Best Bank for CSR (Ghana) | Euromoney Awards for Excellence |
| Best Bank for SME Banking (Ghana) | Euromoney Awards for Excellence |
| Best Bank, Nigeria | International Investor Awards |
| Best Corporate Governance & Investment Relations, Nigeria | International Investor Awards |
| Gender Equality Champion | IFC Gender Leader Awards |
| Family-Friendly Workplace Excellence | IFC Gender Leader Awards |
| Recognition for Women Empowerment and Leadership | IFC Gender Leader Awards |
| Company Leadership Gender Diversity | IFC Gender Leader Awards |
| Outstanding Leadership in ESG-Related Loans, Africa | Global Finance Sustainable Finance Awards |
| Consumer Finance Product of the Year | Middle East & Africa Retail Banking Innovation Award |
| Best Lifestyle App | Middle East & Africa Retail Banking Innovation Award |
| Best Mobile Banking Initiative | Middle East & Africa Retail Banking Innovation Award |
| Most Innovative Digital Bank (Nigeria) | Digital Banker Africa Awards |
| Best Mobile Banking App (Nigeria) | Digital Banker Africa Awards |
| Best Digital Bank (Ghana) | Digital Banker Africa Awards |
| Best Financial Inclusion Service Provider (Ghana) | Digital Banker Africa Awards |

| | |
|---|---|
| Best CSR Bank | Global Brands Awards |
| Mobile Banking Brand | Global Brands Awards |
| Agro Banking Brand | Global Brands Awards |
| Investor Relations | Global Brands Awards |
| Best Bank (Nigeria) | EMEA Finance African Banking Awards |
| Best Private Bank (Nigeria) | EMEA Finance African Banking Awards |
| Best SME Bank (Gambia) | World Economic Magazine |
| Best Retail Bank (Mozambique) | World Economic Magazine |
| Best Banking CEO (Mozambique) | World Economic Magazine |
| Best CSR Bank (Ghana) | World Economic Magazine |
| Best SME Bank (Ghana) | World Economic Magazine |
| Best Bank for Women Entrepreneurs (Ghana) | World Economic Magazine |
| Most Innovative Retail Bank (Ghana) | World Economic Magazine |
| Most Innovative Digital Bank (Nigeria) | Finance Derivative Awards |
| Best Mobile Banking App (Nigeria) | Finance Derivative Awards |
| Best Digital Bank (Ghana) | Finance Derivative Awards |
| Fastest Growing Commercial Bank (Rwanda) | Finance Derivative Awards |
| Best CSR Bank (Nigeria) | World Business Outlook Awards |
| Best CSR Bank (Cameroon)) | World Business Outlook Awards |

# 2 RISK MANAGEMENT

**The year 2023 presented significant challenges marked by unprecedented occurrences, including geopolitical upheavals and the collapse of major international banking institutions. The global economy has experienced enduring repercussions of the overlapping crises of the past four years: the COVID-19 pandemic, Israeli/Hamas Conflict, the incursion of the Russian Federation into Ukraine, and the escalation of inflation followed by a significant tightening of global monetary policies. Moreover, a substantial crisis erupted in the Middle East, exacerbating geopolitical tensions, fostering uncertainty in commodity markets, and adversely affecting worldwide trade and economic growth.**

Amidst these threats of upheavals, the global economy demonstrated remarkable resilience. Global output is projected to grow by 3.1% in 2023 by the International Monetary Fund – the same level recorded in the previous year. Inflation fell faster than expected from its 2022 peak as major economies weathered the swiftest surge in interest rates witnessed in the past four decades, notably devoid of the typical consequences such as steep unemployment rates or financial collapses. Furthermore, global inflation is being curbed but some major countries are slipping into recession e.g., UK - an uncommon feat, given that countries seldom manage to reduce inflation rates without triggering an economic downturn.

A supply-side expansion also took hold, with a broad-based increase in labour force participation, resolution of pandemic-era supply chain problems, and declining delivery times. However, the rising momentum was only felt in some places, as weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive manufacturing and business investment weighed on the output in some economies. Global trade in goods and services was virtually flat in 2023, growing by an estimated 0.2 percent - the slowest expansion outside global recessions in the past 50 years. Goods trade contracted, reflecting declines in key advanced economies and deceleration in Emerging Market and Developing Economies (EMDEs) and mirroring the sharp slowdown in global industrial production growth.

Low-income economies experienced significant output losses amid elevated borrowing costs compared to their pre-pandemic paths. Financial conditions in Emerging Markets and Developing Economies (EMDEs) were tight, especially for sovereigns with weaker creditworthiness, resulting in increased financial strains evidenced by substantial currency depreciations and capital outflows. Growth in sub-Saharan Africa decelerated to 2.9% in 2023, influenced by heightened living expenses, which dampened consumption growth, alongside an escalation of political instability in certain areas of the region. The region also faced high debt and interest rates, which constrained fiscal flexibility and amplified financing requirements.

On the domestic front, 2023 was a notable year in Nigeria marked by elections and a salvo of new policy shifts with significant impacts on livelihood and economic activities. As a result, the country's growth is estimated to be 2.9 percent in 2023, according to the World Bank estimate. There was a significant weakening in services growth in 2023, partially attributed to a disruptive currency demonetization policy implemented in the first quarter of the year, and inflationary pressure. Annual oil production experienced a notable increase following a decline in previous years.

Recognising the need to put the country on a sustainable growth path, the new administration implemented reforms to revitalise the economic fundamentals and foster inclusive growth. The Nigerian government abolished the gasoline subsidy, consolidated multiple foreign exchange (FX) windows that had distorted relative prices, deregulated the exchange rate to reflect market dynamics more accurately and removed restrictions on purchasing FX in the official market for importing product lines.

Global growth in 2024 will likely remain steady at 3.1 percent (according to the International Monetary Fund) due to greater-than-expected resilience in the United States and several large Emerging Markets and Developing Economies. With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could further ease financial conditions. On the downside, new commodity price spikes from geopolitical shocks - including continued attacks in the Red Sea - and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions.

In sub-Saharan Africa, growth is projected to rise from an estimated 3.3 percent in 2023 to 3.8 percent in 2024 as the negative effects of earlier weather shocks subside and supply issues gradually improve. As macro-fiscal reforms gradually bear fruits, Nigeria is expected to post improved growth in 2024, projected at 3.3 percent. The country's inflation is expected to gradually ease as the effects of last year's exchange rate adjustments and elimination of fuel subsidies diminish. Also, the structural reforms are expected to bolster Nigeria's fiscal revenue this year.

We proactively assess the risk in the macroeconomic space using different tools scenario planning, stress testing etc. This enhances the Bank's ability to digest every unfolding scenario and trigger actions to detect and optimise opportunities whilst identifying and managing threats effectively.

We are fully committed to navigating emerging and evolving risks within this demanding landscape. Our confidence for 2024 is rooted in the robust foundation we have diligently established over the years. Substantial investments in digital and technological capabilities have been made to capitalise on opportunities and maintain competitiveness amidst heightened competition and disruptions.

We take pride in our extensive talent pool and have implemented an integrated framework to assess risk across the entire holding company.

Whilst we recognise the forthcoming challenges, we are well-equipped and resolute in our pledge to serve our customers, shareholders, and communities. Together, we will continue to advance Access Holdings Plc's vision of creating a "globally connected community and ecosystem inspired by Africa" for the World which serves as the driver of becoming the world's most respected Africa Bank.

## ENTERPRISE-WIDE RISK MANAGEMENT

Our Enterprise-wide Risk Management (ERM) Policy is hinged on the establishment of risk oversight, monitoring, and reporting that foster enterprise-wide risk oversight and optimisation. This ensures that we strive for sustainable financial success while strengthening relationships with diverse stakeholders.

We apply a robust risk management framework in identifying, assessing, monitoring, controlling, and reporting the inherent and residual risks associated with our business and ensure that our targets are achieved optimally.

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 cost-effectively managing these risks. Specific policies are also in place for managing risks in the different core risk areas of credit, compliance, market, operational, liquidity, strategic, reputational risks, and Information and Cyber Security amongst others.

The Bank regularly reviews risk exposure limits and risk control and self-assessment to position itself against adverse scenarios. This is an invaluable tool that the Bank uses to predict and successfully manage both local and global shocks that impact the macroeconomy. 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 defense and supports the Bank's risk policy by constantly monitoring risk, to identify and quantify 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 have positioned us 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 while 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 is embedded in the delivery of our strategic objectives. We operate within our moderate risk appetite by minimising exposure concentrations, limiting potential losses and efficiently managing 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, need to be anticipated and planned for. The Board and Executive Management are key drivers of the Bank's moderate risk appetite and our three lines of defence model and holding all offices and executives accountable for their ownership and risk mangement.

Risk management is fundamental to the Bank'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 aligning with the Holding Company 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 risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation.

The Bank believes that enterprise-wide risk management provides oversight 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
- Stewardship is enhanced

Access 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 business units/departments 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
- 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 encourage them to build corporate governance culture into their business management

d) Risk management is governed by well-defined policies, which are 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 the 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 risk appetite, which is then set as risk appetite limits for each business unit and subsidiaries 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 Risk function coordinates the process of monitoring and reporting risks across the Bank and subsidiaries.

Internal Audit has the responsibility of auditing the functions of risk management and control structures to ensure that all units charged with risk management (both first and second lines of defence) perform their roles effectively and continuously. They also test the adequacy of internal control and make appropriate recommendations where necessary.

## RISK APPETITE

Access Bank's risk appetite, is owned by the Board of Directors and 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 measurably. 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 of the risk profile for the Bank and the Group as a whole.

## RISK MANAGEMENT OBJECTIVES

The broad risk management objectives of the Bank are:

- Achieve leading financial stability indicator metrics such as asset quality, capital, and liquidity ratios.
- To enhance credit ratings, as well as depositor, analyst, investor and regulator perception
- To protect against unforeseen losses and ensure the stability of earnings
- To minimise adverse reputation risk issues as well as regulatory compliance issues
- To identify and manage existing and new risks in a planned and coordinated manner with minimal disruption and cost
- To maximise earnings potential and opportunities
- To maximise share price and stakeholder protection
- 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 Management
- Legal and compliance risk
- Information and Cyber Security risk
- Environmental and Social risk
- Reputational risk
- Strategic risk

## THE BOARD AND MANAGEMENT COMMITTEES

The Board has ultimate responsibility 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 and Nomination Committee, the Board Credit Committee, the Board Digital and IT Committee, the Board Technical Committee on Retail Expansion; and the Board Human Resources and Sustainability Committee.

The management committees which exist in the Group include The Executive Committee (EXCO), Enterprise-wide Risk Management Committee (ERMC), Management Credit Committee (MCC), Group Asset and liability Committee (Group ALCO), Digital Steering Committee (DSC), Information Security Council (ISC) and Operational Risk Management Committee (ORMC) among others.

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 ultimate responsibility residing with the Board. We operate the three (3) lines of defense model which enhances the understanding of risk management and control by clarifying roles and responsibilities. The risk management process of the Bank is well fortified to mitigate and/or eliminate any risk events on the Bank's business.

The Management of the bank took a proactive approach to protect the loan book from the impact of Covid-19 by analysing the potential impact of the pandemic on different sectors and sub-sectors of the economy. This enabled us to understand our customers' challenges and outlook. We took steps to ensure loan repayment by 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 are in use to enhance the credit decision-making and monitoring process in the Bank. The Risk Dashboard has been enhanced to present the Bank's measurable risk metrics for ease of decision-making.

## 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 the 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 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 the Bank, Business Units and independent credit risk management have 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') using approved methodologies. However, independent credit risk management officers validate such ratings.

Notwithstanding who derives the risk rating, Credit Risk Management is responsible for reviewing and ensuring the correctness of the ORR 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 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 approval by relevant 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 replicated in the subsidiaries.

A loan request is initiated by the relationship officer and reviewed by the relationship manager/Sector Head/Group Head of the respective business teams. Further detailed review is carried out 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 the facility.

The standard credit evaluation process is based both on quantitative figures from the Financial Statements and on an array of qualitative factors such as the PESTLE analysis, SWOT analysis, Porter's five forces etc. 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, its management, industry, the country of operation and the impact of geopolitical factors.

## 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 | Default Grade |
| 7 | C | |
| 8 | D | |

## TRAINING / CERTIFICATION

In line with the CBN's competency framework and our best practice orientation, the Group has consistently upgraded its 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 also partnered 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 defense. These are in addition to regular training conducted within the Bank to enhance staff capacity in handling transactions in the dynamic business environment and ever-evolving banking industry.

### CREDIT OFFICER RISK RATING

To enhance the understanding and focus risk, the Bank has a Credit Officer Risk Rating model which assigns ratings to credit officers based on the risk conscientiousness and attention to administrative and monitoring requirements for the risk asset portfolio managed by the individual officer.. The rating of a credit officer determines whether the officer can create or manage a credit in the Bank. In addition, those that are rated above average or high risk would require a Risk Appreciation Programme with evidence of remediation skills to qualify for a subsequent assessment. All of these put the Bank in a more disciplined position in the credit appraisal, approval, and monitoring processes

## CREDIT RISK CONTROL AND MITIGATION

### AUTHORITY LIMITS ON CREDIT IN THE BANKING GROUP

The highest credit approval authority is the Board of Directors, supported by the Board Credit Committee and followed by the Management Credit Committee in the banking group. Individuals are also assigned credit approval authorities in line with the Banking group's criteria for such delegation set out in its Credit Risk and Portfolio Management Plan.

The credit approval limits of the principal officers of the banking 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 Credits) Standard Grade (NGN) | APPROVED LIMIT (New Credits Investment Grade) NGN | Renewal of Existing Credits (NGN) |
|---|---|---|---|
| Executive Director | 200 million | 250 million | 300million |
| Executive Director African Subsidiaries | 200 million | 250 million | 300million |
| Deputy Managing Director | 600 million | 700 million | 800million |
| Managing Director/CEO | 800 million | 900 million | 1,000million |

| Access Bank Risk Rating | Management Credit Committee Approval Limit (NGN) | Board Credit Committee Approval Limit (NGN) | Board of Directors Limit |
|---|---|---|---|
| 1 | 40 billion | 60 billion | Legal lending limit |
| 2+ | 20 billion | 40 billion | |
| 2 | 10 billion | 20 billion | |
| 2- | 5 billion | 15 billion | |
| 3+ | 4 billion | 10 billion | |
| 3 | 3 billion | 10 billion | |
| 3- | 2 billion | 5 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 exposure or transferring it to a counterparty, at the 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 the 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 utilises transaction structure, collateral and guarantees to help mitigate risks 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 amongst others.

## OPERATIONAL RISK MANAGEMENT

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, 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 risk associated with business practices or market conduct in which the Bank is involved. Operational risk is inherent in the 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 reflects:

- Recognition of risk ownership by the businesses
- Oversight by independent risk management
- Independent review by Internal Audit.

The Bank has a Business Continuity Plan that defines how it manages incidents in case of a disaster or other disruptive incidents, and how to recover its activities within set deadlines. The purpose of the plan is to:

- Predefine the resources and specify actions required to minimise losses that might otherwise result from a business interruption irrespective of the cause
- Ensure a business-as-usual level of performance while in contingency mode
- Ensure the timely and orderly restoration of business activities

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 stakeholder value. The Bank's strategy is to:

- Reduce the likelihood of occurrence of expected events and related costs by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation in 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.

To create and promote a culture that emphasises effective operational risk 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, the 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 risk 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 to define and review controls to mitigate identified risks. Internal Audit provides an 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 assures 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-Assessment (RCSA) 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
- Professional indemnity.

## MARKET RISK MANAGEMENT

The Bank's capital and earnings are exposed to risk due to adverse changes in market prices. Consequently, a leading market risk management framework is in place to manage exposure to adverse changes in interest rates, foreign exchange, and equity 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, and so on, to ensure the risks faced across business activities and on an aggregate basis are within the stipulated risk appetite of the Bank. These policies have been benchmarked with industry-leading practices and CBN regulations.

The Bank runs an integrated and straight-through processing treasury system to enable 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, 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 the 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 earnings to adverse movements in interest rates, yield curves, and credit spreads. The Bank is exposed to interest rate risk through the interest-earning assets and interest-bearing liabilities in its trading and banking books.

### i. RE-PRICING AND LIQUIDITY GAP ANALYSIS

The Bank's objective for the 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 Group's 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 that a change in interest rates can make on our 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, stress testing, etc. as summarised in the diagram below.


## LIMITS

The Bank uses risk limits to restrict the size of investments that 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 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
- 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 authorisation, 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 for a dealer. It is based on the experience and knowledge of the dealer.

### Duration Limit

The Bank utilises 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 mark-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.

Stress testing is an integral part of the market risk management framework and considers both historical market events and forward-looking scenarios. Stress testing indicates 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 preserves 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 Asset and Liability Committee (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

The 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:

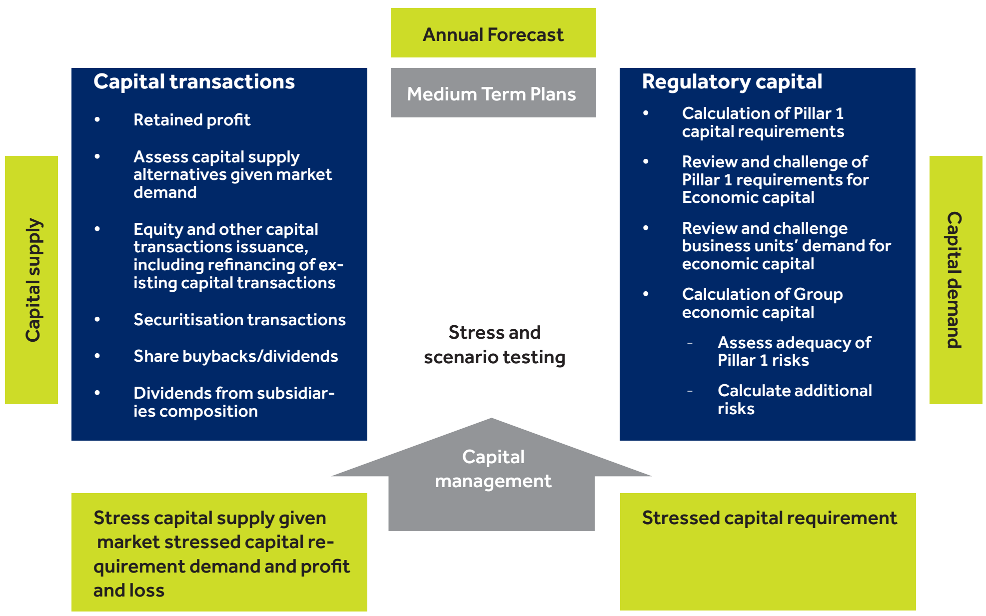
The Group's capital management objectives include:

- 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 maximising 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 the Basel accord, EC 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

The 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. They highlight 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 periodically 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 they are representative of the recent macroeconomic 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 provides 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 the 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.

These scenario and stress testing procedures were significantly enhanced during the recent pandemic and its macroeconomic fallouts. Management actions that arose from them were pivotal in enabling the Bank to mitigate and optimise risk outcomes to strengthen capital.

## COMPLIANCE RISK MANAGEMENT

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

The integrated compliance function working closely with Internal Audit and Risk Management to achieve risk convergence providing the 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 continue to improve on its advisory role with an 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. The Business Unit Compliance Officers and Quality Assurance desk across the business units have further strengthened and deepened the company with the first line of defense.

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 the Bank, the Compliance risk is measured through the following:

- Measured by reference to identified metrics, incident assessments (whether affecting it 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
- Managed by establishing and communicating appropriate policies and procedures, training employees on them, and monitoring activity to assure their observance

The Bank continues to recognise 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 Defense' 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 is 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

The global cybersecurity threat landscape has continued to evolve with increasing dynamism since the last pandemic and its impact on social interactions has led to both increased digital collaboration between malicious threat actors and the commercialisation of cybercrime. Our approach to this malaise is hinged on a proactive cyber strategy that combines a solid defensive foundation, deep threat intelligence and resilience capabilities.

Hence, as part of these strategic initiatives, the bank established a comprehensive cybersecurity framework and implemented a defense-in-depth approach to protect our information assets, our human capital, and our business across Access Nation. The Security function has been expanded to cover Cybersecurity Governance, 3rd Party Risk & Application Programming Interface (API) Management, Forensic Analysis, and Incident Response.

A key digital change in the mode of operations is reflected in our steady drive to improve incident detection and response capabilities to deliver more resiliency and prevent breaches across the Bank.

As the Bank continues to grow its retail base, close attention is paid to cybersecurity given the digital threat landscape and constant operational security challenges of our environments. Therefore, a particular initiative that our proactive and defensive measures deliver is a reduction of our attack surface to the barest minimum to ensure there is no financial loss. We are also constantly improving our visibility into potential anomalous digital interactions across the Bank through our world-class 24/7 Security Operations Center (SOC).

We have also implemented global best-practice security frameworks to ensure compliance with both regulatory requirements and international standards. This is followed up with a yearly compliance reassessment of our status as part of our cyber governance across the Bank and its Subsidiaries. Our human capital is a cardinal part of our strategy, and their capability is constantly being honed through user awareness training. Through this, our technical controls are well complemented by an alert workforce, whose ability to recognise the tricks of hackers with their malicious appendages is highly developed, therefore, disrupting the cyber-attack chain and improving our collective resistance to social engineering attacks.

The constant improvement and breakthroughs in technology, as well as the never-ending desire to improve services, have made Digital Banking, Fintech Integration & Cloud Adoption, key strategic objectives. Therefore, as we work towards realising these objectives, the implementation of proper risk mitigation measures will reduce the business risks inherent in these opportunities and deliver more optimal outcomes. We are committed to maintaining a "moderate overall cyber risk appetite" while driving compliance and resilience.

## ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

The main objective of our environmental and social ("E&S") risk management strategy is to reduce the negative impacts of climate change and harness the opportunities inherent in portfolio transition towards a near-zero economy on our business. We recognise that our customers' activities and operations can have an impact on the environment and communities around them. We have developed, implemented and refined our approach to working with our customers to understand and manage these issues. Our robust governance framework, policies, and procedures have ensured that we remain resilient in our E&S risk management commitments, particularly as the Bank has acquired new markets in the African continent and across the globe. We believe that the key to managing environmental risk is creating partnerships with our customers and aligning activities on our transition path to more sustainable environmental practices. More importantly, our Environmental, Social and Governance (ESG) systems have evolved from environmental and social risks into environmental and social opportunities. This continuous evolution has ensured that we continually strive towards attaining a more refined ESG risk management structure, thus building on our E&S pedigree including embedding and automation of our E&S lending risk review processes, and pioneer corporate certified green bonds amongst others.

### Responding to Climate Change

We consider climate change to be one of the greatest challenges facing the world today. We are dedicated to achieving the commitments of the Paris Agreement on carbon emissions reductions, whilst ensuring that we stay focused on managing the potential environmental issues. With the increasing awareness around financed emissions and the impact of climate change potential within our portfolio, we have taken strategic steps towards understanding these potential exposures, and their implications and incorporating requisite mitigating measures to manage these risks. We have therefore taken forward-looking measures by becoming a core participating member of internationally recognised climate risk initiatives. These initiatives include:

**UNEP FI's Taskforce on Climate-related Financial Disclosures (TCFD)** adopted by leading global financial institutions and aimed at identifying and managing the impact of climate risks in the portfolio of Financial Institutions. The Bank became a member of the working group in 2019 and has been working on aligning the emissions from both our own operations and our financing activities to the Paris Goal of below two degrees of global warming.

**Partnership for Carbon Accounting Financials (PCAF):** is a global partnership aimed at harmonising the approach to accessing and disclosing greenhouse gas (GHG) emissions associated with loans and investments. The Bank became a member of the steering group in June 2020. We have built capacity around data collection and incorporating the PCAF methodology to measure our financed emissions.

We have also further developed our climate risk strategy by expanding our portfolio of green assets. We have designed a system to identify, measure, track and report on the progress made in developing a diversified green loan portfolio. We recognise the critical role green product development plays in achieving this objective, and we are at an advanced stage in developing a bouquet of green products to catalyse more green loans into our loan portfolio. We have set targets for reducing the carbon emissions from our operations and have taken strong steps toward achieving this goal.

## 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 minimising the effects of reputational events, thereby averting the likelihood of major reputational crises with a view to ultimately ensure the survival of the organisation. The Bank has put in place a framework to properly articulate, analyse and manage reputational risk factors.

The 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
- 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
- Increasing use of social media platforms for the dissemination of news, where it is difficult to manage and control negative news even if they are false.

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 capitalisation via credit or equity markets
- Regulatory sanctions
- Increased costs due to government regulations, fines, or other penalties
- Loss of banking license

The Bank's 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 risks. It may also arise from the failure to comply with social, environmental governance, and ethical standards. All employees are responsible for the day-to-day identification and management of reputational risk.

### Identifying and Mitigating ESG, and Climate-Related Risks

- To oversee the assessment and management of the environmental, and social impacts and related risks of Environment and Social Governance (ESG) concerns across the Group, Access Bank has a well-established ESG Committee chaired by the MD/CEO whilst the ED Risk Management is the deputy chairman. All the heads of various units, with diverse environmental and social competencies within Nigeria and across the subsidiaries are ESG Committee members.
- The Committee's oversight is to identify and evaluate ESG and climate-related risks and opportunities in the context of Access Bank's strategic objectives including the extent of the material risks relating to ESG that the Bank is willing to take to achieve its strategic objectives, thus ensuring that effective risk management and internal control systems relating to ESG are in place. It is also in charge of integrating sustainability into business decision-making and sets operational emission targets to mitigate climate risks.
- ESG Committee also has the responsibility of monitoring the performance of the bank's strategy as related to sustainability risks and opportunities. The Bank has carried out a materiality assessment to identify the significant climate and sustainability risks applicable to our operations. The materiality assessment was conducted with our stakeholders. We also recognise that the activities we finance are prone to climate risks. Hence, we have put in place sundry measures for identifying and adequately tackling these risks.

### Development of Strategies for Resilience and Adaptation

- As part of our strategies to mitigate climate risk, we engage with high Green House Gas (GHG) emitting clients to determine their approach towards climate mitigation and strategies for building their resilience to the effects of climate change. We communicate the Bank's requirements for integrating environmental and social (E&S) risk management as part of the conditions for credit approvals. We provide necessary support and engage with the client's top management to develop decarbonisation strategies and plans.

### Addressing Physical and Financial Climate Risks

- To mitigate climate risks on our operations, the Bank conducted Climate Stress Testing/Scenario Analysis on our portfolios of assets with the support of our technical partners, a development finance institution (DFI) and a global consulting firm. This enabled us to determine the alignment of our loan book with the Paris Agreement goal of holding the increase in the global average temperature to well below 2°C above preindustrial levels.
- Apart from analysing our loan book against the 2°C scenario, we also stress-tested our portfolios against climate risk vulnerability. The outcome of this test was integrated as a guide for a phased decarbonisation of our operations and reduction of our exposure to carbon-intensive sectors.
- Furthermore, a climate risk assessment has been integrated into the Bank's credit processing system. Our credit review for climate risk and opportunities includes climate-related action plans together with the conventional E&S action plans. The tool is supported with an integrated green loan identifier capability. This helps to spot climate opportunities and risks, thereby supporting a portfolio greening drive.
- The green loan identifier module contains a climate risk identification function that was developed with climate risk algorithms to optimise climate-related opportunities and properly position Access Bank to effectively manage green transition risks.
- Where there are opportunities, the Bank is well equipped to capitalise on them. For instance, the Bank is issuing green bonds to raise funds for climate adaptation and decarbonisation projects. Access Bank is a core member of Partnership for Carbon Accounting Financials (PCAF) – a global carbon accounting platform committed to shaping the climate action of financial institutions. PCAF helped the Bank to identify our highest carbon impact loans. The Bank's Environmental and Social Risk Management (ESRM) team has the mandate of managing our sustainability risks. The team oversees integrating E&S risks into our investment portfolios. All loans disbursed by the Bank undertake a compulsory E&S Risk Assessment. This enables us to develop E&S action plans to manage any potential risks identified.
- The International Sustainability Standards Board's (ISSB) first two standards are designed to be applied together, supporting companies to identify and report information that investors need for informed decision-making – in other words, information that would affect the assessments that investors make about companies' future cash flows.

### Readiness for ISSB Disclosure Requirements

- The government of Nigeria and other key African continents have joined the global community to adopt 2 IFRS Sustainability Disclosure Standards 1 as a key milestone in the International Sustainability Standards Board (ISSB)'s goal of creating a global sustainability reporting baseline.

- Access Bank has a team of versatile and diverse Sustainability team who have embarked on a deep assessment of this reporting requirements to understand the ISSB's new global baseline and to assess how the Bank would harness the opportunities therein to optimise revenue and mitigate the attendant inherent 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 regular workshops with participants across the Bank. The following table illustrates some trigger events for relevant risk drivers.

| Risk Drivers | Trigger Events |
|---|---|
| Corporate Governance and Leadership | • Corporate frauds and scandals<br>• Association with dishonest and disreputable characters as directors, management<br>• Association with politically exposed persons<br>• Incidence of shareholders conflict and Board Instability. |
| Regulatory Compliance | • Non - Compliance with laws and regulation<br>• Non-submission of Regulatory returns |
| Delivering Customer Promise | • Security Failure<br>• Shortfall in quality of service/fair treatment<br>• Bad behavior by employees |
| Workplace Talent and Culture | • Unfair employment practices<br>• Not addressing employee grievances<br>• Uncompetitive remuneration |
| Corporate Social Responsibility | • Lack of community development initiatives |
| Corporate Culture | • Lack of appropriate culture to support the achievement of business objectives.<br>• Ineffective risk management practices.<br>• Unethical behaviors on the part of staff and management.<br>• Lack of appropriate structure for employees to voice their concerns |
| Risk Management and Control Environment | • Inadequate Risk Management and Control environment<br>• Continuous violations of existing policies and procedures |
| Financial Soundness and Business Viability | • Consistent poor financial performance<br>• Substantial losses from unsuccessful Investment |
| Crisis Management | • Inadequate response to a crisis or even a minor incident |

### APPROACH TO MANAGING REPUTATION RISK EVENTS

The approach to managing reputational events, including any relevant strategy and policies, is approved by the Board or its delegated committee and subject to periodic review and regularly updated 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 reputational 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 reputation across the Bank's reputation risk management process and are conducted on any major event affecting any of the verticals. The Board and senior management are informed of the results of any such review conducted to take appropriate actions to enhance their capacity to manage reputational risk.

## STRATEGIC RISK MANAGEMENT

Strategic Risk Management is defined as the process of identifying, assessing and managing risks and uncertainties affected by internal and external events or scenarios that could inhibit the ability to achieve strategic objectives to create and protect shareholder and stakeholder value. It is a primary component and 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 management of 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 strategic risk management across the Bank:

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 (i.e. the units which carry out business or operational functions) 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 risk management function supports the Board and senior management in managing strategic risks and other related processes.

The measures and controls put in place include the following:

- Strategic plans are approved and monitored by the Board.
- Regular environmental scans, business strategy sessions, 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.

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

## ECONOMIC INTELLIGENCE

The Economic Intelligence (EI) team provides economic, business, and financial analyses supporting the Bank and its verticals through a shared service arrangement to achieve their strategic objectives. Its value propositions include assisting the Bank's subsidiaries in realising respective targeted moderate risk appetite, price competitiveness, improvement to business intelligence, and brand enhancement.

Some of the Unit's roles and responsibilities include:

- Monitor and interpret current economic developments/trends globally and wherever the Company's subsidiaries are present and prepare economic outlook to aid decision-making.
- We proactively provide industry analysis, identify investment trends and opportunities, monitor, interpret, and conduct policy-relevant research.
- We are developing contact and collaborative economic/business and financial information with research institutes/ bodies within the country and outside.

# 3

# GOVERNANCE

Access Bank's Directors and their Responsibilities; implementing the best standards of corporate governance.

# THE BOARD

**Top Left to Right**
Sunday Ekwochi, HCIB // Iyabo Soji-Okusanya, FCA, FCIB // Victor Etuokwu, HCIB // Chizoma Okoli, HCIB // Titi Osuntoki, HCIB // Dr. Gregory Jobome, HCIB // Hadiza Ambursa // Oluseyi Kumapayi, FCA

**Bottom Right to Left**
Herbert Wigwe, FCA // Omosalewa Fajobi // Okey Nwuke, FCA // Adeniyi Adekoya // Paul Usoro, SAN // Iboroma Akpana // Hassan Usman, FCA // Ifeyinwa Osime // Roosevelt Ogbonna, FCIB, FCA, CFA

# THE BOARD

## PAUL **USORO, SAN**

CHAIRMAN

Appointed April 2013

## ADENIYI **ADEKOYA**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed March 2017

**COMMITTEE MEMBERSHIP**

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

## DR. OKEY **NWUKE,** FCA

NON-EXECUTIVE DIRECTOR

Appointed November 2019

**COMMITTEE MEMBERSHIP**

- Board Credit 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

## IFEYINWA **OSIME**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed November 2019

**COMMITTEE MEMBERSHIP**

- Board Credit 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

# HASSAN **USMAN,** FCA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed August 2020

**COMMITTEE MEMBERSHIP**

- Board Human Resources and Sustainability Committee
- Board Audit Committee
- Board Credit Committee
- Board Risk Management Committee
- Board Governance, Nomination and Remuneration Committee

# OMOSALEWA **FAJOBI**

NON-EXECUTIVE DIRECTOR

Appointed November 2020

**COMMITTEE MEMBERSHIP**

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

# HERBERT **WIGWE,** FCA

NON-EXECUTIVE DIRECTOR

Appointed May 2022

**COMMITTEE MEMBERSHIP**

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

## TITI **OSUNTOKI**

NON-EXECUTIVE DIRECTOR

Appointed April 2022

**COMMITTEE MEMBERSHIP**

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

## ROOSEVELT **OGBONNA,** FCIB, FCA, CFA

MANAGING DIRECTOR/CEO

Appointed May 2022

**COMMITTEE MEMBERSHIP**

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

## VICTOR **ETUOKWU,** HCIB

DEPUTY MANAGING DIRECTOR, RETAIL NORTH

Appointed May 2022

**COMMITTEE MEMBERSHIP**

- Board Credit Committee
- Board Digital and Information Techonology Committee

## CHIZOMA **OKOLI,** HCIB

DEPUTY MANAGING DIRECTOR, RETAIL SOUTH

Appointed May 2022

**COMMITTEE MEMBERSHIP**

- Board Credit Committee

## DR. GREGORY **JOBOME,** HCIB

EXECUTIVE DIRECTOR / CHIEF RISK OFFICER

Appointed January 2017

**COMMITTEE MEMBERSHIP**

- Board Credit 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 Committee

# OLUSEYI **KUMAPAYI,** FCA

EXECUTIVE DIRECTOR, AFRICAN SUBSIDIARIES

Appointed November 2020

**COMMITTEE MEMBERSHIP**

- Board Credit Committee
- Board Technical Committee on Retail Expansion

# IYABO **SOJI-OKUSANYA,** FCA, FCIB

EXECUTIVE DIRECTOR,
CORPORATE AND INVESTMENT BANKING

Appointed June 2023

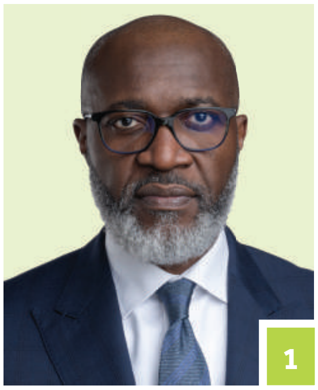
**COMMITTEE MEMBERSHIP**

- Board Credit Committee

# SUNDAY **EKWOCHI,** HCIB

COMPANY SECRETARY

# EXECUTIVE MANAGEMENT










1 **ROOSEVELT OGBONNA, FCIB, FCA, CFA**
Managing Director /CEO

2 **VICTOR ETUOKWU, HCIB**
Deputy Managing Director, Retail - North

3 **CHIZOMA OKOLI, HCIB**
Deputy Managing Director, Retail - South

4 **GREGORY JOBOME, HCIB**
Executive Director,
Risk Management/Chief Risk Officer

5 **HADIZA AMBURSA**
Executive Director, Commercial Banking

6 **OLUSEYI KUMAPAYI, FCA**
Executive Director, African Subsidiaries

7 **IYABO SOJI-OKUSANYA, FCA, FCIB**
Executive Director,
Corporate and Investment Banking

# STATUTORY AUDIT COMMITTEE

1

2

3

4

5

1. **HENRY O. ARAGHO, FCA**
   Chairman
2. **IDAERE GOGO-OGAN**
   Member
3. **AKINDELE GBOGBOADE, FCA**
   Member
4. **ADENIYI ADEKOYA**
   Member
5. **OKEY NWUKE, FCA**
   Member

# DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

## CORPORATE INFORMATION

This is the list of Directors who served in the Bank during the year:

**Directors**

| | |
|---|---|
| *Paul Usoro, SAN | Chairman/Non-Executive Director |
| **Mrs. Ajoritsedere Awosika | Chairman/Non-Executive Director |
| Mr. Adeniyi Adekoya | Non-Executive Director |
| Mr. Iboroma Akpana | Non-Executive Director |
| Dr. Okey Nwuke | Non-Executive Director |
| Mrs. Ifeyinwa Osime | Non-Executive Director |
| Dr. Herbert Wigwe | Non-Executive Director |
| Mr. Hassan Usman | Non-Executive Director |
| Mrs. Omosalewa Fajobi | Non-Executive Director |
| Mrs. Titilayo Osuntoki | Non-Executive Director |
| Mr. Roosevelt Ogbonna | Managing Director |
| Mr. Victor Etuokwu | Deputy Managing Director (Retail North) |
| Mrs. Chizoma Okoli | Deputy Managing Director (Retail South) |
| Dr. Gregory Jobome | Executive Director |
| Ms. Hadiza Ambursa | Executive Director |
| Mr. Seyi Kumapayi | Executive Director |
| ***Mrs. Iyabo Soji-Okusanya | Executive Director |

*Appointed as Chairman on May 22, 2023
**Retired as Chairman May 22, 2023
***Appointed June 14, 2023

**Company Secretary**
Mr. Sunday Ekwochi

**Corporate Head Office**
Access Bank Plc
Plot 14/15, Prince Alaba Oniru Street,
Oniru Estate, Victoria Island, Lagos

Telephone: +234 (01) 4619264 - 9,
+234 (01) 2773300-99
Email: info@accessbankplc.com
Website: www.accessbankplc.com
Company Registration Number: RC125 384
FRC Number: FRC/2012/00000000271

**Independent Auditors**
KPMG Professional Services
KPMG Tower,
Bishop Aboyade Cole Street,
Victoria Island, Lagos.
Telephone: (01) 271 8955
Website: www.kpmg.com/ng

**Corporate Governance Consultant**
Ernst & Young
10th Floor UBA House
57, Marina, Lagos
Telephone: +234 (01) 6314500
FRC Number: FRC/2023/COY/209403

**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/ICAN/0000000000504

**Registrars**
Coronation Registrars Limited
9, Amodu Ojikutu Street,
Off Saka Tinubu
Victoria Island, Lagos
Telephone: +234 01 2272570

**Investor Relations**
Access Bank Plc has a dedicated investors' portal on its corporate website which can be accessed via this link - ***https://www.accessbankplc.com/pages/investor-relations.aspx***

# MANAGEMENT TEAM

As at December 31, 2023

## EXECUTIVE DIRECTORS

| | |
|---|---|
| Roosevelt Ogbonna | Managing Director/Chief Executive Officer |
| Victor Etuokwu | Deputy Managing Director, Retail North |
| Chizoma Okoli | Deputy Managing Director, Retail South |
| Gregory Jobome | Executive Director, Risk Management Division |
| Hadiza Ambursa | Executive Director, Commercial Banking Division |
| Oluseyi Kumapayi | Executive Director, African Subsidiaries |
| Iyabo Soji-Okusanya | Executive Director, Corporate and Investment Banking Division |

## DEPUTY GENERAL MANAGERS

| | |
|---|---|
| Chizoba Okafor | Group Head Value Chain Management, Corporate and Investment Banking Division |
| Yewande Vaughan | Regional Sales Director, Branch Banking Lagos 1 |
| Seun Olufeko | Group Head, Project and Structured Finance, Corporate and Investment Banking Division |
| Daniel Akumabor | Chief Information Officer, Subsidiaries, |
| Victor Okafor | Sector Head, Fast Moving Consumer Goods Beverages & Personal Care |
| Paul Asiemo | Group Head, Risk Analytics |
| Arinze Kenechukwu Osuachala | Managing Director, Access Bank Congo DR |
| Emeka Nkwonta | Sector Head, Oil & Gas Upstream and Power |
| Neka Adogu | Regional Director, Branch Banking Abuja |
| Iheanyi Nwogu | Group Head, Business Banking Division, South East |
| Bolarinwa Animashaun | Regional Sales Director, Branch Banking Lagos 2 |
| Njideka Esomeju | Group Head Consumer Banking, Personal Banking Division (PBD) |
| Oluwatosin Akinfolarin Olatunji | Group Head, Corporate Operations |
| Oluseyi Olukunmi Adenmosun | Group Head, Digital and Centralised Operations |
| Omobola Faleye | Chief Audit Executive |
| Ganiyu Sanni | Country Managing Director, Access Bank Sierra Leone |
| Bolaji Durojaiye | Managing Director, Access Bank Guinea |
| Vashti D Samdi | Zonal Head, Lagos Zone 4 |
| Eyitayo Olabode | Sector Head, Food & Beverages, Food & Beverage/Cement & Construction |

## GENERAL MANAGERS

| | |
|---|---|
| Olufemi Jaiyeola | Group Chief Conduct & Compliance Officer (GCCCO) |
| Arinze Okeke | Group Head, Commercial Banking Division |
| Abraham Aziegbe | Group Head, Retail Operations |
| Ralph Chinedu Opara | Group Head, Commercial Banking Division |
| Olumide Olatunji | Managing Director, Access Bank (Ghana) Plc |
| Lookman Martins | Group Head, South West, Commercial Banking Division |
| Olasunbo Femi-Oyewole Favour | Group Chief Information Security Officer |
| Abiodun Dada | Group Head, Corporate and Investment Banking Division, Oil & Gas |
| Nsikak Nnana Usoro | Group Head, Commercial Banking Division, North |
| Sunmbo Olatunji | Group Treasurer |

## ASSISTANT GENERAL MANAGERS

| | |
|---|---|
| Chizoba Iheme | Group Head, Direct Sales Agent and Beta Proposition |
| Chiwetalu Obikwelu | Business Development Executive |
| Omorodion Osemwegie | Information Technology |
| Ugochukwu M Irechukwu | Deputy Managing Director, Access Bank Cameroon |
| Adolphus Emeka Uzowuru | Regional Director, Branch Banking North Central |
| Uloma Iheukwumere | Unit Head, Treasury Oil and Gas Department |
| Oladapo Ajuwon | Sector Head, Telecoms and Infrastructure |
| Oluseun Onasoga | Zonal Head, Commercial Banking Division |
| Adeboye Ayewamide | Zonal Head, Commercial Banking Division |
| Morenike Ogunwolu | Group Head, Value Chain Management, Corporate and Investment Banking Division Distributor Management |
| Robert Imowo | Group Head, Corporate Counsel |
| Moses Osondu | Regional Director, Branch Banking South 1 Retail |
| Reuben Dalhatu-Gora | Sector Head, Cement |
| Hassan Abdullahi | Business Development Executive |
| Isaiah Ailenmoagbon | Head, of Financial Crimes Compliance |
| Edmund Otaigbe | Group Head, Credit Documentation, Administration and Governance |
| Daniel Awe | Head, Africa Fintech Foundry |
| Inyang E Etim | Chief Compliance Officer (Retail) |
| Iheanyi K Ononiwu | Country Operating Officer Guinea |
| Felix Ejinwa | Head of Risk Management |
| Charles Oguibe | Regional Director, Branch Banking South East Retail Banking |
| Steve Isitua Obiago | Head, Group IT Infrastructure Management |
| Alexius Terwase Ayabam | Zonal Head, North Zone 3 Commercial Banking Division |
| Abdulrazaq Olayiwola Kassim | Zonal Head, Commercial Banking Division |
| Moses Ayoola | Chief Information Officer Retail Business Information Technology Group |
| Aminu Mohammed Inuwa | Group Head, Retail Banking, North-West |
| Ade Ologun | Chief Operating Officer, Access Bank (Ghana) Plc |
| Adesoji Olasoko | Head of Risk Management |
| Gbenga Adeleke | Head of Risk Management Environmental & Social Risk |
| Chidimma Maria-Goretti Dureke | Zonal Head, Commercial Banking Division Zone 1 |
| Ademola Bilesanmi | Zonal Head, Public Sector Group West |
| Deborah Morenike Ricketts | Group Head, Human Resources |
| Imiebihoro Okosun | Group Head, Card Centre Operations |
| Oluropo Olanrewaju | Regional Manager, Branch Banking, Lagos 2 |
| Abiodun Olubitan | Group Head, Women Banking |
| Morenike Ojewumi | Head, Retail Operations – North |
| Emeruwa Obiora Owu | Chief Operations Officer (Access Bank Zambia) |
| Mustapha Aliyu | Zonal Head, North-West Zone 3 |
| Babatunde Adekunle Aro | Unit Head, Head Office Compliance |
| Foluso Adedeji | Head, Retail Operations South |
| Ugochi Okoro | Country Operating Officer Ghana |
| Taiwo Fowowe | Chief Financial Officer |

# 3 DIRECTORS' REPORT

For the Year ended 31st December, 2023

**The Directors have the pleasure in presenting their report on the affairs of Access Bank Plc (the "Bank") and its subsidiaries, together referred to as "the Group", the Audited Financial Statements of both the Group and the Bank as well as the Auditor's Report for the year ended 31 December 2023.**

## 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 was issued a universal banking licence by the Central Bank of Nigeria on 5 February 2001.

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 Bank (D.R. Congo), Access Bank (Guinea), Access Bank (Mozambique), Access Bank (South Africa), Access Bank (Kenya), Access Bank (Botswana), Access Bank (Cameroon), Access Bank (Angola) and Access Investors Services Nominees Ltd.

The Bank also operates a Representative office in Republic of China, Lebanon and India. The Access Bank (UK) Limited has branches in the United Arab Emirates, and Paris as well as as a restricted license in Hong Kong.

Following the Court sanction of the Scheme of Arrangement between the Bank and its former shareholders, leading to the establishment of Access Holdings Plc, the Bank's shares were delisted from the floor of the Nigeria Exchange Limited (NGX) on 28 March, 2022. The Bank's shares were subsequently admitted on Nigerian Association of Securities Dealers Plc (NASD Plc) on March 28, 2022 on a non-trading basis.

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

## OPERATING RESULTS

| In Millions of Naira | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Gross earnings | **2,589,874** | **1,382,773** | **2,048,912** | **1,125,012** |
| Profit before income tax | 751,086 | 170,402 | 569,140 | 162,709 |
| Income tax | (105,624) | (14,529) | (33,460) | 3,951 |
| Profit from continuing operations | 645,462 | 155,873 | 535,680 | 166,660 |
| Discontinued operations | - | (700) | | |
| Profit for the year | 645,462 | 155,174 | 535,680 | 166,660 |
| Other comprehensive income/(loss) | 401,185 | 75,361 | (88,984) | 78,995 |
| Total comprehensive income for the year | 1,046,647 | 231,235 | 446,696 | 245,655 |
| Non-controlling interest | 39,515 | (7,750) | - | - |
| Total comprehensive income attributable to equity holders of the bank | 1,007,132 | 238,985 | 446,697 | 245,655 |

| | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Earnings per share - Basic (k) | 1,804 | 452 | 1,507 | 469 |
| Earnings per share - Diluted (k) | 1,804 | 436 | 1,507 | 469 |

| | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Total equity | 2,348,432 | 1,226,891 | 1,531,986 | 1,068,666 |
| **Total impaired loans and advances** | 251,982 | 176,940 | 91,116 | 85,196 |
| **Total impaired loans and advances to gross risk assets (%)** | 2.78% | 3.15% | 1.49% | 1.92% |

### Interim Dividend

The Board of Directors paid an interim Dividend of 40 Kobo per ordinary share of 50 Kobo (HY 2022: 27kobo) on the 35,545,225,622 issued ordinary shares, to shareholders on the register of shareholding at the qualification date. Withholding Tax was deducted at the time of payment.

### Proposed Dividend

The Board of Directors proposed Final Dividend of ₦2.22 (FY 2022: ₦1.33kobo) per ordinary share of 50 Kobo for the year ended 31 December, 2023 on the 35,545,225,622 issued ordinary shares payable to shareholders on the register of shareholding at the qualification date. Withholding Tax will be deducted at the time of payment.

## Events after Reporting period

Subsequent to the end of the financial year, the following events occurred:

On the 17th of January 2024, Access Bank entered into a definitive agreement with Finance Trust Bank Uganda to acquire 80.88% shareholding in the Ugandan entity.

On the 5th of Jan 2024, Access Bank concluded the acquisition of African Banking Corporation (Atlas Mara) Zambia.

On the 20 March 2024, Access Bank Plc entered into a binding agreement with Kenyan-based KCB Group Plc ("KCB") for the acquisition of the entire issued share capital of National Bank of Kenya Limited ("NBK") from KCB.

Other than the above mentioned, there were no other events after reporting date requiring adjustment of, or disclosure in, these consolidated and separate financial statements

## 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 is noted below:

Number of Ordinary Shares of 50k each held as at 31st December 2023

| | December 2023 | | December 2022 | |
|---|---|---|---|---|
| | **Direct** | **Indirect** | **Direct** | **Indirect** |
| H. O. Wigwe, FCA | 1 | - | 1 | - |
| R. M. Ogbonna, FCA,CFA, FCIB | 1 | - | 1 | - |
| V. Etuokwu, HCIB | - | - | - | - |
| P. Usoro, SAN** | - | - | - | - |
| A. Awosika, MFR, mni* | - | - | - | - |
| G. Jobome, HCIB | - | - | - | - |
| I.T. Akpana | - | - | - | - |
| A. A. Adekoya | - | - | - | - |
| H. Ambursa | - | - | - | - |
| C. J. Okoli, HCIB | - | - | - | - |
| O. Nwuke,FCA | - | - | - | - |
| I. Osime | - | - | - | - |
| H. Usman,FCA | - | - | - | - |
| O. Kumapayi,FCA | 1 | - | 1 | - |
| O. Fajobi | - | - | - | - |
| T. Osuntoki, HCIB | - | - | - | - |
| I. Soji-Okusanya, FCA, FCIB*** | - | - | - | - |

* Retired effective May 22, 2023

** Appointed as Chairman effective May 22, 2023

*** Appointed effective June 14, 2023

## 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 under-listed directors have disclosed their interest in the underlisted vendors to the Bank

| Related director | Interest in entity | Name of company | Services to the Bank |
|---|---|---|---|
| Mr. Paul Usoro (SAN) | Managing Partner | Paul Usoro & Co | Legal Services |
| Dr. Okey Nwuke | Director | Access Pensions Ltd. | Pensions |
| Dr. Okey Nwuke | Director & Shareholder | Simply Gifts and Interiors | Corporate gifts and interior decoration |
| Dr. Okey Nwuke | Shareholder | Claritus Limited | Property Rentals |
| Mr. Herbert Wigwe | Shareholder | Coronation Insurance Plc & Subsidiaries | Insurance |
| 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. Victor Etuokwu | Director | Unified Payment Services Ltd ( UPSL) | 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 Plc | Securities Depository Services |
| Mrs. Titilayo Osuntoki | Director | Coronation Insurance Plc | Insurance |
| Mrs. Titilayo Osuntoki | Director | Konga Online Nigeria Limited | E-Commerce Partnership |

## Analysis of shareholding:

The shareholding pattern of the Bank as at 31st December 2023 was as stated below:

| | December 2023 | | | |
|---|---|---|---|---|
| Range | Number of Share-holders | % of Shareholders | Number of shares held | % of Shareholders |
| **Domestic Shareholders** | | | | |
| 1 - 1,000 | 4 | 80% | 4 | 0% |
| 1,001 - 5,000 | - | 0% | - | 0% |
| 5,001 - 10,000 | - | 0% | - | 0% |
| 10,001 - 50,000 | - | 0% | - | 0% |
| 50,001- 100,000 | - | 0% | - | 0% |
| 100,001 - 500,000 | - | 0% | - | 0% |
| 500,001 - 1,000,000 | - | 0% | - | 0% |
| 1,000,001 - 5,000,000 | - | 0% | - | 0% |
| 5,000,001 - 10,000,000 | - | 0% | - | 0% |
| 10,000,001 - 50,000,000 | - | 0% | - | 0% |
| 50,000,001 - 100,000,000 | - | 0% | - | 0% |
| 100,000,001 - 500,000,000 | - | 0% | - | 0% |
| 500,000,001 - 1,000,000,000 | - | 0% | - | 0% |
| 1,000,000,001 - 10,000,000,000 | - | 0% | - | 0% |
| 10,000,000,001 and Above | 1 | 20% | 35,545,225,618 | 100% |
| | **5** | **100%** | **35,545,225,622** | **100%** |
| **Foreign Shareholders** | - | 0% | - | 0% |

| | | | | |
|---|---|---|---|---|
| **Total** | **5** | **100%** | **35,545,225,622** | **100%** |

## Shareholding Analysis as at 31st December 2023

| Type of Shareholding | Holdings | Holding % |
|---|---|---|
| Retail investors | 4 | 0% |
| Domestic institutional investors | 35,545,225,618 | 100% |
| Foreign institutional investors | - | 0% |
| Foreign retail Investors | - | 0% |
| Government related entities | - | 0% |
| | 35,545,225,622 | 100% |

The shareholding pattern of the Bank as at 31 December 2022 is as stated below:

| | December 2022 | | | |
|---|---|---|---|---|
| Range | **Number of Share-holders** | **% of Shareholders** | **Number of shares held** | **% of Shareholders** |
| **Domestic Shareholders** | | | | |
| 1 - 1,000 | 4 | 80% | 4 | 0% |
| 1,001 - 5,000 | - | 0% | - | 0% |
| 5001 - 10,000 | - | 0% | - | 0% |
| 10,001 - 50,000 | - | 0% | - | 0% |
| 50,001- 100,000 | - | 0% | - | 0% |
| 100,001 - 500,000 | - | 0% | - | 0% |
| 500,001 - 1,000,000 | - | 0% | - | 0% |
| 1,000,001 - 5,000,000 | - | 0% | - | 0% |
| 5,000,001 - 10,000,000 | - | 0% | - | 0% |
| 10,000,001 - 50,000,000 | - | 0% | - | 0% |
| 50,000,001 - 100,000,000 | - | 0% | - | 0% |
| 100,000,001 - 500,000,000 | - | 0% | - | 0% |
| 500,000,001 - 1,000,000,000 | - | 0% | - | 0% |
| 1,000,000,001 - 10,000,000,000 | 1 | 20% | 35,545,225,618 | 100% |
| | **5** | **100%** | **35,545,225,622** | **100%** |
| **Foreign Shareholders** | | | | |
| 1 - 1,000 | - | - | - | 0% |
| 1,001 - 5,000 | - | - | - | 0% |
| 5001 - 10,000 | - | - | - | 0% |
| 10,001 - 50,000 | - | - | - | 0% |
| 50,001- 100,000 | - | - | - | 0% |
| 100,001 - 500,000 | - | - | - | 0% |
| 500,001 - 1,000,000 | - | - | - | 0% |
| 1,000,001 - 5,000,000 | - | - | - | 0% |
| 5,000,001 - 10,000,000 | - | - | - | 0% |
| 10,000,001 - 50,000,000 | - | - | - | 0% |
| 50,000,001 - 100,000,000 | - | - | - | 0% |
| 100,000,001 - 500,000,000 | - | - | - | 0% |
| 500,000,001 - 1,000,000,000 | - | - | - | 0% |

| | | | | |
|---|---|---|---|---|
| 1,000,000,001 - 10,000,000,000 | - | - | - | 0% |
| | **-** | **0%** | **-** | **0%** |
| **Total** | **5** | **100%** | **35,545,225,622** | **100%** |

## Shareholding Analysis as at 31 December 2022

| Type of Shareholding | Holdings | Holding % |
|---|---|---|
| Retail investors | 4 | 0% |
| Domestic institutional investors | 35,545,225,618 | 100% |
| Foreign institutional investors | - | 0% |
| Foreign retail Investors | - | 0% |
| Government related entities | - | 0% |
| | **35,545,225,622** | **100%** |

## Substantial interest in shares

According to the register of members at 31 December 2023, the following shareholders held more than 5% of the issued share capital of the Bank as follows:

| | December 2023 | | December 2022 | |
|---|---|---|---|---|
| **Foreign Shareholders** | **Number of shares held** | **% of shareholding** | **Number of shares held** | **% of shareholding** |
| Access Holdings Plc* | 35,545,225,618 | 100% | 35,545,225,618 | 100% |

*Access Holdings Plc is the ultimate parent of Access Bank Plc

## 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 ₦2,652,091,773 (December 2022: ₦1,612,717,672) during the year, as listed below:

| S/N | Purpose | Amount |
|---|---|---|
| 1 | Sponsorship of Fifth Chukker for SA Polo | 707,349,968 |
| 2 | Sponsorship of 2023 Art X | 380,000,000 |
| 3 | Sponsorship of Afrexim Bank's2023 IATF (Intra African Trade Fair) | 337,338,000 |
| 4 | Sponsorship of the 2023 Fifth Chukker Polo Tournament in UK and Kaduna | 240,000,000 |
| 5 | Sponsorship of AFRIFF (African International Film Festival) | 150,000,000 |
| 6 | Donation to Prince Trust International- The initiative was founded by Prince Charles III to tackle global crisis of Youth unemployement. | 100,000,000 |
| 7 | Sponsorship of A King's Passion; a 21st Century Patron of African Art- HRM Igwe Nnaemeka Alfred Achebe's book. | 84,868,025 |
| 8 | Support to Duke of Edinburgh's Foundation | 75,149,250 |
| 9 | Sponsorship of the National MSME Clinics and Awards | 40,000,000 |
| 10 | Sponsorship of City of Knowledge 10th Year Anniversary | 36,977,450 |
| 11 | Sponsorship of Unusual Entrepreneur Economic empowerment Initiative created out of Unusaual Praise that provides seed fundings and Mentorship to SME's | 30,000,000 |
| 12 | Sponsorship for the Nigerian Bar Association (NBA) Annual Conference 2023 | 30,000,000 |
| 13 | Support to Ovie Brume Foundation for Youth Centre in Surulere | 30,000,000 |
| 14 | Sponsorhip of Entertainment Week Lagos 2023 | 25,000,000 |
| 15 | Sponsorship of the Nigeria International Digital Conference and Exhibition 2023 | 20,000,000 |

| | | |
|---|---|---|
| 16 | Support to MoBaby Care for Project UWAR 3.0 & 4.0 | 20,000,000 |
| 17 | Sponsorship of the 2023 European Organisation for Sustainable Development (EOSD) Sustainability summit | 18,750,000 |
| 18 | Hacey Health Initiative for Zero carbon Africa Impact Project- Ghana, Kenya, Rwanda, South Africa and Zambia | 16,735,140 |
| 19 | Support for 2023 STEAM FUN FEST- Science Technology Engineering Art and Mathematics | 16,102,980 |
| 20 | Sponsorship payment for CIBN Investiture | 15,000,000 |
| 21 | Support for TAHF Impact Driven Project | 14,400,000 |
| 22 | Support to TAHF for Bone marrow transplant | 12,500,000 |
| 23 | Support to HACEY Health Initiative for One Health Intervention Program for Other African Countries- Cameroun, Kenya, Congo, Ghana | 11,050,000 |
| 24 | Support to HACEY Initiative for Maternal Health Project 3.0 | 10,000,000 |
| 25 | Sponsorship of the 2023 IBB Indepence Golf and Tennis Tour | 10,000,000 |
| 26 | Sponsorship of the 2023 Annual Conference and Award Night of the Chartered Institute of Arbitrators (CIARB) | 10,000,000 |
| 27 | Support for the 58TH Annual Bankers Dinner for the Chartered Institute of Bankers of Nigeria 60th Anniversary | 10,000,000 |
| 28 | Sponsorship of 2023 Annual Conference and Business Meet of the Chartered Institute of Directors Nigeria | 10,000,000 |
| 29 | Support to HACEY health for 2023 International Day of the Girl Child | 10,000,000 |
| 30 | Support to HACEY health for Maternal Health 4.0 | 10,000,000 |
| 31 | Support to St. Louis Owo Old Girls Association for Rennovation for Renovation and Equiping of ICT Center | 10,000,000 |
| 32 | Support to Hospitals for Humanity (HFH) for Open Heart Surgery Program | 10,000,000 |
| 33 | Support for UWAR Project 2.0 executed by Mobaby Care Nigeria | 10,000,000 |
| 34 | Support to Hacey Health Initiative for maternal Health Project | 10,000,000 |
| 35 | Sponsorship for 'Education in Nigeria' Book Launch by Dennis Okoro | 10,000,000 |
| 36 | Donation to Lagos Business School (LBS) for its Annual seminar on Managing Family Business | 10,000,000 |
| 37 | Sponsorship of French Week | 9,000,000 |
| 38 | Support for Clean Water Project 2.0 | 8,600,000 |
| 39 | Support to Glow Initiative for Clean Water Project | 8,363,000 |
| 40 | Support for Zero Carbon Africa Impact Program | 8,000,000 |
| 41 | Support to Nerdzfactory for DIGIGAP campaign | 8,000,000 |
| 42 | Partnership and Support to Enterprise, Growth and Opportunities (EGO) Foundation for Women Traditional Textile Design Project | 7,750,000 |
| 43 | Sponsorship for Climate Finance for Sustainble Energy Transition in Africa Training | 7,102,960 |
| 44 | Support to Hacey Health Initiative for World Asthma Day | 5,000,000 |
| 45 | The Event Experience Africa (TEXA) 2023 Sponsorship | 5,000,000 |
| 46 | Sponsorship for LM Tech Hub in Anambra State | 5,000,000 |
| 47 | Support to Temitayo Awosika Help Foundation (TAHF) W50 Empowerment program in commemoration of World Sickle Cell Day | 4,525,000 |
| 48 | Support for 2023 World Wildlife Day Campaign Enugu | 4,500,000 |
| 49 | Support to GLOW Initiative for Economic Empowerment (GLEE) for Solar Champion Initiative for girls | 4,500,000 |
| 50 | Support to NerdzFactory for Powerup project 2023 | 4,500,000 |
| 51 | Support for World Sickle cell day celebration | 4,500,000 |
| 52 | Support for Solar School Community project Utagba Ogbe, Delta State | 4,000,000 |
| 53 | Support to GLEE for the Save Biodiversity Project 2023 | 3,000,000 |
| 54 | Sponsorship of Harvard Business School Association of Nigeria (HBSAN)'s Leadership Conference and Award Dinner | 3,000,000 |
| 55 | Support to The Made Women Foundation for 'PAD A GIRL' campaign | 2,500,000 |
| 56 | Sponsorship fee in respect of the Chartered Institute of Taxation of Nigeria (CITN) Conference | 2,030,000 |
| 57 | Sponsorship fee for 21st ICAN Lagos & District Society Investiture and Award | 2,000,000 |
| | | **2,652,091,773** |

## 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

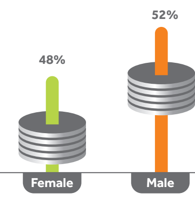
**(i) Report on diversity in employment**

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.

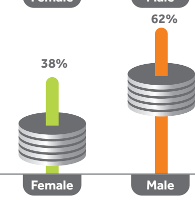
**(a) Composition of employees by gender**

| | |
|---|---|
| Total number of female employees | 1,980 |
| Total number of male employees | 2,185 |



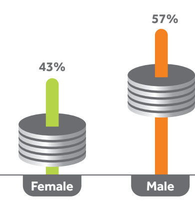

**(b) Board Composition By Gender as at 31 December 2023**

| | |
|---|---|
| Total number of female on the Board | 6 |
| Total number of men on the Board | 10 |



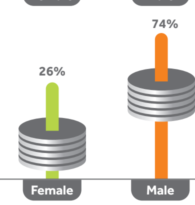

**(c) Top Management (Executive Director To CEO) Composition By Gender**

| | |
|---|---|
| Total number of female in Executive Management position | 3 |
| Total number of men in Executive Management position | 4 |




**(d) Top Management (AGM To GM) Composition By Gender**

| | |
|---|---|
| Total number of female in Top Management position | 18 |
| Total number of men in Top Management position | 52 |




**(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. The Bank as a non-discriminatory policy on the consideration of applications for employment, including those received from disable persons. All employees are given equal opportunities to develop themselves. Tha Bank's policy is that the highest qualified and most experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition. As at December 31, 2023, the Bank had 39 persons on the staff list with disability.

**(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 a 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 well-being. 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, both 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 periodically.

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+ | Aug-23 |
| Fitch Ratings | A+ | Jun-23 |
| Agusto & Co | AA | Jun-23 |
| Moody's | Baa3 | Dec-23 |

**Long Term Counterparty Credit Ratings**

| | Long Term | Date |
|---|---|---|
| Standard & Poor's | B- | Jun-23 |
| Fitch Ratings | B- | Jun-23 |
| Moody's | Caa1 | Dec-23 |

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

## Audit committee

Pursuant to Section 404(3) of the Companies and Allied Matters Act of Nigeria, the Bank has an Audit Committee comprising two Directors and three Shareholders as follows:

| | | | |
|---|---|---|---|
| 1 | Mr. Henry Omatsola Aragho | Shareholder | Chairman |
| 2 | Mr. Idaere Gogo-Ogan | Shareholder | Member |
| 3 | *Mr. Akindele Gbogboade | Shareholder | Member |
| 4 | Mr. Adeniyi Adekoya | Director | Member |
| 5 | Dr. Okey Nwuke | Director | Member |

*Appointed effective May 22, 2023

The functions of the Audit Committee are as provided in Section 404(7) of the Companies and Allied Matters Act of Nigeria.

## Auditors:

PricewaterhouseCoopers completed their 10-year tenor as the Bank's external auditors in 2022. KPMG Professional Services was appointed as external auditors to the Bank at the Bank's Annual General Meeting (AGM) held on May 22, 2023 and having satisfied the relevant corporate governance rules have indicated their willingness to continue in the office as auditors to the Bank in accordance with section 401(2) of Companies and Allied Matters Act (CAMA)2020. Therefore, the independent auditor will be re-appointed at the next AGM of the Bank without any resolution being passed.

**BY ORDER OF THE BOARD**

**Sunday Ekwochi**
Company Secretary
No 14/15, Prince Alaba Oniru Road, Oniru, Lagos.
FRC/2013/PRO/NBA/002/00000005528

# 3 CORPORATE GOVERNANCE

## The Board of Access Bank Plc ('the Bank') is pleased to present the Corporate Governance Report for the 2023 Financial Year. The report provides insight into the operations of our governance framework and Board's key activities during the reporting period.

The Board recognises that sustainable competitiveness and excellence require the implementation of effective corporate governance frameworks and best practices. It understands that sound governance practices are required to earn the trust of stakeholders, which is essential for sustainable growth. The Board is focused on protecting stakeholders' interests and enhancing 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 policies and Board and Committees' charters; as well as requirements of relevant Codes of Corporate Governance. Our governance model is founded on key pillars of diversity, accountability, responsibility, transparency, independence, fairness and discipline and our policies and structures are regularly reviewed to reflect changes in the operating environment, regulation and leading practices.

The governance framework enables the Board to discharge its oversight functions, provide strategic direction to the Bank, take decisions, and ensure regulatory compliance. The Bank's subsidiaries complies with the statutory and regulatory requirements of their host countries and align their governance framework to the Bank's framework to the extent allowed by their local regulations.

### 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. The Board's composition during the 2023 financial year is detailed below.

| S/N | DIRECTOR | ROLE |
|---|---|---|
| 1 | Dr. (Mrs.) Ajoritsedere Awosika* | Chairman/ Non-Executive Director |
| 2. | Mr. Paul Usoro, SAN** | Chairman/ Non-Executive Director |
| 3 | Mr. Adeniyi Adekoya | Independent Non-Executive Director |
| 4 | Mr. Iboroma Akpana | Independent Non-Executive Director |
| 5 | Dr. Okey Nwuke | Non-Executive Director |
| 6 | Mrs. Ifeyinwa Osime | Independent Non-Executive Director |
| 7 | Mr. Hassan Usman | Independent Non-Executive Director |
| 8 | Mrs. Omosalewa Fajobi | Non-Executive Director |
| 9 | Mrs. Titilayo Osuntoki | Non-Executive Director |
| 10 | Dr. Herbert Wigwe **** | Non-Executive Director |
| 11 | Mr. Roosevelt Ogbonna | Managing Director/Chief Executive Officer |

| | | |
|---|---|---|
| 12 | Mr. Victor Etuokwu | Deputy Managing Director, Retail North |
| 13 | Mrs. Chizoma Okoli | Deputy Managing Director, Retail South |
| 14 | Dr. Gregory Jobome | Executive Director |
| 15 | Ms. Hadiza Ambursa | Executive Director |
| 16 | Mr. Oluseyi Kumapayi | Executive Director |
| 17 | Mrs. Iyabo Soji-Okusanya*** | Executive Director |

* Retired from the Board of Directors with effect from May 22, 2023 following her attainment of the retirement age.

** Appointed as the Chairman of the Board effective May 22, 2023

*** Appointed as an Executive Director of the Bank effective June 14, 2023.

**** Passed away on February 9, 2024

## Composition and Role

As of December 31, 2023, the Board was made up of 16 members comprising 9 Non-Executive and 7 Executive Directors. Six of the Board members are female.

## Board Members Profile

**Mr. Paul Usoro, SAN**
*Chairman/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.

Mr. Usoro holds a Bachelor of Laws degree from the University of Ife (1981) and was called to the Nigerian Bar in 1982.

He was elected President of the Nigerian Bar Association in August 2018 for a two-year term and is currently a Non-Executive Director in Dakkada Luxury Estates Limited and Empee Ventures Limited.

He joined the Board in January 2014 and represented the Bank as a Non-Executive Director on the board of the defunct Intercontinental Bank Plc.

Mr. Usoro was appointed Chairman of the Board on May 22, 2023, following the retirement of Dr. (Mrs.) Ajoritsedere Awosika. Prior to his appointment as Chairman, he chaired the Board Human Resources and Sustainability Committee and Technical Committee on Retail Expansion and served as the Vice-Chairman of the Risk Management Committee.

He is 65 years old as at the date of the meeting and is resident in Nigeria.

**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 worked as a General Manager in 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 sits on the boards of Synerpet Ltd, Weston Integrated Services Ltd and G-SAG Nigeria Limited.

He joined the Board in March 2017 and currently chairs the Board Digital and Information Technology Committee. He is also the Vice-Chairman of the Board Governance, Nomination and Remuneration Committee and the Board Technical Committee on Retail Expansion.

He is 57 years old as at the date of the meeting and is resident in Nigeria.

**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 Human Resources and Sustainability Committee. He sits on the board of Contracting Plus Limited.

He is 59 years old as at the date of the meeting and is resident in Nigeria.

**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 a Non-Executive Director in Ebudo Trust Limited.

Mrs. Osime was the former Chairperson of PHB Healthcare Limited as well as a former Director of Bank PHB Plc (now Keystone Bank Limited), Insurance PHB Limited (now KBL Insurance) and Coronation Life Assurance Limited. 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 specialisation in Corporate and Commercial Law and Bachelor's of Law degree from the University of Benin (1986).

She joined the Board in November 2019 and currently chairs the Board Human Resources and Sustainability Committee. She is also the Vice-Chairman of the Board Digital and Information Technology Committee.

She is 56 years old as at the date of the meeting and is resident in Nigeria.

**Dr. Okey Nwuke, FCA**
*Non-Executive Director*

Dr. Nwuke has over 30 years' experience in finance and corporate governance working with top corporates and leading commercial banks in Nigeria. He is a Fellow of both 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 and subsequently a Non-Executive Director of defunct Access Pension Fund Custodian Limited.

Dr. Nwuke's key competencies include finance, strategy development and execution, organizational restructuring and transformation, leadership and change management. He currently sits on the Boards of Coscharis Ghana Limited, Coscharis Technologies Limited, Coscharis Mobilities Limited, Simply Gift and Interiors Limited, Claritus Limited, Rekit Financial Advisers Limited and Access Pensions Limited.

He holds a Bachelor's degree in Accountancy from the University of Nigeria, Nsukka and a Master's in Business Administration (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 is currently the Chairman of the Board Credit Committee and Board Technical Committee on Retail Expansion Committee.

He is 57 years old as at the date of the meeting and is resident in Nigeria.

**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 Citi-Bank Nigeria.

Mr. Usman sits on the Boards of New Frontier Development Limited, Sentinel Energy and Gas Limited, Blue Atlantic Ventures Partners Ltd, NFD Agro Ltd, Northcapital Resources Limited, Ire Clay Products Limited, Kairos Capital Ltd, Allied Trust Asset Management and First Atlantic Nigeria 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 (now Nigerian Exchange Group).

Mr. Usman joined the Board in August 2020 and chairs the Board Audit Committee

He is 56 years old as at the date of the meeting and is resident in Nigeria.

**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 was 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 had extensive corporate counsel experience working at Standard Chartered Bank, Access Bank, and the defunct Oceanic Bank Plc.

She holds an LLM Degree (Merit) from University of London (2009) with specialisation in Corporate and Commercial Law and a Second-Class Upper Degree in her LLIB 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, Coronation GPS Limited and One Terminals Limited.

Mrs. Fajobi joined the Board in November 2020 and is currently the Vice-Chairman of the Board Risk Management Committee.

She is 46 years old as at the date of the meeting and is resident in Nigeria.

**Mrs. Titilayo Osuntoki, HCIB**
*Non-Executive Director*

Mrs. Osuntoki is an accomplished banker and business consultant with over two decades of cognate experience cutting across all facets of banking. She worked with Guaranty Trust Bank from 1991 to 2011 where she served in various functions including Foreign Exchange Desk; Financial Control and Risk Management; Corporate Finance and Commercial Banking. She served as an Executive Director between 2008 and 2011.

Mrs. Osuntoki was subsequently appointed as an Executive Director in Access Bank Plc in 2013 where she effectively led the Business Banking Division until her resignation on March 18, 2019. She is currently the Chief Executive Officer, GTO Professional Services Limited, a business and management consulting firm and sits on the boards of Coronation Insurance Plc, Konga Online Nigeria Limited, Saro Oil Palm Ltd, Richardson Oil & Gas Ltd and HelpGate Foundation.

She obtained a bachelor's degree in Civil Engineering and an MBA from University of Lagos in 1987 and 2000, respectively. She is an alumnus of Canfield University School of Management, UK. She is a member of the Non-Oil/Non-Agric Policy Commission of the Nigerian Economic Summit Group. She is also an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria.

Mrs. Osuntoki joined the Board as a Non-Executive Director in April 2022 and currently chairs the Board Risk Management Committee. She is also the Vice-Chairman of the Board Credit Committee.

She is 57 years old as at the date of the meeting and is resident in Nigeria.

**Dr. Herbert Wigwe, FCA**
Non-Executive Director

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. He resigned as the GMD/CEO in May 2022 and was appointed as a Non-Executive Director.

Mr Wigwe was an alumnus of the Harvard Business School Executive Management Programme. He held 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 B.Sc. degree in Accounting from the University of Nigeria, Nsukka. He was also a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN).

Mr Wigwe was the Chairman of The Access Bank (UK) Ltd and a Non-Executive Director in Nigerian Mortgage Refinance Company Plc; NG Clearing Limited, Agri-Business/SME Enterprises Investment Scheme. He also sat on the Boards of HIV Trust Fund of Nigeria, Nigerian Business Coalition Against Aids, Access Pensions Limited. He was the Group Chief Executive Officer of Access Holdings Plc.

He was 57 years old as at the end of the reporting period.

Dr. Wigwe passed away on February 9, 2024. May his soul rest in perfect peace.

**Mr. Roosevelt Ogbonna, FCA, CFA, FCIB**
*Managing Director/Chief Executive Officer*

Mr Ogbonna was appointed Executive Director, Commercial Banking Division in October 2013. He was the appointed as the Group Deputy Managing Director on May 1, 2017 and became the Managing Director/Chief Executive Officer in May 2022. He has over 20 years' experience in banking, cutting across Treasury, Commercial and Corporate Banking. He joined Access Bank Plc in 2002 as a Manager from Guaranty Trust Bank Plc.

He is a Chartered Financial Analyst, a Fellow of the Institute of Chartered Accountants of Nigeria and a member of Chartered Institute of Bankers of Nigeria.

Amongst other academic attainments, Mr. Ogbonna holds a master's degree in International Corporate and Commercial Law from King's College, London and Executive Master's Degree and Master's Degree from Cheung Kung Graduate School of Business and Institute of Management Development respectively. He graduated with a Second-Class Upper degree in Banking and Finance from University of Nigeria, Nsukka and has attended Executive Management Development Programmes on diverse areas of banking and management in world leading institutions.

Mr. Ogbonna is a Non-Executive Director of the Bank's subsidiaries in UK and South Africa and represents the Bank on the Boards of its investee companies - African Finance Corporation, Central Securities Clearing System Plc and Shared Agent Network Expansion Facilities Limited. He is also a Non-Executive Director in Access Holdings Plc.

He is 49 years old as at the date of the meeting and is resident in Nigeria.

**Mr. Victor Etuokwu, HCIB**
*Deputy Managing Director, Retail North*

Mr. Etuokwu's appointment as Executive Director was renewed in January 2022 following the expiration of his second 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 was appointed as the Deputy Managing Director, Retail North in May 2022.

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 Unified Payment Services Ltd (UPSL), E-Tranzact Plc, and Hydrogen Payments Services Ltd. He is also a board member of ACT Foundation.

He is 57 years old as at the date of the meeting and is resident in Nigeria.

**Mrs. Chizoma Okoli, HCIB**
*Deputy Managing Director, Retail South*

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 was appointed as the Deputy Managing Director, Retail South in May 2022.

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 Bank Directors Association of Nigeria.

She is 55 years old as at the date of the meeting and is resident in Nigeria.

**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's in Business Administration 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, 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 Chairman, 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 represents the Bank on Boards of the Access Bank UK Limited and CRC Credit Bureau Ltd.

He is 58 years old as at the date of the meeting and is resident in Nigeria.

**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 represents the Banks on the Board of Access Bank Ghana Plc.

She is 53 years old as at the date of the meeting and is resident in Nigeria.

**Mr. Oluseyi Kumapayi, FCA**
*Executive Director, African Subsidiaries*

Prior to his appointment as an Executive Director in November 2020, Mr. Kumapayi was the Group Chief Financial Officer of Access Bank Plc, a position he 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).

Mr. Kumapayi is a Non-Executive Director in Access Holdings Plc and represents the Bank on the boards of its subsidiaries in Ghana, Botswana, and Kenya.

He is 52 years old as at the date of the meeting and is resident in Nigeria.

**Mrs. Iyabo Soji-Okusanya, FCA, FCIB**
*Executive Director*
*Corporate and Investment Banking Division*

Mrs. Soji-Okusanya is a seasoned professional with over three decades' experience in corporate and commercial banking, accounting, and human capital development.

She has deep institutional knowledge of the Bank, having worked with the institution for about 25 years and successfully executed critical projects, including the creation of several banking products.

Mrs. Soji-Okusanya holds a Bachelor of Science degree in Accounting from University of Ilorin and is a Fellow of both the Institute of Chartered Accountants of Nigeria (FCA) and the Chartered Institute of Bankers of Nigeria.

She has attended several leadership development courses and is an alumnus of Harvard Business School, Institute of Management Development (IMD), Lausanne Switzerland and INSEAD, Fontainebleau, France.

Mrs. Soji-Okusanya was appointed Executive Director, Corporate and Investment Banking Division on June 14, 2023 and represents the Bank on the boards of Access Bank Cameroon, Fiducia Data Services Limited and Access Investors Services Nominees Limited.

She is 56 years old as at the date of the meeting and is resident in Nigeria.

**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 2 decades of banking experience from the then African Express Bank, Fidelity Bank and Access Bank Plc. He is also the Company Secretary of Access Holdings 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.

## 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 the strategy.

The Board usually 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 Group Retreat on March 24-25, 2023. Management provides the Board with quarterly update on implementation of the strategy, affording the Board the opportunity to critique Management's performance and assess 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's report to the Board to benchmark performance against that of our competitors.

The Bank's performance on Corporate Governance is continuously monitored and reported. We carry out extensive reviews of the Bank's compliance with the relevant Codes and Guidelines of Corporate Governance and render appropriate reports to regulators.

Board assessment, when done effectively provides the Board the opportunity to identify and remove obstacles to improve performance and strengthen effective measures and controls. The Board has established a system of independent annual evaluation of its performance, that of its Committees and individual Directors. The evaluation is done by an independent consultant approved by the Board. Ernst and Young was engaged to conduct the Board performance evaluation for the Financial Year Ended December 31, 2023. 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 Consultant in 2018 and has held office for six 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's Guidelines, the 2022 Annual Board Performance Evaluation Report was presented to shareholders at the Bank's 34th Annual General Meeting by a representative of Ernst and Young while the result of the 2023 Board Performance was presented at the Board meeting held on January 30, 2023.

### Board Composition- Guiding Principles

The Group's Fit and Proper Person Policy is designed to ensure that the Bank and its subsidiaries are managed and overseen by competent, capable and trustworthy individuals. The Governance, Nomination and Remuneration Committee is responsible for 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 2023, the Board had more Non-Executive Directors than Executive Directors, with four of the Non-Executive Directors being independent. 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. 42% of the Executive Management team is composed of females while the Board had 37% female memberships as of December 31, 2023.

### 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.

Mr. Paul Usoro, SAN, Dr. Okey Nwuke and Mrs. Ifeyinwa Osime retired at the Bank's 34th Annual General Meeting held on May 22, 2023 and being eligible for re-election were duly re-elected by shareholders. The shareholders also approved the appointment of Mrs. Titilayo Osuntoki and Mr. Herbert Wigwe as Non-Executive Directors. The appointment of the new Directors was earlier approved by the Board and the Central Bank of Nigeria.

The Company's Articles of Association also require one-third of all Non-Executive Directors (rounded down) to stand for election/re-election every year, depending on their tenure on the Board together with Directors appointed by the Board since the last Annual General Meeting.

In line with this requirement, Messrs. Iboroma Akpana, Hassan Usman, and Adeniyi Adekoya would be standing for re-election while Mrs. Iyabo Soji-Okusanya's appointment to the Board would be presented for approval. The details of the aforementioned Directors are provided on pages 106 to 112.

### 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 is derived from the diverse range of skills and competences of the Executive and Non-Executive Directors who have exceptional degrees in banking, finance 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 | DIRECTOR | TRAINING | FACILITATOR | DATE |
|---|---|---|---|---|
| 1 | Okey Nwuke | Driving Digital Strategy | Harvard Business School | March 12-17, 2023 |
| 2 | Adeniyi Adekoya | Finance and Accounting for the Nonfinancial Executive | Columbia Business School, New York, USA | March 20-24, 2023 |
| 3 | Omosalewa Fajobi | Leading Digital Transformation | Wharton Executive School | May 1-5, 2023 |
| 4 | Ifeyinwa Osime | Competing in the Age of Digital Platforms | Harvard Business School | May 7-10, 2023 |
| 5 | Hassan Usman | High Performance People Skills for Leaders | London Business School | June 26-30, 2023 |
| | | 'Effective Audit Committees: Entrenching Good Governance | DCSL Academy, Lagos, Nigeria | June 12-17, 2023 |
| | | Audit Committee Oversight of Cybersecurity | Audit Committee Institute | September 6-7, 2023 |
| 6 | Mrs. Ifeyinwa Osime | Retooling Businesses for Change: Leveraging AI Technology and Corporate Governance Evolution | Institute of Directors Centre for Corporate Governance | September 19, 2023 |
| 7 | Mrs. Titi Osuntoki | Cybersecurity Governance for the Board of Directors' | Massachusetts Institute of Technology | November 28-30, 2023 |
| | | Board and Risk | IMD | November 20-22, 2023 |
| 8 | Mr. Adeniyi Adekoya | Audit Committee Oversight of Cybersecurity | Audit Committee Institute | September 6-7, 2023 |
| 9 | Mr. Hassan Usman | Audit Committee Oversight of Cybersecurity | Audit Committee Institute | September 6-7, 2023 |
| 10 | Victor Etuokwu | Advanced Management Program | Harvard Business School | February 12 – May 19, 2023 |
| 11 | Chizoma Okoli | Senior Executive Program | London Business School | February 20 – March 3, 2023/April 17 – 28, 2023 |
| 12 | Gregory Jobome | Senior Executive Program | London Business School | February 20 – March 3, 2023/September 10-28, 2023 |
| 13 | Seyi Kumapayi | MBA | IMD | June 2022 – December 2023. |
| 14 | Hadiza Ambursa | Women on Boards: Succeeding as a Corporate Director | Harvard Business School | December 2 – 6, 2023 |
| 15 | Iyabo Soji-Okusanya | The Women's Leadership Forum | Harvard Business School | March 6 – 10, 2023 |
| | | Project and Infrasturcture Finance | London Business School | November 27 – December 1, 2023 |

| | | | | |
|---|---|---|---|---|
| 16 | Mr. Paul Usoro<br>Mr. Iboroma Akpana<br>Mr. Adeniyi Adekoya<br>Mrs. Ifeyinwa Osime<br>Dr. Okey Nwuke<br>Mr. Hassan Usman<br>Mrs. Omosalewa Fajobi<br>Mrs. Titilayo Osuntoki<br>Mr. Herbert Wigwe<br>Mr. Roosevelt Ogbonna<br>Mr. Victor Etuokwu<br>Dr. Gregory Jobome<br>Ms. Hadiza Ambursa<br>Mrs. Chizoma Okoli<br>Mr. Oluseyi Kumapayi<br>Mrs. Iyabo Soji-Okusanya | Risk Master Class for Board Members | KPMG and Other Internal Facilitators | November 28, 2023 |

## 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 National Association of Securities Dealers (NASD) OTC 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 Relation 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, and Investors Forum.

The Board ensures that communication with the investing public about the Bank and its subsidiaries is timely, factual, broadly disseminated 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 the discharge of their responsibilities. There is ongoing engagement between Executive Management and the Board, and the Heads of Strategic Business Units who attend Board Committee meetings to make presentations. The Bank's External Auditors attend the meetings of the Board Audit Committee and the 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 objectives, 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, while Executive Directors are appointed for an initial term of four years and a maximum cumulative tenure of twelve years in line with CBN's Corporate Governance Guidelines. 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 so that 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 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 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 Managing Director/Chief Executive Officer.

The positions of the Group Chairman and the 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 Managing Director/Chief Executive Officer and the Company Secretary.
- Playing a lead role in ensuring that the Board and its Committees have the relevant skills, 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 to take sound decisions.
- Acting as the main link between the Board and the Managing Director/Chief Executive Officer as well as advising the 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 lead role in the assessment, improvement, and development of the Board.
- Presiding over General Meetings of shareholders.

## The Role of Managing Director/Chief Executive Officer ('MD/CEO')

The MD/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 MD/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 Deputy Managing Directors, 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 Deputy Managing Directors ('DMDs')

The DMDs provides support to the MD/CEO towards the achievement of the corporate philosophy, business strategy, financial and other objectives of the Bank. They report to the MD/CEO and are 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 MD/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 the primary compliance officer for Group's compliance with the listing rules of the National Association of Securities Dealers (NASD) OTC Securities 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 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 written terms of reference and presents regular reports to the Board on its activities. The Board delegates authority to the 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 the Board and Committee meetings are 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 remove 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 with the Chairman any matter he/she may wish to raise at the meeting. 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 10 times during the period under review.

The Board devoted considerable time and efforts on the following issues in 2023:

- Approval of Interim and Full Year Audited Financial Statements
- Consideration of top Management and Board appointments
- Consideration and approval of the Group's 2023 budget
- Approval of ICAAP document
- Approval of subsidiary expansion activities
- Approval of credit facilities
- Review and approval of policies
- Approval of appointments to subsidiary Boards
- Approval of reviewed Board and Board Committees' Charters
- Approval of Recovery and Resolution Plan
- Review and approval of policies.

## Board Meeting Attendance in 2023

The membership of the Board and attendance at meetings in 2023 are set out below.

| Type of Meeting | EGM | Annual Retreat | Board Meetings | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Date** | **15/2/ 2023** | **24-25 /3 2023** | **22/ 5/ 2023** | **30/ 1/ 2023** | **2/ 2/ 2023** | **19/ 4/ 2023** | **05/ 5/ 2023** | **22/ 05/ 2023** | **26/ 7/ 2023** | **5/ 8/ 2023** | **25/ 10/ 2023** | **28/ 11/ 2023** | **12/ 12/ 2023** |
| Ajoritsedere wosika | P | P | P | P | P | P | P | P | RT | RT | RT | RT | RT |
| 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 |
| Iboroma Akpana | P | P | P | P | P | P | P | P | P | P | P | P | P |
| Okey Nwuke | 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 |
| Hassan Usman | P | P | P | P | P | P | P | P | P | P | P | P | P |
| Omosalewa Fajobi | P | P | P | P | P | P | P | P | P | P | P | P | 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 | A | 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 | A | A | P |
| Seyi Kumapayi | P | P | P | P | P | P | P | P | P | P | P | P | P |
| Titilayo Osuntoki | P | P | P | P | P | P | P | P | P | P | P | P | P |
| Iyabo Soji-Okusanya | NM | NM | NM | NM | NM | NM | NM | NM | P | P | P | P | P |

## 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 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 2023.

## Board Human Resources and Sustainability Committee

The membership of the Committee and attendance at the meetings in 2023 are as set out below:

| Name | 09/1/2023 | 12/04/2023 | 11/07/2023 | 9/10/2023 | 23/10/2023 |
|---|---|---|---|---|---|
| *Paul Usoro | P | P | LC | LC | LC |
| Ifeyinwa Osime | P | P | P | P | P |

| | | | | | |
|---|---|---|---|---|---|
| Iboroma Akpana | P | P | P | P | P |
| Okey Nwuke | P | P | P | P | P |
| Adeniyi Adekoya | P | P | P | P | P |
| Hassan Usman | P | P | P | P | P |
| Herbert Wigwe | P | P | P | P | P |
| Titilayo Osuntoki | P | P | P | P | P |
| Roosevelt Ogbonna | 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, and consideration of quarterly reports on human resources and sustainability.

The Committee met 5 (five) times during the reporting period.

Mrs. Ifeyinwa Osime is the Chairman of the Committee.

## Board Governance, Nomination and Remuneration Committee

The membership of the Committee and attendance at the meeting in 2023, are as set out below.

| Name | 14/04/2023 | 12/7/2023 | 10/10/2023 |
|---|---|---|---|
| Iboroma Akpana | P | P | P |
| Adeniyi Adekoya | P | P | P |
| Herbert Wigwe | P | P | P |
| *Paul Usoro | P | LC | LC |
| Ifeyinwa Osime | P | P | P |
| Hassan Usman | NM | 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 other staff to the Board for approval.

The key decisions of the Committee in the reporting period included Board appointments, including subsidiary Board appointments as well as 2024 training plan and budget for Non-Executive Directors.

The Committee met 3 (three) times during the reporting period.

Mr. Iboroma Akpana is the Chairman of the Committee.

## Board Credit Committee

The membership of the Committee and Directors' attendance at meetings in 2023 are as set out below.

| Date | 09/1/23 | 15/2/23 | 20/3/23 | 12/4/23 | 17/5/23 | 21/6/23 | 11/7/23 | 15/8/23 | 14/9/23 | 9/10/23 | 15/11/23 | 14/12/23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Okey Nwuke | 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 |
| *Paul Usoro | P | P | P | P | P | LC | LC | LC | LC | LC | LC | LC |
| Adeniyi Adekoya | 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 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hassan Usman | P | P | P | P | P | P | P | P | P | P | P | P |
| Omosalewa Fajobi | 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 |
| Victor Etuokwu | P | P | P | P | P | P | P | P | P | P | P | P |
| Gregory Jobome | P | P | P | P | P | P | P | P | A | P | P | P |
| Hadiza Ambursa | P | P | P | P | P | P | P | A | P | P | P | P |
| Chizoma Okoli | P | P | P | P | P | P | P | P | P | P | A | P |
| Seyi Kumapayi | A | P | A | P | P | P | P | P | A | P | P | A |
| Titilayo Osuntoki | P | P | P | P | P | P | P | P | P | P | P | P |
| Iyabo Soji-Okusanya | NM | NM | NM | NM | NM | P | P | P | P | P | 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 as well as review of audit report on the Credit Risk Management function.

The Committee met 12 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 2023 are as set out below.

| Name | 10/01/2023 | 14/4/2023 | 12/7/2023 | 10/10/2023 |
|---|---|---|---|---|
| Titilayo Osuntoki | P | P | P | P |
| *Paul Usoro | P | P | LC | LC |
| Adeniyi Adekoya | P | P | P | P |
| Iboroma Akpana | P | P | P | P |
| Okey Nwuke | P | P | P | P |
| Omosalewa Fajobi | P | P | P | P |
| Hassan Usman | P | P | P | P |
| Herbert Wigwe | P | P | P | P |
| Roosevelt Ogbonna | P | P | P | P |
| Gregory Jobome | 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 met 4 times during the reporting period.

Mrs. Titilayo Osuntoki is the Chairman of the Committee.

## Board Audit Committee

The membership of the Committee and attendance at meetings in 2023 are as set out below.

| Name | 11/1/23 | 27/1/23 | 13/4/23 | 13/7/23 | 25/7/23 | 11/10/23 | 14/12/23 |
|---|---|---|---|---|---|---|---|
| Hassan Usman | P | P | P | P | P | P | P |
| Iboroma Akpana | P | P | P | P | P | P | P |
| *Paul Usoro | P | P | P | LC | LC | LC | LC |
| Okey Nwuke | P | P | P | P | P | P | P |
| Ifeyinwa Osime | P | P | P | P | P | P | P |
| Adeniyi Adekoya | P | P | P | P | P | P | P |
| Omosalewa Fajobi | P | P | P | P | P | P | P |
| Titilayo Osuntoki | NM | NM | NM | P | P | P | 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 2023 Full Year Audited Financial Statements. The Committee also considered Whistle blowing reports as well as reports of the Group Internal Auditor and Internal Audit Consultants.

The Committee met 7 times during the reporting period.

Mr. Hassan Usman is the Chairman of the Committee.

## Board Digital & Information Technology Committee

The membership of the Committee and attendance at meetings in 2023 are as set out below.

| Name | 12/1/2023 | 12/4/2023 | 10/7/2023 | 12/10/2023 |
|---|---|---|---|---|
| Adeniyi Adekoya | P | P | P | P |
| Ifeyinwa Osime | P | P | P | P |
| Titilayo Osuntoki | P | P | P | P |
| Iboroma Akpana | P | P | LC | LC |
| Okey Nwuke | P | P | P | P |
| Hassan Usman | P | P | LC | LC |
| Omosalewa Fajobi | P | P | P | P |
| Herbert Wigwe | P | P | P | P |
| Roosevelt Ogbonna | P | P | P | P |
| Victor Etuokwu | P | P | P | A |
| Gregory Jobome | 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 over 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 2023 are as set out below.

| Name | 11/01/23 | 28/03/23 | 13/04/23 | 5/7/23 | 13/7/23 | 5/9/23 | 11/10/23 | 24/11/23 |
|---|---|---|---|---|---|---|---|---|
| Okey Nwuke | P | P | P | P | P | P | P | P |
| *Paul Usoro | P | P | P | LC | LC | LC | LC | LC |
| Adeniyi Adekoya | P | P | P | P | P | P | P | P |
| Iboroma Akpana | P | P | P | P | P | P | P | P |
| Ifeyinwa Osime | P | P | P | P | P | P | P | P |
| Herbert Wigwe | P | P | P | A | P | P | P | A |
| Roosevelt Ogbonna | P | P | P | P | P | P | P | P |
| Gregory Jobome | P | P | P | P | P | P | P | P |
| Seyi Kumapayi | A | P | P | P | P | P | P | 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 15 times during the reporting period.

Dr. Okey Nwuke is the Chairman of the Committee.

* Mr. Paul Usoro, SAN was appointed as the Chairman of the Board of Directors effective May 22, 2023 and immediately exited all Board Committees

Key

| P | Present |
|---|---|
| A | Absent |
| RT | Retired |
| LC | Left Committee |
| NM | Not a Member |

## Directors' Interest In Contracts

Disclosure on Directors' interest in contracts is contained on page 98 to 99 of this report.

## Executive Committee

The Executive Committee (EXCO) is made up of the Managing Director/CEO as Chairman, the Deputy Managing Directors, 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 daily activities. They ensure that risk limits set by the Board and the regulatory bodies are complied with and 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 Statutory 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 (3) and (4) 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.

**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 degree 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.

***Mr. Akindele Gbogboade, FCA**
*Member, Statutory Audit Committee*

Mr. Gbogboade holds a Bachelor of Science degree in Microbiology from Obafemi Awolowo University. He is also a member of the Chartered Institute of Taxation of Nigeria, and a Fellow of both the Institute of Chartered Accountants of Nigeria and Chartered Institute of Procurement and Supply (CIPS) UK.

He is currently a Partner at Gbogboade Akindele and Co Chartered Accountants, and the Managing Director of Diversified Procurement Solutions Limited.

## Record of Attendance at Statutory Audit Committee Meetings in 2023

| Name | 27/1/2023 | 25/4/2023 | 25/7/2023 | 24/10/2023 |
|---|---|---|---|---|
| Henry Aragho | P | P | P | P |
| Idaere Gogo-ogan | P | P | P | P |
| *Akindele Gbogboade | NM | NM | P | P |
| Okey Nwuke | P | P | P | P |
| Adeniyi Adekoya | P | P | P | P |

*Mr. Gbogboade was appointed as a Member of the Statutory Audit Committee at the Bank's Annual General Meeting held on May 22, 2023.

## Tenure of the Statutory Audit Committee

The tenure of each Committee member lasts from the date of election at an Annual General Meeting till the next. The membership may, however, be renewed through re-election at the next Annual General Meeting.

## Role and Focus of the Statutory Audit Committee

The duties of the Statutory Audit Committee are as enshrined in Section 404 (3) and (4) 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.
- Makings 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 and 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 and establish and develop the internal audit function.

## 2023 Audit Fees

The audit fees paid by the Bank to KPMG, external auditors for the 2023 statutory audit was ₦450,000,000 while fees for non-audit services rendered to the Bank during the year amounted to ₦270,397,000.

## 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.

## Statutory Auditors

Messrs KPMG acted as our external auditors for the First half of 2023. 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. KPMG was appointed the Bank's sole external auditors effective January 1, 2023.

## 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 understood 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.

## Remuneration Policy

The Group has established a remuneration policy that seeks to attract and retain the best talent in the countries in which 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 in which 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 a 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 which 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 it 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 engaged Deloitte 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 Deloitte's Ethics lines or emails, details of which are provided below.

**Internal Channels:**
Toll-free Hotline: +234(1)2712010
Email: Whistleblower@accessbankplc.com
IP: 4160

**External Channels:**
Toll-free Hotline: 0800TIP-OFFS (0800 847 6337)
Email: tip-offs@deloitte.com.ng
Web Portal Link: https://tip-offs.deloittemanagedsolutions.com.ng/
Mobile App: Deloitte Tip-Offs Anonymous App

Available on Google Play Store for Android and App Store for Apple

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 compensation 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, people 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.

## Statement of Compliance

We hereby confirm to the best of our knowledge the Bank has complied with the following Codes of Corporate Governance and Listing Standards

1. Securities and Exchange Commission Corporate Governance Guidelines, 2020.
2. Central Bank of Nigeria Corporate Governance Guidelines, 2023.
3. The Nigerian Code of Code of Corporate Governance issued by the Financial Reporting Council of Nigeria, 2018.
4. The Rules and Regulations of the National Association of Securities Dealers OTC Exchange.

Save that in the event of any conflict regarding the provisions of the respective Codes, Guidelines and Rules the Bank will defer to the provisions of the CBN Code as its primary regulator.

**Paul Usoro, SAN**
Chairman
FRC/2013/PRO/DIR/003/00000002957

**Sunday Ekwochi**
Company Secretary
FRC/2013/PRO/NBA/002/00000005528

3

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

## Statement of Directors' Responsibilities in Relation to the Consolidated and Separate Financial Statements for the year ended 31 December, 2023

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act, require the Directors to prepare financial statements for each financial period 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;

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 consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with;

- IFRS standards as issued by the International Accountant Standards Board (IFRS Accounting 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 position 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 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.

**Roosevelt Ogbonna**
Managing Director/CEO
FRC/2017/PRO/DIR/003/00000016638

**Seyi Kumapayi**
Executive Director
FRC/2013/PRO/DIR/003/00000000911

# 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 2020 ("CAMA") the members of the Audit Committee of Access Bank Plc hereby report on the financial statements for the year ended 31 December 2023 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, 2023 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 ₦851,131,112 (December 2022: ₦613,249,712) was outstanding as at 31 December, 2023 and was performing as at 31 December 2023 (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.

**Mr. Henry Omatsola Aragho**
Chairman, Audit Committee
FRC/2017/PRO/ICAN/002/00000016270
26 January 2024

***Members of the Audit Committee are:***

| | | | |
|---|---|---|---|
| 1 | Mr. Henry Omatsola Aragho | Shareholder | Chairman |
| 2 | *Mr. Akindele Gbogboade | Shareholder | Member |
| 3 | Mr Idaere Gogo Ogan | Shareholder | Member |
| 4 | Mr. Adeniyi Adekoya | Director | Member |
| 5 | Dr. Okey Nwuke | Director | Member |

*Appointed effective May 22, 2023

***In attendance:***
Sunday Ekwochi – Company Secretary

3

# 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 at all times. At the same time, given the number and complexity of financial transactions that take place every day, 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 the attention of the bank for prompt resolution. In addition, deliberate efforts are made to solicit customers' feedback on its 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 300 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 in due regard for the needs and understanding of each complainant. Efforts are made to resolve customer's complaints at first level. 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 'Resolve or Refer' command centre serves to encourage timely service delivery and First Time Resolution (FTR) of customer issues. The 'Resolve or Refer Command Centre' which is being run by a senior management staff 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 made is carried out and lessons learnt are fed back to the relevant business units to avoid future repetition. Customer complaint metrics are analysed and reports presented to Executive Management and the Operational Risk Management committee. Reports on customer complaints are also sent to the Central bank as required.

## ACCESS BANK PLC CUSTOMERS' COMPLAINTS FOR THE YEAR ENDED 31 DECEMBER 2023

| | NAIRA | | | | | | |
|---|---|---|---|---|---|---|---|
| S/N | DESCRIPTION | NUMBER | | AMOUNT CLAIMED (NAIRA) | | AMOUNT REFUNDED (NAIRA) | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| 1 | Pending complaints B/F | 6,118 | 306,116 | 14,868,818 | 249,742,931,153 | - | - |
| 2 | Received Complaints | 5,120,653 | 2,824,979 | 301,508,453,504 | 78,790,781,564 | - | - |
| 3 | Resolved complaints | 5,092,619 | 3,124,977 | 273,043,461,247 | 328,518,843,900 | 2,068,124,494 | 15,465,642,868 |
| 4 | Unresolved Complaints escalated to CBN for intervention | – | – | – | - | - | - |
| 5 | Unresolved complaints pending with the bank C/F | 34,152 | 6,118 | 28,479,861,075 | 14,868,818 | - | - |

| | USD | | | | | | |
|---|---|---|---|---|---|---|---|
| S/N | DESCRIPTION | NUMBER | | AMOUNT CLAIMED (NAIRA) | | AMOUNT REFUNDED (NAIRA) | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| 1 | Pending complaints B/F | 244 | 785 | 1,433,914 | 251,058,322 | - | - |
| 2 | Received Complaints | 28801 | 15,296 | 2,792,919,034 | 326,023,326 | - | - |
| 3 | Resolved complaints | 28277 | 15,837 | 2,611,614,279 | 575,647,733 | 2,161 | 355,153 |
| 4 | Unresolved Complaints escalated to CBN for intervention | – | – | – | - | - | - |
| 5 | Unresolved complaints pending with the bank C/F | 768 | 244 | 182,738,669 | 1,433,914 | - | - |

| | GBP | | | | | | |
|---|---|---|---|---|---|---|---|
| S/N | DESCRIPTION | NUMBER | | AMOUNT CLAIMED (NAIRA) | | AMOUNT REFUNDED (NAIRA) | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| 1 | Pending complaints B/F | - | 34 | 1 | 1,193,776 | | - |
| 2 | Received Complaints | 328 | 337 | 134,403,353 | 5,885,295 | - | - |
| 3 | Resolved complaints | 326 | 371 | 131,550,368 | 7,079,069 | - | - |
| 4 | Unresolved Complaints escalated to CBN for intervention | – | – | – | - | - | - |
| 5 | Unresolved complaints pending with the bank C/F | 2 | - | 2,852,985 | 1 | - | - |

| | EUR | | | | | | |
|---|---|---|---|---|---|---|---|
| S/N | DESCRIPTION | NUMBER | | AMOUNT CLAIMED (NAIRA) | | AMOUNT REFUNDED (NAIRA) | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| 1 | Pending complaints B/F | - | 19 | 0 | 2,445,101 | – | - |
| 2 | Received Complaints | 335 | 300 | 9,884,450 | 1,013,621 | - | - |
| 3 | Resolved complaints | 335 | 319 | 9,884,450 | 3,458,722 | - | - |
| 4 | Unresolved Complaints escalated to CBN for intervention | – | – | – | - | - | - |
| 5 | Unresolved complaints pending with the bank C/F | - | - | 0 | 0 | - | - |

### Solicited Customer Feedback

Deliberate efforts are made to solicit feedback from customers and staff on the services and products of the bank through the following:

- Questionnaires
- Customer interviews
- Customers forum
- Quest for Excellence Sessions (for staff)
- 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 ON FRAUD AND FORGERIES

This report represents the fraud and forgery incidents that occurred during the period. It is a summation of attempted and successful fraud incidents. The actual loss that was incurred by the Bank for the year is ₦6.15Bn (December 2022: N1.4bn).

**December 2023**

| | | Successful | | | | Unsuccessful | | | |
|---|---|---|---|---|---|---|---|---|---|
| **S/N** | **Category** | **Frequency** | **"Amount involved ₦'000"** | **"Actual Loss ₦'000"** | **% Loss** | **Frequency** | **"Amount involved ₦'000"** | **"Actual loss ₦'000"** | **% Loss** |
| 1 | Electronic Fraud/USSD | 6,597 | 986,889 | 92,203 | 1.5% | 174 | 1,699,090 | - | - |
| 2 | Cash Theft/ Suppression/Pilferage/Dry posting | 13 | 34,024 | 9,783 | 0.2% | - | - | - | - |
| 3 | Fraudulent Transfer/ Withdrawals/Reactivation of account | 16 | 7,549,302 | 6,009,546 | 97.7% | - | - | - | - |
| 4 | Fraudulent cash Lodgement | 2 | 11,759 | 11,759 | 0.2% | - | - | - | - |
| 5 | Armed Robbery | 2 | 22,007 | 21,508 | 0.3% | - | - | - | - |
| 6 | Cyber Attack | - | - | - | ` | - | - | - | - |
| 7 | Clearing | 1 | 4,000 | 4,000 | 0.1% | - | - | - | - |
| 8 | Presentation of Forged Instrument | 3 | - | - | 0.0% | - | - | - | - |
| 9 | Fraudulent manipulation of "Form M" | - | - | - | 0.0% | - | - | - | - |
| 10 | Fraudulent diversion of funds | - | - | - | 0.0% | - | - | - | - |
| 11 | Electronic Fraud/Cybersecurity | - | - | - | 0.0% | 1,136 | - | - | - |
| 12 | Electronic Fraud/wallet/ Suspicious wallet | - | - | - | 0.0% | 5,095 | - | - | - |
| | **TOTAL** | **6,634** | **8,607,981** | **6,148,799** | **100%** | **6,405** | **1,699,089** | **-** | **-** |

**December 2022**

| | | Successful | | | | Unsuccessful | | | |
|---|---|---|---|---|---|---|---|---|---|
| **S/N** | **Category** | **Frequency** | **"Amount involved ₦'000"** | **"Actual Loss ₦'000"** | **% Loss** | **Frequency** | **"Amount involved ₦'000"** | **"Actual loss ₦'000"** | **% Loss** |
| 1 | Electronic Fraud/USSD | 11,403 | 10,545,959 | 1,154,256 | 80.1% | 1,471 | 3,406,880 | - | - |
| 2 | Cash Theft/ Suppression/Pilferage/Dry posting | 25 | 192,759 | 168,552 | 11.7% | - | - | - | - |
| 3 | Fraudulent Transfer/ Withdrawals/Reactivation of account | 7 | 86,157 | 60,057 | 4.2% | - | - | - | - |
| 4 | Fraudulent cash Lodgement | - | - | - | 0.0% | 1 | 625 | - | - |
| 5 | Armed Robbery | 3 | 37,344 | 37,344 | 2.6% | - | - | - | - |
| 6 | Cyber Attack | - | - | - | 0.0% | - | - | - | - |
| 7 | Clearing | - | - | - | 0.0% | - | - | - | - |
| 8 | Presentation of Forged Instrument | - | - | - | 0.0% | - | - | - | - |
| 9 | Fraudulent manipulation of "Form M" | - | - | - | 0.0% | - | - | - | - |
| 10 | Fraudulent diversion of funds | 2 | 50,264 | 20,303 | 1.4% | - | - | - | - |
| 11 | Electronic Fraud/Cybersecurity | - | - | - | 0.0% | 1,152 | - | - | - |
| 12 | Electronic Fraud/wallet/ Suspicious wallet | - | - | - | 0.0% | 3,016 | - | - | - |
| | **TOTAL** | **11,440** | **10,912,483** | **1,440,512** | **100%** | **5,640** | **3,407,504** | **-** | **-** |

# 3 WHISTLEBLOWING REPORT

**The Bank expects all its employees and Directors to observe the highest level of probity in their dealings with it 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 engaged Deloitte 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 Deloitte's Ethics lines or emails, details of which are provided below.

### Internal Platform

**Email:** whistleblower@accessbankplc.com

### External Platform

| | |
|---|---|
| Toll-Free Hotline | 0800TIP-OFFS (0800 847 6337) |
| Email | tip-offs@deloitte.com.ng |
| Web Portal Link | https://tip-offs.deloittemanagedsolutions.com.ng/ |
| Mobile App | Deloitte Tip-Offs Anonymous App<br>Available on Google Play Store for Android and App Store for Apple |

In addition to the foregoing, stakeholders may also report unethical practices to the Central Bank of Nigeria via anticorruptionunit@cbn.gov.ng.

3

# STATEMENT OF CORPORATE RESPONSIBILITY

**In line with the provision of S.405 of CAMA 2020 we have reviewed the consolidated and separate audited financial statements of the Group for the year ended 31 December 2023 and based on our knowledge confirm as follows;**

I. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading 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 period 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 annual 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 There were no significant deficiencies in the design or operation of internal controls which could adversely affect the Group record, process, summarise and report financial data. Furthermore, there were no identified material weaknesses in the Group Internal Control system.

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.

There were no fraud events involving Senior Management or other employees who have a significant role in the company's internal control.

**Taiwo Fowowe**
Chief Financial Officer
FRC/2021/PRO/ICAN/001/00000024694
26 January, 2024

**Roosevelt Ogbonna**
Managing Director/CEO
FRC/2017/PRO/DIR/003/00000016638
26 January, 2024

access
PRIVATE BANK
expert care
anywhere
with Access MedicAir
Enjoy world class medical emergency assistance with Access MedicAir.
58
AMBULANCE
Benefits include;
Affordability and optimum value for money.
Annual cover limits up to $150,000.
Access to medical assistance services.
Accidental death benefit.
Covers treatment for critical, emergency and complex medical conditions.
Covers the cost of flight for an accompanying person.
Evacuation, transportation and hospital consultation in country of incident.
Repatriation to home country following medical treatment.
Terms and Conditions apply.
access
0020 0010 0030 2022
VALID THRU 06/24
AKIN OBI MUSA
VISA
Infinite
For enquires, contact your dedicated Relationship Management team.
More information:
premiumcard@accessbankplc.com
+234 1 2802520,
accessbankplc.com

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

Building a better working world

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

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

# REPORTS OF THE EXTERNAL CONSULTANTS ON BOARD PERFORMANCE AND CORPORATE GOVERNANCE EVALUATION

We have undertaken the evaluation of the Board of Access Bank Plc for the year ended 31st December 2023 in accordance with the guidelines of Section 10.1 of the Central Bank of Nigeria Corporate Governance Guidelines (CGG) 2023.

The Central Bank of Nigeria Corporate Governance Guidelines 2023 provides that there shall be an annual appraisal of the Board, its Committees, Chairman and individual directors covering all aspects of the Board's structure, composition, responsibilities, processes and relationships. Section 10.4 of the guidelines requires that the appraisal shall be conducted by an independent external consultant with adequate experience, knowledge and competence in corporate governance and performance management.

Our approach included the review of Access Bank Plc's Corporate Governance framework and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the Directors and key personnel of the 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 Plc has complied with the Central Bank of Nigeria Corporate Governance Guidelines 2023 during the year ended 31st December 2023.

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 Plc's 2023 Annual Report.

For: Ernst & Young

**Abiodun Ogunoiki**
Associate Partner and Financial Services Risk Management Leader, West Africa
FRC/2022/PRO/DIR/003/119476

## 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 2023 in accordance with the provisions of Section 15.1 of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria 2014.

The Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria 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 target 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.

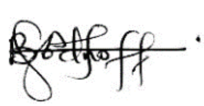
Our approach included the review of Access Bank Plc's Corporate Governance framework and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the Directors and key personnel of the 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 Plc has complied with the requirements of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria 2014 during the year ended 31st December 2023.

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 Plc's 2023 Annual Report.

For: Ernst & Young



**Abiodun Ogunoiki**
Associate Partner and Financial Services Risk Management Leader, West Africa
FRC/2022/PRO/DIR/003/119476

We have performed the evaluation of the Board of Access Bank Plc for the year ended 31st December 2023 in accordance with the provisions of Section 14.1 and 15.1 of the Financial Reporting Council (FRC) Nigerian Code of Corporate Governance (NCCG) 2018.

The Financial Reporting Council (FRC) Nigerian Code of Corporate Governance (NCCG) 2018 mandates registered companies to undergo an annual evaluation of their corporate governance practices to ensure their corporate 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 the evaluation should be included in the Company's annual report and on the investors' portal of the Bank.

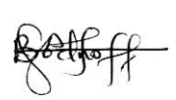
Our approach included the review of Access Bank Plc's Corporate Governance framework and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the Directors and key personnel of the 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 Plc has complied with the requirements of the Financial Reporting Council (FRC) Nigerian Code of Corporate Governance (NCCG) 2018 during the year ended 31st December 2023.

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 Plc's 2023 Annual Report.

For: Ernst & Young



**Abiodun Ogunoiki**
Associate Partner and Financial Services Risk Management Leader, West Africa
FRC/2022/PRO/DIR/003/119476

# 4

# FINANCIALS

Consolidated review of Financial Performance for the Year Ended December 2023.

# INDEPENDENT AUDITOR'S REPORT

KPMG

To the Shareholders of Access Bank Plc

**REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

## Opinion

We have audited the consolidated and separate financial statements of Access Bank Plc ("the Bank") and its subsidiaries (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

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

## Basis for Opinion

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

## Key Audit Matters

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

### Expected Credit Loss (ECL) allowance on Loans and advances to customers

The ECL allowance on loans and advances to customers is considered to be of most significance in the audit due to the high level of subjectivity, judgment, and assumptions applied in determining the amount to be recognized as loss allowance on the loans and advances to customers.

The Group uses an ECL model to determine the loss allowance for loans and advances to customers. The ECL Model requires the application of judgments, assumptions and certain financial indices (crude oil prices and prime lending rate) estimated from historical data obtained within and outside the Group as input into the model.

The loss allowance on the loans and advances is the output of the model and key judgments and assumptions include:

- Definition of default adopted by the Group
- Determination of the criteria for assessing the significant increase in credit risk (SICR);
- Incorporation of forward-looking information based on the economic scenarios within the model;
- Determination of the 12-month and lifetime probability of default (PD) used in the ECL model;
- Estimation of the Loss Given Default (LGD) based on collateral values and other cash flows.

KPMG

***How the matter was addressed in our audit***

Our audit procedures in this area included, among others:

We evaluated the design, implementation and operating effectiveness of the key controls over the impairment assessment such as:

- The Board Risk Credit Committee's review and monitoring of the performance of loans and advances to customers
- Management review of the model assumptions and inputs; and the resultant ECL allowance arising from the model;
- Management review and approval of the expected credit losses arising from the model.

- We assessed the Group's default definition and other qualitative default indicators by checking it to the requirements of the IFRS 9 Financial Instruments.
- We tested the appropriateness of the Group's determination of SICR, defaults and the resultant classification of loans and advances to customers into stages on a sample basis by reviewing the Obligor Risk rating model (ORR) and customers files for the terms of the loans and account statements for due and unpaid obligations.
- For loans and advances to customers that have shown a significant increase in credit risk, we evaluated the level of past due obligations based on the original terms of the loans and qualitative factors such as available industry information about the obligors to determine whether the Group should make an estimate based on the losses expected to result from default events within a year or defined default events over the life of the facilities.
- Assisted by our Financial Risk Management (FRM) specialists, we evaluated the appropriateness of the key data and assumptions used in the ECL model of the Group. Our procedures in this regard included the following:
  - We challenged the appropriateness and reasonableness of the Bank's ECL methodology by considering whether it reflects unbiased and probability-weighted amounts that are determined by evaluating a range of possible outcomes, the time value of money, reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.
  - For forward-looking assumptions comprising the Prime lending rate and Crude oil price used, we corroborated the Group's assumptions using publicly available information from external sources and checked that they were appropriate in the Group's circumstances.
  - For PD used in the ECL calculation, we reviewed the model used for the obligor risk rating and we validated the completeness and accuracy of the data used for default and nondefault categories for corporate and retail loans by evaluating the reasonability of the obligor risk rating model (ORR). We also checked the Group's PD methodology for reasonability given the current economic circumstance.
  - We checked the calculation of the LGD used by the Group in the ECL calculations, including the appropriateness of the use of collateral, by recomputing the LGD, and assessing the haircuts applied by management on the recoverability of collateral considering the current economic conditions. On a sample basis, we analyzed the valuation of collaterals applied in the ECL computations and evaluated the competence of the valuers.
  - We independently re-performed the calculation of ECL allowance for loans and advances to customers using the Group's impairment model and validated key inputs.
- We evaluated the adequacy of the consolidated and separate financial statements disclosures, including the disclosures of key assumptions and judgements, and also assessed whether disclosures in the consolidated and separate financial statements appropriately reflect the Group and Bank's exposure to credit risk in line with the requirements of the relevant accounting standards.

The accounting policy on ECL allowance for loans and advances to customers, disclosure on critical judgments and estimates, financial risk management disclosures and notes are shown in Note 3.9, 4.0, 5.1 and 23 respectively in the consolidated and separate financial statements for the year ended 31 December 2023.

**Valuation of Derivatives**

The Group and Bank's derivative instruments comprise foreign currency swaps, and foreign exchange forward contracts, which the Group and Bank have designated as hedging and non-hedging instruments to manage foreign exchange risk. Management uses a complex valuation methodology involving multiple inputs including discount rates, forward exchange rates, and the spot rate to estimate the fair value of these derivative instruments. We focused on this area due to the significance of these derivatives and the related estimation uncertainty in the fair valuation of these derivative instruments.

***How the matter was addressed in our audit***

Our audit procedures in this area included, among others:

- We evaluated and tested the design, implementation and operating effectiveness of key controls over the inputs used in determining the Group and Bank's valuation of derivative instruments.
- We inspected derivative contracts on a sample basis and substantiated the terms of the derivatives.
- Assisted by our Valuation specialists, we performed the following procedures:
    - We assessed whether the valuation model used by the Group and Bank was in line with acceptable market practice.
    - We validated the inputs used in the valuation model such as discount rates, forward exchange rates, yields, etc. by obtaining quoted rates from relevant external sources, and other relevant markets and compared these rates to the mark-to-market rates used.
    - We independently developed a range estimate of the fair value of the derivatives assets and liabilities.
- We evaluated the hedge documentation in line with the requirements of IFRS 9 Financial Instruments and agreed that the hedge ratio is in line with the ratio stated in the approved hedge documentation at the inception date.
- We recomputed the spot element of the derivatives to assess the accuracy of the amount recognized by the Bank and the Group.
- We evaluated the adequacy and appropriateness of the disclosures made on derivative financial instruments in the consolidated and separate financial statements.

The Group and Bank's accounting policy, disclosure on critical judgments and estimates, financial risk management disclosures, and notes are shown in Note 3.22, 4.0, 5.1 and Note 21 in the consolidated and separate financial statements for the year ended 31 December 2023.

***Remeasurement of the financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy***

Access Bank (Ghana) Plc is one of the subsidiaries of Access Bank Plc and accounts for N204.8 billion (8.0%), N77.2 billion (10.4%) and N1.0 trillion (3.9%) of the Group's revenue, profit before tax and total assets respectively.

In 2023, Ghana's economic environment showed characteristics which indicates the existence of hyperinflation and therefore the remeasurement of the financial statements in accordance with International Accounting Standards 29: Financial Reporting in Hyperinflationary Economies (IAS 29) was applied. The determination of the existence of hyperinflation is a matter of judgement based on the characteristics of the economic environment. The methodology adopted as well as the detailed calculation for the remeasurement of the non-monetary items using the consumer price index (CPI) at the reporting date is complex and requires significant judgement. We focused on this area due to the judgement required and complexity of the methodology adopted in determining the remeasured amounts, as well as the nature of disclosure required in the consolidated financial statements.

***How the matter was addressed in our audit***

Our audit procedures in this area included, among others:

- We evaluated management's assessment of the characteristics of the economic environment of Ghana in 2023 which indicates the existence of hyperinflation.
- We challenged management's assumptions and judgements applied in the selection of the general price index for the assessment of the economy by comparing to publicly available information and economic analysis.
- We evaluated management's methodology and approach to the remeasurement of the financial statements in accordance with IAS 29, by checking the appropriateness of the classification of financial statements items as monetary and non-monetary items.
- We independently evaluated the remeasurement calculations prepared and used to determine the remeasured amounts by checking the accuracy in the computations.
- We evaluated the reliability and reasonableness of the data used in the remeasurement calculations by checking the underlying historical data and publicly available information sources.
- We evaluated the adequacy and relevance of the presentation and disclosures in the financial statements as required by IAS 29.

The Group and Bank's accounting policy, disclosure on critical judgments and estimates, and notes are shown in Note 3.5, 4.0, and Note 27 (d) in the consolidated and separate financial statements for the year ended 31 December 2023.

## Other Matter

The consolidated and separate financial statements for the year ended 31 December 2022 were audited by another auditor who expressed unmodified opinion on those consolidated and separate financial statements on 17 April 2023.

### Other Information

The Directors are responsible for the other information. The other information comprises Corporate information, Directors' report, Customers' Complaints & feedback, Report on Fraud and Forgeries, Corporate Governance report, Statement of Directors' Responsibilities, Report of the Statutory Audit Committee, Reports on Fraud and Forgeries, Whistleblowing report, Statement of Corporate Responsibility, and Other National Disclosures, which we obtained prior to the date of the auditor's report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Other information also include Business and Financial Highlights, Locations and Offices, Chairman's Statement, Chief Executive Officer's Review, Corporate Philosophy, Commercial Banking, Retail Banking, Corporate and Investment Banking, Transaction Services, Settlement Banking and IT, Digital Banking, People, Culture and Diversity, Sustainability, Risk Management, The Board, Management Team, Reports of the External Consultant, Shareholder Engagement, Notice of Annual General Meeting, Explanatory Notes to the Proposed Resolutions, Dividend Payment History, Capital Formation History, Proxy Form, Branch Network and Onsite ATM Locations, Offsite ATM Locations, Correspondent Banks and Agency Banking Network, together the "outstanding reports", 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 express 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 have 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 outstanding reports, 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 for the Consolidated and Separate Financial Statements*

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 and Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Bank's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Statutory Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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

*Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.*

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

ii. In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purposes of 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.

*Compliance with Section 26 (3) of the Banks and Other Financial Institutions Act, 2020 and Central Bank of Nigeria circular BSD/1/2004*

i. The Bank and Group paid penalties in respect of contravention of the Banks and Other Financial Institutions Act of Nigeria and CBN Circulars during the year ended 31 December 2023. Details of penalties paid are disclosed in Note 41 to the consolidated and separate financial statements.

ii. Related party transactions and balances are disclosed in Note 43 to the consolidated and separate financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

*Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting*

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Bank and Group's internal control over financial reporting as of December 31, 2023. The work performed was done in accordance with ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We issued an unqualified conclusion on the effectiveness of the Bank and Group's internal control over financial reporting in our report dated 27 March 2024.

**Kabir Okunlola, FCA**
FRC/2012/ICAN/00000000428
For: KPMG Professional Services
Chartered Accountants
27 March 2024
Lagos, Nigeria.


# FINANCIAL STATEMENTS AND ACCOUNTS

For the year ended 31 December 2023

| *In millions of Naira* | Notes | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|---|
| Interest income calculated using effective interest rate | 8 | 1,564,038 | 769,079 | 1,199,479 | 589,608 |
| Interest income on financial assets at FVTPL | 8 | 90,067 | 57,506 | 44,297 | 39,418 |
| Interest expense | 8 | (937,490) | (467,729) | (809,590) | (404,198) |
| Net interest income | | 716,615 | 358,856 | 434,186 | 224,828 |
| Net impairment charge on financial assets | 9 | (139,535) | (197,790) | (123,303) | (118,681) |
| Net interest income after impairment charges | | 577,080 | 161,066 | 310,883 | 106,147 |
| Fee and commission income | 10 (a) | 264,001 | 195,470 | 182,064 | 153,535 |
| Fee and commission expense | 10 (b) | (69,291) | (51,850) | (57,982) | (44,907) |
| Net fee and commission income | | 194,710 | 143,620 | 124,082 | 108,628 |
| Net gains on financial instruments at fair value | 11a,b | 371,286 | 281,304 | 369,754 | 280,029 |
| Net foreign exchange gains | 12 a | 39,461 | 34,500 | (9,678) | 11,419 |
| Net gains on fair value hedge (Hedging effectiveness) | 12 b | 222,816 | 19,742 | 222,816 | 19,742 |
| Other operating income | 13 (a) | 37,291 | 24,660 | 40,181 | 31,261 |
| Loss on disposal of subsidiaries | 46 | - | (397) | - | - |
| Personnel expenses | 14 | (160,830) | (114,763) | (76,971) | (71,083) |
| Depreciation | 28 | (44,104) | (30,298) | (29,497) | (23,394) |
| Amortisation | 29 | (18,071) | (13,825) | (10,174) | (10,081) |
| Other operating expenses | 15 | (469,467) | (335,720) | (372,257) | (289,959) |
| Share of profit of investment in Associate | 27 (a) | 914 | 513 | - | - |
| **Profit before tax** | | 751,086 | 170,402 | 569,140 | 162,709 |
| Income tax | 16 | (105,624) | (14,529) | (33,460) | 3,951 |
| **Profit for the year from continuing operations** | | **645,462** | **155,873** | **535,680** | **166,660** |
| Discontinued operations | | | | | |
| (Loss)/Profit from Discontinued operations | 46 | - | (700) | - | - |
| **Profit for the year** | | **645,462** | **155,173** | **535,680** | **166,660** |
| Other comprehensive income/(loss) (OCI): | | | | | |
| **Items that will not be subsequently reclassified to income statement:** | | | | | |
| Gross Actuarial (loss) on retirement benefit obligations | 37 (a) i | (4,670) | (1,658) | (4,670) | (1,658) |
| **Items that may be subsequently reclassified to the income statement:** | | | | | |
| Unrealised foreign currency translation difference | | 481,059 | (6,707) | - | - |
| Changes in fair value of FVOCI debt financial instruments | 25 | (93,439) | 61,904 | (84,882) | 76,640 |
| Changes in allowance on FVOCI debt financial instruments | 25 | 16,694 | 21,283 | (973) | 3,472 |
| Income tax relating to these items | | 1,541 | 539 | 1,541 | 539 |
| Other comprehensive income/(loss), net of related tax effects | | 401,185 | 75,361 | (88,984) | 78,993 |
| **Total comprehensive gain/(loss) for the year** | | **1,046,647** | **230,534** | **446,696** | **245,653** |
| **Profit attributable to:** | | | | | |
| Owners of the bank | | 641,172 | 155,838 | 535,680 | 166,660 |
| Non-controlling interest | 38 | 4,290 | (665) | - | - |
| **Profit for the year** | | **645,462** | **155,173** | **535,680** | **166,660** |
| **Total comprehensive income attributable to:** | | | | | |
| Owners of the bank | | 1,007,132 | 238,284 | 446,696 | 245,653 |
| Non-controlling interest | 38 | 39,515 | (7,750) | - | - |

| | | | | | |
|---|---|---|---|---|---|
| **Total comprehensive income for the year** | | **1,046,647** | **231,233** | **446,696** | **245,654** |
| **Total profit/(loss) attributable to owners of the bank:** | | | | | |
| Continuing operations | | 641,172 | 156,538 | 535,680 | 166,660 |
| Discontinued operations | | - | (700) | - | - |
| | | **641,172** | **155,838** | **535,680** | **166,660** |
| **Total comprehensive income/(loss) attributable to owners of the bank:** | | | | | |
| Continuing operations | | 1,007,132 | 238,984 | 446,696 | 245,653 |
| Discontinued operations | | - | (700) | - | - |
| | | **1,007,132** | **238,284** | **446,696** | **245,653** |
| **Earnings per share attributable to ordinary shareholders** | | | | | |
| Basic (kobo) | 17 | 1,804 | 452 | 1,507 | 469 |
| Diluted (kobo) | 17 | 1,804 | 436 | 1,507 | 469 |
| **Earnings per share from continuing operations attributable to owners of the bank** | | | | | |
| Basic (kobo) | 17(a) | 1,804 | 454 | 1,507 | 469 |
| Diluted (kobo) | 17(b) | 1,804 | 438 | 1,507 | 469 |
| **Earnings per share from discontinued operations attributable to owners of the bank** | | | | | |
| Basic (kobo) | 17(a) | - | (2) | - | - |
| Diluted (kobo) | 17(b) | - | (2) | - | - |

The notes are an integral part of these consolidated financial statements.

As at the year ended 31 December 2023

| *In millions of Naira* | Notes | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and balances with banks | 18 | 2,975,484 | 1,961,100 | 2,345,773 | 1,445,659 |
| Investment under management | 19 | 7,423 | 3,742 | 7,423 | 3,742 |
| Non pledged trading assets | 20 | 209,208 | 102,690 | 157,798 | 77,624 |
| Derivative financial assets | 21 | 2,050,432 | 402,497 | 2,033,286 | 399,058 |
| Loans and advances to banks | 22 | 880,534 | 455,710 | 659,546 | 322,610 |
| Loans and advances to customers | 23 | 8,037,723 | 5,100,807 | 5,369,154 | 4.084,352 |
| Pledged assets | 24 | 1,211,641 | 1,265,279 | 1,211,641 | 1,265,279 |
| Investment securities | 25 | 5,342,156 | 2,761,070 | 3,346,780 | 1,946,560 |
| Investment properties | 31a | 437 | 217 | 437 | 217 |
| Restricted deposit and other assets | 26 | 5,076,416 | 2,487,691 | 4,693,995 | 2,346,050 |
| Investment in associates | 27a | 8,424 | 7,510 | 6,904 | 6,904 |
| Investment in subsidiaries | 27b | - | - | 390,325 | 283,045 |
| Property and equipment | 28 | 418,181 | 293,152 | 277,527 | 245,070 |
| Intangible assets | 29 | 128,148 | 73,782 | 73,105 | 59,365 |
| Deferred tax assets | 30 | 35,417 | 15,023 | - | 7,707 |
| | | 26,381,624 | 14,930,270 | 20,573,694 | 12,493,292 |
| Asset classified as held for sale | 31b | 75,418 | 42,039 | 75,418 | 42,038 |
| **Total assets** | | **26,457,042** | **14,972,309** | **20,649,112** | **12,535,280** |
| **Liabilities** | | | | | |
| Deposits from financial institutions | 32 | 4,387,020 | 2,005,316 | 3,907,192 | 7,530,062 |
| Deposits from customers | 33 | 15,322,752 | 9,251,238 | 11,239,847 | 7,530,063 |
| Derivative financial liabilities | 21 | 475,997 | 32,737 | 471,819 | 31,072 |
| Current tax liabilities | 16 | 20,450 | 4,501 | 14,501 | 7,556 |
| Other liabilities | 34 | 1,695,403 | 753,875 | 1,503,893 | 667,195 |
| Deferred tax liabilities | 30 | 11,160 | 1,796 | 9,544 | - |
| Debt securities issued | 35 | 585,024 | 307,253 | 577,378 | 303,297 |
| Interest-bearing borrowings | 36 | 1,602,226 | 1,385,424 | 1,384,472 | 1,286,869 |
| Retirement benefit obligation | 37 | 8,577 | 3,277 | 8,480 | 3,244 |
| **Total liabilities** | | **24,108,609** | **13,745,417** | **19,117,126** | **11,466,613** |
| **Equity** | | | | | |
| Share capital and share premium | 38 | 251,811 | 251,811 | 251,811 | 251,810 |
| Additional Tier 1 Capital | 38 | 345,030 | 206,355 | 345,030 | 206,355 |
| Retained earnings | | 737,133 | 409,653 | 605,619 | 321,181 |
| Other components of equity | 38 | 960,548 | 344,677 | 329,526 | 289,319 |
| **Total equity attributable to owners of the Bank** | | **2,294,521** | **1,212,497** | **1,531,986** | **1,068,667** |
| Non controlling interest | 38 | 53,911 | 14,395 | - | - |
| **Total equity** | | **2,348,432** | **1,226,892** | **1,531,986** | **1,068,667** |
| **Total liabilities and equity** | | **26,457,042** | **14,972,309** | **20,649,112** | **12,535,280** |

Signed on behalf of the Board of Directors on 29 January, 2024 by:

**MANAGING DIRECTOR/CEO**
Roosevelt Ogbonna
FRC/2017/PRO/DIR/003/00000016638

**CHIEF FINANCIAL OFFICER**
Taiwo Fowowe
FRC/2021/PRO/ICAN/001/00000024694

**EXECUTIVE DIRECTOR**
Oluseyi Kumapayi
FRC/2013/PRO/DIR/003/00000000911

## Consolidated Statements Of **Changes In Equity**

| *In millions of Naira* | Attributable to owners of the Bank | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Group** | **Share capital** | **Share premium** | **Additional Tier 1 Capital** | **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 2023** | 17,773 | 234,038 | 206,355 | 78,556 | 158,305 | 3,514 | (11,228) | 3,489 | 78,959 | 33,083 | 409,653 | **1,212,497** | 14,396 | **1,226,890** |
| **Total comprehensive income for the year:** | | | | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | - | - | 641,172 | 641,172 | 4,290 | 645,461 |
| **Other comprehensive income/(loss), net of tax** | | | | | | | | | | | | | | |
| Unrealised foreign currency translation difference | - | - | - | - | - | - | - | - | - | 468,712 | - | 468,712 | 12,347 | 481,059 |
| Actuarial (loss) on retirement benefit obligations | - | - | - | - | - | - | - | - | - | - | (3,129) | (3,129) | - | (3,129) |
| Changes in fair value of FVOCI debt financial instruments | - | - | - | - | - | - | - | - | (116,318) | - | - | (116,318) | 22,878 | (93,439) |
| Changes in allowance on FVOCI debt financial instruments | - | - | - | - | - | - | - | - | 16,694 | - | - | 16,694 | - | 16,694 |
| **Total other comprehensive (loss)/ income** | - | - | - | - | - | | - | - | **(99,624)** | **468,712** | **(3,129)** | **365,959** | **35,225** | **401,185** |
| **Total comprehensive (loss)/income** | - | - | - | - | - | - | - | - | **(99,624)** | **468,712** | **638,043** | **1,007,135** | **39,515** | **1,046,651** |
| **Transactions with equity holders, recorded directly in equity:** | | | | | | | | | | | | | | |
| Additional Tier 1 (AT1) Capital issued | - | - | 138,675 | - | - | - | - | - | - | - | - | 138,675 | - | 138,675 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dividend/Finance Cost of additional Tier 1 Capital | - | - | - | - | - | - | - | - | - | - | (57,884) | (57,884) | - | (57,884) |
| Transfers between reserves | - | - | - | 68,410 | 170,656 | - | - | - | - | - | (239,066) | - | - | - |
| Effects of hyperinflation | - | - | - | - | - | - | - | - | - | - | 47,880 | 47,880 | - | 47,880 |
| Restructuring of parent shares purchased for staff | - | - | - | - | - | (7,298) | - | - | - | - | - | (7,298) | | (7,298) |
| Scheme shares | - | - | - | - | - | 1,320 | 11,228 | - | - | - | - | 12,549 | - | 12,549 |
| Vested shares | - | - | - | - | - | 2,463 | - | - | - | - | - | 2,463 | - | 2,463 |
| Dividend paid to equity holders | - | - | - | - | - | - | - | - | - | - | (61,493) | (61,493) | - | (61,493) |
| **Total contributions by and distributions to equity holders** | **-** | **-** | **138,675** | **68,410** | **170,656** | **(3,515)** | **11,228** | **-** | **-** | **-** | **(310,563)** | **74,892** | **-** | **74,892** |
| **Balance at 31 December 2023** | **17,773** | **234,038** | **345,030** | **146,966** | **328,960** | **-** | **-** | **3,489** | **(20,665)** | **501,795** | **737,133** | **2,294,522** | **53,911** | **2,348,432** |

## Consolidated Statements Of **Changes In Equity**

| *In millions of Naira*<br>**Group** | **Share capital** | **Share premium** | **Additional Tier 1 Capital** | **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** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Attributable to owners of the Bank** | | | | | | | | | | | | | |
| **Balance at 1 January 2022** | **17,773** | **234,038** | **206,355** | **6,714** | **136,728** | **3,217** | **(7,513)** | **3,489** | **(9,713)** | **38,191** | **397,273** | **1,026,552** | **23,477** | **1,050,029** |
| **Total comprehensive income for the year:** | | | | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | | - | 155,838 | 155,838 | (665) | 155,173 |
| **Other comprehensive income/(loss), net of tax** | | | | | | | | | | | | | | |
| Unrealised foreign currency translation difference | - | - | - | - | - | - | - | - | - | (5,108) | - | (5,108) | (1,599) | (6,707) |
| Actuarial gain on retirement benefit obligations | - | - | - | - | - | - | - | - | - | - | (1,119) | (1,119) | - | (1,119) |
| Changes in fair value of FVOCI debt financial instruments | - | - | - | - | - | - | - | - | 67,389 | - | - | 67,389 | (5,486) | 61,904 |
| Changes in allowance on FVOCI debt financial instruments | - | - | - | - | - | - | - | - | 21,283 | - | - | 21,283 | - | 21,283 |
| **Total other comprehensive income/(loss)** | - | - | - | - | - | - | - | - | **88,672** | **(5,108)** | **(1,119)** | **82,445** | **(7,085)** | **75,359** |
| **Total comprehensive income** | - | - | - | - | - | - | - | - | **88,672** | **(5,108)** | **154,720** | **238,283** | **(7,750)** | **230,533** |
| **Transactions with equity holders, recorded directly in equity:** | | | | | | | | | | | | | | |
| Additional Tier 1 (AT1) Capital issued | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Issuing Cost of additional Tier 1 Capital | - | - | - | | | | - | - | - | - | (14,441) | (14,441) | - | (14,441) |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Transfers between reserves | - | - | - | 71,842 | 21,577 | - | - | - | - | - | (93,419) | - | - | - |
| Additional shares | - | - | - | - | - | 1,871 | (3,715) | - | - | - | - | (1,844) | - | (1,844) |
| Scheme shares (See Note 14) | - | - | - | - | - | (1,574) | - | - | - | - | - | (1,574) | - | (1,574) |
| Deemed disposal of subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividend paid to equity holders | - | - | - | - | - | - | - | - | - | - | (34,479) | (34,479) | (1,331) | (35,810) |
| **Total contributions by and distributions to equity holders** | **-** | **-** | **-** | **71,842** | **21,577** | **296** | **(3,715)** | **-** | **-** | **-** | **(142,340)** | **(52,338)** | **(1,331)** | **(53,672)** |
| **Balance at 31 December 2022** | **17,773** | **234,038** | **206,355** | **78,556** | **158,305** | **3,514** | **(11,228)** | **3,489** | **78,959** | **33,083** | **409,653** | **1,212,497** | **14,396** | **1,226,890** |

## Statements Of **Changes In Equity**

| *In millions of Naira* <br> **Bank** | Share capital | Share premium | Additional Tier 1 Capital | Regulatory Risk reserve | Other regulatory reserves | Share scheme reserve | Capital reserve | Fair value reserve | Retained earnings | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January, 2023** | **17,773** | **234,038** | **206,355** | **76,336** | **136,767** | **2,674** | **3,489** | **70,053** | **321,181** | **1,068,667** |
| **Total comprehensive income for the year:** | | | | | | | | | | |
| Profit for the year | - | - | | - | - | - | - | - | 535,680 | 535,680 |
| **Other comprehensive income/(loss), net of tax** | | | | | | | | | | |
| Actuarial loss on retirement benefit obligations (net of tax) | - | - | | - | - | - | - | - | (3,129) | (3,129) |
| Changes in fair value of FVOCI debt financial instruments | - | - | | - | - | - | - | (84,882) | - | (84,882) |
| Changes in allowance on FVOCI debt financial instruments | | | | | - | | | (973) | - | (973) |
| **Total other comprehensive (loss)** | - | - | - | - | - | - | - | **(85,855)** | **(3,129)** | **(88,984)** |
| **Total comprehensive (loss)** | - | - | - | - | - | - | - | **(85,855)** | **532,551** | **446,696** |
| **Transactions with equity holders, recorded directly in equity:** | | | | | | | | | | |
| Additional Tier 1 (AT1) Capital issued | - | - | 138,675 | - | - | - | - | - | - | 138,675 |
| Dividend/Finance Cost of additional Tier 1 Capital | - | - | - | - | - | - | - | - | (57,884) | (57,884) |
| Transfers between reserves | - | - | - | 48,384 | 80,352 | - | - | - | (128,736) | - |
| Dividend paid to equity holders | - | - | - | - | - | - | - | - | (61,493) | (61,493) |
| Reclassification of parent shares purchased for staff | - | - | - | - | - | (3,505) | - | - | - | (3,505) |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Scheme shares | - | - | - | - | - | 831 | - | - | - | 831 |
| Vested shares | - | - | | - | - | - | - | - | - | - |
| **Total contributions by and distributions to equity holders** | **-** | **-** | **138,675** | **48,384** | **80,352** | **(2,674)** | **-** | **-** | **(248,113)** | **16,624** |
| **Balance at 31 December 2023** | **17,773** | **234,038** | **345,030** | **124,720** | **217,119** | **-** | **3,489** | **(15,802)** | **605,619** | **1,531,985** |

## Statements Of **Changes In Equity**

| *In millions of Naira* <br> **Bank** | Share capital | Share premium | Additional Tier 1 Capital | Regulatory Risk reserve | Other regulatory reserves | Share scheme reserve | Capital reserve | Fair value reserve | Retained earnings | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January, 2022** | **17,773** | **234,038** | **206,355** | **1,118** | **111,767** | **2,190** | **3,489** | **(10,058)** | **304,778** | **871,449** |
| **Total comprehensive income for the year:** | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | 166,660 | 166,660 |
| **Other comprehensive income/(loss), net of tax** | | | | | | | | | | |
| Actuarial gain on retirement benefit obligations (net of tax) | - | - | - | - | - | - | - | - | (1,119) | (1,119) |
| Changes in fair value of FVOCI debt financial instruments | - | - | - | - | - | - | - | 76,640 | - | 76,640 |
| Changes in allowance on FVOCI debt financial instruments | | | | | - | | | 3,472 | - | 3,472 |
| **Total other comprehensive income** | - | - | - | - | - | - | - | **80,111** | **(1,119)** | **78,993** |
| **Total comprehensive income** | - | - | - | - | - | - | - | **80,111** | **165,542** | **245,654** |
| **Transactions with equity holders, recorded directly in equity:** | | | | | | | | | | |
| Additional Tier 1 (AT1) Capital issued | - | - | - | - | - | - | - | - | (14,441) | (14,441) |
| Transfers between reserves | - | - | - | 75,218 | 24,999 | | - | - | (100,217) | - |
| Dividend paid to equity holders | - | - | - | - | - | - | - | - | (34,479) | (34,479) |
| Scheme shares (See Note 14) | - | - | - | - | - | 1,541 | - | - | - | 1,541 |
| Vested shares | - | - | - | - | - | (1,057) | - | - | - | (1,057) |
| **Total contributions by and distributions to equity holders** | **-** | **-** | **-** | **75,218** | **24,999** | **484** | **-** | **-** | **(149,137)** | **(48,436)** |
| **Balance at 31 December 2022** | **17,773** | **234,038** | **206,355** | **76,336** | **136,767** | **2,674** | **3,489** | **70,053** | **321,181** | **1,068,667** |

# Consolidated and Separate Statement of **Cashflows**

For the year ended 31 December 2023

| *In millions of Naira* | Notes | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Profit before income tax[1] | | 751,086 | 169,703 | 569,140 | 162,709 |
| | | | | | |
| **Adjustments for:** | | | | | |
| Depreciation | 28 | 44,104 | 30,298 | 29,497 | 23,394 |
| Amortisation | 29 | 18,071 | 13,825 | 10,174 | 10,081 |
| Gain on disposal of property and equipment | 13 | (255) | (1,123) | (146) | (762) |
| Gain/(Loss) on lease modification | 28 | 45 | 330 | 45 | 330 |
| Fair value gain on financial assets at FVPL | 11 | (193,175) | (3,628) | (193,135) | (3,517) |
| Gain on disposal of investment securities and Non pledged trading assets | 11 | (93,675) | (111,380) | (92,183) | (110,216) |
| Impairment on financial assets | 9 | 139,535 | 197,790 | 123,304 | 118,678 |
| Additional gratuity provision | 14 | 687 | 5,769 | 687 | 5,769 |
| Restricted share performance plan expense | 14 | 1,320 | 1,871 | 831 | 1,541 |
| Write-off of property and equipment | 28 | 444 | 203 | 444 | 132 |
| Write-off of intangible assets | 29 | 135 | 1,039 | 135 | 35 |
| Share of profit from associate | 27 | (914) | (513) | - | - |
| Gain on modification of loans | | (3,569) | - | (3,569) | - |
| Fair value gain on investment property | | (220) | - | (220) | - |
| Net interest income | 8 | (713,046) | (358,855) | (430,617) | (224,828) |
| Change arising from goodwill reassessment | 29 | - | (83) | - | - |
| Foreign exchange gain on revaluation | 12 | (39,461) | (34,501) | 9,678 | (5,423) |
| Loss on derecognition of ROU assets | 28 | - | 6,546 | - | - |
| Fair value of derivative financial instruments excluding hedged portion | 11 | (84,436) | (166,296) | (84,436) | (166,296) |
| Loss from discontinued operations | 46 | - | 700 | - | |
| Dividend income | 13 | (5,223) | (3,672) | (23,387) | (15,159) |
| Net gain on fair value hedge (Hedging ineffectiveness) | 12(b) | (222,816) | (19,742) | (222,816) | (19,742) |
| Loss on disposal of subsidiaries | | - | 397 | - | - |
| | | (401,363) | (271,323) | (306,573) | (223,275) |
| **Changes in operating assets** | | | | | |
| Changes in non-pledged trading assets | 48 (i) | (147,102) | 714,468 | (120,121) | 654,730 |
| Changes in pledged assets | 48 (ii) | 56,993 | (630,837) | 56,994 | (630,837) |
| Changes in other restricted deposits with central banks | 48 (iii) | 476,693 | (372,202) | 477,789 | (370,580) |
| Changes in loans and advances to banks and customers | 48 (iv) | (3,758,609) | (1,131,732) | (1,758,947) | (839,250) |
| Changes in restricted deposits and other assets | 48 (v) | (3,484,575) | (497,739) | (2,502,252) | (437,388) |
| | | | | | |
| **Changes in operating liabilities** | | | | | |
| Changes in deposits from banks | 48 (vi) | 2,316,740 | 238,423 | 2,224,250 | 146,421 |
| Changes in deposits from customers | 48 (vii) | 5,919,893 | 2,279,299 | 3,704,491 | 1,998,026 |
| Changes in other liabilities | 48 (viii) | 944,429 | 432,644 | 841,272 | 366,894 |
| | | 1,923,099 | 761,000 | 2,616,901 | 664,739 |
| | | | | | |
| Interest paid on deposits to banks and customers | 48 (ix) | (720,581) | (357,957) | (655,524) | (304,307) |
| Interest received on loans and advances to bank and customers | 48 (x) | 1,127,415 | 421,225 | 565,546 | 310,052 |
| Interest received on non-pledged trading assets | 48 (x) | 92,041 | 60,006 | 44,599 | 37,440 |
| | | 2,421,976 | 884,272 | 2,571,522 | 707,925 |
| | | | | | |
| Payment out of retirement benefit obligation | 37(i) | (120) | (8,029) | (120) | (8,029) |
| | | | | | - |
| Income tax paid | 16 | (68,391) | (20,511) | (6,177) | (1,368) |
| **Net cash generated from operating activities** | | **2,353,465** | **855,732** | **2,565,226** | **698,528** |
| | | | | | |
| **Cash flows from investing activities** | | | | | |
| Net acquisition of investment securities | 48 (xi) | (3,673,857) | (1,981,681) | (3,520,411) | (1,828,663) |

| | | | | | |
|---|---|---|---|---|---|
| Interest received on investment securities | 48 (x) | 763,053 | 278,554 | 610,244 | 214,349 |
| Transfer from/additional investment in fund manager | 48 (xi) | (3,681) | 3,003 | (3,681) | 3,003 |
| Dividend received | 13 | 5,223 | 3,672 | 23,387 | 9,164 |
| Acquisition of property and equipment | 28 | (149,644) | (75,764) | (61,837) | (54,770) |
| Proceeds from the sale of property and equipment | 48 (xiii) | 29,475 | 16,747 | 450 | 3,312 |
| Acquisition of intangible assets | 29 | (47,087) | (17,913) | (24,049) | (10,747) |
| Proceeds from disposal of asset held for sale | 48 (xiii) | 1,957 | 8,384 | 1,957 | 8,384 |
| Proceeds from matured investment securities | 48 (xiii) | 2,199,706 | 1,189,922 | 2,169,007 | 1,189,922 |
| Additional investment in associate | 27 a | - | (4,356) | - | (4,356) |
| Additional investment in subsidiaries | 48 (xi) | - | - | (117,356) | (65,543) |
| Net cash acquired on business combination | 44 | 39,121 | - | - | - |
| Proceeds from sale of subsidiary and associates | | | 2,000 | | - |
| | | | | | 2,000 |
| **Net cash used in investing activities** | | **(835,735)** | **(577,434)** | **(922,291)** | **(533,945)** |
| | | | | | |
| **Cash flows from financing activities** | | | | | |
| Interest paid on interest bearing borrowings and debt securities issued | 48 (ix) | (114,218) | (68,961) | (108,081) | (63,464) |
| Proceeds from interest bearing borrowings | 36 | 310,975 | 678,377 | 152,003 | 612,579 |
| Proceeds from Additional Tier 1 capital issued | 38 | 138,675 | - | 138,675 | - |
| Payments on Issuing cost of Additional Tier 1 capital | 48 (xv) | (57,884) | (14,441) | (57,884) | (14,441) |
| Repayment of interest bearing borrowings | 36 | (763,774) | (509,479) | (723,837) | (446,598) |
| Proceeds from debt securities issued | 35 | - | 21,887 | - | 21,887 |
| Lease payments | 48 (xii) | (7,378) | (32,138) | (138) | (23,314) |
| Purchase of own shares | 48 (xii) | (291) | (4,700) | (291) | (4,700) |
| Dividends paid to owners | 48 (xv) | (61,493) | (35,810) | (61,493) | (34,479) |
| **Net cash generated from financing activities** | | **(555,389)** | **34,734** | **(661,046)** | **47,468** |
| | | | | | |
| **Net increase in cash and cash equivalents** | | 962,341 | 313,032 | 981,889 | 212,169 |
| | | | | | |
| Cash and cash equivalents at beginning of year | 40 | 1,894,931 | 1,528,923 | 1,384,149 | 1,113,369 |
| Net increase in cash and cash equivalents | | 962,343 | 313,032 | 981,889 | 212,051 |
| Effect of exchange rate fluctuations on cash held | | 531,179 | 52,975 | 398,384 | 58,726 |
| **Cash and cash equivalents at end of year** | 40 | 3,388,451 | 1,894,930 | 2,764,422 | 1,384,146 |

[1]Contained in the profit before tax for December 2022 is the amount of ₦170.39bn from continuing operations and the loss of ₦700million from discontinued operations for the Group.

## 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 Group for the year ended 31 December 2023 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 National Association of Securities Dealers (NASD).

These financial statements were approved and authorised for issue by the Board of Directors on 29 January 2024. 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 Accounting Standard) 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 (IFRS Accounting Standard) 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 accompanying 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.

## (i) Summary of 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 periods presented, unless otherwise stated.

### (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 Access Bank Plc's functional and presentation currency; except where indicated, financial information presented in Naira has been rounded to the nearest millions.

### (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 carrying amount and fair value less costs to sell.
- Balances for entities in hyper-inflation economies
- 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 period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

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.

## 3.1 Changes in accounting policy and disclosures

**Changes in accounting policies**

Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2023. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

### Amendments to IAS 8 – Definition of Accounting Estimates

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

This amendment did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

### Changes in material accounting policies

**(i) Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

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

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

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

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

**(II) Material accounting policy information**

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

The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3.3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

## 3.2 Standards and interpretations issued/ amended but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on 1 January 2023:

**Amendments to IAS 1 – Classification of Liabilities as Current or Non-current effective Jan 1, 2024**

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment clarify:

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

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

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

**Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback effective Jan 1, 2024**

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

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

The amendment is not expected to have any significant impact on the Group at the time it will take effect, as there is non-existent of such transaction as Sale and Leaseback within the Group or with external parties.

**Amendments to IAS 7 & IFRS 7 – Supplier Finance Arrangements effective Jan 1, 2024.**

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

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

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

## 3.3 Summary of material accounting policies

**(a) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group exercises 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. The 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 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) Investment Funds**

The Group acts as a fund manager for the RSPP funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interest of the Group in the fund. The group has concluded that it acts as an agent for the investment in all cases, and therefore has not consolidated its funds.

**(d) 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.

**(e) 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.

#### (f) 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.

#### (g) 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 unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

#### (h) Non controlling interest

The group recognises non-controlling interests in an acquired entity either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

### 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 and the Bank'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 pass 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. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest, impairment and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

**(c) Foreign Operations**

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency( except for Access Bank Ghana who has a currency of hyper-inflation) 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.

**(d) Hyperinflationary Accounting**

In 2023, the Group applied hyperinflationary accounting to a subsidiary operation in the country where the three-year cumulative inflation rate approached or exceeded 100% in accordance with the provisions of IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29).

This affected the Group's operations in Ghana with a functional currency of Ghana Cedis where the three years cumulative inflation has reached over 100% as evidenced by the official Consumer Price Index (CPI) that moved from 107.01 in 2021 to 200.5 in 2023. The Group adopted hyperinflation accounting from 1 January 2023 for the results and financial position of the subsidiary in Ghana.

The Group applies IAS 29 to the underlying financial information of relevant subsidiary to restate their local currency results and financial position to be stated in terms of the measuring unit current at the end of the reporting period. Those restated results are translated into the Group's presentation currency of Naira for consolidation at the closing rate at the balance sheet date. Group comparatives are not restated for inflation. The hyperinflationary gain or loss in respect of the net monetary position of the relevant subsidiary is included in profit or loss.

The restatement of transactions and balances for the Ghana subsidiary are as follows:

- Corresponding figures as of, and for, the prior year ended, are restated by applying the change in the index from the end of the prior year to the end of the current year.
- Monetary assets and liabilities for the current year, are not restated because they are already stated in terms of the measuring unit current at statement of financial position date;
- Non-monetary assets and liabilities, and components of shareholders equity/funds, are restated by applying the change in index from date/month of transaction or, if applicable, from the date of their most recent revaluation to the statement of financial position date;
- Property, plant and equipment and intangible assets are restated by applying the change in the index from the date of transaction, or if applicable from the date of their most recent/last revaluation, to the statement of financial position date. Depreciation and amortisation amounts are based on the restated amounts;
- Profit or loss statement items/transactions, are restated by applying the change in index during the period to statement of financial position date;
- Consequential adjustments to the opening balance sheet in relation to hyperinflationary subsidiary are presently directly in equity.
- Gains and losses arising from net monetary asset or liability positions are included in the profit or loss statement; and
- All items in the cash flow statement are expressed in terms of the measuring unit current at the statement of financial position date.

## 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 services.

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 and separate income statement using the effective interest method.

The Group calculates interest income by applying the Effective interest rate (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 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 period. 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 period) 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 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.

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. 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 period.
- 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 bills and letters of credit, account handling charge, commissions on other financial services, commission on foreign currency denominated transactions, channel and other

e-busiess income, and retail account charges. 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 financial instruments at fair value

Net loss/gains on financial instruments comprise of the following:

- Net gains/losses on financial instruments classified as fair value through profit or loss: 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 of debt instruments carried at fair value through other comprehensive income.

#### (d) Net Foreign exchange gain and losses

Net foreign exchange gain and losses include realised and unrealised foreign exchange gains or losses on revaluation of the foreign currency denominated transactions.

#### (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 in the income statement.

### 3.7 Income tax

The tax expense for the period 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. It is recognized in the current tax liabilities caption in the statement of financial positions.

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 2019, minimum tax will be applicable at 0.5% of gross turnover less franked investment income. This is shown in note 16.

#### (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 statement of financial position. 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 tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

## 3.8 Financial assets and liabilities

*Investments and other financial assets*

**Recognition and derecognition**

The Group initially recognizes financial instruments (including regular-way purchases and sales of financial assets) on the settlement date, which is the date that the instrument is delivered to or by the Group.

### (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 for debt financial assets 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. 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.

**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. Where the fair value is different from the transaction price, the resulting gain or loss is recognized in trading gains or losses on financial instruments only when the fair value is evidenced by a quoted price in an active market for an identical asset (i.e. level 1 input) or based on a valuation technique that uses only data from observable markets.

### 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 (loss)/gain on financial instruments at fair value 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 financial instruments at fair value 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 financial instruments at fair value in the period in which it arises.

If in a subsequent period, 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.

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.

### iii Equity instruments

The group initially measures 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 financial instrument at fair value in the statement of profit or loss as applicable.

### 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 period 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 include derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains and losses attributable to changes in Group's credit risk are recognised in other comprehensive income and the fair value of the liability are recognised in profit or loss.

If recognition of own credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, all fair value gains/losses are recognised in profit or loss.

The table below reconciles classification of financial instruments to the respective IFRS 9 category.

| | |
|---|---|
| Financial assets | Financial assets at fair value through profit or loss |
| | Financial assets at amortised cost |
| | Fair value through other comprehensive income |
| Financial liabilities | Financial liabilities at fair value through profit or loss |
| | Financial liabilities at amortised cost |

**(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)/gain on financial instruments at fair value". 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 is mandated to classify certain financial assets upon initial recognition as at fair value through profit or loss (fair value option) when the following conditions are met:

- The asset does not meet the solely principal and interest on the principal amount outstanding (SPPI) test.
- The financial asset is held within a business model whose objective is achieved by selling financial assets.

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 designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

**[ii] Amortized cost**

Amortized cost financial assets are assets that are held for collection of contractual cashflows, where those cashflows represent solely payments of principal and interest.

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

Financial assets at fair value through other comprehensive income are assets that are held for the collection of contractual cashflows and selling of the financial assets where the asset's cashflow represents solely payments of principal and interest.

Unquoted equity securities that have been elected as fair value through other comprehensive and other fair vlaue through other comprehensive income investments are carried at fair value.

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 debt 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 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

The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in Note 21 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are presented as financial assets or financial liabilities.

Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.

**(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.

**Reclassification of financial assets and liabilities**

**(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 the Group changes its business model for managing a financial asset; 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.

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 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 period 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 period), 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 in the statement of comprehensive income, to the extent that an impairment loss has not already been recorded. The terms and conditions have been renegotiated substantially if the discounted cash flows under the new terms are at least 10 per cent different from the discounted remaining cash flows of the original terms. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated Credit Impaired (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. This is recognized in the statement of comprehensive income.

*(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 without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

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 such as the beneficiary, tenor, prinicpal amount or the interest rate, 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.

**Sale and repurchase agreements**

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 (loss)/ gain on financial instruments at fair value.

**(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 the 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 classified as fair value through profit or loss, Fair value through other comprehensive income or Amortized cost. Where the assets pledged as collateral are classified as fair value through profit or loss, subsequent measurement is at fair value through profit and loss, whilst assets pledged as collateral classified as Fair value through other comprehensive income are measured at fair-value through equity. Assets pledged as collateral 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 is within an agreed portfolio of high quality Nigerian fixed income and money market instruments which are usually short tenured.

The investments are carried at amortized cost.

## 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 period, 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 , as described below. All POCI (Purchased or originated credit impaired) financial instruments are categorized under stage 3.

- Stage 1: When a financial instrument is first recognised, the Group recognises an allowance based on 12m Expected credit Loss. Stage 1 also includes financial instruments where the credit risk has improved (after review over a period 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 period 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**

| **Stage 1** | **Stage 2** | **Stage 3** |
|---|---|---|
| (Initial Recognition) | (Initial Recognition) | (Credit-impaired assets) |
| 12-months expected credit losses | Lifetime expected credit losses | 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 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 (i.e. be paid in full or no longer credit-impaired) 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 three 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 asset.

- 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

- Sovereign Debt investments at amortised cost and FVOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management considers 'low credit risk' for such instruemnts to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

**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.

The Bank continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Bank assesses whether there has been a significant increase in credit risk since initial recognition.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information. The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime PD as at the reporting date, with
- The remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure

The Bank uses three criteria for determining whether there has been a significant increase in credit risk:

- A quantitative test based on movement in PD
- Qualitative indicators; and
- A backstop of 30 days past due for all financial assets (regardless of the change in internal credit grades

**Qualitative criteria:**

For Retail loans, if the borrower meets one or more of the following criteria:

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months

For Corporate portfolio, if the borrower is on the watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans

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.

For modified financial assets the Group assesses whether there has been a significant increase in credit risk of the financial instrument by comparing the risk of default occurring at the reporting date (based on the modified contractual terms) and the risk of default occurring at initial recognition (based on the original unmodified contractual terms)

**Backstop**

A backstop indicator is applied and the financial instrument is 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,
- Exchange rates (USD/NGN), and
- GDP growth 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 2012 to the second quarter of 2020. 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, 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 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 period 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.

**Collateral repossessed**

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 bad debt recovered under other operating income.

**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 above to assess impairment.

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.

## 3.10 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 periodly 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 period which it arises as: "Fair value gain/loss 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 applicable to property and equipment.

## 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 operating 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 periods of significant items of property and equipment are as follows:

| | |
|---|---|
| Freehold Land | Not depreciated |
| Leasehold improve-ments 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 |
| Plant and Equipment | 5 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 period the asset is derecognised.

## 3.12 Leases

**Group as the Lessee:**

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 the ""extension and termination options header" below. The lease period ranges from 1 period to 40 periods. 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 period 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 incremental borrowing rate applied to the lease liabilities as at 31 December 2023 was 15.79%. Where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. 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.

**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 or its equivalent in Naira 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.

**A group company is the lessor;**

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

## 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 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.

Intangible assets are derecognized on disposal or when no economic benefits are expectedfrom their use or disposal

**(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 period-end and adjusted if appropriate.

**(c) Brand, Customer Relationships and Core Deposits**

These are 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 Group derives economic benefits from the assets, on a straight-line basis, 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 period 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 periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 periods 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 period in which it arise.

## 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 period.

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 period 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 period 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 periods. 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 profit and loss account, with a charge or credit to other comprehensive income (OCI) in the periods 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 period that employees provide services, generally the period 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 non-market vesting 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 period has been expensed within Personnel expenses, with a corresponding increase in the liability account as the scheme is cash-settled.

## 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) Additional Tier 1 Capital**

The Group classifies financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Additional tier 1 securities issued by the Bank are not redeemable by the subscribers and bear an entitlement to coupons at the sole discretion of the board of directors of the Bank. Accordingly, they are presented within equity. Distributions thereon are recognized in Equity. Based on the Group's assessment of the terms of the AT 1 securities, the coupon payments meet the definition of dividend. Therefore, the related tax impacts are recognized in profit or loss in accordance with IAS 12.See note 38c ) for more details.

**(c) Dividend on the Bank's ordinary shares**

Dividends on ordinary shares are recognised in equity in the period when approved by the Bank's shareholders. Dividends for the period that are declared after the end of the reporting period are disclosed in the subsequent events note.

**(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 period. 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. There are no restrictions to the distribution of these reserves.

| 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 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 investments measured through other comprehensive income 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 undistributable profit carried forward recognised income net of expenses plus current period profit attributable to shareholders.

## 3.21 Levies

The Group recognizes liability to pay levies progressively if the obligating event occurs over a period. 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 notes to the financial statements. The full fair value of a hedging derivative is presented 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 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. The hedge effectiveness is determined every reporting period.

**Derivatives that do not qualify for hedge accounting**

Certain derivative instruments are not designated for hedge accounting. Changes in the fair value of any derivative instrument that are not designated 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.

## 3.23 Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. The group's investment in associates includes goodwill identified on acquisition. In the separate financial statements, investments in associates are carried at cost less impairment.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Associates are carried at cost.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss)' of associates in the income statement.

Profits and losses resulting from transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

The cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the cost of any additional consideration transferred as of the date when the investment became an associate. Changes in fair value of previously held interest are recognized in profit or loss.

## 4.0 Use of Estimates and Judgements

- Critical 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.

**Economic loss impact of Ghana sovereign debt on the Group's position**

The Group took an impairment of ₦195.30Bn in (December 2022: 103.10Bn) in recognition of the economic loss impact of Ghana sovereign debt crisis (Domestic debt and Eurobonds). Whilst the economic loss on Ghana Domestic debt has been determined via a Domestic Debt Exchange Programme (DDE) with definite terms, unlike the DDE, the Ghanaian government has not yet presented restructuring terms for the Eurobonds. Though, restructuring parameters are subject to uncertainty, the possibility of further material impairment charge for this event is considered remote. The carrying value and fair value for Ghana sovereign debts in the books of the Group amounts to ₦794.75Bn (December 2022: ₦348.15Bn).

**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 period, 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 ₦492.18 million.

**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 scenario (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 34.67%, 30.00% and 35.33% respectively.

The EIR, as provided by the Bank, is used to discount all ECLs to the reporting date. The method followed for accounts classified as Stage 1, Stage 2 or Stage 3 are set out below; For accounts with no EIR information, the contractual rate is used as a proxy

**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 Group reviews its loan portfolios to assess impairment at least on a half periodly basis. In determining whether an impairment loss should be recorded in the income statement, the Group 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 Group.

The Group 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 these 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 2023, 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 and decrease in Macroeconomic Scalars by 10% results in an increase/ Decrease in Impairment of ₦7.34 billion and ₦4.60 billion respectively. Further increase/Decrease in the Probability of default by 10% results in an impairment increase/ decrease of ₦7.20 billion and ₦4.45 billion respectively.

| | -10% | +10% |
|---|---|---|
| **P & L Impact of change in Macroeconomic variables** | -4,604 | 7,350 |

| | -10% | +10% |
|---|---|---|
| **Asset Quality Impact of change in Macroeconomic variables** | -4,468 | 7,203 |

**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 2023, 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** | -324 | 323 |

**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 or 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 retained earnings 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 retained earnings 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 2023** | **December 2022** |
|---|---|---|---|
| *In millions of Naira* | | | |
| **Bank** | Note | | |
| Expected credit loss (ECL) on Exposures | | | |
| - Loans to banks | 22 | 244 | 341 |
| - Loans to individuals | 23(b) | 9,482 | 8,152 |
| - Loans to corporate | 23(b) | 89,686 | 56,910 |
| - Placement | 18 | 961 | - |
| - Contingents | 34 (e) | 3,318 | - |
| - Investment Securities at Fair value through other comprehensive income (FVOCI) | 25 | 2,721 | - |
| - Investment Securities at Amortised cost (AMC) | 25 | 116,788 | - |
| - Pledged assets at Amortised cost (AMC) | 24 | 921 | - |
| - Pledged assets at Fair value through other comprehensive income (FVOCI) | 24 | 189 | - |
| - Other assets | 26 | 22,125 | - |
| - Litigation | 34 (f) | 3,838 | - |
| Total impairment allowances on loans per IFRS | | **250,273** | **65,403** |
| **Total regulatory impairment based on prudential guidelines** | | **374,993** | **141,739** |
| Balance, beginning of the year | | 76,336 | 1,118 |
| Additional transfers to/(from) regulatory risk reserve | | 48,384 | 75,218 |
| **Balance, end of the year** | | **124,720** | **76,336** |

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 were tested for impairment by comparing the value-in-use for the cash generating unit to the carrying amount of the goodwill based on cash flow projections. Projected cash flows for Kenya were discounted to present value using a discount rate of 27.77% and a cash flow terminal growth rate of 5.47%. Projected cash flows for Rwanda was discounted using a discount rate of 21.24% and terminal growth rate of 6.72%. Projected cash flows for Former Diamond Bank was discounted using a discount rate of 29.63% and terminal growth rate of 3.20%. Projected cash flows for Access Botswana was discounted using a discount rate of 8.72% and terminal growth rate of 4.29%. The Group determined the appropriate discount rate at the end of the period using the Capital Asset Pricing Model. See note 29b for further details.

| | December 2023 | | December 2022 | |
|---|---|---|---|---|
| **Entity** | **Discount Rate** | **Terminal Growth-rate** | **Discount Rate** | **Terminal Growth-rate** |
| Access Diamond | 29.63% | 3.20% | 31.78% | 3.19% |
| Access Botswana | 8.72% | 4.29% | 8.80% | 4.16% |
| Access Kenya | 27.77% | 5.41% | 23.22% | 5.47% |
| Access Rwanda | 21.24% | 6.72% | 22.44% | 6.60% |

**(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 period. 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 period to period.

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 period using the market approach.

The adjusted fair value comparison approach of 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 P/BV 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 Amortization (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.

**d. 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.

**(b) Hyperinflationary accounting**

The restatement in respect of hyperinflationary accounting has been calculated by means of conversion factors derived from the consumer price index (CPI) published by International Monetary Fund (IMF). The conversion factors used to restate the financial statements at 31 December 2023 are as follows:

| Entity | Index | Conversion Factor |
|---|---:|---:|
| 31 December 2023 | 200.50 | 1.00 |
| 31 December 2022 | 162.80 | 1.23 |
| 31 December 2021 | 107.01 | 1.87 |

## 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 period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

### 4.1.1 Recurring fair value measurements

| *In millions of Naira* | | | | |
|---|---|---|---|---|
| **Group** | | | | |
| **December 2023** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets** | | | | |
| Non pledged trading assets | | | | |
| Treasury bills | 197,120 | - | - | 197,120 |
| Government Bonds | 10,146 | - | - | 10,146 |
| Eurobonds | 1,942 | - | - | 1,942 |
| Derivative financial instrument | - | 2,050,432 | - | 2,050,432 |
| Pledged assets | | | | |
| -Financial instruments at FVOCI | | | | |
| Treasury bills | 445,262 | - | - | 445,262 |
| Government Bonds | - | - | - | - |
| -Financial instruments at FVPL | | | | |
| Treasury bills | 32,235 | - | - | 32,235 |
| Government Bonds | 1,193 | - | - | 1,193 |
| Investment securities | | | | |
| -Financial assets at FVOCI | | | | |
| Treasury bills | 1,943,342 | - | - | 1,943,342 |
| Government Bonds | 239,630 | - | - | 239,630 |
| State government bonds | - | 20,431 | 31,945 | 52,376 |
| Corporate bonds | - | 18,059 | - | 18,059 |
| Eurobonds | 89,227 | - | - | 89,227 |
| Commercial paper | | - | - | - |
| Promissory notes | 16,714 | - | - | 16,714 |
| -Financial assets at FVPL | | | | - |
| Equity | - | 7,746 | 398,409 | 406,155 |
| Investment properties | | | 437 | 437 |
| Assets held for sale | - | - | 75,418 | 75,418 |
| | 2,976,811 | 2,096,668 | 506,209 | 5,579,691 |
| **Liabilities** | | | | |
| Derivative financial instrument | - | 475,997 | - | 475,997 |
| | - | 475,997 | - | 475,997 |

* There are no transfers between levels during the period

**Group**

**December 2022**

| *In millions of Naira* | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **Assets** | | | | |
| Non pledged trading assets | | | | |
| Treasury bills | 88,116 | - | - | 88,116 |
| Government Bonds | 12,280 | - | - | 12,280 |
| Eurobonds | 2,294 | - | - | 2,294 |
| Derivative financial instrument | - | 402,497 | - | 402,497 |
| Pledged assets | | | | |
| -Financial instruments at FVPL | | | | |
| Treasury bills | 72,565 | - | - | 72,565 |
| Government Bonds | 2,567 | - | - | 2,567 |
| Investment securities | | | | |
| -Financial assets at FVOCI | | | | |
| Treasury bills | 1,046,120 | - | - | 1,046,120 |
| Government Bonds | 168,293 | - | - | 168,293 |
| State government bonds | - | 65,652 | - | 65,652 |
| Corporate bonds | - | 20,599 | - | 20,599 |
| Eurobonds | 41,695 | - | - | 41,695 |
| Commercial paper | | 3,869 | | 3,869 |
| Promissory notes | 217,305 | - | - | 217,305 |
| -Financial assets at FVPL | | | | |
| Equity | - | 4,964 | 162,943 | 167,907 |
| Investment properties | - | - | 217 | 217 |
| Assets held for sale | - | - | 42,039 | 42,039 |
| | 2,102,711 | 497,582 | 205,200 | 2,805,484 |
| | | | | |
| **Liabilities** | | | | |
| Derivative financial instrument | - | 32,737 | - | 32,737 |
| | - | 32,737 | - | 32,737 |

| *In millions of Naira* | | | | |
|---|---|---|---|---|
| **Bank** | | | | |
| **December 2023** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets** | | | | |
| Non pledged trading assets | | | | |
| Treasury bills | 150,038 | - | - | 150,038 |
| Government Bonds | 5,819 | - | - | 5,819 |
| Eurobonds | 1,942 | - | | 1,942 |
| Derivative financial instrument | - | 2,033,286 | - | 2,033,286 |
| Pledged assets | | | | |
| -Financial instruments at FVOCI | | | | |
| Treasury bills | 445,262 | - | - | 445,262 |
| Government Bonds | - | - | - | - |
| -Financial instruments at FVPL | | | | |
| Treasury bills | 32,235 | - | - | 32,235 |
| Government Bonds | 1,193 | - | - | 1,193 |
| Promissory Notes | - | - | - | - |
| Investment securities | | | | |
| -Financial assets at FVOCI | | | | |
| Treasury bills | 905,038 | - | - | 905,038 |
| Government Bonds | 68,321 | - | - | 68,321 |
| State government bonds | - | 52,376 | - | 52,376 |
| Corporate bonds | - | 18,059 | - | 18,059 |
| Eurobonds | 53,394 | - | - | 53,394 |
| Commercial paper | | - | - | - |
| Promissory notes | 16,714 | - | - | 16,714 |
| Bonds | - | - | - | - |
| Equity | - | 7,746 | 394,966 | 402,711 |
| Investment properties | | | 437 | 437 |
| Assets held for sale | - | - | 75,418 | 75,418 |
| | 1,679,957 | 2,111,468 | 470,821 | 4,262,244 |
| **Liabilities** | | | | |
| Derivative financial instrument | - | 471,819 | - | 471,819 |
| | - | 471,819 | - | 471,819 |

* There are no transfers between levels during the period

**Bank**

**December 2022**

| *In millions of Naira* | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **Assets** | | | | |
| Non pledged trading assets | | | | |
| Treasury bills | 73,012 | - | - | 73,012 |
| Government Bonds | 2,319 | - | - | 2,319 |
| Eurobonds | 2,294 | - | - | 2,294 |
| Derivative financial instrument | - | 399,058 | - | 399,058 |
| Pledged assets | | | | |
| Government Bonds | - | - | - | - |
| -Financial instruments at FVPL | | | | |
| Treasury bills | 72,565 | - | - | 72,565 |
| Government Bonds | 2,567 | - | - | 2,567 |
| Investment securities | | | | |
| -Financial assets at FVOCI | | | | |
| Treasury bills | 703,695 | - | - | 703,695 |
| Government Bonds | 50,774 | - | - | 50,774 |
| State government bonds | - | 65,652 | - | 65,652 |
| Corporate bonds | - | 20,599 | - | 20,599 |
| Eurobonds | 21,182 | - | - | 21,182 |
| Commercial paper | | 3,869 | | 3,869 |
| Promissory notes | 217,305 | - | - | 217,305 |
| -Financial assets at FVPL | | | | |
| Equity | - | - | 162,658 | 162,658 |
| Investment properties | - | - | 217 | 217 |
| Assets held for sale | - | 4,964 | 42,038 | 47,002 |
| | 1,597,189 | 494,144 | 204,914 | 2,296,247 |
| | | | | |
| **Liabilities** | | | | |
| Derivative financial instrument | - | 31,072 | - | 31,072 |
| | - | 31,072 | - | 31,072 |

## 4.1 .2 Financial instruments not measured at fair value

| **Group**<br>**December 2023**<br>*In millions of Naira* | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and balances with banks | - | - | 2,975,484 | 2,975,484 |
| Investment under management | | | | |
| Government bonds | - | - | - | - |
| Placements | - | - | - | - |
| Commercial paper | - | - | - | - |
| Treasury bills | - | - | - | - |
| Mutual funds | - | - | - | - |
| Eurobonds | 7,423 | - | - | 7,423 |
| Corporate Bonds | - | - | - | - |
| Loans and advances to banks | - | - | 880,534 | 880,534 |
| Loans and advances to customers | - | - | 8,037,723 | 8,037,723 |
| Pledged assets | | | | |
| Treasury bills | 80,286 | - | - | 80,286 |
| Bonds | 623,360 | - | - | 623,360 |
| Promissory notes | 30,226 | - | - | 30,226 |
| Investment securities | | | | |
| -Financial assets at amortised cost | | | | |
| Treasury bills | 754,810 | - | - | 754,810 |
| Government Bonds | 851,788 | - | | 851,788 |
| State government bonds | - | 3,958 | - | 3,958 |
| Corporate bonds | 7,566 | - | - | 7,566 |
| Eurobonds | 1,067,418 | - | - | 1,067,418 |
| Preferential Shares Note | - | - | - | - |
| Promissory notes | 94,690 | - | - | 94,689 |
| Equity | - | - | - | - |
| Other assets | - | - | 4,947,684 | 4,947,684 |
| | 3,517,567 | 3,958 | 16,841,425 | 25,327,100 |
| **Liabilities** | | | | |
| Deposits from financial institutions | - | - | 4,387,020 | 4,387,020 |
| Deposits from customers | - | - | 15,322,752 | 15,322,752 |
| Other liabilities | - | - | 1,679,174 | 1,679,174 |
| Debt securities issued | 585,024 | - | - | 585,024 |
| Interest-bearing borrowings | - | - | 1,602,226 | 1,602,226 |
| | 585,024 | - | 22,991,172 | 23,576,196 |

* There are no transfers between levels during the period

**Group**

**December 2022**

| *In millions of Naira* | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and balances with banks | - | - | 1,961,100 | 1,961,100 |
| Investment under management | | | | |
| Government bonds | - | - | - | - |
| Placements | - | - | - | - |
| Commercial paper | - | - | - | - |
| Nigerian Treasury bills | - | - | - | - |
| Mutual funds | - | - | - | - |
| Eurobonds | - | - | - | - |
| Corporate Bonds | - | 3,742 | - | 3,742 |
| Loans and advances to banks | - | - | 455,710 | 455,710 |
| Loans and advances to customers | - | - | 5,100,807 | 5,100,807 |
| Pledged assets | | | | |
| -Financial assets at amortised cost | | | | |
| Treasury bills | 296,061 | - | - | 296,061 |
| Bonds | 411,582 | - | - | 411,582 |
| Promissory notes | 32,639 | - | - | 32,639 |
| Investment securities | | | | |
| -Financial assets at amortised cost | | | | |
| Treasury bills | 192,795 | - | - | 192,795 |
| Government Bonds | 437,679 | - | - | 437,679 |
| State government bonds | - | 4,734 | - | 4,734 |
| Corporate bonds | - | 7,579 | - | 7,579 |
| Eurobonds | 420,119 | - | - | 420,119 |
| Total return notes | 9,752 | - | - | 9,752 |
| Promissory notes | 37,762 | - | - | 37,762 |
| Other assets | - | - | 2,454,143 | 2,454,143 |
| | **1,838,390** | **16,055** | **9.971,760** | **11,826,203** |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Deposits from financial institutions | - | - | 2,005,316 | 2,005,316 |
| Deposits from customers | - | - | 9,251,238 | 9,251,238 |
| Other liabilities | - | - | 743,153 | 743,153 |
| Debt securities issued | 307,253 | - | - | 307,253 |
| Interest-bearing borrowings | - | - | 1,385,424 | 1,385,424 |
| | **307,253** | **-** | **13,385,131** | **13,692,385** |

| Bank<br>December 2023<br>*In millions of Naira* | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and balances with banks | - | - | 2,345,773 | 2,345,773 |
| Investment under management | | | | |
| Government bonds | - | - | - | - |
| Placements | - | - | - | - |
| Commercial paper | - | - | - | - |
| Nigerian Treasury bills | - | - | - | - |
| Mutual funds | - | - | - | - |
| Eurobonds | 7,423 | - | - | 7,423 |
| Corporate Bonds | - | - | - | - |
| Loans and advances to banks | - | - | 659,546 | 659,546 |
| Loans and advances to customers | - | - | 5,369,154 | 5,369,154 |
| Pledged assets | | | | |
| -Financial instruments at amortized cost | | | | |
| Bonds | 326,741 | - | - | 326,741 |
| Treasury bills | 127,240 | - | - | 127,240 |
| Promissory notes | 33,974 | - | - | 33,974 |
| Investment securities | | | | |
| -Financial assets at amortised cost | | | | |
| Treasury bills | 585,470 | - | - | 585,470 |
| Government Bonds | 346,468 | - | - | 346,468 |
| State government bonds | - | 3,958 | - | 3,958 |
| Corporate bonds | - | 7,566 | - | 7,566 |
| Eurobonds | 901,666 | - | - | 901,666 |
| Preferential Shares Note | - | 7,138 | - | 7,138 |
| Promissory notes | 94,690 | - | - | 94,690 |
| Other assets | - | - | 4,594,032 | 4,594,032 |
| | 2,423,672 | 18,662 | 12,698,505 | 15,410,839 |
| **Liabilities** | | | | |
| Deposits from financial institutions | - | - | 3,907,192 | 3,907,192 |
| Deposits from customers | - | - | 11,239,847 | 11,239,847 |
| Other liabilities | - | - | 1,494,072 | 1,494,072 |
| Debt securities issued | 577,378 | | - | 577,378 |
| Interest-bearing borrowings | - | - | 1,384,472 | 1,384,472 |
| | 577,378 | - | 18,025,583 | 18,602,963 |

**Bank**

**December 2022**

| *In millions of Naira* | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and balances with banks | - | - | 1,445,659 | 1,445,659 |
| Investment under management | | | | |
| Government bonds | - | - | - | - |
| Placements | - | - | - | - |
| Commercial paper | - | - | - | - |
| Nigerian Treasury bills | - | - | - | - |
| Mutual funds | - | - | - | - |
| Eurobonds | 3,742 | - | - | 3,742 |
| Corporate Bonds | - | - | - | - |
| Loans and advances to banks | - | - | 322,610 | 322,610 |
| Loans and advances to customers | - | - | 4,084,352 | 4,084,352 |
| Pledged assets | | | | |
| -Financial assets at amortised cost | | | | |
| Treasury bills | 296,061 | - | - | 296,061 |
| Bonds | 411,582 | - | - | 411,582 |
| Promissory notes | 32,639 | - | - | 32,639 |
| Investment securities | | | | |
| -Financial assets at amortised cost | | | | |
| Treasury bills | 102,399 | - | - | 102,399 |
| Government Bonds | 171,648 | - | - | 171,648 |
| State government bonds | - | 4,734 | - | 4,734 |
| Corporate bonds | - | 7,579 | - | 7,579 |
| Eurobonds | 411,046 | - | - | 411,046 |
| Promissory notes | 37,763 | - | - | 37,763 |
| Other assets | - | - | 2,323,754 | 2,323,754 |
| | 1,466,880 | 12,313 | 8,176,375 | 9.655,568 |
| **Liabilities** | | | | |
| Deposits from financial institutions | - | - | 1,637,318 | 1,637,318 |
| Deposits from customers | - | - | 7,530,062 | 7,530,062 |
| Other liabilities | - | - | 660,463 | 660,463 |
| Debt securities issued | 303,297 | | - | 303,297 |
| Interest-bearing borrowings | - | - | 1,286,869 | 1,286,869 |
| | 303,297 | - | 11,114,712 | 11,418,011 |

* There are no transfers between levels during the year.

## 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 of government bonds, corporate bonds, treasury bills and equity investments classified as trading securities or fair value through other comprehensive income 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 period under review. Fair values of unquoted debt securities were derived by interpolating prices of quoted debt securities with similar maturity profile and characteristics.

Transfers between fair value hierarchy
The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting year.

## 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 2023 | 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 | 2,033,286 | Forward and swap: Fair value through market rate from a quoted market<br>Futures: Fair value through reference market rate | Market rates from quoted market | 1,583,630 | 1,587,821 | The higher the market rate, the higher the fair value of the derivative financial instrument |
| Derivative financial liabilities | 471,819 | | | | | |
| Investment in CSCS | 7,440 | The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting year | Share price from NASD | 7,812 | 7,142 | The higher the share price, the higher the fair value |
| Nigerian Mortgage Refinance Company | 306 | The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting year | Share price from NASD | 321 | 290 | The higher the share price, the higher the fair value |
| State bonds measured at fair value | 52,376 | The market value is obtained from the Financial market dealers quotation (FMDQ) as at the reporting year | Market rates from quoted market | 54,995 | 49,757 | The higher the market price, the higher the fair value |
| Corporate bonds measured at fair value | 18,059 | The market value is obtained from the Financial market dealers quotation (FMDQ) as at the reporting year | Market rates from quoted market | 18,962 | 17,156 | The higher the market price, the higher the fair value |
| State bonds not measured at fair value | 3,958 | The market value is obtained from the Financial market dealers quotation (FMDQ) as at the reporting year | Market rates from quoted market | 4,156 | 3,760 | The higher the market price, the higher the fair value |
| Corporate bonds not measured at fair value | 7,566 | The market value is obtained from the Financial market dealers quotation (FMDQ) as at the reporting year | Market rates from quoted market | 7,944 | 7,188 | The higher the market price, the higher the fair value |
| Preferential Notes not measured at fair value | 7,138 | The market value is obtained from the Financial market dealers quotation (FMDQ) as at the reporting year | Market rates from quoted market | 7,495 | 6,782 | The higher the market 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 2023 | 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 | 333,769 | Adjusted fair value comparison approach | Median P/B multiples of comparable companies | 350,457 | 317,081 | 329,360 | 338,178 | The higher the illiquidity ratio, the control premium and the size adjustment/haircut, the higher the fair value |
| Investment in Unified Payment System Limited | 8,247 | Adjusted fair value comparison approach | Median PE ratios of comparable companies | 7,893 | 7,142 | 8,138 | 8,356 | The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value |
| Investment in NIBSS | 36,109 | Adjusted fair value comparison approach | Median P/B multiples of comparable companies | 37,915 | 34,304 | 35,632 | 36,587 | The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value |
| Investment in Afrexim | 1,108 | Adjusted fair value comparison approach | Median P/B multiples of comparable companies | 1,163 | 1,052 | 1,102 | 1,113 | The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value |
| Investment in FMDQ | 7,783 | Adjusted fair value comparison approach | Average P/B multiples of comparable companies | 8,172 | 7,394 | 7,635 | 7,930 | The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value |
| Investment in CRC Bureau | 311 | Adjusted fair value comparison approach | Median P/B multiples of comparable companies | 327 | 296 | 307 | 315 | The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value |
| Capital Alliance Equity Fund | 7,154 | Adjusted fair value comparison approach | Median P/B multiples of comparable companies | 7,512 | 6,797 | 7,512 | 6,797 | The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value |
| NG Clearing | 434 | Adjusted fair value comparison approach | Median P/B multiples of comparable companies | 456 | 412 | 431 | 437 | The higher the illiquidity ratio and the size adjustment/ haircut, the lower the fair value |
| SANEF | 50 | Adjusted fair value comparison approach | Fair value of transactions at settlement date | 53 | 48 | 53 | 48 | 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 2023

**Financial assets at fair value through profit or loss (Equity)**

| | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance | 156,166 | 152,105 | 155,879 | 151,822 |
| Total unrealised gains in P/L | 234,460 | 4,061 | 231,304 | 4,057 |
| Balance, year end | **390,626** | **156,166** | **387,183** | **155,879** |

| **Assets Held for Sale** | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance | 42,231 | 42,737 | 42,039 | 42,547 |
| Additions | 35,337 | 7,878 | 35,335 | 7,876 |
| Disposals | (1,957) | (8,384) | (1,957) | (8,384) |
| Write Off | - | - | - | - |
| Balance, year end | **75,611** | **42,231** | **75,417** | **42,039** |

**Investment under management**

| | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance | - | 13,045 | - | 13,045 |
| Additions | - | - | - | - |
| Reclassification | - | (13,045) | - | (13,045) |
| Balance, year end | - | **-** | **-** | **-** |

**(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 and the amounts 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.**

| | 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 |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| *In millions of Naira* | | | | | | | | |
| **December 2023** | | | | | | | | |
| Cash and balances with banks | - | - | 3,025,651 | - | - | - | 3,025,651 | 2,975,484 |
| Investment under management | - | - | 7,423 | - | - | - | 7,423 | 7,423 |
| Non pledged trading assets | | - | - | - | - | - | | |
| Treasury bills | - | 197,120 | - | - | - | - | 197,120 | 197,120 |
| Bonds | - | 12,088 | - | - | - | - | 12,088 | 12,088 |
| Derivative financial instruments | - | 2,050,432 | - | - | - | - | 2,050,432 | 2,050,432 |
| Loans and advances to banks | - | - | 880,534 | - | - | - | 880,534 | 880,534 |
| Loans and advances to customers | - | - | 8,037,723 | - | - | - | 8,037,723 | 8,037,723 |
| Pledged assets | | - | | | | | | |
| Treasury bills | - | 32,235 | 80,286 | 445,262 | - | - | 557,783 | 556,815 |
| Government bonds | - | 1,193 | 623,360 | - | - | - | 624,553 | 457,335 |
| Promissory Notes | - | - | 30,226 | - | - | - | 30,226 | 26,775 |
| Investment securities | | | | | | | | |
| - Financial assets at FVOCI | | - | | | | | | |
| Treasury bills | - | - | - | 1,943,342 | - | - | 1,943,342 | 1,943,342 |
| Government Bonds | - | - | - | 239,630 | - | - | 239,630 | 239,630 |
| State government bonds | - | - | - | 52,376 | - | - | 52,376 | 52,376 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Corporate bonds | - | - | - | 18,059 | - | - | 18,059 | 18,059 |
| Eurobonds | - | - | - | 89,227 | - | - | 89,227 | 89,227 |
| Commercial paper | - | - | - | - | - | - | - | - |
| Promissory Notes | - | - | - | 16,714 | - | - | 16,714 | 16,714 |
| - Financial assets at FVPL | | | | | | | | |
| Equity | - | 406,154 | - | - | - | - | 406,154 | 406,154 |
| - Financial assets at amortised cost | | | | | | | | |
| Treasury bills | - | - | 754,810 | - | - | - | 754,810 | 632,759 |
| Government Bonds | - | - | 851,788 | - | - | - | 851,788 | 978,181 |
| State government bonds | - | - | 3,958 | - | - | - | 3,958 | 4,360 |
| Corporate bonds | - | - | 7,566 | - | - | - | 7,566 | 6,935 |
| Eurobonds | - | - | 1,067,418 | - | - | - | 1,067,418 | 1,060,349 |
| Promissory Notes | - | - | 94,690 | - | - | - | 94,690 | 114,956 |
| Other assets | - | - | 4,947,684 | - | - | - | 4,947,684 | 4,947,684 |
| | **-** | **2,699,222** | **20,413,118** | **2,804,612** | **-** | **-** | **25,916,952** | **25,712,458** |
| | | | | | | | | |
| Deposits from financial institutions | - | - | - | - | - | 4,387,020 | 4,387,020 | 4,628,113 |
| Deposits from customers | - | - | - | - | - | 15,322,752 | 15,322,752 | 15,982,072 |
| Other liabilities | - | - | - | - | - | 1,679,174 | 1,679,174 | 1,679,174 |
| Derivative financial instruments | - | - | - | - | 475,997 | - | 475,997 | 475,997 |
| Debt securities issued | - | - | - | - | - | 585,024 | 585,024 | 599,058 |
| Interest bearing borrowings | - | - | - | - | - | 1,602,226 | 1,602,226 | 1,671,168 |
| | **-** | **-** | **-** | **-** | **475,997** | **23,576,196** | **24,052,192** | **25,035,582** |

| | 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 |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| *In millions of Naira* | | | | | | | | |
| **December 2022** | | | | | | | | |
| Cash and balances with banks | - | - | 1,961,100 | - | - | - | 1,961,100 | 1,961,100 |
| Investment under management | - | - | 3,742 | - | - | - | 3,742 | 3,742 |
| Non pledged trading assets | | - | | | | | | |
| Treasury bills | - | 88,116 | - | - | - | - | 88,116 | 88,116 |
| Bonds | - | 14,574 | - | - | - | - | 14,574 | 14,574 |
| Derivative financial instruments | - | 402,497 | - | - | - | - | 402,497 | 402,497 |
| Loans and advances to banks | - | - | 455,710 | - | - | - | 455,710 | 455,710 |
| Loans and advances to customers | - | - | 5,100,807 | - | - | - | 5,100,807 | 5,100,807 |
| Pledged assets | | - | | | | | | |
| Treasury bills | - | 72,565 | 296,061 | 451,476 | - | - | 820,102 | 921,820 |
| Government bonds | - | 2,567 | 411,582 | - | - | - | 414,150 | 423,166 |
| Promissory Notes | - | - | 32,639 | - | - | - | 32,639 | 70,402 |
| Investment securities | | | - | | | | - | |
| - Financial assets at FVOCI | | - | | | | | | |
| Treasury bills | - | - | - | 1,046,120 | - | - | 1,046,120 | 1,046,120 |
| Government Bonds | - | - | - | 168,293 | - | - | 168,293 | 168,293 |
| State government bonds | - | - | - | 65,652 | - | - | 65,652 | 65,652 |
| Corporate bonds | - | - | - | 20,599 | - | - | 20,599 | 20,599 |
| Eurobonds | - | - | - | 41,695 | - | - | 41,695 | 41,695 |
| Commercial paper | - | - | - | 3,869 | - | - | 3,869 | 3,869 |
| Promissory Notes | - | - | - | 217,305 | - | - | 217,305 | 217,305 |
| - Financial assets at FVPL | | - | | | | | | |
| Equity | - | 167,906 | - | - | - | - | 167,906 | 167,906 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - Financial assets at amortised cost | | | | | | | | |
| Treasury bills | - | - | 192,795 | - | - | - | 192,795 | 397,352 |
| Government bonds | - | - | 437,679 | - | - | - | 437,679 | 440,776 |
| State government bonds | - | - | 4,734 | - | - | - | 4,734 | 5,212 |
| Corporate bonds | - | - | 7,579 | - | - | - | 7,579 | 7,599 |
| Eurobonds | - | - | 420,119 | - | - | - | 420,119 | 256,662 |
| Promissory Notes | - | - | 37,762 | - | - | - | 37,762 | 32,639 |
| Other assets | - | - | 2,454,143 | - | - | - | 2,454,143 | 2,454,143 |
| | **-** | **748,225** | **11,816,452** | **2,015,009** | **-** | **-** | **14,579,686** | **14,767,759** |
| Deposits from financial institutions | - | - | - | - | - | 2,005,316 | 2,005,316 | 2,005,316 |
| Deposits from customers | - | - | - | - | - | 9,251,238 | 9,251,238 | 9,251,238 |
| Other liabilities | - | - | - | - | - | 743,153 | 743,153 | 743,153 |
| Derivative financial instruments | - | - | - | - | 32,737 | - | 32,737 | 32,737 |
| Debt securities issued | - | - | - | - | - | 307,253 | 307,253 | 307,253 |
| Interest bearing borrowings | - | - | - | - | - | 1,385,426 | 1,385,426 | 1,385,426 |
| | **-** | **-** | **-** | **-** | **32,737** | **13,692,386** | **13,725,123** | **13,725,124** |

| Bank | 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 |
|---|---|---|---|---|---|---|---|---|
| *In millions of Naira* | | | | | | | | |
| **December 2023** | | | | | | | | |
| Cash and balances with banks | - | - | 2,345,773 | - | - | - | 2,345,773 | 2,345,773 |
| Investment under management | - | - | 7,423 | - | - | - | 7,423 | 7,423 |
| Non pledged trading assets | | | | | | | | |
| Treasury bills | - | 150,037 | - | - | - | - | 150,037 | 150,037 |
| Bonds | - | 7,761 | - | - | - | - | 7,761 | 7,761 |
| Equity | - | - | - | - | - | - | - | - |
| Derivative financial instruments | - | 2,033,286 | - | - | - | - | 2,033,286 | 2,033,286 |
| Loans and advances to banks | - | - | 659,546 | - | - | - | 659,546 | 659,546 |
| Loans and advances to customers | - | - | 5,369,154 | - | - | - | 5,369,154 | 5,369,154 |
| Pledged assets | | | | | | | | |
| Treasury bills | - | 32,235 | 127,240 | 445,262 | - | - | 604,737 | 556,815 |
| Government bonds | - | 1,193 | 326,741 | 310,423 | | - | 638,357 | 457,335 |
| Promissory Notes | - | - | 33,974 | - | - | - | 33,974 | 26,775 |
| Investment securities | | | | | | | | |
| - Financial assets at FVOCI | | | | | | | | |
| Treasury bills | - | - | - | 905,038 | - | - | 905,038 | 905,038 |
| Government bonds | - | - | - | 68,321 | - | - | 68,321 | 68,321 |
| State government bonds | - | - | - | 52,376 | - | - | 52,376 | 52,376 |
| Corporate bonds | - | - | - | 18,059 | - | - | 18,059 | 18,059 |
| Eurobonds | - | - | - | 53,394 | - | - | 53,394 | 53,394 |
| Commercial paper | - | - | - | - | - | - | - | - |
| Promissory Notes | - | - | - | 16,714 | - | - | 16,714 | 16,714 |
| - Financial assets at FVPL | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Equity | - | 402,711 | - | - | - | - | 402,711 | 402,711 |
| - Financial assets at amortised cost | | | | | | | | |
| Treasury bills | - | - | 585,470 | - | - | - | 585,470 | 606,655 |
| Preferential Shares Note | - | - | 7,138 | - | - | - | 7,138 | 8,478 |
| Government Bonds | - | - | 346,468 | - | - | - | 346,468 | 937,827 |
| State government bonds | - | - | 3,958 | - | - | - | 3,958 | 4,180 |
| Corporate bonds | - | - | 7,566 | - | - | - | 7,566 | 6,649 |
| Eurobonds | - | - | 901,666 | - | - | - | 901,666 | 1,016,605 |
| Promissory Notes | - | - | 94,690 | - | - | - | 94,690 | 110,213 |
| Other assets | - | - | 4,594,032 | - | - | - | 4,594,032 | 4,594,032 |
| | **-** | **2,627,223** | **15,410,841** | **1,869,587** | **-** | **-** | **19,907,650** | **20,415,160** |
| | | | | | | | | |
| Deposits from financial institutions | - | - | - | - | - | 3,907,192 | 3,907,192 | 4,075,314 |
| Deposits from customers | - | - | - | - | - | 11,239,847 | 11,239,847 | 11,723,483 |
| Other liabilities | - | - | - | - | - | 1,494,072 | 1,494,072 | 1,494,072 |
| Derivative financial instruments | - | - | - | - | 471,819 | - | 471,819 | 471,819 |
| Debt securities issued | - | - | - | - | - | 577,378 | 577,378 | 599,058 |
| Interest bearing borrowings | - | - | - | - | - | 1,384,472 | 1,384,472 | 1,444,044 |
| | **-** | **-** | **-** | **-** | **471,819** | **18,602,961** | **19,074,780** | **19,807,791** |

**Bank**

*In millions of Naira*

**December 2022**

| | 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 | - | - | 1,445,659 | - | - | - | 1,445,659 | 1,445,659 |
| Investment under management | - | - | 3,742 | - | - | - | 3,742 | 3,742 |
| Non pledged trading assets | | | | | | | | |
| Treasury bills | - | 73,011 | - | - | - | - | 73,011 | 73,011 |
| Bonds | - | 4,613 | - | - | - | - | 4,613 | 4,613 |
| Equity | - | - | - | - | - | - | - | - |
| Derivative financial instruments | - | 399,058 | - | - | - | - | 399,058 | 399,058 |
| Loans and advances to banks | - | - | 322,610 | - | - | - | 322,610 | 322,610 |
| Loans and advances to customers | - | - | 4,084,352 | - | - | - | 4,084,352 | 4,084,352 |
| Pledged assets | | | | | | | | |
| Treasury bills | - | 72,565 | 296,061 | 451,476 | - | - | 820,102 | 921,820 |
| Government bonds | - | 2,567 | 411,582 | 411,582 | | - | 825,731 | 423,166 |
| Promissory Notes | - | - | 32,639 | - | - | - | 32,639 | 70,402 |
| Investment securities | | | | | | | | |
| - Financial assets at FVOCI | | | | | | | | |
| Treasury bills | - | - | - | 703,695 | - | - | 703,695 | 703,695 |
| Government Bonds | - | - | - | 50,774 | - | - | 50,774 | 50,774 |
| State government bonds | - | - | - | 65,652 | - | - | 65,652 | 65,652 |
| Corporate bonds | - | - | - | 20,599 | - | - | 20,599 | 20,599 |
| Eurobonds | - | - | - | 21,182 | - | - | 21,182 | 21,182 |
| Commercial paper | | | | 3,869 | | | 3,869 | 3,869 |
| Promissory Notes | - | - | - | 217,305 | - | - | 217,305 | 217,305 |
| - Financial assets at FVPL | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Equity | - | 167,622 | - | - | - | - | 167,622 | 167,622 |
| - Financial assets at amortised cost | | | | | | | | |
| Treasury bills | - | - | 102,399 | - | - | - | 102,399 | 397,176 |
| Government Bonds | - | - | 171,648 | - | - | - | 171,648 | 440,776 |
| State government bonds | - | - | 4,734 | - | - | - | 4,734 | 5,212 |
| Corporate bonds | - | - | 7,579 | - | - | - | 7,579 | 6,448 |
| Eurobonds | - | - | 411,046 | - | - | - | 411,046 | 256,662 |
| Promissory Notes | - | - | 37,763 | - | - | - | 37,763 | 60,620 |
| Other assets | - | - | 2,323,754 | - | - | - | 2,323,754 | 2,323,754 |
| | **-** | **719,436** | **9,655,568** | **1,946,134** | **-** | **-** | **12,321,139** | **12,489,778** |
| | | | | | | | | |
| Deposits from financial institutions | - | - | - | - | - | 1,637,318 | 1,637,318 | 1,657,547 |
| Deposits from customers | - | - | - | - | - | 7,530,063 | 7,530,063 | 7,623,095 |
| Other liabilities | - | - | - | - | - | 660,463 | 660,463 | 27,916 |
| Derivative financial instruments | - | - | - | - | 31,071 | - | 31,071 | 31,071 |
| Debt securities issued | - | - | - | - | - | 303,297 | 303,297 | 306,600 |
| Interest bearing borrowings | - | - | - | - | - | 1,286,871 | 1,286,871 | 1,302,768 |
| | **-** | **-** | **-** | **-** | **31,071** | **11,418,012** | **11,449,083** | **10,948,997** |

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 millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Cash and balances with banks | | | | |
| - Current balances with banks | 1,310,295 | 272,128 | 973,628 | 123,023 |
| - Unrestricted balances with central banks | 719,502 | 186,534 | 415,846 | 89,148 |
| - Money market placements | 220,222 | 152,680 | 309,541 | 24,669 |
| - Other deposits with central banks | - | 536,677 | - | 536,677 |
| Investment under management | 7,423 | 3,742 | 7,423 | 3,742 |
| Non pledged trading assets | | | | |
| Treasury bills | 197,120 | 88,116 | 150,037 | 73,011 |
| Bonds | 12,088 | 14,574 | 7,761 | 4,613 |
| Derivative financial instruments | 2,050,432 | 402,497 | 2,033,286 | 399,058 |
| Loans and advances to banks | 880,534 | 455,710 | 659,546 | 322,610 |
| Loans and advances to customers | 8,037,723 | 5,100,807 | 5,369,154 | 4,084,352 |
| Pledged assets | | | | |
| -Financial instruments at FVOCI | | | | |
| Treasury bills | 445,262 | 451,476 | 445,262 | 451,476 |
| Bonds | - | - | - | - |
| Promissory notes | - | - | - | - |
| -Financial instruments at amortized cost | | | | |
| Treasury bills | 80,286 | 296,061 | 80,286 | 296,061 |
| Bonds | 623,360 | 411,582 | 623,360 | 411,582 |
| Promissory notes | 30,226 | 32,639 | 30,226 | 32,639 |
| -Financial instruments at FVPL | | | | |
| Treasury bills | 32,235 | 72,565 | 32,235 | 72,565 |
| Bonds | 1,193 | 2,567 | 1,193 | 2,567 |
| Promissory notes | - | - | - | - |
| Investment securities | | | | |
| -Financial instruments at FVOCI | | | | |
| Treasury bills | 1,943,342 | 1,046,120 | 905,038 | 703,695 |
| Bonds | 399,292 | 296,240 | 192,150 | 158,208 |
| Promissory notes | 16,714 | 217,305 | 16,714 | 217,305 |
| - Financial assets at amortised cost | | | | |
| Treasury bills | 754,810 | 192,795 | 585,470 | 102,399 |
| Preferential Shares Note | - | - | 7,138 | - |
| Bonds | 1,930,731 | 870,110 | 1,259,658 | 632,770 |
| Promissory notes | 94,690 | 37,762 | 94,690 | 37,763 |
| Preferential Shares Note | - | - | 7,138 | - |
| Restricted deposit and other assets | 4,947,684 | 2,454,143 | 4,594,032 | 2,323,754 |
| **Total** | **24,735,166** | **13,594,830** | **18,800,814** | **11,103,689** |

| | | | | |
|---|---|---|---|---|
| **Off balance sheet exposures** | | | | |
| Transaction related bonds and guarantees | 744,454 | 693,915 | 735,514 | 618,742 |
| Clean line facilities for letters of credit and other commitments | 1,645,678 | 842,563 | 1,060,454 | 606,878 |
| **Total** | **2,390,132** | **1,536,478** | **1,795,968** | **1,225,620** |

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 2023 and 31 December 2022, 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.

### 5.1.1 Gross loans and advances to customers per sector is as analysed follows:

| *In millions of Naira* | **Group December 2023** | **Group December 2022** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|---|
| Agriculture | 96,308 | 57,578 | 37,533 | 42,900 |
| Construction | 659,880 | 388,368 | 595,928 | 336,573 |
| Education | 7,827 | 2,082 | 992 | 1,217 |
| Finance and insurance | 171,034 | 146,689 | 133,268 | 119,512 |
| General | 859,734 | 387,965 | 416,304 | 325,038 |
| General commerce | 1,235,002 | 687,600 | 569,258 | 421,501 |
| Government | 501,692 | 498,493 | 466,024 | 447,289 |
| Information And communication | 626,897 | 249,350 | 440,999 | 225,405 |
| Other manufacturing (Industries) | 345,297 | 241,682 | 248,997 | 193,371 |
| Basic metal Products | 20,936 | 5,100 | 3,744 | 2,705 |
| Cement | 85,201 | 151,930 | 85,201 | 140,605 |
| Conglomerate | 224,239 | 106,685 | 224,239 | 97,363 |
| Flourmills And bakeries | 8,530 | 12,130 | 8,530 | 11,446 |
| Food manufacturing | 304,045 | 243,975 | 242,256 | 153,276 |
| Steel rolling mills | 104,595 | 108,790 | 104,595 | 99,932 |
| Oil And Gas - downstream | 272,785 | 274,678 | 244,090 | 242,012 |
| Oil And Gas - services | 577,509 | 644,592 | 512,560 | 540,730 |
| Oil And Gas - upstream | 570,434 | 277,713 | 552,084 | 253,236 |
| Crude oil refining | 43,624 | 47,428 | 43,624 | 44,771 |
| Real estate activities | 253,780 | 273,074 | 196,483 | 226,454 |
| Transportation and storage | 415,762 | 192,583 | 226,046 | 160,182 |
| Power and energy | 173,544 | 47,101 | 98,110 | 42,469 |
| Professional, scientific and technical activities | 4,570 | 8,322 | 2,889 | 4,193 |
| Others | 630,990 | 145,842 | 14,567 | 17,236 |
| | **8,194,213** | **5,199,752** | **5,468,319** | **4,149,413** |

**5.1.3(a) Group**

**December 2023**

**Credit quality by class**

| **Loans to retail customers**<br>*In millions of Naira* | **Stage 1**<br>**Gross amount** | **Stage 2**<br>**Gross amount** | **Stage 3**<br>**Gross amount** | **Total**<br>**Gross amount** | **Stage 1**<br>**ECL** | **Stage 2**<br>**ECL** | **Stage 3**<br>**ECL** | **Total**<br>**ECL** | **Carrying**<br>**amount** |
|---|---|---|---|---|---|---|---|---|---|
| Internal rating grade | | | | | | | | | |
| Standard grade | 864,986 | 40,001 | - | 904,987 | 6,890 | 1,842 | - | 8,732 | 896,256 |
| Non-Investment | - | - | 67,619 | 67,619 | - | - | 19,150 | 19,150 | 48,469 |

**Loans to corporate customers**

| *In millions of Naira* | **Stage 1**<br>**Gross amount** | **Stage 2**<br>**Gross amount** | **Stage 3**<br>**Gross amount** | **Total**<br>**Gross amount** | **Stage 1**<br>**ECL** | **Stage 2**<br>**ECL** | **Stage 3**<br>**ECL** | **Total**<br>**ECL** | **Carrying**<br>**amount** |
|---|---|---|---|---|---|---|---|---|---|
| Internal rating grade | | | | | | | | | |
| Investment | 2,631,426 | - | - | 2,631,426 | 2,392 | - | - | 2,392 | 2,629,034 |
| Standard grade | 3,832,822 | 572,996 | - | 4,405,818 | 39,612 | 26,484 | - | 66,096 | 4,339,722 |
| Non-Investment | - | - | 184,362 | 184,362 | - | - | 60,120 | 60,120 | 124,243 |

**Loans and advances to banks**

| *In millions of Naira* | **Stage 1**<br>**Gross amount** | **Stage 2**<br>**Gross amount** | **Stage 3**<br>**Gross amount** | **Total**<br>**Gross amount** | **Stage 1**<br>**ECL** | **Stage 2**<br>**ECL** | **Stage 3**<br>**ECL** | **Total**<br>**ECL** | **Carrying**<br>**amount** |
|---|---|---|---|---|---|---|---|---|---|
| Internal rating grade | | | | | | | | | |
| Investment | 880,152 | - | - | 880,152 | 396 | - | - | 396 | 879,757 |
| Standard grade | 794 | - | - | 794 | 17 | - | - | 17 | 777 |

**Off balance sheet**

| *In millions 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 | 1,669,187 | - | - | 1,669,187 | 1,205 | 30 | - | 1,235 | 1,667,952 |
| Standard grade | 699,954 | 11,404 | - | 711,358 | 2,375 | 36 | 228 | 2,639 | 708,719 |
| Non-Investment | - | - | 9,586 | 9,586 | 1 | - | 52 | 53 | 9,533 |

**Investment securities**

| *In millions 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 | 1,999,002 | - | - | 1,999,002 | 1,153 | - | - | 1,153 | 1,997,849 |
| Non-Investment | 2,752,687 | - | 794,754 | 3,547,442 | 8,892 | - | 193,531 | 202,423 | 3,345,019 |

**Pledged Assets**

| *In millions 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 | 1,212,562 | - | - | 1,212,562 | 921 | - | - | 921 | 1,211,642 |

**Cash and balances with banks;**

**-Money market placements**

| *In millions 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 | | | | | | | | | |
| Non-Investment | 270,390 | - | - | 270,390 | 1,350 | - | - | 1,350 | 269,039 |

**Other assets**

| In millions 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 | 3,507,443 | - | - | 3,507,443 | 19,166 | - | - | 19,166 | 3,488,276 |
| Standard grade | 34,582 | 149,677 | - | 184,259 | 891 | 3,854 | - | 4,745 | 179,514 |

### 5.1.3(a) Bank

**December 2023**

**Credit quality by class**

| **Loans to retail customers**<br>*In millions 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 | 165,156 | 238 | - | 165,394 | 4,071 | 27 | - | 4,098 | 161,296 |
| Non-Investment | - | - | 11,951 | 11,951 | - | - | 5,383 | 5,383 | 6,568 |

**Loans to corporate customers**

| *In millions 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 | 1,751,039 | - | - | 1,751,039 | 2,067 | - | - | 2,067 | 1,748,972 |
| Standard grade | 2,891,507 | 569,264 | - | 3,460,772 | 36,113 | 25,138 | - | 61,251 | 3,399,521 |
| Non-Investment | - | - | 79,164 | 79,164 | - | - | 26,368 | 26,368 | 52,796 |

**Loans and advances to banks**

| *In millions 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 | 658,996 | - | - | 658,996 | 228 | - | - | 228 | 658,768 |
| Standard grade | 794 | - | - | 794 | 17 | - | - | 17 | 777 |

**Off balance sheet**

| *In millions of Naira* | Stage 1<br>Gross amount | Stage 2<br>Gross amount | Stage 3<br>Gross amount | Total<br>Gross amount | Stage 1<br>ECL | Stage 2<br>ECL | Stage 3<br>ECL | Total<br>ECL | Carrying<br>amount |
|---|---|---|---|---|---|---|---|---|---|
| Internal rating grade | | | | | | | | | |
| Investment | 1,247,299 | - | - | 1,247,299 | 1,128 | - | - | 1,128 | 1,246,171 |
| Standard grade | 542,077 | 1,888 | - | 543,965 | 2,140 | 31 | - | 2,171 | 541,795 |
| Non-Investment | - | - | 4,703 | 4,703 | - | - | 20 | 20 | 4,684 |

**Investment securities**

| *In millions of Naira* | Stage 1<br>Gross amount | Stage 2<br>Gross amount | Stage 3<br>Gross amount | Total<br>Gross amount | Stage 1<br>ECL | Stage 2<br>ECL | Stage 3<br>ECL | Total<br>ECL | Carrying<br>amount |
|---|---|---|---|---|---|---|---|---|---|
| Internal rating grade | | | | | | | | | |
| Investment | 402,711 | - | - | 402,711 | - | - | - | - | 402,711 |
| Standard grade | - | - | - | - | - | - | - | - | - |
| Non-Investment | 2,752,687 | - | 308,172 | 3,060,859 | 8,911 | - | 107,876 | 116,788 | 2,944,071 |

**Pledged Assets**

| *In millions of Naira* | Stage 1<br>Gross amount | Stage 2<br>Gross amount | Stage 3<br>Gross amount | Total<br>Gross amount | Stage 1<br>ECL | Stage 2<br>ECL | Stage 3<br>ECL | Total<br>ECL | Carrying<br>amount |
|---|---|---|---|---|---|---|---|---|---|
| Internal rating grade | | | | | | | | | |
| Investment | 1,212,562 | - | - | 1,212,562 | 921 | - | - | 921 | 1,211,640 |

**Cash and balances with banks;**

**-Money market placements**

| *In millions 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 | | | | | | | | | |
| Non-Investment | 309,541 | - | - | 309,541 | 961 | - | - | 961 | 308,580 |

**Other assets**

| In millions 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 | 3,170,980 | - | - | 3,170,980 | 17,735 | - | - | 17,735 | 3,153,245 |
| Standard grade | 31,265 | 135,318 | - | 166,583 | 824 | 3,567 | - | 4,391 | 162,193 |

### 5.1.3(a) Group

**December 2022**

**Credit quality by class**

| **Loans to retail customers**<br>*In millions 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 | | | | | | | | | |
| Standard grade | 444,333 | 20,465 | - | 464,797 | 6,928 | 1,095 | - | 8,022 | 456,775 |
| Non-Investment | - | - | 35,915 | 35,914 | - | - | 11,016 | 11,016 | 24,899 |

| **Loans to corporate customers**<br>*In millions 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 | 1,249,929 | - | - | 1,249,929 | 1,931 | - | - | 1,932 | 1,247,997 |
| Standard grade | 2,898,346 | 409,856 | - | 3,308,202 | 18,951 | 16,646 | - | 35,598 | 3,272,605 |
| Non-Investment | - | - | 140,906 | 140,907 | - | - | 42,374 | 42,374 | 98,533 |

| **Loans and advances to banks**<br>*In millions 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 | 452,329 | - | - | 452,329 | 345 | - | - | 345 | 451,983 |
| Standard grade | 3,640 | - | - | 3,640 | 6 | - | - | 6 | 3,633 |
| Non-Investment | - | - | 119 | 119 | - | - | 28 | 28 | 91 |

**Off balance sheet**

| *In millions 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 | 904,234 | 8,466 | - | 912,700 | 1,431 | 513 | - | 1,944 | 910,755 |
| Standard grade | 607,459 | 4,188 | 10,117 | 621,764 | 1,805 | - | 2,519 | 4,323 | 617,441 |
| Non-Investment | 1,304 | - | 709 | 2,015 | 14 | - | 588 | 602 | 1,412 |

**Investment securities**

| *In millions 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 | 1,005,861 | - | - | 1,005,861 | 233 | - | - | 233 | 1,005,629 |
| Non-Investment | 1,488,514 | - | 348,111 | 1,836,626 | 2,003 | - | 78,555 | 80,558 | 1,756,067 |

**Pledged Assets**

| *In millions 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 | 1,266,891 | - | - | 1,266,891 | 1,612 | - | - | 1,612 | 1,265,279 |

**Cash and balances with banks;**

**-Money market placements**

| *In millions 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 | 128,011 | - | - | 128,011 | 158 | - | - | 158 | 127,854 |
| Non-Investment | 24,669 | - | - | 24,669 | 563 | - | - | 563 | 24,107 |

**Other assets**

| In millions 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 | 2,410,425 | - | - | 2,410,425 | 4,359 | - | - | 4,359 | 2,406,066 |
| Standard grade | 24,227 | 25,675 | - | 49,902 | 1,958 | 2,073 | - | 4,031 | 45,871 |
| Non-Investment | - | - | - | - | - | - | - | - | - |

### 5.1.3(b) Bank

**December 2022**

**Credit quality by class**

| **Loans to retail customers** *In millions 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 | | | | | | | | | |
| Standard grade | 138,481 | 562 | - | 139,043 | 5,260 | 21 | - | 5,281 | 133,762 |
| Non-Investment | - | - | 10,227 | 10,227 | - | - | 2,869 | 2,869 | 7,359 |

**Loans to corporate customers**

| *In millions 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 | 1,249,929 | - | - | 1,249,929 | 1,931 | - | - | 1,931 | 1,247,997 |
| Standard grade | 2,286,214 | 389,151 | - | 2,675,365 | 16,692 | 15,852 | - | 32,547 | 2,642,819 |
| Non-Investment | - | - | 74,848 | 74,848 | - | - | 22,436 | 22,436 | 52,412 |

**Loans and advances to banks**

| *In millions 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 | 319,192 | - | - | 319,192 | 308 | - | - | 308 | 318,885 |
| Standard grade | 3,640 | - | - | 3,640 | 6 | - | - | 6 | 3,634 |
| Non-Investment | - | - | 119 | 119 | - | - | 28 | 28 | 91 |

**Off balance sheet**

| *In millions 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 | 748,805 | 8,466 | - | 757,271 | 890 | 333 | - | 1,223 | 756,048 |
| Standard grade | 452,030 | 4,188 | 10,117 | 466,336 | 6,659 | 45 | 2,554 | 9,258 | 457,078 |
| Non-Investment | 1,304 | - | 709 | 2,013 | 14 | - | 353 | 367 | 1,646 |

**Investment securities**

| *In millions 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 | 372,316 | - | - | 372,316 | - | - | - | - | 372,316 |
| Standard grade | 1,488,514 | - | 125,038 | 1,613,552 | 1,988 | - | 37,320 | 39,308 | 1,574,244 |

**Pledged Assets**

| *In millions 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 | 1,264,323 | - | - | 1,264,323 | 1,612 | - | - | 1,612 | 1,262,711 |

**Cash and balances with banks;**

**-Money market placements**

| *In millions 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 | | | | | | | | | |
| Non-Investment | 24,669 | - | - | 24,669 | 563 | - | - | 563 | 24,106 |

**Other assets**

| In millions 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 | 2,281,567 | - | - | 2,281,567 | 2,461 | - | - | 2,461 | 2,279,106 |
| Standard grade | 22,932 | 24,303 | - | 47,234 | 2,249 | 2,381 | - | 4,630 | 42,604 |
| Non-Investment | - | - | - | - | - | - | - | - | - |

## 5.1.3 Credit quality

### (c) Credit quality by risk rating class

**Group**

*In millions of Naira*

**December 2023**

**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+ | 642 | - | - | 642 | 18 | - | - | 18 | 624 |
| BB | Standard | 3 | 857,463 | 4 | - | 857,468 | 6,693 | 0 | - | 6,694 | 850,774 |
| BB- | Standard | 3- | 6,881 | 39,764 | - | 46,645 | 178 | 1,814 | - | 1,993 | 44,652 |
| B | Non-Investment | 4 | - | 92 | 1,071 | 1,163 | - | 19 | 265 | 283 | 879 |
| B- | Non-Investment | 5 | - | 141 | - | 141 | - | 9 | - | 9 | 133 |
| CCC | Non-Investment | 6 | - | - | 29,607 | 29,607 | - | - | 8,161 | 8,161 | 21,446 |
| C | Non-Investment | 7 | - | - | 16,825 | 16,825 | - | - | 4,417 | 4,417 | 12,408 |
| D | Non-Investment | 8 | - | - | 20,116 | 20,116 | - | - | 6,307 | 6,307 | 13,808 |
| **Carrying amount** | | | **864,987** | **40,001** | **67,619** | **972,606** | **6,890** | **1,842** | **19,150** | **27,882** | **944,725** |

**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 | 580,073 | - | - | 580,073 | 311 | - | - | 311 | 579,762 |
| AA | Investment | 2+ | 709,126 | - | - | 709,126 | 560 | - | - | 560 | 708,566 |
| A | Investment | 2 | 264,257 | - | - | 264,257 | 387 | - | - | 387 | 263,870 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BBB | Investment | 2- | 1,077,970 | - | - | 1,077,970 | 2,036 | - | - | 2,036 | 1,075,934 |
| BB+ | Standard | 3+ | 616,754 | - | - | 616,754 | 2,805 | - | - | 2,805 | 613,949 |
| BB | Standard | 3 | 3,018,887 | 17,441 | - | 3,036,328 | 30,321 | 1,133 | - | 31,454 | 3,004,874 |
| BB- | Standard | 3- | 197,181 | 474,793 | - | 671,974 | 5,585 | 19,897 | - | 25,482 | 646,492 |
| B | Non-Investment | 4 | - | 23,361 | - | 23,361 | - | 1,356 | - | 1,356 | 22,005 |
| B- | Non-Investment | 5 | - | 57,401 | - | 57,401 | - | 4,098 | - | 4,098 | 53,303 |
| CCC | Non-Investment | 6 | - | - | 130,188 | 130,188 | - | - | 43,336 | 43,336 | 86,852 |
| C | Non-Investment | 7 | - | - | 35,734 | 35,734 | - | - | 10,426 | 10,426 | 25,309 |
| D | Non-Investment | 8 | - | - | 18,440 | 18,440 | - | - | 6,358 | 6,358 | 12,082 |
| | | | **6,464,248** | **572,996** | **184,362** | **7,221,606** | **42,004** | **26,484** | **60,120** | **128,608** | **7,092,999** |

## 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 | - | - | - | - | - | - | - | - | - |
| AA | Investment | 2+ | 880,152 | - | - | 880,152 | 396 | - | - | - | 880,152 |
| BB | Standard | 3 | 794 | - | - | 794 | 17 | - | - | 17 | 777 |
| | | | **880,947** | **-** | **-** | **880,947** | **413** | **-** | **-** | **17** | **880,930** |

## 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 | 1,999,002 | - | - | 1,999,002 | 1,153 | - | - | 1,153 | 1,997,849 |
| B | Non-Investment | 4 | 2,752,687 | - | 794,754 | 3,547,442 | 8,892 | - | 193,531 | 202,423 | 3,345,019 |
| | | | **4,751,689** | **-** | **794,754** | **5,546,443** | **10,045** | **-** | **193,531** | **203,576** | **5,342,868** |

**Derivative Financial Instruments**

| External Rating Equivalent | Grade | Risk Rating | Gross Nominal December 2023 | Fair Value December 2023 |
|---|---|---|---|---|
| AAA-A | Investment | 1 | 3,048,718 | 1,696,231 |
| AA | Investment | 2+ | 217,350 | (435,883) |
| A | Investment | 2 | 68,002 | 34,969 |
| BBB | Investment | 2- | 145,719 | 84,069 |
| BB+ | Standard | 3+ | 121,852 | (10,082) |
| BB | Standard | 3 | 97,146 | 61,410 |
| BB- | Standard | 3- | 688,973 | 143,686 |
| B | Non-Investment | 4 | - | - |
| **Gross amount** | | | **4,387,760** | **1,574,400** |

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

**Other Assets**

| 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 | 3,413,409 | - | - | 3,413,409 | 17,372 | - | - | 17,372 | 3,396,037 |
| AA | Investment | 2+ | 5,497 | - | - | 5,497 | 2 | - | - | 2 | 5,495 |
| A | Investment | 2 | 1,532 | - | - | 1,532 | 2 | - | - | 2 | 1,530 |
| BBB | Investment | 2- | 87,005 | - | - | 87,005 | 1,790 | - | - | 1,790 | 85,215 |
| BB+ | Standard | 3+ | 34,582 | - | - | 34,582 | 891 | - | - | 891 | 33,692 |
| BB | Standard | 3 | - | 149,677 | - | 149,677 | - | 3,854 | - | 3,854 | 145,822 |
| | | | **3,542,026** | **149,677** | **-** | **3,691,702** | **20,056** | **3,854** | **-** | **23,911** | **3,667,792** |

**Bank**

*In millions of Naira*

**December 2023**

**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+ | 642 | - | - | 642 | 18 | - | - | 18 | 624 |
| BB | Standard | 3 | 157,633 | 4 | - | 157,638 | 3,874 | 0 | - | 3,875 | 153,763 |
| BB- | Standard | 3- | 6,881 | 0 | - | 6,881 | 178 | 0 | - | 178 | 6,703 |
| B | Non-Investment | 4 | - | 92 | - | 92 | - | 19 | - | 19 | 73 |
| B- | Non-Investment | 5 | - | 141 | - | 141 | - | 9 | - | 9 | 133 |
| CCC | Non-Investment | 6 | - | - | 4,907 | 4,907 | - | - | 2,052 | 2,052 | 2,854 |
| C | Non-Investment | 7 | - | - | 1,199 | 1,199 | - | - | 552 | 552 | 647 |
| D | Non-Investment | 8 | - | - | 5,845 | 5,845 | - | - | 2,778 | 2,778 | 3,067 |
| **Carrying amount** | | | **165,156** | **239** | **11,951** | **177,345** | **4,071** | **27** | **5,383** | **9,481** | **167,865** |

**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 | 386,000 | - | - | 386,000 | 188 | - | - | 188 | 385,813 |
| AA | Investment | 2+ | 471,876 | - | - | 471,876 | 166 | - | - | 166 | 471,710 |
| A | Investment | 2 | 175,845 | - | - | 175,845 | 127 | - | - | 128 | 175,717 |
| BBB | Investment | 2- | 717,317 | - | - | 717,317 | 1,585 | - | - | 1,585 | 715,732 |
| BB+ | Standard | 3+ | 514,213 | - | - | 514,213 | 2,091 | - | - | 2,091 | 512,123 |
| BB | Standard | 3 | 2,212,896 | 17,441 | - | 2,230,337 | 29,520 | 1,133 | - | 30,653 | 2,199,683 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BB- | Standard | 3- | 164,398 | 471,061 | - | 635,461 | 4,502 | 18,552 | - | 23,053 | 612,408 |
| B | Non-Investment | 4 | - | 23,361 | - | 23,361 | - | 1,356 | - | 1,356 | 22,005 |
| B- | Non-Investment | 5 | - | 57,401 | - | 57,401 | - | 4,098 | - | 4,098 | 53,303 |
| CCC | Non-Investment | 6 | - | - | 65,830 | 65,830 | - | - | 22,894 | 22,894 | 42,936 |
| | | | **4,642,546** | **569,264** | **65,830** | **5,277,640** | **38,179** | **25,138** | **22,894** | **86,211** | **5,191,429** |

**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 | 658,996 | - | - | 658,996 | 228 | - | - | 228 | 658,768 |
| BB | Standard | 3 | 794 | - | - | 794 | 17 | - | - | 17 | 777 |
| | | | 659,790 | - | - | 659,790 | 244 | - | 29 | 273 | 659,516 |

**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 | 402,711 | - | - | 402,711 | - | - | - | - | 402,711 |
| B | Non-Investment | 4 | 2,752,687 | - | 308,172 | 3,060,859 | 8,911 | - | 107,876 | - | 3,060,859 |
| | | | **3,155,400** | **-** | **308,172** | **3,463,571** | **8,911** | **-** | **107,876** | **-** | **3,463,570** |

**Derivative Financial Instruments**

| External Rating Equivalent | Grade | Risk Rating | Gross Nominal December 2023 | Fair Value December 2023 |
|---|---|---|---|---|
| AAA-A | Investment | 1 | 2,986,994 | 1,682,296 |
| AA | Investment | 2+ | 684,774 | (432,302) |
| A | Investment | 2 | 66,625 | 34,682 |
| BBB | Investment | 2- | 203,200 | 142,505 |
| BB+ | Standard | 3+ | 119,385 | (9,999) |
| BB | Standard | 3 | 95,179 | 60,906 |
| BB- | Standard | 3- | 142,769 | 83,378 |
| **Gross amount** | | | **4,298,926** | **1,561,466** |

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

**Other Assets**

| 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 | 3,085,966 | - | - | 3,085,966 | 16,075 | - | - | 16,075 | 3,069,891 |
| AA | Investment | 2+ | 4,970 | - | - | 4,970 | 2 | - | - | 2 | 4,968 |
| A | Investment | 2 | 1,385 | - | - | 1,385 | 2 | - | - | 2 | 1,383 |
| BBB | Investment | 2- | 78,659 | - | - | 78,659 | 1,656 | - | - | 1,656 | 77,003 |
| BB+ | Standard | 3+ | 31,265 | - | - | 31,265 | 824 | - | - | 824 | 30,441 |
| BB | Standard | 3 | - | 135,318 | - | 135,318 | - | 3,567 | - | 3,567 | 131,752 |
| | | | **3,202,245** | **135,318** | **-** | **3,337,563** | **18,559** | **3,567** | **-** | **22,126** | **3,315,438** |

## 5.1.3 Credit quality

### (c) Credit quality by risk rating class

**Group**

*In millions of Naira*

**December 2022**

**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+ | 467 | - | - | 467 | 17 | - | - | 17 | 450 |
| BB | Standard | 3 | 437,732 | 238 | 956 | 438,927 | 6,668 | 12 | 236 | 6,916 | 432,011 |
| BB- | Standard | 3- | 6,134 | 20,227 | 203 | 26,565 | 243 | 1,083 | 64 | 1,390 | 25,175 |
| B | Non-Investment | 4 | - | - | 496 | 496 | - | - | 156 | 156 | 340 |
| CCC | Non-Investment | 6 | - | - | 18,765 | 18,765 | - | - | 5,815 | 5,815 | 12,952 |
| C | Non-Investment | 7 | - | - | 7,149 | 7,149 | - | - | 2,175 | 2,175 | 4,974 |
| D | Non-Investment | 8 | - | - | 8,345 | 8,345 | - | - | 2,570 | 2,570 | 5,776 |
| **Carrying amount** | | | **444,334** | **20,465** | **35,915** | **500,713** | **6,928** | **1,095** | **11,016** | **19,043** | **481,671** |

**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 | 206,038 | - | - | 206,038 | 42 | - | - | 42 | 205,997 |
| AA | Investment | 2+ | 579,429 | - | - | 579,429 | 815 | - | - | 815 | 578,614 |
| A | Investment | 2 | 297,399 | - | - | 297,399 | 603 | - | - | 603 | 296,796 |
| BBB | Investment | 2- | 167,063 | - | - | 167,063 | 471 | - | - | 471 | 166,591 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BB+ | Standard | 3+ | 414,749 | 15 | - | 414,764 | 1,351 | 13 | - | 1,363 | 413,400 |
| BB | Standard | 3 | 2,327,897 | - | - | 2,327,897 | 15,292 | - | - | 15,292 | 2,312,605 |
| BB- | Standard | 3- | 155,700 | 409,840 | - | 565,539 | 2,309 | 16,634 | - | 18,941 | 546,598 |
| CCC | Non-Investment | 6 | - | - | 102,912 | 102,912 | - | - | 31,973 | 31,973 | 70,939 |
| C | Non-Investment | 7 | - | - | 28,739 | 28,739 | - | - | 7,779 | 7,779 | 20,959 |
| | | | **4,148,273** | **409,855** | **131,652** | **4,689,782** | **20,882** | **16,646** | **39,753** | **77,281** | **4,612,500** |

## 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 | 452,329 | - | - | 452,329 | 345 | - | - | 345 | 451,984 |
| BB | Standard | 3 | 3,640 | - | - | 3,640 | 6 | - | - | 6 | 3,634 |
| CCC | Non-Investment | 6 | - | - | 119 | 119 | - | - | 28 | 28 | 91 |
| | | | **455,970** | **-** | **119** | **456,088** | **351** | **-** | **28** | **378** | **455,710** |

## 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 | 1,005,861 | - | - | 1,005,861 | 233 | - | - | 233 | 1,005,629 |
| B | Non-Investment | 4 | 1,488,514 | - | 348,111 | 1,836,625 | 2,003 | - | 78,555 | 80,558 | 1,756,067 |
| | | | **2,494,375** | **-** | **348,111** | **2,842,486** | **2,236** | **-** | **78,555** | **80,791** | **2,761,696** |

## Derivative Financial Instruments

| External Rating Equivalent | Grade | Risk Rating | Gross Nominal December 2022 | Fair Value December 2022 |
|---|---|---|---|---|
| AAA-A | Investment | 1 | 1,674,145 | 326,235 |
| AA | Investment | 2+ | 116,993 | (4,479) |
| A | Investment | 2 | 96,991 | (1,248) |
| BBB | Investment | 2- | 11,813 | (1,031) |
| BB+ | Standard | 3+ | 267,312 | 50,392 |
| BB | Standard | 3 | 1,076 | (76) |
| BB- | Standard | 3- | 518 | (32) |
| **Gross amount** | | | **2,168,848** | **369,760** |

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

### Other Assets

| 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 | 2,334,924 | - | - | 2,334,924 | 3,963 | - | - | 3,963 | 2,330,960 |
| AA | Investment | 2+ | 2,165 | - | - | 2,165 | 10 | - | - | 10 | 2,155 |
| A | Investment | 2 | 12,552 | - | - | 12,552 | 195 | - | - | 195 | 12,356 |
| BBB | Investment | 2- | 60,785 | - | - | 60,785 | 190 | - | - | 190 | 60,595 |
| BB+ | Standard | 3+ | 24,227 | - | - | 24,227 | 1,958 | - | - | 1,958 | 22,269 |
| BB | Standard | 3 | - | 25,675 | - | 25,675 | - | 2,073 | - | 2,073 | 23,602 |
| **Carrying amount** | | | **2,434,652** | **25,675** | **-** | **2,460,327** | **6,317** | **2,073** | **-** | **8,390** | **2,451,937** |

**Bank**

*In millions of Naira*

**December 2022**

**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+ | 467 | - | - | 467 | 17 | - | - | 17 | 450 |
| BB | Standard | 3 | 131,880 | 238 | 956 | 133,076 | 5,000 | 12 | 236 | 5,248 | 127,829 |
| BB- | Standard | 3- | 6,134 | 324 | 203 | 6,662 | 243 | 9 | 64 | 315 | 6,346 |
| B | Non-Investment | 4 | - | - | - | - | - | - | - | - | 2 |
| B- | Non-Investment | 5 | - | - | - | - | - | - | - | - | - |
| CCC | Non-Investment | 6 | - | - | 5,921 | 5,921 | - | - | 1,649 | 1,649 | 4,270 |
| C | Non-Investment | 7 | - | - | - | - | - | - | - | - | - |
| D | Non-Investment | 8 | - | - | 3,146 | 3,146 | - | - | 921 | 921 | 2,226 |
| **Carrying amount** | | | **138,482** | **563** | **10,227** | **149,271** | **5,260** | **20** | **2,869** | **8,155** | **141,116** |

**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 | 206,038 | - | - | 206,038 | 42 | - | - | 42 | 205,997 |
| AA | Investment | 2+ | 579,429 | - | - | 579,429 | 815 | - | - | 815 | 578,614 |
| A | Investment | 2 | 297,399 | - | - | 297,399 | 603 | - | - | 604 | 296,795 |
| BBB | Investment | 2- | 167,063 | - | - | 167,063 | 471 | - | - | 471 | 166,591 |
| BB+ | Standard | 3+ | 414,749 | 15 | - | 414,765 | 1,351 | 13 | - | 1,363 | 413,401 |
| BB | Standard | 3 | 1,715,765 | - | - | 1,715,765 | 13,032 | - | - | 13,032 | 1,702,733 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BB- | Standard | 3- | 155,700 | 389,136 | - | 544,837 | 2,309 | 15,839 | - | 18,146 | 526,690 |
| B | Non-Investment | 4 | - | - | - | - | - | - | - | - | - |
| B- | Non-Investment | 5 | - | - | - | - | - | - | - | - | - |
| CCC | Non-Investment | 6 | - | - | 73,854 | 73,854 | - | - | 22,308 | 22,308 | 51,546 |
| C | Non-Investment | 7 | - | - | - | - | - | - | - | - | - |
| D | Non-Investment | 8 | - | - | 994 | 994 | - | - | 128 | 128 | 866 |
| | | | **3,536,143** | **389,151** | **74,848** | **4,000,142** | **18,623** | **15,853** | **22,436** | **56,910** | **3,943,232** |

**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 | 319,192 | - | - | 319,192 | 308 | - | - | 308 | 318,884 |
| BB | Standard | 3 | 3,640 | - | - | 3,640 | 6 | - | - | 6 | 3,634 |
| CCC | Non-Investment | 6 | - | - | 119 | 119 | - | - | 28 | 28 | 91 |
| | | | **322,832** | **-** | **119** | **322,951** | **314** | **-** | **28** | **341** | **322,610** |

**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 | 372,316 | - | - | 372,316 | - | - | - | - | 372,316 |
| BB | Standard | 3 | - | - | - | - | - | - | - | - | - |
| B | Non-Investment | 4 | 1,488,514 | - | 125,038 | 1,613,552 | 1,988 | - | 37,320 | 39,308 | 1,574,244 |
| | | | **1,860,832** | **-** | **125,038** | **1,985,869** | **1,988** | **-** | **37,320** | **39,308** | **1,946,561** |

## Derivative Financial Instruments

| External Rating Equivalent | Grade | Risk Rating | Gross Nominal December 2022 | Fair Value December 2022 |
|---|---|---|---|---|
| AAA-A | Investment | 1 | 1,605,574 | 324,669 |
| A | Investment | 2+ | 112,201 | (4,458) |
| AA | Investment | 2 | 93,018 | (1,242) |
| BBB | Investment | 2- | 11,329 | (1,026) |
| BB+ | Standard | 3+ | 256,363 | 50,150 |
| BB | Standard | 3 | 1,032 | (76) |
| BB- | Standard | 3- | 497 | (32) |
| **Gross amount** | | | **2,080,014** | **367,986** |

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

## Other Assets

| 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 | 2,210,102 | - | - | 2,210,102 | 2,007 | - | - | 2,007 | 2,208,095 |
| AA | Investment | 2+ | 2,049 | - | - | 2,049 | 11 | - | - | 11 | 2,038 |
| A | Investment | 2 | 11,881 | - | - | 11,881 | 225 | - | - | 225 | 11,656 |
| BBB | Investment | 2- | 57,535 | - | - | 57,535 | 218 | - | - | 218 | 57,317 |
| BB+ | Standard | 3+ | 22,932 | - | - | 22,932 | 2,249 | - | - | 2,249 | 20,683 |
| BB | Standard | 3 | - | 24,303 | - | 24,303 | - | 2,381 | - | 2,381 | 21,921 |
| | | | **2,304,499** | **24,303** | **-** | **2,328,802** | **4,711** | **2,381** | **-** | **7,092** | **2,321,710** |

## 5.1.3 The table below summarises the risk rating for other financial assets:

**(d)**

**Group**

| *In millions of Naira* **December 2023** | Total | Risk Rating 1-3 | Risk Rating 4-5 | Risk Rating 6 | Risk Rating 7 | Risk Rating 8 |
|---|---|---|---|---|---|---|
| Cash and balances with banks | | | | | | |
| Current balances with banks | 1,310,295 | 1,310,295 | - | - | - | - |
| Unrestricted balances with central banks | 719,502 | 719,502 | - | - | - | - |
| Money market placements | 218,873 | - | 218,873 | - | - | - |
| Other deposits with central banks | - | - | | | | |
| Investment under management | 7,423 | 7,423 | - | - | - | - |
| Non-pledged trading assets | | | | | | |
| Treasury bills | 197,120 | 197,120 | - | - | - | - |
| Bonds | 12,088 | 12,088 | - | - | - | - |
| Derivative financial instruments | 2,050,432 | 2,050,432 | - | - | - | - |
| Pledged assets | | | | | | |
| -Financial instruments at FVOCI | | | | | | |
| Treasury bills | 445,262 | - | 445,262 | - | - | - |
| Bonds | - | - | - | - | - | - |
| -Financial instruments at amortized cost | | | | | | |
| Treasury bills | 80,216 | - | 80,216 | - | - | - |
| Bonds | 622,555 | - | 622,555 | - | - | - |
| Promissory Notes | 30,181 | - | 30,181 | - | - | - |
| -Financial instruments at FVPL | | | | | | |
| Treasury bills | 32,235 | - | 32,235 | - | - | - |
| Bonds | 1,193 | - | 1,193 | - | - | - |
| Investment securities | | | | | | |
| -Financial instruments at FVOCI | | | | | | |
| Treasury bills | 1,943,342 | - | 1,943,342 | - | - | - |
| Bonds | 679,165 | - | 656,308 | 22,857 | - | - |
| Promissory Notes | 16,714 | - | 16,714 | - | - | - |
| - Financial assets at amortised cost | | | | | | |
| Treasury bills | 754,810 | - | 754,810 | - | - | - |
| Bonds | 1,930,731 | - | 1,352,363 | 578,367 | - | - |
| Preferential Shares Note | - | - | - | - | - | - |
| Promissory Notes | 94,690 | - | 94,690 | - | - | - |
| - Financial assets at FVPL | | | | | | |
| Equity | 406,154 | 406,154 | - | - | - | - |
| Restricted deposit and other assets | 4,947,684 | 4,947,684 | - | - | - | - |
| | **16,500,255** | **9,650,700** | **6,248,744** | **601,224** | **-** | **-** |

The rating here represents internal grade ratings

**Group**

*In millions of Naira*

| **December 2022** | **Total** | **Risk Rating 1-3** | **Risk Rating 4-5** | **Risk Rating 6** | **Risk Rating 7** | **Risk Rating 8** |
|---|---|---|---|---|---|---|
| Cash and balances with banks | | | | | | |
| Current balances with banks | 272,128 | 272,128 | - | - | - | - |
| Unrestricted balances with central banks | 186,534 | 186,534 | - | - | - | - |
| Money market placements | 151,959 | 127,854 | 24,106 | - | - | - |
| Other deposits with central banks | 536,677 | 536,677 | | | - | - |
| Investment under management | 3,742 | 3,742 | - | - | - | - |
| Non-pledged trading assets | | | | | | |
| Treasury bills | 88,116 | 88,116 | - | - | - | - |
| Bonds | 14,574 | 14,574 | - | - | - | - |
| Derivative financial instruments | | - | | | - | - |
| Pledged assets | 402,497 | 402,497 | - | - | - | - |
| -Financial instruments at FVOCI | | | | | | |
| Treasury bills | | | - | - | - | - |
| Bonds | 451,476 | - | 451,476 | - | - | - |
| -Financial instruments at amortized cost | - | - | | | | |
| Treasury bills | | | | | - | - |
| Bonds | 295,404 | - | 295,404 | - | - | - |
| Promissory Notes | 410,700 | - | 410,700 | - | - | - |
| -Financial instruments at FVPL | 32,567 | - | 32,567 | - | - | - |
| Treasury bills | | | | | - | - |
| Bonds | 72,565 | - | 72,565 | - | - | - |
| Investment securities | 2,567 | - | 2,567 | - | - | - |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | | | | | - | - |
| Bonds | 1,046,120 | - | 1,046,120 | - | - | - |
| Promissory Notes | 217,305 | 204,695 | 12,611 | - | - | - |
| - Financial assets at amortised cost | | | | | | |
| Treasury bills | 192,795 | - | 192,795 | - | - | - |
| Bonds | 870,111 | - | 449,991 | 420,119 | - | - |
| Total return notes | 9,752 | 9,752 | - | - | - | - |
| Promissory Notes | 37,762 | - | 37,762 | - | - | - |
| - Financial assets at FVPL | | | | | | |
| Equity | 167,906 | 167,906 | - | - | - | - |
| Restricted deposit and other assets | 2,454,143 | 2,454,143 | - | - | - | - |
| | **8,212,310** | **4,472,421** | **3,287,079** | **461,814** | **-** | **-** |

**The table below summarises the risk rating for other financial assets:**

**Bank**

| *In millions of Naira* **December 2023** | **Total** | **Risk Rating 1-3** | **Risk Rating 4-5** | **Risk Rating 6** | **Risk Rating 7** | **Risk Rating 8** |
|---|---|---|---|---|---|---|
| Cash and balances with banks | | | | | | |
| Current balances with banks | 973,628 | 973,628 | - | - | - | - |
| Unrestricted balances with central banks | 415,846 | 415,846 | - | - | - | - |
| Money market placements | 308,580 | - | 308,580 | - | - | - |
| Other deposits with central banks | - | - | - | - | - | - |
| Investment under management | 7,423 | 7,423 | - | - | - | - |
| Non-pledged trading assets | | | | | | |
| Treasury bills | 150,037 | 150,037 | - | - | - | - |
| Bonds | 7,761 | 7,761 | - | - | - | - |
| Derivative financial instruments | 2,033,286 | 2,033,286 | - | - | - | - |
| Pledged assets | | | | | | |
| -Financial instruments at FVOCI | | | | | | |
| Treasury bills | 445,262 | - | 445,262 | - | - | - |
| Bonds | - | - | - | | | |
| -Financial instruments at amortized cost | | | | | | |
| Treasury bills | 80,216 | - | 80,216 | - | - | - |
| Bonds | 622,669 | - | 622,669 | - | - | - |
| Promissory Notes | 30,181 | - | 30,181 | - | - | - |
| -Financial instruments at FVPL | | | | | | |
| Treasury bills | 32,235 | - | 32,235 | - | - | - |
| Bonds | 1,193 | - | 1,193 | - | - | - |
| Investment securities | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 905,038 | - | 905,038 | - | - | - |
| Bonds | 192,150 | - | 191,353 | 797 | - | - |
| Promissory Notes | 16,714 | - | 16,714 | - | - | - |
| - Financial assets at amortised cost | | | | | | |
| Treasury bills | 584,667 | - | 584,667 | - | - | - |
| Bonds | 1,143,830 | | 944,332 | 199,499 | - | - |
| Preferential Shares Note | 7,119 | - | 7,119 | - | - | - |
| Promissory Notes | 94,552 | - | 94,552 | - | - | - |
| - Financial assets at FVPL | | | | | | |
| Equity | 402,711 | 402,711 | - | - | - | - |
| Restricted deposit and other assets | 4,594,032 | 4,594,032 | - | - | - | - |
| | **13,049,129** | **8,584,725** | **4,264,113** | **200,295** | **-** | **-** |

The rating here represents internal grade ratings

**Bank**

*In millions of Naira*

| December 2022 | Total | Risk Rating 1-3 | Risk Rating 4-5 | Risk Rating 6 | Risk Rating 7 | Risk Rating 8 |
|---|---|---|---|---|---|---|
| Cash and balances with banks | | | | | | |
| Current balances with banks | 123,023 | 123,023 | - | - | - | - |
| Unrestricted balances with central banks | 89,148 | 89,148 | - | - | - | - |
| Money market placements | 24,106 | - | 24,106 | - | - | - |
| Other deposits with central banks | 536,677 | 536,677 | - | - | - | - |
| Investment under management | 3,742 | 3,742 | - | - | - | - |
| Non-pledged trading assets | | | | | | |
| Treasury bills | 73,011 | 73,011 | - | - | - | - |
| Bonds | 4,613 | 4,613 | - | - | - | - |
| Derivative financial instruments | 399,058 | 399,058 | - | | - | - |
| Pledged assets | | | | | | |
| -Financial instruments at FVOCI | | | - | | | |
| Treasury bills | 451,476 | - | 451,476 | - | - | - |
| Bonds | - | - | | - | - | - |
| -Financial instruments at amortized cost | | | | | | |
| Treasury bills | 295,404 | - | 295,404 | | - | - |
| Bonds | 410,700 | - | 410,700 | - | - | - |
| Promissory Notes | 32,567 | - | 32,567 | - | - | - |
| -Financial instruments at FVPL | | | | - | | |
| Treasury bills | 72,565 | - | 72,565 | | - | - |
| Bonds | 2,567 | - | 2,567 | - | - | - |
| Investment securities | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 703,695 | - | 703,695 | | - | - |
| Bonds | 162,077 | - | 161,898 | - | - | - |
| Promissory Notes | 217,305 | 204,695 | 12,611 | 179 | - | - |
| - Financial assets at amortised cost | | | | - | | |
| Treasury bills | 102,171 | - | 102,171 | | - | - |
| Bonds | 556,010 | | 468,472 | - | - | - |
| Total return notes | - | - | - | 87,539 | - | - |
| Promissory Notes | 37,680 | - | 37,680 | - | - | - |
| - Financial assets at FVPL | | | | | | |
| Equity | 167,622 | 167,622 | - | - | - | - |
| Restricted deposit and other assets | 2,323,754 | 2,323,754 | - | - | - | - |
| | **6,786,970** | **3,925,342** | **2,775,912** | **87,717** | **-** | **-** |

## 5.1.3 Credit Type

**(e) Credit staging by type**

**Group**

*In millions of Naira*

**December 2023**

**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 | 2,529 | 70 | 135 | 2,734 | 23 | 1 | 22 | 46 | 2,687 |
| Credit Card | 31,083 | 26 | 458 | 31,567 | 1,226 | 11 | 221 | 1,459 | 30,109 |
| Finance Lease | 94 | - | - | 94 | 2 | - | - | 2 | 91 |
| Mortgage Loan | 156,325 | 7,714 | 11,580 | 175,619 | 643 | 339 | 2,871 | 3,854 | 171,767 |
| Overdraft | 28,636 | 1,030 | 9,511 | 39,177 | 495 | 83 | 4,272 | 4,850 | 34,326 |
| Personal Loan | 434,017 | 20,298 | 28,914 | 483,228 | 3,468 | 1,063 | 8,336 | 12,867 | 470,361 |
| Term Loan | 199,242 | 10,212 | 15,765 | 225,218 | 1,220 | 482 | 4,300 | 6,001 | 219,217 |
| Time Loan | 13,060 | 651 | 1,257 | 14,968 | 36 | 7 | 225 | 268 | 14,700 |
| | 864,987 | 40,000 | 67,619 | 972,606 | 7,115 | 1,978 | 20,255 | 29,351 | 943,255 |

### 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 | 11,474 | 525 | 611 | 12,610 | 181 | 60 | 331 | 571 | 12,039 |
| Credit Card | 1,447 | - | 29 | 1,476 | 28 | - | 12 | 40 | 1,434 |
| Finance Lease | 31,731 | 177 | 826 | 32,734 | 539 | 27 | 179 | 744 | 31,992 |
| Mortgage Loan | 60,870 | 143 | 3,507 | 64,520 | 111 | 39 | 973 | 1,123 | 63,398 |
| Overdraft | 313,116 | 37,034 | 31,109 | 381,260 | 3,743 | 3,652 | 13,966 | 21,361 | 359,897 |
| Personal Loan | - | - | - | - | - | - | - | - | - |
| Term Loan | 3,281,759 | 473,544 | 77,989 | 3,833,293 | 25,140 | 20,407 | 24,308 | 69,855 | 3,763,438 |
| Time Loan | 2,763,852 | 61,573 | 70,290 | 2,895,716 | 12,119 | 2,248 | 19,081 | 33,449 | 2,862,267 |
| | 6,464,249 | 572,995 | 184,362 | 7,221,607 | 41,869 | 26,433 | 58,850 | 127,142 | 7,094,465 |

### 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 | 5 | - | - | 5 | 0 | - | - | 0 | 5 |
| Mortgage Loan | - | - | - | - | - | - | - | - | - |
| Overdraft | 789 | - | - | 789 | 17 | - | - | 17 | 772 |
| Personal Loan | - | - | - | - | - | - | - | - | - |
| Term Loan | 38,074 | - | - | 38,074 | 29 | - | - | 29 | 38,045 |
| Time Loan | 842,078 | - | - | 842,078 | 367 | - | - | 367 | 841,711 |
| | 880,947 | - | - | 880,947 | 414 | - | - | 413 | 880,535 |

**Bank**

*In millions of Naira*

**December 2023**

**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 | 1,389 | 5 | 44 | 1,438 | 23 | 0 | 17 | 40 | 1,398 |
| Credit Card | 30,771 | 8 | 433 | 31,213 | 1,225 | 10 | 216 | 1,452 | 29,760 |
| Finance Lease | 94 | - | - | 94 | 2 | - | - | 2 | 91 |
| Mortgage Loan | 20,788 | 13 | 799 | 21,600 | 120 | 2 | 316 | 438 | 21,162 |
| Overdraft | 10,539 | 1 | 8,072 | 18,612 | 365 | 0 | 3,640 | 4,005 | 14,607 |
| Personal Loan | 78,159 | 79 | 607 | 78,845 | 1,826 | 6 | 315 | 2,147 | 76,698 |
| Term Loan | 21,765 | 129 | 1,647 | 23,541 | 484 | 8 | 705 | 1,196 | 22,345 |
| Time Loan | 1,650 | 2 | 349 | 2,002 | 25 | 0 | 174 | 200 | 1,802 |
| | 165,156 | 238 | 11,951 | 177,345 | 4,071 | 27 | 5,383 | 9,481 | 167,865 |

## 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 | 9,902 | 522 | 521 | 10,945 | 168 | 56 | 217 | 441 | 10,504 |
| Credit Card | 1,447 | - | 29 | 1,476 | 28 | - | 12 | 39 | 1,436 |
| Finance Lease | 21,489 | 156 | 235 | 21,879 | 526 | 22 | 62 | 611 | 21,270 |
| Mortgage Loan | 160 | 18 | 1 | 179 | 1 | - | 1 | 1 | 177 |
| Overdraft | 157,562 | 36,716 | 22,127 | 216,405 | 3,309 | 3,500 | 10,141 | 16,949 | 199,455 |
| Personal Loan | - | - | - | - | - | - | - | - | - |
| Term Loan | 2,551,538 | 472,048 | 35,821 | 3,059,407 | 23,534 | 19,842 | 10,140 | 53,516 | 3,005,890 |
| Time Loan | 1,900,448 | 59,805 | 20,431 | 1,980,683 | 10,613 | 1,719 | 5,795 | 18,127 | 1,962,556 |
| | 4,642,545 | 569,264 | 79,165 | 5,290,973 | 38,179 | 25,138 | 26,368 | 89,685 | 5,201,289 |

## 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 | 5 | - | - | 5 | 0 | - | - | 0 | 5 |
| Mortgage Loan | - | - | - | - | - | - | - | - | - |
| Overdraft | 789 | - | - | 789 | 17 | - | - | 17 | 772 |
| Personal Loan | - | - | - | - | - | - | - | - | - |
| Term Loan | - | - | - | - | - | - | - | - | - |
| Time Loan | 658,996 | - | - | 658,996 | 228 | - | - | 228 | 658,768 |
| | 659,790 | - | - | 659,790 | 244 | - | - | 244 | 659,546 |

## 5.1.3 Credit Type

### (e) Credit staging by type

**Group**

*In millions of Naira*

**December 2022**

**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 | 1,184 | 51 | 94 | 1,329 | 20 | 2 | 24 | 46 | 1,282 |
| Credit Card | 18,759 | 8 | 142 | 18,909 | 1,026 | 4 | 62 | 1,091 | 17,818 |
| Finance Lease | 984 | 56 | 72 | 1,111 | 10 | 3 | 26 | 39 | 1,073 |
| Mortgage Loan | 68,565 | 4,122 | 5,567 | 78,254 | 348 | 142 | 1,146 | 1,635 | 76,620 |
| Overdraft | 21,172 | 252 | 6,410 | 27,834 | 920 | 40 | 2,010 | 2,970 | 24,864 |
| Personal Loan | 256,964 | 11,780 | 16,645 | 285,387 | 3,644 | 761 | 6,172 | 10,575 | 274,812 |
| Term Loan | 71,753 | 3,897 | 6,522 | 82,171 | 916 | 116 | 1,347 | 2,379 | 79,792 |
| Time Loan | 4,953 | 301 | 463 | 5,717 | 45 | 27 | 230 | 302 | 5,414 |
| | 444,334 | 20,464 | 35,915 | 500,713 | 6,929 | 1,087 | 11,024 | 19,043 | 481,671 |

## 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 | 4,849 | 421 | 286 | 5,556 | 49 | 17 | 188 | 255 | 5,301 |
| Credit Card | 1,274 | 7 | 25 | 1,306 | 7 | 1 | 34 | 43 | 1,262 |
| Finance Lease | 7,942 | 249 | 328 | 8,519 | 60 | 9 | 136 | 204 | 8,317 |
| Mortgage Loan | 27,770 | 958 | 2,985 | 31,713 | 99 | 35 | 870 | 1,003 | 30,711 |
| Overdraft | 251,107 | 12,433 | 22,643 | 286,183 | 2,095 | 304 | 9,476 | 11,875 | 274,306 |
| Personal Loan | - | - | - | - | - | - | - | - | - |
| Term Loan | 3,179,153 | 361,865 | 76,963 | 3,617,982 | 16,402 | 15,770 | 25,113 | 57,285 | 3,560,697 |
| Time Loan | 676,178 | 33,924 | 37,676 | 747,779 | 2,170 | 510 | 6,558 | 9,238 | 738,540 |
| | 4,148,275 | 409,855 | 140,906 | 4,699,037 | 20,891 | 16,646 | 42,375 | 79,903 | 4,619,134 |

## 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 | 3,639 | - | 119 | 3,758 | 6 | - | 28 | 33 | 3,724 |
| Personal Loan | - | - | - | - | - | - | - | - | - |
| Term Loan | 452,330 | - | - | 452,330 | 345 | - | - | 345 | 451,985 |
| Time Loan | - | - | - | - | - | - | - | - | - |
| | 455,969 | - | 119 | 456,088 | 352 | - | 28 | 378 | 455,710 |

**Bank**

*In millions of Naira*

**December 2022**

**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 | 525 | 8 | 39 | 572 | 17 | 0 | 9 | 26 | 546 |
| Credit Card | 18,640 | - | 132 | 18,772 | 1,020 | - | 34 | 1,054 | 17,718 |
| Finance Lease | 127 | - | - | 127 | 5 | - | - | 5 | 124 |
| Mortgage Loan | 5,222 | - | 247 | 5,471 | 127 | - | 69 | 195 | 5,278 |
| Overdraft | 17,307 | - | 6,086 | 23,393 | 858 | - | 1,708 | 2,567 | 20,826 |
| Personal Loan | 78,374 | 158 | 1,645 | 80,178 | 2,473 | 7 | 454 | 2,935 | 77,240 |
| Term Loan | 17,794 | 386 | 1,990 | 20,170 | 756 | 14 | 568 | 1,339 | 18,831 |
| Time Loan | 491 | 10 | 89 | 590 | 4 | 0 | 27 | 31 | 559 |
| | 138,473 | 563 | 10,228 | 149,271 | 5,260 | 21 | 2,869 | 8,151 | 141,127 |

## 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 | 4,323 | 403 | 229 | 4,955 | 37 | 12 | 77 | 127 | 4,827 |
| Credit Card | 1,075 | - | 3 | 1,078 | 3 | - | 0 | 3 | 1,075 |
| Finance Lease | 5,964 | 182 | 115 | 6,259 | 50 | 5 | 43 | 98 | 6,164 |
| Mortgage Loan | 110 | 22 | - | 133 | 0 | - | - | 0 | 131 |
| Overdraft | 223,833 | 11,510 | 19,700 | 255,042 | 1,626 | 139 | 5,333 | 7,097 | 247,945 |
| Personal Loan | - | - | - | - | - | - | - | - | - |
| Term Loan | 2,921,844 | 353,162 | 49,196 | 3,324,203 | 15,076 | 15,304 | 13,406 | 43,785 | 3,280,417 |
| Time Loan | 378,995 | 23,872 | 5,605 | 408,472 | 1,832 | 391 | 3,577 | 5,800 | 402,672 |
| | 3,536,142 | 389,151 | 74,849 | 4,000,142 | 18,623 | 15,852 | 22,436 | 56,910 | 3,943,232 |

## 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 | 3,639 | - | 119 | 3,758 | 6 | - | 28 | 33 | 3,724 |
| Personal Loan | - | - | - | - | - | - | - | - | - |
| Term Loan | 319,193 | - | - | 319,193 | 308 | - | - | 308 | 318,885 |
| Time Loan | - | - | - | - | - | - | - | - | - |
| | 322,832 | - | 119 | 322,951 | 314 | - | 28 | 341 | 322,610 |

## 5.1.3 (g) Disclosure of fair value of Collateral held against loans and advances to customers by staging

**Group** **December 2023**

*In millions of Naira*

| Loans to retail customers | Stage 1 | Stage 2 | Stage 3 |
|---|---|---|---|
| Gross amount | 864,987 | 40,000 | 67,619 |
| ECL | (7,115) | (1,978) | (20,255) |
| Collateral held at fair value | | | |
| Property | 58,882 | 2,685 | 4,539 |
| Cash | 28,182 | 877 | 1,553 |
| Pledged goods/receivables | 84,195 | 833 | 7,719 |
| Others | 43,074 | 1,895 | 3,381 |
| **Total** | **214,333** | **6,289** | **17,191** |

| Loans to corporate Customers | Stage 1 | Stage 2 | Stage 3 |
|---|---|---|---|
| Gross amount | 6,464,249 | 572,995 | 184,362 |
| ECL | (41,869) | (26,433) | (58,850) |
| Collateral held at fair value | | | |
| Property | 450,757 | 38,635 | 22,035 |
| Cash | 2,249,160 | 125,278 | 5,004 |
| Pledged goods/receivables | 1,378,803 | 85,889 | 25,557 |
| Others | 4,068,568 | 736,461 | 110,556 |
| Total | **8,147,287** | **986,263** | **163,153** |
| **Total collateral held at fair value** | **8,361,619** | **992,553** | **180,344** |

**Bank** **December 2023**

*In millions of Naira*

| **Loans to retail customers** | **Stage 1** | **Stage 2** | **Stage 3** |
|---|---|---|---|
| Gross amount | 165,156 | 238 | 11,951 |
| ECL | (4,071) | (27) | (5,383) |
| Collateral held at fair value | | | |
| Property | 73,450 | 336 | 6,879 |
| Cash | 9,228 | - | 72 |
| Pledged goods/receivables | 826 | - | - |
| Others | 2,228 | 5 | 188 |
| Total | **85,732** | **341** | **7,138** |

| **Loans to corporate Customers** | **Stage 1** | **Stage 2** | **Stage 3** |
|---|---|---|---|
| Gross amount | 4,642,545 | 569,264 | 79,165 |
| ECL | (38,179) | (25,138) | (26,368) |
| Collateral held at fair value | | | |
| Property | 1,298,503 | 78,779 | 23,263 |
| Cash | 1,886,358 | 112,737 | 957 |
| Pledged goods/receivables | 16,885 | 115 | 626 |
| Others | 3,763,309 | 709,434 | 33,828 |
| **Total** | **6,965,054** | **901,065** | **58,674** |
| **Total** | **7,050,786** | **901,406** | **65,812** |

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.

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 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).

## 5.1.3 (g) Disclosure of fair value of Collateral held against loans and advances to customers by staging

**Group** **December 2022**

*In millions of Naira*

| **Loans to retail customers** | **Stage 1** | **Stage 2** | **Stage 3** |
|---|---|---|---|
| Gross amount | 444,334 | 20,464 | 35,915 |
| ECL | (6,929) | (1,087) | (11,024) |
| Collateral held at fair value | | | |
| Property | 88,593 | 36,500 | 43,932 |
| Equities | - | - | - |
| Cash | 25,112 | 3,378 | 1,265 |
| Pledged goods/receivables | 16,136 | 5,424 | 647 |
| Others | 22,142 | 10,077 | 6,224 |
| **Total** | **151,982** | **55,378** | **52,068** |

| **Loans to corporate Customers** | **Stage 1** | **Stage 2** | **Stage 3** |
|---|---|---|---|
| Gross amount | 4,148,275 | 409,855 | 140,906 |
| ECL | (20,891) | (16,646) | (42,375) |
| Collateral held at fair value | | | |
| Property | 1,321,873 | 218,651 | 64,410 |
| Cash | 655,496 | 32,995 | 15,242 |
| Pledged goods/receivables | 55,877 | 7,151 | 390 |
| Others | 9,466,635 | 141,344 | 49,620 |
| **Total** | **11,499,881** | **400,140** | **129,663** |
| **Total collateral held at fair value** | **11,651,862** | **455,519** | **181,731** |

**Bank** **December 2022**

*In millions of Naira*

| Loans to retail customers | Stage 1 | Stage 2 | Stage 3 |
|---|---|---|---|
| Gross amount | 138,473 | 563 | 10,228 |
| ECL | (5,260) | (21) | (2,869) |
| Collateral held at fair value | | | |
| Property | 52,938 | 8,102 | 8,277 |
| Cash | 25,014 | 81 | 1,168 |
| Pledged goods/receivables | 16,136 | 159 | 647 |
| Others | 18,189 | 2,583 | 2,271 |
| Total | **112,277** | **10,925** | **12,363** |

| Loans to corporate Customers | Stage 1 | Stage 2 | Stage 3 |
|---|---|---|---|
| Gross amount | 3,536,142 | 389,151 | 74,849 |
| ECL | (18,623) | (15,852) | (22,436) |
| Collateral held at fair value | | | |
| Property | 1,207,887 | 135,847 | 28,510 |
| Cash | 630,902 | 32,995 | 1,676 |
| Pledged goods/receivables | 55,877 | 6,044 | 390 |
| Others | 8,982,743 | 138,912 | 49,620 |
| Total | **10,877,410** | **313,799** | **80,196** |
| **Total collateral held at fair value** | **10,989,687** | **324,723** | **92,559** |

## 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 2023**<br>*In millions of Naira* | Corporate | Commercial | Bank | Retail | Government | Others | Total |
|---|---|---|---|---|---|---|---|
| Cash and balances with banks | - | - | 2,975,484 | - | - | - | 2,975,484 |
| Investment under management | - | - | 7,423 | - | - | - | 7,423 |
| Non pledged trading assets | | | | | | | |
| Treasury bills | - | - | - | - | 197,120 | - | 197,120 |
| Bonds | - | - | 243 | - | 11,845 | - | 12,088 |
| Equity | - | - | - | - | - | - | - |
| Derivative financial instruments | 964 | 208 | 14,256 | 1,024 | 1,557,948 | - | 1,574,400 |
| Loans and advances to banks | - | - | 880,534 | - | - | - | 880,534 |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 82 | 11,957 | - | 2,688 | - | - | 14,727 |
| Credit Card | 58 | 1,379 | - | 30,109 | - | - | 31,545 |
| Finance Lease | - | 31,989 | - | 91 | - | - | 32,080 |
| Mortgage Loan | - | 63,397 | - | 171,766 | - | - | 235,163 |
| Overdraft | 101,471 | 253,473 | - | 34,326 | 4,956 | - | 394,225 |
| Personal Loan | - | - | - | 470,361 | - | - | 470,361 |
| Term Loan | 1,719,328 | 1,509,369 | - | 219,218 | 534,740 | - | 3,982,655 |
| Time Loan | 1,696,932 | 1,126,462 | - | 14,700 | 38,874 | - | 2,876,967 |
| Pledged assets | | | | | | | |
| Treasury bills | - | - | - | - | 556,863 | - | 556,863 |
| Bonds | - | - | - | - | 624,554 | - | 624,554 |
| Promissory Notes | - | - | - | - | 30,226 | - | 30,226 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Investment securities | | | | | | | |
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | - | - | - | - | 1,943,342 | - | 1,943,342 |
| Bonds | 18,059 | - | - | - | 381,233 | - | 399,292 |
| Promissory Notes | - | - | - | - | 16,714 | - | 16,714 |
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | - | - | - | - | 551,234 | - | 551,234 |
| Preferential Shares Note | - | - | - | - | - | - | - |
| Bonds | 442,412 | - | - | 427,698 | - | - | 870,110 |
| Promissory Notes | - | - | - | - | 94,690 | - | 94,690 |
| Restricted deposit and other assets | 68,280 | - | 3,369,058 | 139,729 | 1,201,164 | 169,454 | 5,076,403 |
| **Total** | **4,047,586** | **2,998,234** | **7,297,166** | **1,547,206** | **7,745,504** | **169,454** | **23,898,370** |
| Credit risk exposures relating to other credit commitments at gross amount are as follows: | | | | | | | |
| Transaction related bonds and guarantees | 563,312 | 8,668 | 156,182 | 16,293 | - | - | 744,454 |
| Clean line facilities for letters of credit and other commitments | 1,101,612 | 2,453 | 24 | 541,589 | - | - | 1,645,678 |
| **Total** | **1,664,924** | **11,121** | **156,206** | **557,882** | **-** | **-** | **23,769,651** |

**Group**
**By Sector**

**December 2022**

| *In millions of Naira* | Corporate | Commercial | Bank | Retail | Government | Others | Total |
|---|---|---|---|---|---|---|---|
| Cash and balances with banks | - | - | 1,961,100 | - | - | - | 1,961,100 |
| Investment under management | - | - | 3,742 | - | - | - | 3,742 |
| Non pledged trading assets | | | | | | | |
| Treasury bills | - | - | - | - | 88,116 | - | 88,116 |
| Bonds | - | - | 2,294 | - | 12,280 | - | 14,574 |
| Equity | - | - | - | - | - | - | - |
| Derivative financial instruments | 51,734 | 8,127 | 2,271 | 1,239 | 306,389 | - | 369,760 |
| Loans and advances to banks | - | - | 455,709 | - | - | - | 455,709 |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 327 | 4,974 | - | 1,283 | - | - | 6,584 |
| Credit Card | 91 | 1,173 | - | 17,818 | - | - | 19,082 |
| Finance Lease | - | 8,314 | - | 1,073 | - | - | 9,386 |
| Mortgage Loan | - | 30,710 | - | 76,619 | - | - | 107,329 |
| Overdraft | 105,562 | 168,731 | - | 24,864 | 14 | - | 299,171 |
| Personal Loan | - | - | - | 274,812 | - | - | 274,812 |
| Term Loan | 1,696,281 | 1,418,052 | - | 79,793 | 446,364 | - | 3,640,489 |
| Time Loan | 470,798 | 267,743 | - | 5,414 | - | - | 743,955 |
| Pledged assets | | | | | | | |
| Treasury bills | - | - | - | - | 818,490 | - | 818,490 |
| Bonds | - | - | - | - | 414,150 | - | 414,150 |
| Promissory Notes | - | - | - | - | 32,639 | - | 32,639 |
| Investment securities | | | | | | | |
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | - | - | - | - | 1,046,120 | - | 1,046,120 |
| Bonds | 20,599 | - | - | - | 275,641 | - | 296,240 |
| Promissory Notes | - | - | - | - | 221,174 | - | 221,174 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | - | - | - | - | 112,005 | - | 112,005 |
| Total Return Notes | 9,752 | - | - | - | - | - | 9,752 |
| Bonds | 442,412 | - | - | 427,698 | - | - | 870,110 |
| Promissory Notes | - | - | - | - | 37,762 | - | 37,762 |
| Restricted deposit and other assets | 23,673 | 6,255 | 2,289,780 | 23,217 | 75,285 | 35,932 | 2,454,143 |
| **Total** | **2,821,229** | **1,914,079** | **4,714,897** | **933,828** | **3,886,428** | **35,932** | **14,306,394** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Credit risk exposures relating to other credit commitments at gross amount are as follows: | | | | | | | |
| Transaction related bonds and guarantees | 7,589 | 1,767 | 295,620 | 388,940 | - | - | 693,915 |
| Clean line facilities for letters of credit and other commitments | 1,820 | 228,261 | 4,090 | 608,392 | - | - | 842,563 |
| **Total** | **9,409** | **230,028** | **299,710** | **997,332** | **-** | **-** | **1,536,477** |

**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.

**Group**
**By geography**

| **December 2023** *In millions of Naira* | **Nigeria** | **Rest of Africa** | **Europe** | **Others** | **Total** |
|---|---|---|---|---|---|
| Cash and balances with banks | 1,212,821 | 725,332 | 1,025,487 | 11,846 | 2,975,485 |
| Investment under management | 7,423 | - | - | - | 7,423 |
| Non pledged trading assets | | | | | |
| Treasury bills | 197,120 | - | - | - | 197,120 |
| Bonds | 243 | - | 11,845 | - | 12,088 |
| Equity | - | - | - | - | - |
| Derivative financial instruments | 1,561,466 | 11,970 | 1,000 | - | 1,574,435 |
| Loans and advances to banks | 659,546 | - | 220,988 | - | 880,534 |
| Loans and advances to customers | | | | | |
| Auto Loan | 11,902 | 2,825 | - | - | 14,727 |
| Credit Card | 31,197 | 349 | - | - | 31,545 |
| Finance Lease | 21,361 | 10,719 | - | - | 32,080 |
| Mortgage Loan | 21,339 | 111,966 | 101,857 | - | 235,163 |
| Overdraft | 214,062 | 179,966 | 197 | - | 394,225 |
| Personal Loan | 76,698 | 393,663 | - | - | 470,361 |
| Term Loan | 3,028,236 | 476,202 | 478,217 | - | 3,982,655 |
| Time Loan | 1,964,358 | 27,714 | 884,895 | - | 2,876,967 |
| Pledged assets | | | | | |
| Treasury bills | 556,863 | - | - | - | 556,863 |
| Bonds | 624,554 | - | - | - | 624,554 |
| Promissory Notes | 30,226 | - | - | - | 30,226 |
| Investment securities | | | | | |
| -Financial assets at FVOCI | | | | | |
| Treasury bills | 905,038 | 1,038,304 | - | - | 1,943,342 |

| | | | | | |
|---|---|---|---|---|---|
| Bonds | 192,150 | 171,309 | 35,833 | - | 399,292 |
| Promissory Notes | 16,714 | - | - | - | 16,714 |
| -Financial assets at amortised cost | | | | | |
| Treasury bills | - | - | 551,234 | - | 551,234 |
| Preferential Shares Note | - | - | - | - | - |
| Bonds | 855,747 | 909,232 | 165,752 | - | 1,930,731 |
| Promissory Notes | 94,690 | - | - | - | 94,690 |
| Restricted deposit and other assets | 4,594,032 | 75,222 | 138,391 | 140,039 | 4,947,684 |
| **Total** | **18,279,061** | **4,134,771** | **3,615,697** | **151,886** | **24,830,306** |
| Credit risk exposures relating to other credit commitments at gross amount are as follows: | | | | | |
| Transaction related bonds and guarantees | 831,977 | 39,389 | - | - | 871,366 |
| Clean line facilities for letters of credit and other commitments | 1,155,394 | - | - | - | 1,155,394 |
| **Total** | **1,987,371** | **39,389** | **-** | **-** | **2,026,760** |

**Group**
**By geography**

| **December 2022** *In millions of Naira* | **Nigeria** | **Rest of Africa** | **Europe** | **Others** | **Total** |
|---|---|---|---|---|---|
| Cash and balances with banks | 1,101,962 | 434,211 | 421,902 | 3,025 | 1,961,100 |
| Investment under management | 3,742 | - | - | - | 3,742 |
| Non pledged trading assets | | | | | |
| Treasury bills | 88,116 | - | - | - | 88,116 |
| Bonds | 2,294 | - | 12,280 | - | 14,574 |
| Equity | - | - | - | - | - |
| Derivative financial instruments | 367,986 | 1,377 | 397 | - | 369,760 |
| Loans and advances to banks | 3,738 | - | 451,971 | - | 455,709 |
| Loans and advances to customers | | | | | |
| Auto Loan | 5,374 | 1,210 | - | - | 6,584 |
| Credit Card | 18,794 | 288 | - | - | 19,082 |
| Finance Lease | 6,285 | 3,101 | - | - | 9,386 |
| Mortgage Loan | 5,406 | 57,179 | 44,744 | - | 107,329 |
| Overdraft | 268,771 | 30,385 | 15 | - | 299,171 |
| Personal Loan | 77,243 | 197,569 | - | - | 274,812 |
| Term Loan | 3,299,247 | 174,583 | 166,658 | - | 3,640,489 |
| Time Loan | 403,231 | 38,032 | 302,692 | - | 743,955 |
| Pledged assets | | | | | |
| Treasury bills | 818,490 | - | - | - | 818,490 |
| Bonds | 414,150 | - | - | - | 414,150 |
| Promissory Notes | 32,639 | - | - | - | 32,639 |
| Investment securities | | | | | |
| -Financial assets at FVOCI | | | | | |
| Treasury bills | 703,695 | 342,425 | - | - | 1,046,120 |
| Bonds | 158,208 | 117,519 | 20,513 | - | 296,240 |
| Promissory Notes | 221,174 | - | - | - | 221,174 |

| | | | | | |
|---|---|---|---|---|---|
| -Financial assets at amortised cost | | | | | |
| Treasury bills | - | - | 112,005 | - | 112,005 |
| Total Return Notes | 9,752 | - | - | - | 9,752 |
| Bonds | 442,412 | 7,579 | 420,119 | - | 870,110 |
| Promissory Notes | 37,762 | - | - | - | 37,762 |
| Restricted deposit and other assets | 2,323,754 | 110,349 | 20,040 | - | 2,454,143 |
| **Total** | **10,814,227** | **1,515,808** | **1,973,335** | **3,025** | **14,306,394** |
| Credit risk exposures relating to other credit commitments at gross amount are as follows: | | | | | |
| Transaction related bonds and guarantees | 618,742 | 67,855 | 7,318 | - | 693,915 |
| Clean line facilities for letters of credit and other commitments | 606,878 | 7,424 | 228,261 | - | 842,563 |
| **Total** | **1,832,498** | **82,702** | **463,840** | **-** | **2,379,040** |

## 5.1.5 (b) Credit risk management

**Bank**
**By Sector**

| December 2023<br>*In millions of Naira* | Corporate | Commercial | Bank | Retail | Government | Others | Total |
|---|---|---|---|---|---|---|---|
| Cash and balances with banks | - | - | 2,345,774 | - | - | - | 2,345,774 |
| Investment under management | - | - | 7,423 | - | - | - | 7,423 |
| Non pledged trading assets | | | | | | | |
| Treasury bills | - | - | - | - | 150,037 | - | 150,037 |
| Bonds | - | - | 243 | - | 7,518 | - | 7,761 |
| Equity | - | - | - | - | - | - | - |
| Derivative financial instruments | 171,071 | - | - | 604,402 | 785,992 | - | 1,561,466 |
| Loans and advances to banks | - | - | - | - | - | - | - |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 54 | 10,450 | - | 1,398 | - | - | 11,902 |
| Credit Card | 58 | 1,379 | - | 29,760 | - | - | 31,197 |
| Finance Lease | - | 21,269 | - | 91 | - | - | 21,361 |
| Mortgage Loan | - | 178 | - | 21,162 | - | - | 21,339 |
| Overdraft | 62,477 | 134,107 | - | 14,607 | 2,871 | - | 214,062 |
| Personal Loan | - | - | - | 76,698 | - | - | 76,698 |
| Term Loan | 1,359,505 | 1,218,008 | - | 22,345 | 428,378 | - | 3,028,236 |
| Time Loan | 1,162,426 | 767,197 | - | 1,802 | 32,933 | - | 1,964,358 |
| Pledged assets | | | | | | | |
| Treasury bills | - | - | - | - | 556,863 | - | 556,863 |
| Bonds | - | - | - | - | 624,554 | - | 624,554 |
| Promissory Notes | - | - | - | - | 30,226 | - | 30,226 |
| Investment securities | | | | | | | |
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | - | - | - | - | 905,038 | - | 905,038 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Bonds | 18,059 | - | - | - | 174,091 | - | 192,150 |
| Promissory Notes | 16,714 | - | - | - | - | - | 16,714 |
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | - | - | - | - | 468,682 | - | - |
| Preferential Shares Note | - | - | 7,138 | - | - | - | 7,138 |
| Bonds | 7,566 | - | 901,666 | - | 350,426 | - | 1,259,658 |
| Promissory Notes | - | - | - | - | 94,690 | - | 94,690 |
| Restricted deposit and other assets | 44,046 | - | 3,208,305 | 100,232 | 1,203,287 | 38,161 | 4,594,032 |
| **Total** | **2,841,977** | **2,152,588** | **6,470,549** | **872,497** | **5,815,586** | **38,161** | **17,722,678** |
| Credit risk exposures relating to other credit commitments at gross amount are as follows: | | | | | | | |
| Transaction related bonds and guarantees | 147,448 | 295,322 | 110,527 | 182,216 | - | - | 735,514 |
| Clean line facilities for letters of credit and other commitments | 326,260 | 466,529 | 132,725 | 60,821 | 74,118 | - | 1,060,454 |
| **Total** | **473,708** | **761,851** | **243,252** | **243,037** | **74,118** | **-** | **1,795,967** |

**Bank**
**By Sector**

**December 2022**

| *In millions of Naira* | Corporate | Commercial | Bank | Retail | Government | Others | Total |
|---|---|---|---|---|---|---|---|
| Cash and balances with banks | - | - | 1,445,659 | - | - | - | 1,445,659 |
| Investment under management | - | - | 3,742 | - | - | - | 3,742 |
| Non pledged trading assets | | | | | | | |
| Treasury bills | - | - | - | - | 73,011 | - | 73,011 |
| Bonds | - | - | 2,294 | - | 2,319 | - | 4,613 |
| Equity | - | - | - | - | - | - | - |
| Derivative financial instruments | 41,734 | 6,524 | 2,298 | 1,059 | 316,371 | - | 367,986 |
| Loans and advances to banks | - | - | 322,610 | - | - | - | 322,610 |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 138 | 4,691 | - | 546 | - | - | 5,374 |
| Credit Card | 15 | 1,060 | - | 17,719 | - | - | 18,794 |
| Finance Lease | - | 6,163 | - | 123 | - | - | 6,285 |
| Mortgage Loan | - | 132 | - | 5,274 | - | - | 5,406 |
| Overdraft | 95,017 | 152,914 | - | 20,826 | 14 | - | 268,771 |
| Personal Loan | - | - | - | 77,243 | - | - | 77,243 |
| Term Loan | 1,528,113 | 1,305,940 | - | 18,830 | 446,364 | - | 3,299,247 |
| Time Loan | 269,276 | 133,395 | - | 559 | - | - | 403,231 |
| Pledged assets | | | | | | | |
| Treasury bills | - | - | - | - | 818,490 | - | 818,490 |
| Bonds | - | - | - | - | 414,150 | - | 414,150 |
| Promissory Notes | - | - | - | - | 32,639 | - | 32,639 |
| Investment securities | | | | | | | |
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | - | - | - | - | 703,695 | - | 703,695 |
| Bonds | 20,599 | - | - | - | 137,609 | - | 158,208 |
| Promissory Notes | 217,305 | - | - | - | 3,869 | - | 221,174 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | - | - | - | - | 63,091 | - | - |
| Total Return Notes | - | - | - | - | - | - | - |
| Bonds | 7,579 | - | 411,046 | - | 176,382 | - | 595,007 |
| Promissory Notes | - | - | - | - | 37,763 | - | 37,763 |
| Restricted deposit and other assets | 2,877 | 5 | 2,200,226 | 18,121 | 76,844 | 25,680 | 2,323,754 |
| **Total** | **2,182,653** | **1,610,824** | **4,387,875** | **160,300** | **3,302,611** | **25,680** | **11,606,852** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Credit risk exposures relating to other credit commitments at gross amount are as follows: | | | | | | | |
| Transaction related bonds and guarantees | 207,676 | 300,803 | 3,262 | 107,001 | - | - | 618,742 |
| Clean line facilities for letters of credit and other commitments | 216,289 | 186,386 | 16,235 | 186,365 | 1,603 | - | 606,878 |
| **Total** | **423,965** | **487,189** | **19,497** | **293,366** | **1,603** | **-** | **1,225,620** |

## 5.1.5(b)i By geography

**Bank**

| **December 2023**<br>*In millions of Naira* | **Nigeria** | **Rest of Africa** | **Europe** | **Others** | **Total** |
|---|---|---|---|---|---|
| Cash and balances with banks | 1,095,424 | 469,170 | 781,144 | 36 | 2,345,774 |
| Investment under management | 7,423 | - | - | - | 7,423 |
| Non pledged trading assets | | | | | |
| Treasury bills | 150,037 | - | - | - | 150,037 |
| Bonds | 7,761 | - | - | - | 7,761 |
| Equity | - | - | - | - | - |
| Derivative financial instruments | 1,561,466 | (0) | (0) | - | 1,561,466 |
| Loans and advances to banks | - | - | - | - | - |
| Loans and advances to customers | | | | | |
| Auto Loan | 11,902 | - | - | - | 11,902 |
| Credit Card | 31,197 | - | - | - | 31,197 |
| Finance Lease | 21,361 | - | - | - | 21,361 |
| Mortgage Loan | 21,339 | - | - | - | 21,339 |
| Overdraft | 214,062 | - | - | - | 214,062 |
| Personal Loan | 76,698 | - | - | - | 76,698 |
| Term Loan | 3,028,236 | - | - | - | 3,028,236 |
| Time Loan | 1,964,358 | - | - | - | 1,964,358 |
| Pledged assets | | | | | |
| Treasury bills | 556,863 | - | - | - | 556,863 |
| Bonds | 624,554 | - | - | - | 624,554 |
| Promissory Notes | 30,226 | - | - | - | 30,226 |
| Investment securities | | | | | |
| -Financial assets at FVOCI | | | | | |
| Treasury bills | 905,038 | - | - | - | 905,038 |
| Bonds | 192,150 | - | - | - | 192,150 |

| | | | | | |
|---|---|---|---|---|---|
| Promissory Notes | 16,714 | - | - | - | 16,714 |
| -Financial assets at amortised cost | | | | | |
| Treasury bills | 468,682 | - | - | - | 468,682 |
| Bonds | 1,134,799 | - | 124,859 | - | 1,259,658 |
| Promissory Notes | 94,690 | - | - | - | 94,690 |
| Preferential shares notes | - | 7,138 | - | - | 7,138 |
| Restricted deposit and other assets | 4,553,772 | 40,260 | - | - | 4,594,032 |
| **Total** | **17,903,553** | **516,568** | **1,030,861** | **36** | **19,451,018** |
| Credit risk exposures relating to other credit commitments at gross amount are as follows: | | | | | |
| Transaction related bonds and guarantees | 728,717 | - | 6,796 | - | 735,514 |
| Clean line facilities for letters of credit and other commitments | 1,060,454 | - | - | - | 1,060,454 |
| **Total** | **1,789,171** | **-** | **6,796** | **-** | **1,795,967** |

**Bank**
**By geography**

| **December 2022** *In millions of Naira* | **Nigeria** | **Rest of Africa** | **Europe** | **Others** | **Total** |
|---|---|---|---|---|---|
| Cash and balances with banks | 1,061,639 | 184,765 | 196,327 | 2,928 | 1,445,659 |
| Investment under management | 3,742 | - | - | - | 3,742 |
| Non pledged trading assets | | | | | |
| Treasury bills | 73,011 | - | - | - | 73,011 |
| Bonds | 4,613 | - | - | - | 4,613 |
| Equity | - | - | - | - | - |
| Derivative financial instruments | 364,383 | 2,330 | 1,237 | 36 | 367,986 |
| Loans and advances to banks | 3,738 | - | 318,872 | - | 322,610 |
| Loans and advances to customers | | | | | |
| Auto Loan | 5,374 | - | - | - | 5,374 |
| Credit Card | 18,794 | - | - | - | 18,794 |
| Finance Lease | 6,285 | - | - | - | 6,285 |
| Mortgage Loan | 5,406 | - | - | - | 5,406 |
| Overdraft | 268,771 | - | - | - | 268,771 |
| Personal Loan | 77,243 | - | - | - | 77,243 |
| Term Loan | 3,299,247 | - | - | - | 3,299,247 |
| Time Loan | 403,231 | - | - | - | 403,231 |
| Pledged assets | | | | | |
| Treasury bills | 818,490 | - | - | - | 818,490 |
| Bonds | 414,150 | - | - | - | 414,150 |
| Promissory Notes | 32,639 | - | - | - | 32,639 |
| Investment securities | | | | | |
| -Financial assets at FVOCI | | | | | |
| Treasury bills | 703,695 | - | - | - | 703,695 |
| Bonds | 158,208 | - | - | - | 158,208 |
| Promissory Notes | 221,174 | - | - | - | 221,174 |

| | | | | | |
|---|---|---|---|---|---|
| -Financial assets at amortised cost | | | | | |
| Treasury bills | 63,091 | - | - | - | 63,091 |
| Total Return Notes | | | | | - |
| Bonds | 470,148 | - | 124,859 | - | 595,007 |
| Promissory Notes | 37,763 | - | - | - | 37,763 |
| Restricted deposit and other assets | 2,236,400 | 87,353 | - | - | 2,323,754 |
| **Total** | **10,751,236** | **274,448** | **641,295** | **2,965** | **11,669,943** |

| | | | | | |
|---|---|---|---|---|---|
| Credit risk exposures relating to other credit commitments at gross amount are as follows: | | | | | |
| Transaction related bonds and guarantees | 607,693 | - | 11,048 | - | 618,742 |
| Clean line facilities for letters of credit and other commitments | 606,878 | - | - | - | 606,878 |
| **Total** | **1,214,572** | **-** | **11,048** | **-** | **1,225,620** |

## Market risk management

### 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 ₦4.11billion {Bank: ₦5.36Bn}, (December 2022: ₦4.26billion {Bank: ₦3.58Bn}) 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 period | | | | | | |
|---|---|---|---|---|---|---|---|
| *In millions of Naira* | | | | | | | |
| **December 2023** | **Less than 3 months** | **4 - 6 months** | **7 - 12 months** | **1 - 5 periods** | **More than 5 years** | **Non-Interest bearing** | **Total** |
| *Non-derivative assets* | | | | | | | |
| Cash and balances with banks | 220,222 | - | - | - | - | 2,755,263 | 2,975,484 |
| Investment under management | - | - | - | - | 7,423 | - | 7,423 |
| Non pledged trading assets | | | | | | | |
| Treasury bills | 78,091 | 65,546 | 51,702 | 1,779 | - | - | 197,120 |
| Bonds | 493 | 9 | - | - | 11,586 | - | 12,088 |
| Loans and advances to banks | 381,658 | 252,969 | 243,411 | 2,495 | - | - | 880,534 |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 2,920 | 114 | 524 | 11,169 | - | - | 14,727 |
| Credit Card | 2,070 | 650 | 1,910 | 26,914 | - | - | 31,545 |
| Finance Lease | 3,119 | 580 | 2,164 | 26,217 | - | - | 32,080 |
| Mortgage Loan | 135,813 | - | 18 | 1,978 | 97,353 | - | 235,163 |
| Overdraft | 204,604 | 43,432 | 146,112 | 77 | - | - | 394,225 |
| Personal Loan | 375,514 | 80,845 | 5,060 | 7,221 | 1,721 | - | 470,361 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Term Loan | 343,439 | 1,614 | 56,109 | 2,150,897 | 1,430,596 | - | 3,982,655 |
| Time Loan | 1,678,355 | 534,334 | 664,278 | - | - | - | 2,876,967 |
| Pledged assets | | | | | | | - |
| Treasury bills | 283,274 | 177,173 | 97,336 | - | - | - | 557,783 |
| Bonds | 73,906 | - | - | 343,818 | 206,830 | - | 624,554 |
| Promissory notes | - | - | 30,226 | - | - | - | 30,226 |
| Investment securities | | | | | | | |
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | 989,497 | 723,445 | 200,999 | 29,401 | - | - | 1,943,342 |
| Bonds | - | - | 6,055 | 26,753 | 367,194 | - | 400,002 |
| Promissory notes | 356 | - | - | 16,358 | - | - | 16,714 |
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | - | 65,053 | 689,757 | - | - | - | 754,810 |
| Bonds | 115,210 | - | - | 678,243 | 1,137,277 | - | 1,930,731 |
| Promissory notes | 1,971 | - | 44,634 | 48,086 | - | - | 94,690 |
| Preferential Shares Note | - | - | - | - | - | 7,138 | 7,138 |
| Restricted deposit and other assets | - | - | - | - | - | 4,947,684 | 4,947,684 |
| | **4,890,512** | **1,945,765** | **2,240,296** | **3,371,407** | **3,259,980** | **7,710,085** | **23,418,047** |
| Non-derivative liabilities | | | | | | | |
| Deposits from financial institutions | 2,937,616 | 1,007,867 | 441,537 | - | - | - | 4,387,020 |
| Deposits from customers | 6,058,965 | 843,438 | 1,246,659 | 345,546 | 4 | 6,828,141 | 15,322,753 |
| Other liabilities | - | - | - | - | - | 1,679,169 | 1,679,169 |
| Debt securities issued | - | - | - | 585,024 | - | - | 585,024 |
| Interest bearing borrowings | 5,949 | - | 598,610 | 393,243 | 604,424 | - | 1,602,226 |
| | **9,002,530** | **1,851,305** | **2,286,805** | **1,323,813** | **604,428** | **8,507,311** | **23,576,192** |
| **Total interest re-pricing gap** | (4,112,018) | 94,460 | (46,510) | 2,047,595 | 2,655,552 | (797,226) | (158,145) |

**Group**

*In millions of Naira*

| **December 2022** | **Less than 3 months** | **4 - 6 months** | **7 - 12 months** | **1 - 5 periods** | **More than 5 years** | **Non-Interest bearing** | **Total** |
|---|---|---|---|---|---|---|---|
| | **Re-pricing year** | | | | | | |
| *Non-derivative assets* | | | | | | | |
| Cash and balances with banks | 152,680 | - | - | - | - | 1,808,420 | 1,961,100 |
| Investment under management | - | - | - | - | 3,742 | - | 3,742 |
| Non pledged trading assets | | | | | | | |
| Treasury bills | 23,520 | 44,813 | 19,156 | - | - | - | 87,490 |
| Bonds | - | 2,631 | 3,260 | - | 9,966 | - | 15,857 |
| Loans and advances to banks | 215 | 27,646 | 369,893 | 57,955 | - | - | 455,709 |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 2 | 473 | 533 | 5,577 | - | - | 6,584 |
| Credit Card | 18,785 | - | 50 | 248 | - | - | 19,082 |
| Finance Lease | 199 | 183 | 173 | 8,831 | - | - | 9,386 |
| Mortgage Loan | 612 | 550 | 367 | 98,021 | 7,778 | - | 107,329 |
| Overdraft | 155,823 | 25,694 | 116,777 | 877 | - | - | 299,171 |
| Personal Loan | 68,147 | 24,625 | 24,844 | 153,846 | 3,350 | - | 274,812 |
| Term Loan | 135,280 | 173,755 | 299,168 | 1,284,729 | 1,747,557 | - | 3,640,489 |
| Time Loan | 55,927 | 108,946 | 566,280 | 12,657 | 146 | - | 743,955 |
| Pledged assets | | | | | | | - |
| Treasury bills | 287,002 | 208,193 | 324,907 | - | - | - | 820,102 |
| Bonds | - | 24,347 | 639 | 88,256 | 300,907 | - | 414,150 |
| Promissory notes | 4,148 | - | 629 | 26,471 | - | - | 31,248 |
| Investment securities | | | | | | | |
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | 390,744 | 282,291 | 373,084 | - | - | - | 1,046,120 |
| Bonds | 12,731 | 41,126 | 523 | 22,341 | 229,521 | - | 306,242 |
| Promissory notes | - | - | 12,655 | 204,650 | - | - | 217,305 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | 68,532 | 35,593 | 89,296 | - | - | - | 193,421 |
| Bonds | - | 50,687 | 191 | 187,247 | 631,985 | - | 870,110 |
| Promissory notes | 5,013 | - | 760 | 31,990 | - | - | 37,762 |
| Total return notes | - | - | 9,752 | - | - | - | 9,752 |
| Restricted deposit and other assets | - | - | - | - | - | 2,454,143 | 2,454,143 |
| | **1,379,358** | **1,051,554** | **2,212,936** | **2,183,695** | **2,934,952** | **4,262,562** | **14,025,060** |
| Non-derivative liabilities | | | | | | | |
| Deposits from financial institutions | 576,948 | 511,466 | 371,098 | 572,532 | 11,391 | - | 2,043,436 |
| Deposits from customers | 4,749,033 | 187,455 | 309,667 | 11,835 | 2 | 3,992,061 | 9,250,054 |
| Other liabilities | - | - | - | - | - | 743,153 | 743,153 |
| Debt securities issued | - | - | - | 307,253 | - | - | 307,253 |
| Interest bearing borrowings | 311,143 | - | - | 423,316 | 651,128 | - | 1,385,587 |
| | **5,637,125** | **698,920** | **680,765** | **1,314,936** | **662,522** | **4,735,215** | **13,729,483** |
| **Total interest re-pricing gap** | (4,257,767) | 352,633 | 1,532,170 | 868,760 | 2,272,430 | (472,652) | 295,577 |

## 5.2.1 A summary of the Bank's interest rate gap position on securitty portfolios is as follows:

| Bank | Re-pricing period | | | | | | |
|---|---|---|---|---|---|---|---|
| *In millions of Naira* | | | | | | | |
| **December 2023** | **Less than 3 months** | **4 - 6 months** | **7 - 12 months** | **1 - 5 periods** | **More than 5 years** | **Non-Interest bearing** | **Total** |
| *Non-derivative assets* | | | | | | | |
| Cash and balances with banks | 309,540 | - | - | - | - | 2,036,231 | 2,345,772 |
| Investment under management | - | - | - | - | 7,423 | - | 7,423 |
| Non- pledged trading assets | | | | | | | |
| Treasury bills | 59,304 | 51,193 | 38,188 | 1,352 | - | - | 150,037 |
| Bonds | 295 | 5 | - | - | 7,460 | - | 7,761 |
| Loans and advances to banks | 254,511 | 210,367 | 194,667 | - | - | - | 659,546 |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 95 | 114 | 524 | 11,169 | - | - | 11,902 |
| Credit Card | 1,722 | 650 | 1,910 | 26,914 | - | - | 31,197 |
| Finance Lease | 3,009 | 165 | 1,391 | 16,795 | - | - | 21,361 |
| Mortgage Loan | 106 | - | 18 | 1,978 | 19,237 | - | 21,339 |
| Overdraft | 100,710 | 8,617 | 104,735 | - | - | - | 214,062 |
| Personal Loan | 236 | 69,525 | 791 | 6,145 | - | - | 76,698 |
| Term Loan | - | - | - | 1,597,640 | 1,430,596 | - | 3,028,236 |
| Time Loan | 1,185,281 | 322,470 | 456,607 | - | - | - | 1,964,358 |
| Pledged assets | | | | | | | |
| Treasury bills | 283,274 | 177,173 | 97,336 | - | - | - | 557,783 |
| Bonds | 73,906 | - | - | 343,818 | 206,830 | - | 624,554 |
| Promissory note | - | - | 30,226 | - | - | - | 30,226 |
| Investment securities | | | | | | | |
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | 541,752 | 243,615 | 103,725 | 15,947 | - | - | 905,038 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Bonds | - | - | 7,195 | 33,200 | 151,755 | - | 192,150 |
| Promissory note | 319 | - | 77 | 14,566 | - | - | 14,962 |
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | - | 53,222 | 532,247 | - | - | - | 585,470 |
| Bonds | 69,110 | - | - | 464,457 | 820,781 | - | 1,354,348 |
| Promissory note | 1,971 | - | 44,634 | 48,086 | - | - | 94,690 |
| Preferential Shares Note | - | - | - | - | - | 7,138 | 7,138 |
| Restricted deposit and other assets | - | - | - | - | - | 4,594,032 | 4,594,032 |
| | **2,885,143** | **1,137,118** | **1,614,263** | **2,582,068** | **2,644,084** | **6,637,402** | **17,500,089** |
| Non-derivative liabilities | | | | | | | |
| Deposits from financial institutions | 2,718,640 | 961,273 | 227,280 | - | - | - | 3,907,192 |
| Deposits from customers | 5,519,386 | 328,552 | 388,516 | 2,289 | 4 | 5,001,100 | 11,239,847 |
| Other liabilities | - | - | - | - | - | 1,494,082 | 1,494,082 |
| Debt securities | - | - | - | 577,378 | - | - | 577,378 |
| Interest bearing borrowings | 5,949 | - | 598,610 | 175,430 | 604,484 | - | 1,384,472 |
| | **8,243,975** | **1,289,825** | **1,214,405** | **755,098** | **604,488** | **6,495,182** | **18,602,974** |
| **Total interest re-pricing gap** | (5,358,832) | (152,702) | 399,866 | 1,826,971 | 2,039,596 | 142,220 | (1,102,883) |

**Bank**

*In millions of Naira*

| **December 2022** | **Re-pricing periods**<br>**Less than 3 months** | **4 - 6 months** | **7 - 12 months** | **1 - 5 periods** | **More than 5 periods** | **Non-Interest bearing** | **Total** |
|---|---|---|---|---|---|---|---|
| *Non-derivative assets* | | | | | | | |
| Cash and balances with banks | 24,668 | - | - | - | - | 1,420,989 | 1,445,658 |
| Investment under management | - | - | - | - | 3,742 | - | 3,742 |
| Non- pledged trading assets | | | | | | | |
| Treasury bills | 19,627 | 37,397 | 15,987 | - | - | - | 73,011 |
| Bonds | - | 796 | 987 | - | 2,829 | - | 4,613 |
| Loans and advances to banks | 215 | 27,646 | 236,757 | 57,992 | - | - | 322,610 |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 2 | - | 164 | 5,208 | - | - | 5,373 |
| Credit Card | 18,785 | - | - | 9 | - | - | 18,794 |
| Finance Lease | 27 | 11 | 173 | 6,075 | - | - | 6,285 |
| Mortgage Loan | - | - | - | 685 | 4,721 | - | 5,406 |
| Overdraft | 155,823 | 25,694 | 86,377 | 877 | - | - | 268,771 |
| Personal Loan | 68,147 | 4 | 224 | 5,518 | 3,350 | - | 77,243 |
| Term Loan | 135,280 | 173,755 | 299,168 | 943,487 | 1,747,557 | - | 3,299,247 |
| Time Loan | 55,927 | 108,946 | 225,764 | 12,448 | 146 | - | 403,231 |
| Pledged assets | | | | | | | |
| Treasury bills | 287,002 | 208,193 | 324,907 | - | - | - | 820,102 |
| Bonds | - | 24,347 | 639 | 88,256 | 300,907 | - | 414,150 |
| Promissory notes | 4,148 | - | 629 | 26,471 | - | - | 31,248 |
| Investment securities | | | | | | | |
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | 262,834 | 189,883 | 250,978 | - | - | - | 703,695 |
| Bonds | 6,654 | 21,494 | 273 | 11,676 | 118,110 | - | 158,208 |
| Promissory note | (355) | - | 12,655 | 205,005 | - | - | 217,305 |
| -Financial assets at amortised cost | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Treasury bills | 36,366 | 18,887 | 47,146 | - | - | - | 102,399 |
| Bonds | - | 34,662 | 130 | 128,049 | 469,929 | - | 632,770 |
| Promissory note | 5,013 | - | 760 | 31,991 | - | - | 37,763 |
| Total return notes | - | - | - | - | - | - | - |
| Restricted deposit and other assets | - | - | - | - | - | 2,323,754 | 2,323,754 |
| | **1,080,162** | **871,717** | **1,503,710** | **1,523,748** | **2,651,293** | **3,744,744** | **11,375,383** |
| Non-derivative liabilities | | | | | | | |
| Deposits from financial institutions | 576,948 | 511,466 | 540,940 | 34,692 | 11,391 | - | 1,675,437 |
| Deposits from customers | 3,774,904 | 187,455 | 309,667 | 11,835 | 2 | 3,262,868 | 7,546,732 |
| Other liabilities | - | - | - | - | - | 658,190 | 658,190 |
| Debt securities | - | - | - | 303,297 | - | - | 303,297 |
| Interest bearing borrowings | 311,143 | - | - | 423,316 | 552,410 | - | 1,286,869 |
| | **4,662,997** | **698,920** | **850,607** | **773,142** | **552,412** | **3,921,059** | **11,470,526** |
| **Total interest re-pricing gap** | (3,582,835) | 172,801 | 653,111 | 750,607 | 2,098,881 | (176,315) | (95,143) |

## 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 millions of Naira*

| December 2023 | Fixed | Floating | Non-interest bearing | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and balances with banks | 220,222 | - | 2,756,611 | 2,976,833 |
| Non pledged trading assets | 209,208 | - | - | 209,208 |
| Derivative financial instruments | - | - | 2,050,432 | 2,050,432 |
| Loans and advances to banks | 880,534 | - | - | 880,534 |
| Loans and advances to customers | 79,186 | 7,958,537 | - | 8,037,723 |
| Pledged assets | | - | - | - |
| Treasury bills | 557,783 | - | - | 557,783 |
| Bonds | 624,554 | - | - | 624,554 |
| Promissory notes | 30,226 | - | - | 30,226 |
| Investment securities: | | | | |
| -Financial assets at FVOCI | - | - | - | - |
| Treasury bills | 1,943,342 | - | - | 1,943,342 |
| Bonds | 399,292 | - | - | 399,292 |
| Promissory notes | 16,714 | - | - | 16,714 |
| -Financial assets at amortised cost | | | | |
| Treasury bills | 754,810 | - | - | 754,810 |
| Bonds | 1,727,154 | - | - | 1,727,154 |
| Promissory notes | 94,690 | - | - | 94,690 |
| **TOTAL** | **7,537,717** | **7,958,537** | **4,807,043** | **20,303,297** |
| | | | | |
| **LIABILITIES** | | | | |
| Deposits from financial institutions | 4,387,020 | - | - | 4,387,020 |
| Deposits from customers | 5,697,621 | 9,625,132 | - | 15,322,754 |
| Derivative financial instruments | - | - | 475,997 | 475,997 |
| Debt securities issued | 585,024 | - | - | 585,024 |
| Interest-bearing borrowings | 859,850 | 742,376 | - | 1,602,226 |
| **TOTAL** | **11,529,515** | **10,367,508** | **475,997** | **22,373,020** |

| December 2022 | Fixed | Floating | Non-interest bearing | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and balances with banks | 152,680 | - | 1,809,141 | 1,961,821 |
| Non pledged trading assets | 102,690 | - | - | 102,690 |
| Derivative financial instruments | - | - | 402,497 | 402,497 |
| Loans and advances to banks | 455,710 | - | - | 455,710 |
| Loans and advances to customers | 28,778 | 5,072,029 | - | 5,100,807 |
| Pledged assets | | - | - | - |
| Treasury bills | 820,102 | - | - | 820,102 |
| Bonds | 414,150 | - | - | 414,150 |
| Promissory notes | 32,639 | - | - | 32,639 |
| Investment securities: | | | | |
| -Financial assets at FVOCI | - | - | - | - |
| Treasury bills | 1,046,120 | - | - | 1,046,120 |
| Bonds | 300,109 | - | - | 300,109 |
| Promissory notes | 217,305 | - | - | 217,305 |
| -Financial assets at amortised cost | | | | |
| Treasury bills | 192,795 | - | - | 192,795 |
| Bonds | 799,072 | - | - | 799,072 |
| Promissory notes | 37,762 | - | - | 37,762 |
| **TOTAL** | **4,599,914** | **5,072,029** | **2,211,638** | **11,883,580** |
| | | | | |
| **LIABILITIES** | | | | |
| Deposits from financial institutions | 2,005,316 | - | - | 2,005,316 |
| Deposits from customers | 3,462,402 | 5,788,837 | - | 9,251,239 |
| Derivative financial instruments | - | - | 32,737 | 32,737 |
| Debt securities issued | 307,253 | - | - | 307,253 |
| Interest-bearing borrowings | 716,184 | 669,241 | - | 1,385,424 |
| **TOTAL** | **6,491,155** | **6,458,078** | **32,737** | **12,981,969** |

**Bank**

*In millions of Naira*

| December 2023 | Fixed | Floating | Non-interest bearing | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and balances with banks | 309,541 | - | 2,036,232 | 2,345,773 |
| Non pledged trading assets | 157,798 | - | - | 157,798 |
| Derivative financial instruments | - | - | 2,033,286 | 2,033,286 |
| Loans and advances to banks | 659,546 | - | - | 659,546 |
| Loans and advances to customers | 46,978 | 5,322,176 | - | 5,369,154 |
| Pledged assets | | - | - | - |
| Treasury bills | 557,783 | - | - | 557,783 |
| Bonds | 624,554 | - | - | 624,554 |
| Promissory notes | 30,226 | - | - | 30,226 |
| Investment securities: | | | | - |
| -Financial assets at FVOCI | - | - | - | - |
| Treasury bills | 905,038 | - | - | 905,038 |
| Bonds | 192,149 | - | - | 192,149 |
| Promissory notes | 16,714 | - | - | 16,714 |
| -Financial assets at amortised cost | | | | - |
| Treasury bills | 585,470 | - | - | 585,470 |
| Bonds | 1,150,008 | - | - | 1,150,008 |
| Promissory notes | 94,690 | - | - | 94,690 |
| **TOTAL** | **5,330,495** | **5,322,176** | **4,069,518** | **14,722,188** |
| | | | | |
| **LIABILITIES** | | | | |
| Deposits from financial institutions | 3,907,192 | - | - | 3,907,192 |
| Deposits from customers | 3,667,657 | 7,572,189 | - | 11,239,847 |
| Derivative financial instruments | - | - | 471,819 | 471,819 |
| Debt securities issued | 577,378 | - | - | 577,378 |
| Interest-bearing borrowings | 918,700 | 465,772 | - | 1,384,472 |
| **TOTAL** | **9,070,926** | **8,037,962** | **471,819** | **17,580,707** |

| December 2022 | Fixed | Floating | Non-interest bearing | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and balances with banks | 24,669 | - | 1,421,554 | 1,446,223 |
| Non pledged trading assets | 77,624 | - | - | 77,624 |
| Derivative financial instruments | - | - | 399,058 | 399,058 |
| Loans and advances to banks | 322,610 | - | - | 322,610 |
| Loans and advances to customers | 14,063 | 4,070,289 | - | 4,084,352 |
| Pledged assets | | | | - |
| Treasury bills | 820,102 | - | - | 820,102 |
| Bonds | 414,150 | - | - | 414,150 |
| Promissory notes | 32,639 | - | - | 32,639 |
| Investment securities: | | | | - |
| -Financial assets at FVOCI | - | - | - | - |
| Treasury bills | 703,695 | - | - | 703,695 |
| Bonds | 379,382 | - | - | 379,382 |
| Promissory notes | 217,305 | - | - | 217,305 |
| -Financial assets at amortised cost | | | | - |
| Treasury bills | 102,399 | - | - | 102,399 |
| Bonds | 593,462 | - | - | 593,462 |
| Promissory notes | 37,763 | - | - | 37,763 |
| **TOTAL** | **3,739,863** | **4,070,289** | **1,820,611** | **9,630,763** |
| | | | | |
| **LIABILITIES** | | | | |
| Deposits from financial institutions | 1,637,318 | - | - | 1,637,318 |
| Deposits from customers | 2,586,980 | 4,943,082 | - | 7,530,061 |
| Derivative financial instruments | - | - | 31,072 | 31,072 |
| Debt securities issued | 303,297 | - | - | 303,297 |
| Interest-bearing borrowings | 665,194 | 621,675 | - | 1,286,869 |
| **TOTAL** | **5,192,789** | **5,564,757** | **31,072** | **10,788,618** |

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 through other comprehensive income financial instruments report directly in other comprehensive income.

**Group**

## Interest sensitivity analysis- December 2023

**Impact on net interest income of +/-1oo basis points changes in rates over a one year (₦'m)**

| | Cash flow interest rate risk | |
|---|---|---|
| **Time Band** | **100 basis points decline in rates** | **100 basis points increase in rates** |
| Less than 3 months | 41,913 | (41,913) |
| 6 months | 913 | (913) |
| 12 months | (232) | 232 |
| | **42,594** | **(42,594)** |

**Interest sensitivity analysis- December 2022**
**Impact on net interest income of +/-1oo basis points changes in rates over a one year (₦'m)**

| | Cash flow interest rate risk | |
|---|---|---|
| **Time Band** | **100 basis points decline in rates** | **100 basis points increase in rates** |
| Less than 3 months | (33,704) | 33,704 |
| 6 months | 1,770 | (1,770) |
| 12 months | 2,734 | (2,734) |
| | **(29,199)** | **29,199** |

**Bank**
**Interest sensitivity analysis- December 2023**
**Impact on net interest income of +/-1oo basis points changes in rates over a one year (₦'000)**

| | Cash flow interest rate risk | |
|---|---|---|
| **Time Band** | **100 basis points decline in rates** | **100 basis points increase in rates** |
| Less than 3 months | 41,101 | (41,101) |
| 6 months | (159) | 159 |
| 12 months | (902) | 902 |
| | **40,040** | **(40,040)** |

**Interest sensitivity analysis- December 2022**
**Impact on net interest income of +/-1oo basis points changes in rates over a one year (₦'000)**

| | Cash flow interest rate risk | |
|---|---|---|
| **Time Band** | **100 basis points decline in rates** | **100 basis points increase in rates** |
| Less than 3 months | (28,610) | 28,610 |
| 6 months | 176 | (176) |
| 12 months | 1,693 | (1,693) |
| | **(26,740)** | **26,740** |

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, promissory notes 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 fair value through profit or loss 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 fair value through profit or loss investments is on the income statement while the impact of fair value through other comprehensive income instruments is on the statement of other comprehensive income.

| **Group**<br>**December 2023** | **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 | 10,146 | (608) | (1,175) |
| Fair value through profit or loss: T-bills | 197,120 | (425) | (850) |
| Fair value through profit or loss: Eurobond | 1,942 | 172 | 138 |
| Fair value through profit or loss: Bonds - Pledged | 1,193 | - | - |
| Fair value through profit or loss: T-bills - Pledged | 32,235 | (70) | (140) |
| Fair value through profit or loss: Promissory notes - Pledged | - | - | - |
| | 242,636 | (932) | (2,027) |
| *Impact on Other Comprehensive Income* | | | |
| -Financial assets at FVOCI-Bonds | 399,292 | (36,935) | (40,442) |
| -Financial assets at FVOCI-Tbills | 1,943,342 | (3,255) | (3,548) |
| -Financial assets at FVOCI-Promissory notes | 16,714 | (115) | (205) |
| Financial assets at FVOCI - Bonds - Pledged | - | (57) | (107) |
| Financial assets at FVOCI - T-Bills - Pledged | 445,262 | (750) | (1,499) |
| Financial assets at FVOCI - Promissory notes - Pledged | - | - | - |
| | 2,804,611 | (41,110) | (45,802) |
| **TOTAL** | **3,047,247** | **(42,042)** | **(47,829)** |

| Group<br>December 2022 | 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 | 12,280 | 229 | 411 |
| Fair value through profit or loss: T-bills | 88,116 | (171) | (342) |
| Fair value through profit or loss: Eurobond | 2,294 | (17) | (43) |
| Fair value through profit or loss: Bonds - Pledged | 2,567 | 45 | 82 |
| Fair value through profit or loss: T-bills - Pledged | 72,565 | (137) | (273) |
| | 177,822 | (51) | (167) |
| *Impact on Other Comprehensive Income* | | | |
| -Financial assets at FVOCI-Bonds | 296,240 | (5,881) | (11,028) |
| -Financial assets at FVOCI-Tbills | 1,046,120 | (2,618) | (5,237) |
| -Financial assets at FVOCI-Promissory notes | 217,305 | (2,667) | (5,334) |
| Financial assets at FVOCI - Bonds - Pledged | - | - | - |
| Financial assets at FVOCI - T-Bills - Pledged | 451,476 | (3,038) | (5,697) |
| | 2,011,141 | (14,205) | (27,296) |
| **TOTAL** | **2,188,963** | **(14,255)** | **(27,463)** |

| Bank<br>December 2023 | 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 | 5,819 | (370) | (715) |
| Fair value through profit or loss: T-bills | 150,037 | (323) | (646) |
| Fair value through profit or loss: Eurobond | 1,942 | 72 | (46) |
| Fair value through profit or loss: Bonds - Pledged | 1,193 | - | (91) |
| Fair value through profit or loss: T-bills - Pledged | 32,235 | (70) | (541) |
| Fair value through profit or loss: Promissory notes - Pledged | - | - | - |
| | 191,226 | (690) | (2,039) |
| *Impact on Other Comprehensive Income* | | | |
| -Financial assets at FVOCI-Bonds | 192,150 | (9,858) | (19,318) |
| -Financial assets at FVOCI-Tbills | 905,038 | (3,878) | (7,757) |
| -Financial assets at FVOCI-Promissory notes | 16,714 | (156) | (311) |
| Financial assets at FVOCI - Bonds - Pledged | - | - | - |
| Financial assets at FVOCI - T-Bills - Pledged | 445,262 | (363) | (726) |
| Financial assets at FVOCI - Promissory notes - Pledged | - | - | - |
| | 1,559,165 | (14,255) | (28,112) |
| **TOTAL** | **1,750,391** | **(14,946)** | **(30,151)** |

| Bank<br>December 2022 | 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 | 2,319 | 41 | 74 |
| Fair value through profit or loss: T-bills | 73,011 | (143) | (286) |
| Fair value through profit or loss: Eurobond | 2,294 | (17) | (43) |
| Fair value through profit or loss: Bonds - Pledged | 2,567 | 45 | 82 |
| Fair value through profit or loss: T-bills - Pledged | 72,565 | (137) | (273) |
| Fair value through profit or loss: Promissory notes - Pledged | - | - | - |
| | 152,756 | (210) | (447) |
| *Impact on Other Comprehensive Income* | | | |
| -Financial assets at FVOCI-Bonds | 158,208 | (3,038) | (1,689) |
| -Financial assets at FVOCI-Tbills | 703,695 | (1,761) | (10,468) |
| -Financial assets at FVOCI-Promissory notes | 217,305 | (2,667) | (284) |
| Financial assets at FVOCI - Bonds - Pledged | - | - | - |
| Financial assets at FVOCI - T-Bills - Pledged | 451,476 | (3,038) | (5,697) |
| | 1,530,684 | (10,505) | (18,138) |
| **TOTAL** | **1,683,440** | **(10,714)** | **(18,586)** |

**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 Dec 2023. The table below illustrates the hypothetical sensitivity of the Group and Bank's reported profit to a 20% increase in the US Dollar/Naira exchange rates at the period end, assuming all other variables remain unchanged. The sensitivity rate of 20% 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 affects the income statement 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**

| *In millions of naira* | Impact on statement of comprehensive income December 2023 |
|---|---|
| Naira weakens by 20% | 185,466 |

| *In millions of naira* | Impact on statement of comprehensive income December 2022 |
|---|---|
| Naira weakens by 10% | 15,744 |

**Bank**

| *In millions of naira* | Impact on statement of comprehensive income December 2023 |
|---|---|
| Naira weakens by 20% | 98,294 |

| *In millions of naira* | Impact on statement of comprehensive income December 2022 |
|---|---|
| Naira weakens by 10% | 61,947 |

The NGN/USD exchange rate applied in the conversion of balances as at year end is ₦951.79/USD1 (2022: ₦461.10/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 2023 | December 2022 |
|---|---|---|
| **Market Risk for Hedging instruments** | | |
| *Total exposure to foreign exchange risk* | **₦'m** | **₦'m** |
| Derivative assets (fair value hedge) | 1,995,401 | 288,188 |
| Interest bearing loans and borrowings | (774,671) | (633,346) |
| Deposits from other financial institutions | (2,875,448) | (642,951) |

The Bank uses foreign currency forwards to hedge its exposure to foreign currency risk on the US dollar denominated interest bearing loans and deposits for financial institutions. Under the Bank's policy, the critical terms of the forward should align closely with the hedged items.

The Bank only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. The forward points are discounted and are recognised in the profit or loss.

## 5.2.3 The table below summarises the Group's financial instruments at carrying amount, categorised by currency:

### Financial instruments by currency

**Group**

| *In millions of Naira* | Total | Naira | USD | GBP | Euro | Others |
|---|---|---|---|---|---|---|
| **December 2023** | | | | | | |
| Cash and balances with banks | 3,025,645 | 1,189,515 | 1,095,347 | 480,693 | 93,233 | 166,856 |
| Investment under management | 7,423 | - | 7,423 | - | - | - |
| Non-pledged trading assets | | | | | | |
| Treasury bills | 197,120 | 150,037 | - | - | - | 47,083 |
| Bonds | 12,088 | 5,819 | 6,269 | - | - | - |
| Equity | - | - | - | - | - | - |
| Derivative financial instruments | 2,050,432 | 2,033,286 | 1,373 | 1,252 | 61 | 14,460 |
| Loans and advances to banks | 880,534 | 8 | 878,323 | 161 | 1,724 | 317 |
| Loans and advances to customers | | | | | | |
| Auto Loan | 14,727 | 11,902 | - | - | - | 2,825 |
| Credit Card | 31,545 | 20,395 | 10,802 | - | - | 349 |
| Finance Lease | 32,080 | 21,361 | - | - | - | 10,719 |
| Mortgage Loan | 235,163 | 21,339 | 294 | 86,742 | - | 126,787 |
| Overdraft | 394,225 | 194,535 | 19,587 | 109 | - | 179,995 |
| Personal Loan | 470,361 | 76,280 | 418 | - | - | 393,663 |
| Term Loan | 3,982,655 | 2,379,682 | 1,311,985 | 89,473 | 1,826 | 199,688 |
| Time Loan | 2,876,967 | 381,250 | 2,388,948 | 60,497 | 30,162 | 16,110 |
| Pledged assets | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 445,262 | 445,262 | - | - | - | - |
| Bonds | - | - | - | - | - | - |
| Promissory notes | - | - | - | - | - | - |
| -Financial assets at amortised cost | | | | | | |
| Treasury bills | 80,286 | 80,286 | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| Bonds | 623,360 | 623,360 | - | - | - | - |
| Promissory notes | 30,226 | 30,226 | - | - | - | - |
| -Financial assets at FVPL | | | | | | |
| Treasury bills | 32,235 | 32,235 | - | - | - | - |
| Bonds | 1,193 | 1,193 | - | - | - | - |
| Investment securities | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 1,943,342 | 905,038 | - | - | - | 1,038,304 |
| Bonds | 399,292 | 139,773 | 52,377 | - | - | 207,142 |
| Promissory notes | - | - | - | - | - | - |
| -Financial assets at FVPL | | | | | | |
| Equity | 406,154 | 402,711 | - | 3,443 | - | - |
| -Financial assets at amortised cost | | | | | | |
| Treasury bills | 754,810 | 585,470 | (0) | - | - | 169,340 |
| Preferential Shares Note | - | - | - | - | - | - |
| Bonds | 1,930,731 | 473,102 | 807,669 | - | - | 649,960 |
| Promissory notes | 94,690 | 94,690 | - | - | - | - |
| Restricted deposit and other assets | 4,947,675 | 3,271,901 | 1,494,845 | 7,061 | 35 | 173,833 |
| | **25,900,221** | **13,570,657** | **8,075,660** | **729,431** | **127,042** | **3,397,432** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Deposits from financial institutions | 4,437,187 | 254,955 | 4,104,630 | 12,846 | 39,018 | 25,737 |
| Deposits from customers | 15,322,753 | 7,871,563 | 4,632,938 | 749,743 | 126,903 | 1,941,606 |
| Derivative financial instruments | 475,997 | 471,819 | 357 | 388 | 56 | 3,377 |
| Other liabilities | 1,695,395 | 1,076,424 | 535,793 | 10,398 | 12,264 | 60,516 |
| Debt securities issued | 585,024 | 47,488 | 537,536 | - | - | - |
| Interest bearing borrowings | 1,602,225 | 609,801 | 829,373 | - | 2,578 | 160,473 |
| | **24,118,581** | **10,332,050** | **10,640,627** | **773,375** | **180,819** | **2,191,708** |
| | | | | | | |
| Off balance sheet exposures: | | | | | | |
| Transaction related bonds and guarantees | 744,454 | 481,379 | 124,367 | 68 | 124,318 | 14,322 |
| Clean line facilities for letters of credit and other commitments | 1,394,688 | - | 992,372 | 20,427 | 218,028 | 163,860 |
| | **2,139,142** | **481,379** | **1,116,739** | **20,495** | **342,347** | **178,182** |

**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 millions of Naira* | Total | Naira | USD | GBP | Euro | Others |
|---|---|---|---|---|---|---|
| **December 2022** | | | | | | |
| Cash and balances with banks | 1,961,100 | 581,546 | 514,946 | 217,782 | 51,290 | 595,537 |
| Investment under management | 3,742 | - | 3,742 | - | - | - |
| Non-pledged trading assets | | | | | | |
| Treasury bills | 87,490 | 73,011 | - | - | - | 14,479 |
| Bonds | 14,574 | 2,319 | 12,255 | - | - | - |
| Equity | - | - | - | - | - | - |
| Derivative financial instruments | 402,497 | 399,058 | 416 | 16 | 70 | 2,938 |
| Loans and advances to banks | 455,709 | 3,734 | 451,976 | - | - | - |
| Loans and advances to customers | | | | | | |
| Auto Loan | 6,584 | 5,374 | - | - | - | 1,210 |
| Credit Card | 19,082 | 12,007 | 6,773 | - | - | 302 |
| Finance Lease | 9,386 | 6,285 | - | - | - | 3,101 |
| Mortgage Loan | 107,329 | 5,406 | 6,490 | 47,763 | - | 47,670 |
| Overdraft | 299,171 | 265,439 | 16,421 | 17 | - | 17,295 |
| Personal Loan | 274,812 | 77,078 | 13,332 | 72 | - | 184,330 |
| Term Loan | 3,640,489 | 2,521,502 | 920,202 | 3,320 | 16,689 | 178,776 |
| Time Loan | 743,955 | 231,440 | 398,884 | 1,154 | 723 | 111,753 |
| Pledged assets | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 451,476 | 451,476 | - | - | - | - |
| Bonds | - | - | - | - | - | - |
| Promissory notes | - | - | - | - | - | - |
| -Financial assets at amortised cost | | | | | | |
| Treasury bills | 296,061 | 296,061 | - | - | - | - |
| Bonds | 411,582 | 411,582 | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| Promissory notes | 32,639 | 32,639 | - | - | - | - |
| -Financial assets at FVPL | | | | | | |
| Treasury bills | 72,565 | 72,565 | - | - | - | - |
| Bonds | 2,567 | 2,567 | - | - | - | - |
| Investment securities | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 1,046,120 | 703,695 | - | - | - | 342,425 |
| Bonds | 296,240 | 137,026 | 29,245 | - | - | 129,969 |
| Promissory notes | 3,869 | 3,869 | - | - | - | - |
| -Financial assets at FVPL | | | | | | |
| Equity | 167,906 | 35,812 | 131,048 | 1,046 | - | - |
| -Financial assets at amortised cost | | | | | | |
| Treasury bills | 193,421 | 102,399 | - | - | - | 91,022 |
| Total return notes | 9,752 | - | - | - | - | 9,752 |
| Bonds | 870,110 | 183,961 | 411,046 | - | - | 275,104 |
| Promissory notes | 37,762 | 37,762 | - | - | - | - |
| Restricted deposit and other assets | 2,451,927 | 2,045,497 | 287,495 | 2,610 | 539 | 115,787 |
| | **14,369,917** | **8,701,110** | **3,204,270** | **273,778** | **69,312** | **2,121,449** |
| | | | | | | |
| Deposits from financial institutions | 2,005,316 | 319,756 | 1,520,169 | 23,892 | 29,371 | 112,129 |
| Deposits from customers | 9,251,238 | 5,999,097 | 2,074,687 | 260,958 | 45,631 | 870,865 |
| Derivative financial instruments | 32,737 | 31,072 | 667 | 291 | 4 | 703 |
| Other liabilities | 747,292 | 486,417 | 184,325 | 4,964 | 5,680 | 65,907 |
| Debt securities issued | 307,253 | 47,338 | 255,959 | - | - | 3,955 |
| Interest bearing borrowings | 1,385,424 | 653,523 | 644,551 | 13,611 | - | 73,739 |
| | **13,729,260** | **7,537,203** | **4,680,358** | **303,716** | **80,686** | **1,127,298** |
| | | | | | | |
| Off balance sheet exposures: | | | | | | |
| Transaction related bonds and guarantees | 693,915 | 435,219 | 174,356 | 147 | 75,065 | 9,127 |
| Clean line facilities for letters of credit and other commitments | - | - | - | - | - | - |
| | **693,915** | **435,279** | **959,978** | **1,422** | **106,263** | **33,536** |

## 5.2.3 The table below summaries the Bank's financial instruments at carrying amount, categorised by currency:

### Financial instruments by currency

**Bank**

| *In millions of Naira* | Total | Naira | USD | GBP | Euro | Others |
|---|---|---|---|---|---|---|
| **December 2023** | | | | | | |
| Cash and balances with banks | 2,345,773 | 1,189,515 | 1,094,628 | 11,591 | 36,230 | 13,809 |
| Investment under management | 7,423 | - | 7,423 | - | - | - |
| Non-pledged trading assets | | | | | | |
| Treasury bills | 150,037 | 150,037 | - | - | - | - |
| Bonds | 7,761 | 5,819 | 1,942 | - | - | - |
| Equity | - | - | - | - | - | - |
| Derivative financial instruments | 2,033,286 | 2,033,286 | - | - | - | - |
| Loans and advances to banks | 659,546 | 8 | 659,537 | - | - | - |
| Loans and advances to customers | | | | | | |
| Auto Loan | 11,902 | 11,902 | - | - | - | - |
| Credit Card | 31,197 | 20,395 | 10,802 | - | - | - |
| Finance Lease | 21,361 | 21,361 | - | - | - | - |
| Mortgage Loan | 21,339 | 21,339 | - | - | - | - |
| Overdraft | 214,062 | 194,535 | 19,528 | - | - | - |
| Personal Loan | 76,698 | 76,280 | 418 | - | - | - |
| Term Loan | 3,028,236 | 2,379,682 | 646,675 | 53 | 1,826 | - |
| Time Loan | 1,964,358 | 381,250 | 1,541,629 | 4,704 | 20,665 | 16,110 |
| Pledged assets | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 445,262 | 445,262 | - | - | - | - |
| Bonds | - | - | - | - | - | - |
| Promissory notes | - | - | - | - | - | - |
| -Financial assets at amortised cost | | | | | | |
| Treasury bills | 80,286 | 80,286 | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| Bonds | 623,360 | 623,360 | - | - | - | - |
| Promissory notes | 30,226 | 30,226 | - | - | - | - |
| -Financial assets at FVPL | | | | | | |
| Treasury bills | 32,235 | 32,235 | - | - | - | - |
| Bonds | 1,193 | 1,193 | - | - | - | - |
| Investment securities | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 905,038 | 905,038 | - | - | - | - |
| Bonds | 192,150 | 139,773 | 52,377 | - | - | - |
| Promissory notes | - | - | - | - | - | - |
| -Financial assets at FVPL | | | | | | |
| Equity | 402,711 | 402,711 | - | - | - | - |
| -Financial assets at amortised cost | | | | | | |
| Treasury bills | 585,470 | 585,470 | - | - | - | - |
| Preferential Shares Note | 7,138 | - | 7,138 | - | - | - |
| Bonds | 1,259,658 | 473,102 | 786,556 | - | - | - |
| Promissory notes | 94,690 | 94,690 | - | - | - | - |
| Restricted deposit and other assets | 4,594,037 | 3,271,901 | 1,322,004 | 130 | (0) | 2 |
| | **19,826,433** | **13,570,657** | **6,150,658** | **16,478** | **58,721** | **29,921** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Deposits from financial institutions | 3,907,193 | 254,955 | 3,645,979 | 9 | 3,340 | 2,910 |
| Deposits from customers | 11,239,847 | 7,871,563 | 3,264,701 | 34,783 | 68,799 | 1 |
| Derivative financial instruments | 471,819 | 471,819 | - | - | - | - |
| Other liabilities | 1,494,078 | 1,076,424 | 403,237 | 883 | 12,057 | 1,477 |
| Debt securities issued | 577,378 | 47,488 | 529,890 | - | - | - |
| Interest bearing borrowings | 1,384,472 | 609,801 | 774,671 | - | - | - |
| | **19,074,787** | **10,332,050** | **8,618,478** | **35,676** | **84,196** | **4,387** |
| | | | | | | |
| Off balance sheet exposures: | | | | | | |
| Transaction related bonds and guarantees | 735,514 | 481,379 | 130,718 | 34 | 123,383 | - |
| Clean line facilities for letters of credit and other commitments | 1,060,454 | 250,990 | 595,077 | 39 | 205,129 | 9,219 |
| | **1,795,968** | **732,369** | **725,795** | **73** | **328,512** | **9,219** |

## Financial instruments by currency

### Bank

| *In millions of Naira* | Total | Naira | USD | GBP | Euro | Others |
|---|---|---|---|---|---|---|
| **December 2022** | | | | | | |
| Cash and balances with banks | 1,445,659 | 581,546 | 838,580 | 5,669 | 16,100 | 3,766 |
| Investment under management | 3,742 | - | 3,742 | - | - | - |
| Non-pledged trading assets | | | | | | |
| Treasury bills | 73,011 | 73,011 | - | - | - | - |
| Bonds | 4,613 | 2,319 | 2,294 | - | - | - |
| Equity | - | - | - | - | - | - |
| Derivative financial instruments | 399,058 | 399,058 | - | - | - | - |
| Loans and advances to banks | 322,610 | 3,734 | 318,876 | - | - | - |
| Loans and advances to customers | | | | | | |
| Auto Loan | 5,374 | 5,374 | - | - | - | - |
| Credit Card | 18,794 | 12,007 | 6,787 | - | - | - |
| Finance Lease | 6,285 | 6,285 | - | - | - | - |
| Mortgage Loan | 5,406 | 5,406 | - | - | - | - |
| Overdraft | 268,771 | 265,439 | 3,333 | - | - | - |
| Personal Loan | 77,243 | 77,078 | 93 | 72 | - | - |
| Term Loan | 3,299,247 | 2,521,502 | 756,896 | 1,905 | 16,716 | 2,229 |
| Time Loan | 403,231 | 231,440 | 171,791 | - | - | - |
| Pledged assets | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 451,476 | 451,476 | - | - | - | - |
| Bonds | - | - | - | - | - | - |
| Promissory notes | - | - | - | - | - | - |
| -Financial assets at amortised cost | | | | | | |
| Treasury bills | 296,061 | 296,061 | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| Bonds | 411,582 | 411,582 | - | - | - | - |
| Promissory notes | 32,639 | 32,639 | - | - | - | - |
| -Financial assets at FVPL | | | | | | |
| Treasury bills | 72,565 | 72,565 | - | - | - | - |
| Bonds | 2,567 | 2,567 | - | - | - | - |
| Investment securities | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 703,695 | 703,695 | - | - | - | - |
| Bonds | 158,208 | 137,026 | 21,182 | - | - | - |
| Promissory notes | 3,869 | 3,869 | - | - | - | - |
| -Financial assets at FVPL | | | | | | |
| Equity | 167,622 | 35,812 | 131,810 | - | - | - |
| -Financial assets at amortised cost | | | | | | |
| Treasury bills | 102,399 | 102,399 | - | - | - | - |
| Bonds | 595,007 | 183,961 | 411,046 | - | - | - |
| Promissory notes | 37,763 | 37,763 | - | - | - | - |
| Restricted deposit and other assets | 2,321,538 | 2,045,497 | 276,014 | 22 | - | 5 |
| | **11,690,035** | **8,701,111** | **2,942,442** | **7,668** | **32,816** | **6,000** |
| | | | | | | |
| Deposits from financial institutions | 1,637,318 | 319,756 | 1,312,768 | 161 | 2,364 | 2,270 |
| Deposits from customers | 7,530,062 | 5,999,097 | 1,485,756 | 15,359 | 29,850 | - |
| Derivative financial instruments | 31,072 | 31,072 | - | - | - | - |
| Other liabilities | 660,462 | 486,417 | 168,166 | 284 | 4,697 | 897 |
| Debt securities issued | 303,297 | 47,338 | 255,959 | - | - | - |
| Interest bearing borrowings | 1,286,869 | 653,523 | 633,346 | - | - | - |
| | **11,449,080** | **7,537,203** | **3,855,995** | **15,803** | **36,911** | **3,168** |
| | | | | | | |
| Off balance sheet exposures: | | | | | | |
| Transaction related bonds and guarantees | 618,742 | 435,219 | 108,351 | 147 | 75,025 | - |
| Clean line facilities for letters of credit and other commitments | 606,878 | 60 | 561,961 | 764 | 23,556 | 20,537 |
| | **1,225,620** | **435,279** | **670,312** | **911** | **98,581** | **20,537** |

## 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 three 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.

The negative gaps in the short term maturity buckets below do indicate liquidity concerns as the behavioral analysis of the book is different from this.

## Contingency Funding Plan

The Group maintains a contingency funding plan which sets out strategies for addressing liquidity. The Plan:

(a) outlines strategies, policies and plans to manage a range of stresses;

(b) establishes a clear allocation of roles and clear lines of management responsibility;

(c) is formally documented;

(d) includes clear invocation and escalation procedures;

(e) is regularly tested and the result shared with the ALCO and Board;

(f) outlines that Group's operational arrangements for managing a huge funding run;

(g) is sufficiently robust to withstand simultaneous disruptions in a range of payment and settlement;

(h) outlines how the Group will manage both internal communications and those with its external stakeholders; and

As part of the contingency funding plan process, the Group maintains committed credit lines that can be drawn in case of liquidity crises. These lines are renewed as at when due.

## Funding approach

Our sources of liquidity are regularly reviewed by both the ALCO and the Treasury Group in order to avoid undue reliance on large individual depositors and to ensure that a satisfactory overall funding mix is maintained at all times. The funding strategy is geared toward ensuring effective diversification in the sources and tenor of funding. The Group however places greater emphasis on demand and savings deposits as against purchased funds in order to minimize the cost of funding.

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents, and debt securities issued by sovereigns, which can be readily sold to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks.

## 5.3.1 Residual contractual maturities of financial assets and liabilities

| Group<br>December 2023 | Carrying amount | Gross nominal inflow/(outflow) | Less than 3 months | 6 months | 12 months | 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| *In millions of Naira* | | | | | | | |
| Cash and balances with banks | 2,975,484 | 4,438,204 | 4,438,204 | - | - | - | - |
| Investment under management | 7,423 | 7,423 | - | - | - | - | 7,423 |
| Non-pledged trading assets | | | | | | | |
| Treasury bills | 197,120 | 130,025 | 11,000 | 109,025 | 10,000 | - | - |
| Bonds | 12,088 | 240,286 | - | 24,015 | 48,407 | 59,042 | 108,823 |
| Derivative financial instruments | 2,050,432 | 2,050,431 | 1,168,766 | 277,980 | 504,907 | 98,778 | - |
| Loans and advances to banks | 880,534 | 1,295,413 | 381,799 | 69,274 | 641,525 | 202,816 | - |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 14,727 | 15,344 | 3,042 | 119 | 546 | 11,637 | - |
| Credit Card | 31,545 | 33,043 | 2,169 | 681 | 2,001 | 28,193 | - |
| Finance Lease | 32,080 | 32,828 | 3,192 | 593 | 2,214 | 26,828 | - |
| Mortgage Loan | 235,163 | 240,139 | 138,687 | - | 18 | 2,020 | 99,413 |
| Overdraft | 394,225 | 420,436 | 218,207 | 46,320 | 155,826 | 82 | - |
| Personal Loan | 470,361 | 483,229 | 385,787 | 83,057 | 5,199 | 7,418 | 1,768 |
| Term Loan | 3,982,655 | 4,058,511 | 349,981 | 1,645 | 57,178 | 2,191,864 | 1,457,844 |
| Time Loan | 2,876,967 | 2,910,683 | 1,698,024 | 540,596 | 672,063 | - | - |
| Pledged assets | | | | | | | |
| -Financial instruments at FVOCI | | | | | | | |
| Treasury bills | 445,262 | 495,005 | 321,159 | 159,149 | 14,697 | - | - |
| Bonds | - | 2,123 | - | - | - | 2,123 | - |
| -Financial instruments at amortised cost | | | | | | | |
| Treasury bills | 80,286 | 119,346 | 83,446 | 35,900 | - | - | - |
| Bonds | 623,360 | 748,047 | - | - | 122,359 | 264,373 | 361,315 |
| Promissory note | 30,226 | 33,261 | | - | 33,261 | - | - |
| -Financial instruments at FVPL | | | | | | | |
| Treasury bills | 32,235 | 40,500 | 11,000 | 19,500 | 10,000 | - | - |
| Bonds | 1,193 | - | - | - | - | - | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Investment securities | | | | | | | |
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | 1,943,342 | 1,947,320 | 146,968 | 1,306,792 | 493,559 | - | - |
| Bonds | 399,292 | 688,667 | - | 78,014 | 147,928 | 94,775 | 367,950 |
| Promissory note | 16,714 | 18,995 | - | 18,995 | - | - | - |
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | 754,810 | 789,994 | 625,481 | 164,512 | - | - | - |
| Bonds | 1,930,731 | 1,961,916 | 153,026 | 159,505 | 943,606 | 596,960 | 108,818 |
| Promissory note | 94,689 | 95,071 | - | 2,625 | 65,130 | 27,317 | - |
| -Financial assets at FVPL | | | | | | | |
| Equity | 406,154 | 406,154 | - | - | - | - | 406,154 |
| Restricted deposit and other assets | 4,940,239 | 3,726,696 | 292,135 | 286,723 | 39,956 | - | 3,107,883 |
| | **25,859,339** | **27,429,090** | **10,432,073** | **3,385,018** | **3,970,380** | **3,614,226** | **6,027,392** |
| | | | | | | | |
| Deposits from financial institutions | 4,387,020 | 4,716,240 | 3,519,688 | 950,173 | 246,380 | - | - |
| Deposits from customers | 15,322,752 | 25,144,321 | 5,491,021 | 4,992,945 | 13,328,093 | 1,332,262 | - |
| Derivative financial instruments | 475,997 | 475,997 | 458,244 | 10,934 | 3,834 | 2,985 | - |
| Other liabilities | 1,679,174 | 1,697,243 | 1,092,699 | | 429,866 | 174,678 | - |
| Debt securities issued | 585,024 | 766,586 | - | - | - | 766,586 | - |
| Interest bearing borrowings | 1,602,226 | 1,836,419 | 6,921 | 856 | 439,424 | 388,237 | 1,000,981 |
| | **24,052,193** | **34,636,805** | **10,568,573** | **5,954,908** | **14,447,596** | **2,664,748** | **1,000,981** |
| Gap (asset - liabilities) | 1,807,147 | (7,207,716) | (136,500) | (2,569,889) | (10,477,216) | 949,479 | 5,026,411 |
| Cumulative liquidity gap | | | (136,500) | (2,706,389) | (13,183,605) | (12,234,126) | (7,207,716) |
| | | | | | | | |
| Off-balance sheet | | | | | | | |
| Transaction related bonds and guarantees | 744,454 | 744,454 | 120,536 | 46,401 | 49,411 | 290,799 | 237,306 |
| "Clean line facilities for letters of credit and other commitments | 1,645,678 | 1,645,678 | 1,111,307 | 225,829 | 199,248 | 109,294 | - |
| | **2,390,131** | **2,390,131** | **1,231,843** | **272,230** | **248,659** | **400,093** | **237,306** |

| Group | Carrying | Gross nominal | Less than | 6 months | 12 months | 5 years | More than |
|---|---|---|---|---|---|---|---|
| December 2022 | amount | inflow/(outflow) | 3 months | | | | 5 years |
| *In millions of Naira* | | | | | | | |
| Cash and balances with banks | 1,961,100 | 1,983,061 | 1,913,609 | 46,720 | 22,732 | - | - |
| Investment under management | 3,742 | 3,742 | - | - | - | - | 3,742 |
| Non-pledged trading assets | | | | | | | |
| Treasury bills | 88,116 | 90,735 | 31,979 | 29,955 | 28,800 | - | - |
| Bonds | 14,574 | 29,104 | - | 849 | 1,054 | 10,393 | 16,808 |
| Derivative financial instruments | 402,497 | 402,497 | 55,383 | 43,211 | 303,903 | - | - |
| Loans and advances to banks | 455,710 | 456,088 | 215 | 27,681 | 370,133 | 58,058 | - |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 6,584 | 6,884 | 3 | 451 | 618 | 5,813 | - |
| Credit Card | 19,082 | 20,215 | 19,839 | - | - | 376 | - |
| Finance Lease | 9,386 | 9,630 | 208 | 202 | 179 | 9,042 | - |
| Mortgage Loan | 107,329 | 109,967 | 611 | 550 | 367 | 100,028 | 8,412 |
| Overdraft | 299,171 | 314,017 | 161,516 | 27,268 | 124,348 | 885 | - |
| Personal Loan | 274,813 | 285,388 | 70,352 | 25,656 | 25,895 | 159,930 | 3,555 |
| Term Loan | 3,640,489 | 3,700,153 | 135,779 | 174,621 | 300,743 | 1,311,976 | 1,777,034 |
| Time Loan | 743,955 | 753,495 | 56,511 | 112,367 | 571,777 | 12,687 | 154 |
| Pledged assets | | | | | | | |
| -Financial instruments at FVOCI | | | | | | | |
| Treasury bills | 451,476 | 461,987 | 461,987 | - | - | - | - |
| Bonds | - | - | - | - | - | - | - |
| -Financial instruments at amortised cost | | | | | | | |
| Treasury bills | 296,061 | 299,020 | 115,935 | 75,735 | 107,350 | - | - |
| Bonds | 411,582 | 684,031 | - | - | 60,936 | 192,551 | 430,544 |
| Promissory note | 32,639 | 32,846 | - | - | - | 32,846 | - |
| -Financial instruments at FVPL | | | | | | | |
| Treasury bills | 72,565 | 73,202 | 7,345 | 60,613 | 5,245 | - | - |
| Bonds | 2,567 | 3,080 | - | - | - | 3,080 | - |
| Investment securities | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | 1,046,120 | 1,117,734 | 351,039 | 437,443 | 329,252 | - | - |
| Bonds | 296,240 | 496,394 | - | 74,214 | 2,656 | 219,096 | 200,428 |
| Promissory note | 217,305 | 274,170 | - | - | 13,748 | 260,422 | - |
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | 192,795 | 207,741 | 183,484 | 24,257 | - | - | - |
| Bonds | 870,110 | 968,554 | 31,301 | - | 370,975 | 219,550 | 346,728 |
| Promissory note | 37,761 | 39,847 | - | - | 9,490 | 30,357 | - |
| Restricted deposit and other assets | 2,451,927 | 2,451,927 | 532,319 | 68,088 | 20,808 | - | 1,830,710 |
| | **14,415,449** | **15,275,508** | **4,129,413** | **1,229,879** | **2,671,009** | **2,627,090** | **4,618,115** |
| | | | | | | | |
| Deposits from financial institutions | 2,005,316 | 2,132,654 | 1,591,580 | 429,662 | 111,412 | - | - |
| Deposits from customers | 9,251,238 | 9,957,768 | 8,440,939 | 433,612 | 1,082,313 | 904 | - |
| Derivative financial instruments | 32,737 | 32,737 | 23,195 | 9,542 | - | - | - |
| Other liabilities | 743,153 | 743,153 | 592,644 | - | 89,338 | 17,370 | 43,801 |
| Debt securities issued | 307,253 | 467,320 | - | - | - | 467,320 | - |
| Interest bearing borrowings | 1,385,424 | 1,588,057 | 5,985 | 740 | 379,995 | 335,731 | 865,606 |
| | **13,725,122** | **14,921,689** | **10,654,344** | **873,556** | **1,663,058** | **821,325** | **909,406** |
| Gap (asset - liabilities) | 690,328 | 353,819 | (6,524,931) | 356,323 | 1,007,950 | 1,805,765 | 3,708,708 |
| Cumulative liquidity gap | | | (6,524,931) | (6,168,608) | (5,160,657) | (3,354,892) | 353,817 |
| | | | | | | | |
| Off-balance sheet | | | | | | | |
| Transaction related bonds and guarantees | 693,915 | 693,915 | 32,079 | 50,841 | 116,538 | 209,716 | 284,740 |
| " Clean line facilities for letters of credit and other commitments" | 842,563 | 842,563 | 615,520 | 84,650 | 63,815 | 78,577 | - |
| | **1,536,477** | **1,536,476** | **647,600** | **135,492** | **180,353** | **288,293** | **284,740** |

### 5.3.1 Residual contractual maturities of financial assets and liabilities

| Bank<br>December 2023 | Carrying amount | Gross nominal inflow/(outflow) | Less than 3 months | 6 months | 12 months | 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| *In millions of Naira* | | | | | | | |
| Cash and balances with banks | 2,345,773 | 4,013,955 | 3,557,521 | 66,324 | 390,110 | - | - |
| Investment under management | 7,423 | 7,423 | - | - | - | - | 7,423 |
| Non-pledged trading assets | | | | | | | |
| Treasury bills | 150,037 | 200,234 | 61,903 | 42,441 | 95,889 | - | - |
| Bonds | 7,761 | 24,683 | - | 7 | 392 | 283 | 24,001 |
| Derivative financial instruments | 2,033,286 | 2,033,286 | 1,168,766 | 277,980 | 488,454 | 98,086 | - |
| Loans and advances to banks | 659,546 | 659,790 | 254,555 | 210,446 | 194,789 | - | - |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 11,902 | 12,383 | 123 | 115 | 566 | 11,578 | - |
| Credit Card | 31,197 | 32,688 | 1,828 | 692 | 1,994 | 28,174 | - |
| Finance Lease | 21,361 | 21,974 | 3,067 | 175 | 1,421 | 17,311 | - |
| Mortgage Loan | 21,339 | 21,779 | 183 | - | 22 | 2,098 | 19,476 |
| Overdraft | 214,062 | 235,017 | 117,665 | 9,008 | 108,345 | - | - |
| Personal Loan | 76,698 | 78,845 | 325 | 71,185 | 896 | 6,439 | - |
| Term Loan | 3,028,236 | 3,082,948 | - | - | - | 1,628,562 | 1,454,386 |
| Time Loan | 1,964,358 | 1,982,685 | 1,194,641 | 325,278 | 462,766 | - | - |
| Pledged assets | | | | | | | |
| -Financial instruments at FVOCI | | | | | | | |
| Treasury bills | 445,262 | 495,005 | 321,159 | 159,149 | 14,697 | - | - |
| Bonds | - | 2,123 | - | - | - | 2,123 | - |
| -Financial instruments at amortised cost | | | | | | | |
| Treasury bills | 80,286 | 80,346 | 63,946 | 16,400 | - | - | - |
| Bonds | 623,360 | 1,626,065 | 528,525 | 151,462 | 183,996 | 343,085 | 418,997 |
| Promissory note | 30,226 | 33,261 | - | - | 33,261 | - | - |
| -Financial instruments at FVPL | | | | | | | |
| Treasury bills | 32,235 | 40,500 | 11,000 | 19,500 | 10,000 | - | - |
| Bonds | 1,193 | - | - | - | - | - | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Investment securities | | | | | | | |
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | 905,038 | 1,113,834 | 833,708 | 133,158 | 146,968 | - | - |
| Bonds | 192,150 | 297,542 | - | 77,014 | 137,928 | 58,955 | 23,643 |
| Promissory note | 16,714 | 18,995 | - | 18,995 | - | - | - |
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | 585,470 | 620,654 | 575,054 | 45,600 | - | - | - |
| Bonds | 1,259,658 | 284,346 | 56,869 | 56,869 | 56,869 | 56,869 | 56,869 |
| Promissory note | 94,690 | 95,071 | - | 2,625 | 65,130 | 27,317 | - |
| Preferential Shares Note | 7,138 | 7,138 | - | 7,138 | - | - | - |
| -Financial assets at FVPL | | | | | | | |
| Equity | 402,711 | 402,711 | - | - | - | - | 402,711 |
| Restricted deposit and other assets | 4,586,587 | 3,373,044 | 162,471 | 273,802 | 39,956 | - | 2,896,816 |
| | **19,835,700** | **20,898,333** | **8,913,308** | **1,965,365** | **2,434,451** | **2,280,886** | **5,304,326** |
| Deposits from financial institutions | 3,907,192 | 4,152,592 | 3,099,042 | 836,615 | 216,935 | - | - |
| Deposits from customers | 11,239,847 | 21,006,678 | 4,023,675 | 3,320,066 | 12,330,675 | 1,332,262 | - |
| Derivative financial instruments | 471,819 | 471,818 | 458,244 | 10,275 | 315 | 2,985 | - |
| Other liabilities | 1,494,072 | 1,503,902 | 1,041,103 | - | 20,719 | 149,401 | 292,679 |
| Debt securities issued | 577,378 | 774,232 | - | - | - | 774,232 | - |
| Interest bearing borrowings | 1,384,472 | 1,586,778 | 5,980 | 739 | 379,689 | 335,460 | 864,909 |
| | **19,074,779** | **29,496,000** | **8,628,045** | **4,167,696** | **12,948,333** | **2,594,340** | **1,157,588** |
| Gap (asset - liabilities) | 760,920 | (8,597,667) | 285,263 | (2,202,331) | (10,513,882) | (313,455) | 4,146,739 |
| Cumulative liquidity gap | | | 285,263 | (1,917,068) | (12,430,951) | (12,744,405) | (8,597,667) |
| Off-balance sheet | | | | | | | |
| Transaction related bonds and guarantees | 735,514 | 735,514 | 79,182 | 59,086 | 84,527 | 240,048 | 272,670 |
| Clean line facilities for letters of credit and other commitments | 1,060,454 | 1,060,454 | 526,083 | 225,829 | 199,248 | 109,294 | - |
| | **1,795,967** | **1,795,967** | **605,265** | **284,915** | **283,775** | **349,343** | **272,670** |

| Bank<br>December 2022 | Carrying amount | Gross nominal inflow/(outflow) | Less than 3 months | 6 months | 12 months | 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| *In millions of Naira* | | | | | | | |
| Cash and balances with banks | 1,445,659 | 1,484,572 | 1,484,572 | - | - | - | - |
| Investment under management | 3,742 | 3,742 | - | - | - | - | 3,742 |
| Non-pledged trading assets | | | | | | | |
| Treasury bills | 73,011 | 74,957 | 42,655 | 15,227 | 17,075 | - | - |
| Bonds | 4,613 | 9,278 | - | 1,054 | 745 | - | 7,479 |
| Derivative financial instruments | 399,058 | 399,058 | 54,910 | 42,842 | 301,306 | - | - |
| Loans and advances to banks | 322,610 | 322,951 | 215 | 27,681 | 236,997 | 58,058 | - |
| Loans and advances to customers | | | | | | | |
| Auto Loan | 5,374 | 5,528 | 3 | - | 166 | 5,357 | - |
| Credit Card | 18,794 | 19,850 | 19,839 | - | - | 12 | - |
| Finance Lease | 6,285 | 6,387 | 27 | 12 | 179 | 6,170 | - |
| Mortgage Loan | 5,406 | 5,603 | - | - | - | 713 | 4,890 |
| Overdraft | 268,771 | 278,435 | 161,516 | 27,268 | 88,766 | 885 | - |
| Personal Loan | 77,243 | 80,179 | 70,352 | 5 | 244 | 6,022 | 3,555 |
| Term Loan | 3,299,247 | 3,344,371 | 135,779 | 174,621 | 300,743 | 956,194 | 1,777,034 |
| Time Loan | 403,231 | 409,063 | 56,511 | 112,367 | 227,344 | 12,687 | 154 |
| Pledged assets | | | | | | | |
| -Financial instruments at FVOCI | | | | | | | |
| Treasury bills | 451,476 | 458,525 | 276,453 | 69,173 | 112,898 | - | - |
| Bonds | - | - | - | - | - | - | - |
| -Financial instruments at amortised cost | | | | | | | |
| Treasury bills | 296,061 | 312,407 | 156,203 | 156,203 | - | - | - |
| Bonds | 411,582 | 534,977 | - | 39,851 | - | 147,376 | 347,750 |
| Promissory note | 32,639 | 40,266 | - | - | - | 40,266 | - |
| -Financial instruments at FVPL | | | | | | | |
| Treasury bills | 72,565 | 74,500 | 42,395 | 15,135 | 16,970 | - | - |
| Bonds | 2,567 | 2,796 | - | - | - | 2,796 | - |
| Investment securities | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| -Financial assets at FVOCI | | | | | | | |
| Treasury bills | 703,695 | 705,875 | 172,090 | 204,532 | 329,252 | - | - |
| Bonds | 158,208 | 254,507 | - | 74,214 | 2,656 | 64,998 | 112,639 |
| Promissory note | 217,305 | 274,170 | - | - | 13,748 | 260,422 | - |
| -Financial assets at amortised cost | | | | | | | |
| Treasury bills | 102,399 | 114,425 | 60,201 | 54,224 | - | - | - |
| Bonds | 595,007 | 607,540 | 1,770 | - | 30,580 | 77,006 | 498,184 |
| Promissory note | 37,763 | 52,950 | - | - | 9,490 | 43,460 | - |
| Restricted deposit and other assets | 2,321,538 | 2,321,538 | 114,681 | 66,545 | 20,808 | - | 2,119,504 |
| | **11,735,850** | **12,198,446** | **2,964,853** | **1,080,953** | **1,709,968** | **1,682,423** | **4,874,930** |
| | | | | | | | |
| Deposits from financial institutions | 1,637,318 | 1,741,288 | 1,299,507 | 350,814 | 90,966 | - | - |
| Deposits from customers | 7,530,062 | 7,612,159 | 6,423,252 | 226,614 | 961,389 | 904 | - |
| Derivative financial instruments | 31,072 | 31,072 | 21,530 | 9,542 | - | - | - |
| Other liabilities | 660,463 | 660,463 | 516,781 | - | 5,454 | 94,428 | 43,801 |
| Debt securities issued | 303,297 | 471,275 | - | - | - | 471,275 | - |
| Interest bearing borrowings | 1,286,869 | 1,474,913 | 5,559 | 687 | 352,922 | 311,811 | 803,934 |
| | **11,449,080** | **11,991,171** | **8,266,629** | **587,656** | **1,410,732** | **878,418** | **847,734** |
| Gap (asset - liabilities) | 286,770 | 207,275 | (5,301,776) | 493,297 | 299,236 | 804,005 | 4,027,196 |
| Cumulative liquidity gap | | | (5,301,776) | (4,808,479) | (4,509,243) | (3,705,238) | 321,959 |
| | | | | | | | |
| Off-balance sheet | | | | | | | |
| Transaction related bonds and guarantees | 618,742 | 618,742 | 22,973 | 50,011 | 114,174 | 184,769 | 246,815 |
| Clean line facilities for letters of credit and other commitments | 606,878 | 606,878 | 384,779 | 82,807 | 62,425 | 76,866 | - |
| | **1,225,621** | **1,225,621** | **407,753** | **132,818** | **176,599** | **261,635** | **246,815** |

### 5.3.2

| Group | December 2023 | | | December 2022 | | |
|---|---|---|---|---|---|---|
| *In millions of Naira* | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Cash and balances with banks | 2,975,484 | - | **2,975,484** | 1,961,100 | - | **1,961,100** |
| Investments under management | - | 7,423 | **7,423** | - | 3,742 | **3,742** |
| Non pledged trading assets | | | | | | |
| Treasury bills | 195,340 | 1,779 | **197,119** | 87,489 | - | **87,489** |
| Bonds | 503 | 11,586 | **12,088** | 5,891 | 9,966 | **15,857** |
| Derivative financial instruments | 2,050,432 | - | **2,050,432** | 296,218 | 106,279 | **402,497** |
| Loans and advances to banks | 878,039 | 2,495 | **880,534** | 397,755 | 57,955 | **455,709** |
| Loans and advances to customers | | | | | | |
| Auto Loan | 3,558 | 11,169 | **14,727** | 1,014 | 5,570 | **6,584** |
| Credit Card | 4,631 | 26,914 | **31,545** | 18,852 | 230 | **19,082** |
| Finance Lease | 5,863 | 26,217 | **32,080** | 596 | 8,790 | **9,386** |
| Mortgage Loan | 135,831 | 99,332 | **235,163** | 635 | 106,694 | **107,329** |
| Overdraft | 394,148 | 77 | **394,225** | 298,294 | 877 | **299,171** |
| Personal Loan | 461,420 | 8,941 | **470,361** | 118,219 | 156,592 | **274,813** |
| Term Loan | 401,162 | 3,581,493 | **3,982,655** | 608,219 | 3,032,269 | **3,640,489** |
| Time Loan | 2,876,967 | - | **2,876,967** | 731,361 | 12,594 | **743,955** |
| Pledged assets | | | | | | |
| Treasury bills | 557,783 | - | **557,783** | 820,102 | - | **820,102** |
| Bonds | 73,906 | 550,648 | **624,554** | 24,986 | 389,163 | **414,150** |
| Promissory note | - | - | **-** | - | 26,471 | **26,471** |
| Investment securities | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 1,913,941 | - | **1,913,941** | 1,046,120 | - | **1,046,120** |
| Bonds | 6,055 | 393,947 | **400,002** | 54,380 | 251,862 | **306,242** |
| Promissory note | 357 | 16,358 | **16,715** | 12,656 | 204,650 | **217,306** |
| -Financial assets at amortised cost | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Treasury bills | 754,810 | - | **754,810** | 193,421 | - | **193,421** |
| Bonds | 115,210 | 1,815,520 | **1,930,731** | 50,877 | 819,233 | **870,110** |
| Promissory note | 46,605 | 48,086 | **94,690** | 5,773 | 31,990 | **37,762** |
| Credit Link Notes | - | 7,138 | **7,138** | 9,752 | - | **9,752** |
| Restricted deposit and other assets | - | 4,947,684 | **4,947,684** | 154,048 | 2,300,095 | **2,454,143** |
| | **15,034,381** | **11,556,811** | **25,408,852** | **8,132,011** | **7,525,024** | **14,422,781** |
| Deposits from financial institutions | 4,387,020 | - | **4,387,020** | 1,459,512 | 583,923 | **2,043,436** |
| Deposits from customers | 8,149,061 | 7,173,691 | **15,322,752** | 5,246,155 | 4,003,899 | **9,250,054** |
| Derivative financial instruments | 475,997 | - | **475,997** | 30,637 | 2,099 | **32,737** |
| Debt securities issued | - | 585,024 | **585,024** | - | 307,253 | **307,253** |
| Other liabilities | 1,679,169 | - | **1,679,169** | 743,153 | - | **743,153** |
| Interest-bearing borrowings | 604,558 | 997,668 | **1,602,226** | 311,143 | 1,074,444 | **1,385,587** |
| | **15,295,806** | **8,756,384** | **24,052,188** | **7,790,601** | **5,971,618** | **13,762,219** |

| Bank | | | December 2023 | | | December 2022 |
|---|---|---|---|---|---|---|
| *In millions of Naira* | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Cash and balances with banks | 2,345,773 | - | **2,345,773** | 1,445,659 | - | **1,445,659** |
| Investment under management | - | 7,423 | **7,423** | - | 3,742 | **3,742** |
| Non pledged trading assets | | | | | | |
| Treasury bills | 148,685 | - | **148,685** | 73,011 | - | **73,011** |
| Bonds | 301 | 7,460 | **7,761** | 1,783 | 2,829 | **4,613** |
| Derivative financial instruments | 2,033,286 | - | **2,033,286** | 292,779 | 106,279 | **399,058** |
| Loans and advances to banks | 659,546 | - | **659,546** | 264,618 | 57,992 | **322,610** |
| Loans and advances to customers | | | | | | |
| Auto Loan | 733 | 11,169 | **11,902** | 166 | 5,208 | **5,374** |
| Credit Card | 4,282 | 26,914 | **31,197** | 18,785 | 9 | **18,794** |
| Finance Lease | 4,565 | 16,795 | **21,361** | 211 | 6,075 | **6,285** |
| Mortgage Loan | 124 | 21,215 | **21,339** | - | 5,406 | **5,406** |
| Overdraft | 214,062 | - | **214,062** | 267,894 | 877 | **268,771** |
| Personal Loan | 70,553 | 6,145 | **76,698** | 68,374 | 8,868 | **77,243** |
| Term Loan | - | 3,028,236 | **3,028,236** | 608,203 | 2,691,044 | **3,299,247** |
| Time Loan | 1,964,358 | - | **1,964,358** | 390,637 | 12,594 | **403,231** |
| Pledged assets | | | | | | |
| Treasury bills | 557,783 | - | **557,783** | 820,102 | - | **820,102** |
| Bonds | 73,906 | 550,648 | **624,554** | 24,986 | 389,163 | **414,150** |
| Promissory note | - | - | **-** | - | 26,471 | **26,471** |
| Investment securities | | | | | | |
| -Financial assets at FVOCI | | | | | | |
| Treasury bills | 889,091 | 15,947 | **905,038** | 703,695 | - | **703,695** |
| Bonds | 7,195 | 184,955 | **192,150** | 28,421 | 129,787 | **158,208** |
| Promissory note | 77 | 14,566 | **14,643** | 205,005 | - | **205,005** |
| -Financial assets at amortised cost | | | | | | |
| Treasury bills | 585,470 | - | **585,470** | 102,399 | - | **102,399** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Bonds | 69,110 | 1,285,238 | **1,354,348** | 34,792 | 597,978 | **632,770** |
| Promissory note | 46,605 | 48,086 | **94,690** | 5,773 | 31,991 | **37,763** |
| Restricted deposit and other assets | - | 4,594,032 | **4,594,032** | - | 2,340,433 | **2,340,433** |
| | **10,857,842** | **9,834,778** | **19,510,283** | **6,591,545** | **6,416,747** | **11,774,041** |
| Deposits from financial institutions | 3,907,192 | - | **3,907,192** | 1,629,354 | 46,083 | **1,675,437** |
| Deposits from customers | 11,237,554 | 2,293 | **11,239,847** | 7,534,894 | 11,837 | **7,546,732** |
| Derivative financial instruments | 471,819 | - | **471,819** | 29,441 | 1,630 | **31,072** |
| Debt securities issued | - | 577,378 | **577,378** | - | 303,297 | **303,297** |
| Other liabilities | - | 1,494,082 | **1,494,082** | 522,235 | 138,228 | **660,464** |
| Interest-bearing borrowings | 604,558 | 779,913 | **1,384,472** | 311,143 | 975,726 | **1,286,869** |
| | **16,221,123** | **2,853,667** | **19,074,789** | **10,027,068** | **1,476,803** | **11,503,871** |

## 6 Capital adequacy ratio computation under Basel II guidelines

This represents the capital adequacy ratio under basel II guidelines

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| **Tier 1 capital without adjustment** | | | | |
| Ordinary share capital | 17,773 | 17,773 | 17,773 | 17,773 |
| Additional Tier 1 Capital | 345,030 | 206,355 | 345,030 | 206,355 |
| Share premium | 234,038 | 234,038 | 234,038 | 234,038 |
| Retained earnings | 737,133 | 409,653 | 605,619 | 321,181 |
| Other reserves | 960,548 | 344,677 | 329,526 | 289,319 |
| Non-controlling interests | 53,911 | 14,395 | - | - |
| | **2,348,432** | **1,226,891** | **1,531,986** | **1,068,665** |
| **Add/(Less):** | | | | |
| Fair value reserve for fair value through other comprehensive income instruments | 20,665 | (78,959) | 15,802 | (70,053) |
| Foreign currency translation reserves | (501,795) | (33,083) | - | - |
| Other reserves | - | (3,514) | - | (2,674) |
| **Total Tier 1** | **1,867,302** | **1,111,335** | **1,547,787** | **995,938** |
| **Add/(Less):** | | | | |
| Deferred tax assets | (35,417) | (15,023) | - | (7,707) |
| Regulatory risk reserve | (146,966) | (78,556) | (124,720) | (76,336) |
| Intangible assets | (128,148) | (73,782) | (73,105) | (59,365) |
| Treasury shares | - | 11,228 | - | - |
| **Adjusted Tier 1** | **1,556,771** | **955,202** | **1,349,962** | **852,530** |
| 50% Investments in Banking subsidiaries | - | - | (195,163) | (136,484) |
| Receivable from Parent Company | (81,425) | - | (81,425) | - |
| **Eligible Tier 1** | **1,475,346** | **955,202** | **1,073,374** | **716,046** |
| **Tier 2 capital** | | | | |
| Subordinated Debts | 409,225 | 252,834 | 409,225 | 252,834 |
| Fair value reserve for fair value through other comprehensive income instruments | (20,665) | 78,959 | (15,802) | 70,053 |
| Foreign currency translation reserves | 501,795 | 33,083 | - | - |
| Other reserves | - | 3,514 | - | 2,674 |
| **Total Tier 2** | **890,355** | **368,389** | **393,424** | **325,561** |
| **Adjusted Tier 2 capital (33% of Tier 1)** | **518,924** | **318,369** | **393,424** | **284,148** |
| 50% Investments in subsidiaries | - | - | (195,163) | (136,484) |
| **Eligible Tier 2** | **518,924** | **318,369** | **198,261** | **147,664** |

| | | | | |
|---|---|---|---|---|
| **Total regulatory capital** | **1,994,270** | **1,273,571** | **1,271,635** | **863,711** |
| **Risk-weighted assets** | **9,457,963** | **6,291,629** | **6,501,194** | **4,839,820** |
| **Capital ratios** | | | | |
| Total regulatory capital expressed as a percentage of total risk-weighted assets | 21.09% | 20.24% | 19.56% | 17.85% |
| Total tier 1 capital expressed as a percentage of risk-weighted assets | 15.60% | 15.18% | 16.51% | 14.79% |

**Capital adequacy ratio computation under Basel III guidelines**

According to the recent CBN circular on Basel III implementation guidelines for Banks in Nigeria, the recommendations contained therein will be implemented in a parallel run beginning November 2021 for a six-month period, which could be extended by another three months if supervisory expectations are achieved. According to the CBN, the Basel III Guidelines will run concurrently with the existing Basel II Guidelines during the parallel run, and the Basel III Guidelines will become completely effective after the parallel run is over.

## 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 periods 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 ₦20Billion. 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 ₦1bn. 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. This division has now been categorized into 'Retail Banking North' and 'Retail Banking South'. 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.

All of the Segments reported at the end of the year 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** | **Group** |
|---|---|---|
| *In millions of Naira* | **December 2023** | **December 2022** |
| Other Assets | 5,076,416 | 2,487,691 |
| Derivatives financial instruments | 35,417 | 15,023 |
| Deferred tax asset | 75,418 | 42,039 |
| Non Current Assets Held for Sale | 15,695 | 12,747 |
| Goodwill | **5,202,946** | **2,557,501** |
| Other liabilities | 1,695,403 | 753,875 |
| Deferred tax liability | 11,160 | 1,796 |
| Retirement Benefit Obligation | 8,577 | 3,277 |
| **Total liabilities** | **1,715,139** | **758,948** |

## 7a Operating segments (continued)

| Group<br>December 2023<br>*In millions of Naira* | Corporate & Investment Banking | Commercial Banking | Retail Banking South | Retail Banking North | Unallocated Segments | Total continuing operations | Total |
|---|---|---|---|---|---|---|---|
| Revenue: | | | | | | | |
| Derived from external customers | 1,100,706 | 637,909 | 430,715 | 420,543 | - | 2,589,874 | 2,589,874 |
| Total Revenue | 1,100,706 | 637,909 | 430,715 | 420,543 | - | 2,589,874 | 2,589,874 |
| Interest Income | 640,592 | 498,218 | 261,556 | 253,738 | - | 1,654,105 | 1,654,105 |
| Interest expense | (439,430) | (269,151) | (138,228) | (90,682) | - | (937,490) | (937,490) |
| Impairment Losses | (69,432) | (45,667) | (14,515) | (9,919) | - | (139,534) | (139,534) |
| Profit/(Loss) on ordinary activities before taxation | 417,587 | 212,788 | 69,965 | 50,750 | - | 751,091 | 751,091 |
| Income tax expense | (67,459) | (16,139) | (12,217) | (9,808) | - | (105,624) | (105,624) |
| Profit after tax | 350,129 | 196,650 | 57,750 | 40,942 | | 645,468 | 645,468 |
| **Assets and liabilities:** | | | | | | | |
| Loans and Advances to banks and customers | 4,960,958 | 3,504,997 | 391,934 | 60,370 | - | 8,918,258 | 8,918,258 |
| Goodwill | | | | | 15,695 | 15,695 | 15,695 |
| Tangible segment assets | 8,434,194 | 6,407,938 | 4,332,504 | 2,079,463 | - | 21,254,098 | 21,254,098 |
| Unallocated segment assets | | | | | 5,202,945 | 5,202,945 | 5,202,945 |
| Total assets | 8,434,194 | 6,407,938 | 4,332,504 | 2,079,463 | 5,202,945 | 26,457,042 | 26,457,042 |
| Deposits from customers | 6,184,282 | 4,605,186 | 3,392,768 | 1,140,517 | - | 15,322,753 | 15,322,753 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Segment liabilities | 8,377,485 | 6,346,991 | 5,028,332 | 2,640,663 | - | 22,393,471 | 22,393,471 |
| Unallocated segment liabilities | | | | | 1,715,139 | 1,715,139 | 1,715,139 |
| Total liabilities | 8,377,485 | 6,346,991 | 5,028,332 | 2,640,663 | 1,715,139 | 24,108,609 | 24,108,609 |
| | | | | | | | |
| Net assets | 56,709 | 60,947 | (695,829) | (561,200) | 3,487,806 | 2,348,433 | 2,348,435 |

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.

## Operating segments (continued)

| Group<br>**December 2022**<br>*In millions of Naira* | Corporate & Investment Banking | Commercial Banking | Retail Banking South | Retail Banking North | Unallocated Segments | Total continuing operations | Total |
|---|---|---|---|---|---|---|---|
| Revenue: | | | | | | | |
| Derived from external customers | 613,724 | 333,048 | 309,273 | 126,728 | - | 1,382,773 | 1,382,773 |
| Total Revenue | 613,724 | 333,048 | 309,273 | 126,728 | - | 1,382,773 | 1,382,773 |
| Interest Income | 347,360 | 253,678 | 161,894 | 63,653 | - | 826,584 | 826,584 |
| Interest expense | (254,749) | (103,930) | (79,504) | (29,546) | - | (467,729) | (467,729) |
| Impairment Losses | (108,896) | (65,785) | (19,486) | (3,623) | - | (197,790) | (197,790) |
| Profit/(Loss) on ordinary activities before taxation | 81,459 | 45,127 | 28,023 | 15,792 | - | 170,402 | 170,402 |
| Income tax expense | (8,184) | (3,186) | (1,347) | (1,812) | - | (14,529) | (14,529) |
| Profit after tax | 73,276 | 41,942 | 26,677 | 13,981 | - | 155,873 | 155,873 |
| **Assets and liabilities:** | | | | | | | |
| Loans and Advances to banks and customers | 2,186,701 | 2,926,208 | 359,405 | 84,203 | - | 5,556,517 | 5,556,517 |
| Goodwill | - | - | - | - | 12,747 | 12,747 | 12,747 |
| Tangible segment assets | 4,548,261 | 3,263,790 | 3,439,028 | 1,163,731 | - | 12,414,811 | 12,414,811 |
| Unallocated segment assets | - | - | - | - | 2,557,500 | 2,557,500 | 2,557,500 |
| Total assets | 4,548,261 | 3,263,790 | 3,439,028 | 1,163,731 | 2,557,500 | 14,972,310 | 14,972,310 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Deposits from customers | 3,599,577 | 1,838,037 | 2,838,072 | 975,552 | - | 9,251,238 | 9,251,238 |
| | - | - | - | - | - | | |
| Segment liabilities | 4,241,586 | 3,705,687 | 3,757,734 | 1,281,463 | - | 12,986,471 | 12,986,471 |
| Unallocated segment liabilities | - | - | - | - | 758,948 | 758,948 | 758,948 |
| Total liabilities | 4,241,586 | 3,705,687 | 3,757,734 | 1,281,463 | 758,948 | 13,745,417 | 13,745,417 |
| Net assets | 306,675 | (441,897) | (318,706) | (117,732) | 1,798,552 | 1,226,892 | 1,226,894 |

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 2023**<br>*In millions of Naira* | **Nigeria** | **Rest of Africa** | **Europe** | **Total Continuing Operations** | **Profit from associate** | **Intercompany elimination** | **Total** |
|---|---|---|---|---|---|---|---|
| Derived from external customers | 2,048,912 | 402,868 | 201,405 | 2,653,185 | - | (64,224) | 2,588,960 |
| | | | | | 914 | | 914 |
| Total revenue | 2,048,912 | 402,868 | 201,405 | 2,653,185 | 914 | (64,224) | 2,589,874 |
| Interest income | 1,243,776 | 295,574 | 178,074 | 1,717,424 | - | (63,319) | 1,654,105 |
| Impairment losses | (123,303) | (10,736) | (5,514) | (139,553) | - | 19 | (139,533) |
| Interest expense | (809,590) | (125,999) | (65,221) | (1,000,809) | - | 63,319 | (937,490) |
| Net fee and commission income | 124,082 | 50,918 | 19,710 | 194,710 | - | - | 194,710 |
| Operating income | 1,239,324 | 276,869 | 136,184 | 1,652,376 | 914 | (18,164) | 1,652,384 |
| Profit before income tax | 569,140 | 100,758 | 98,422 | 768,321 | 914 | (18,145) | 751,086 |
| **Assets and liabilities:** | | | | | | | |
| Loans and advances to customers and banks | 6,028,699 | 1,203,403 | 2,772,584 | 10,004,687 | - | (1,086,436) | 8,918,257 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Total assets** | 20,649,112 | 3,780,586 | 4,213,823 | 28,643,522 | - | (2,186,477) | 26,457,042 |
| Deposit from customers | 11,239,847 | 2,708,406 | 1,381,638 | 15,329,891 | - | (7,138) | 15,322,753 |
| **Total liabilities** | 19,117,126 | 3,249,199 | 3,543,721 | 25,910,046 | - | (1,801,426) | 24,108,609 |
| Net assets | 1,531,986 | 531,387 | 670,102 | 2,733,476 | - | (385,052) | 2,348,432 |

| **December 2022**<br>*In millions of Naira* | **Nigeria** | **Rest of Africa** | **Europe** | **Total Continuing Operations** | **Profit from associate** | **Intercompany elimination** | **Total** |
|---|---|---|---|---|---|---|---|
| Derived from external customers | 1,125,012 | 206,645 | 69,952 | 1,401,609 | | (19,349) | 1,382,260 |
| | | | | | 513 | | 513 |
| Total revenue | 1,125,012 | 206,645 | 69,952 | 1,401,609 | 513 | (19,349) | 1,382,773 |
| | | | | | | - | - |
| Interest income | 629,026 | 149,984 | 55,436 | 834,446 | - | (7,862) | 826,584 |
| Impairment losses | (118,681) | (63,195) | (15,916) | (197,792) | - | - | (197,792) |
| Interest expense | (404,198) | (58,442) | (12,951) | (475,591) | - | 7,862 | (467,729) |
| Net fee and commission income | 108,628 | 22,403 | 12,590 | 143,620 | - | - | 143,620 |
| Operating income | 720,814 | 148,204 | 57,001 | 926,018 | 513 | (11,880) | 915,044 |
| Profit before income tax | 162,709 | (6,710) | 25,071 | 181,069 | 513 | (11,880) | 170,402 |
| **Assets and liabilities:** | | | | | | | |
| Loans and advances to customers and banks | 4,406,961 | 498,254 | 1,103,281 | 6,008,496 | - | (451,979) | 5,556,517 |
| Goodwill | - | - | - | - | | - | - |
| **Total assets** | 12,535,280 | 1,585,819 | 1,752,235 | 15,873,333 | - | (900,945) | 14,972,309 |
| Deposit from customers | 7,530,062 | 1,143,788 | 577,388 | 9,251,238 | - | - | 9,251,238 |
| **Total liabilities** | 11,466,613 | 1,372,550 | 1,524,958 | 14,364,120 | - | (618,625) | 13,745,417 |
| Net assets | 1,068,667 | 213,269 | 227,277 | 1,509,213 | - | (282,320) | 1,226,892 |

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 period ended 31 December 2023 and for the period ended 31 December 2022.

## 8 Interest income

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| **Interest income** | | | | |
| Cash and balances with banks | 5,761 | 11,374 | 32,989 | 5,535 |
| Loans and advances to banks | 79,557 | 20,032 | 32,600 | 5,461 |
| Loans and advances to customers | 747,215 | 461,193 | 503,062 | 358,407 |
| Modification gain/(loss) on loans | 3,569 | 162 | 3,569 | 162 |
| Investment securities | | | | |
| -Financial assets at FVOCI | 288,701 | 178,326 | 258,844 | 142,806 |
| -Financial assets at amortised cost | 439,235 | 97,993 | 368,414 | 77,237 |
| | 1,564,038 | 769,080 | 1,199,478 | 589,608 |
| -Financial assets at FVPL | 90,067 | 57,506 | 44,297 | 39,418 |
| | **1,654,105** | **826,586** | **1,243,775** | **629,026** |
| **Interest expense** | | | | |
| Deposit from financial institutions | 320,758 | 118,531 | 327,153 | 111,820 |
| Deposit from customers | 505,591 | 273,059 | 379,288 | 221,793 |
| Debt securities issued | 30,364 | 22,816 | 29,779 | 22,393 |
| Lease liabilities | 1,477 | 1,424 | 1,054 | 973 |
| Interest bearing borrowings and other borrowed funds | 79,300 | 51,900 | 72,316 | 47,220 |
| | **937,490** | **467,730** | **809,590** | **404,199** |
| **Net interest income** | **716,615** | **358,856** | **434,185** | **224,827** |

## 9 Net impairment charge on financial assets

| *In millions of Naira* | Group<br>December 2023 | Group<br>December 2022 | Bank<br>December 2023 | Bank<br>December 2022 |
|---|---|---|---|---|
| (Allowance)/Write Back for impairment on money market placement (note 18) | (474) | (600) | (398) | (502) |
| Write Back/(Allowance) for impairment on loans and advance to banks (note 22) | 492 | 241 | 310 | 94 |
| Allowance for impairment on loans and advance to customers (note 23) | (84,373) | (73,653) | (75,870) | (56,819) |
| Allowance for impairment on pledged assets for FVOCI and AMC (note 24) | 1,383 | (2,468) | 1,383 | (2,468) |
| Allowance for impairment on investment securities for FVOCI and AMC (note 25a) | (43,600) | (108,218) | (35,461) | (41,772) |
| Allowance on impairment on financial assets in other assets (note 26) | (19,789) | (8,143) | (20,072) | (8,124) |
| (Allowance)/write back for impairment on off balance sheet items (note 34c) | 6,827 | (4,949) | 6,803 | (9,089) |
| | (139,535) | (197,790) | (123,303) | (118,682) |

## 10(a) Fee and commission income

| *In millions of Naira* | Group<br>December<br>2023 | Group<br>December<br>2022 | Bank<br>December<br>2023 | Bank<br>December<br>2022 |
|---|---|---|---|---|
| Credit related fees and commissions | 99,639 | 89,850 | 69,389 | 71,568 |
| Account maintenance charge and handling commission | 31,945 | 25,563 | 28,880 | 23,735 |
| Commission on bills and letters of credit | 10,327 | 6,022 | 8,585 | 5,190 |
| Commissions on collections | 4,395 | 3,149 | 340 | 369 |
| Commission on other financial services | 12,539 | 7,012 | (1,792) | 2,497 |
| Commission on foreign currency denominated transactions | 4,454 | 3,204 | 196 | 396 |
| Channels and other E-business income | 99,144 | 59,653 | 75,696 | 49,148 |
| Retail account charges | 1,558 | 1,017 | 770 | 633 |
| | **264,001** | **195,470** | **182,064** | **153,535** |

Credit related fees and commissions are fees charged to 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 period and prior period at a point in time and over time is as shown below.

| | Group<br>December<br>2023 | Group<br>December<br>2022 | Bank<br>December<br>2023 | Bank<br>December<br>2022 |
|---|---|---|---|---|
| Point in Time | 239,918 | 178,473 | 171,336 | 147,054 |
| Over Time | 24,083 | 16,996 | 10,727 | 6,481 |
| | **264,001** | **195,470** | **182,064** | **153,535** |

Channels and other E-business income include income from electronic channels, card products and related services.

### 10 (b) Fee and commission expense

| *In millions of Naira* | December<br>2023 | December<br>2022 | December<br>2023 | December<br>2022 |
|---|---|---|---|---|
| Bank and electronic transfer charges | 11,151 | 8,271 | 6,641 | 4,552 |
| E-banking expense | 58,140 | 43,580 | 51,341 | 40,355 |
| | **69,291** | **51,851** | **57,982** | **44,907** |

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 gains on financial instruments at fair value

### a Net gains or (losses) on financial instruments at fair value through profit or loss

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Trading (loss)/gains on Fixed income securities | (39,169) | (74,374) | (40,163) | (74,843) |
| Fair value gain/ (loss) on Fixed income securities | 559 | 1,523 | 518 | 1,412 |
| Fair value gain/(loss) on non-hedging derivatives | 84,436 | 166,296 | 84,436 | 166,296 |
| Fair value gains on equity investments | 192,616 | 2,105 | 192,616 | 2,105 |
| **Total Net gains on financial instruments at fair value through profit or loss** | **238,442** | **95,550** | **237,407** | **94,970** |

### b (i) Net gains on disposal of financial instruments held as fair value through other comprehensive income

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| **Debt instruments at FVOCI** | | | | |
| Fixed income securities | 132,844 | 185,754 | 132,346 | 185,058 |
| | **132,844** | **185,754** | **132,346** | **185,058** |
| **Total** | **371,286** | **281,304** | **369,754** | **280,029** |

(i) Net gains on financial instruments includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value.

(ii) 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.

(iii) 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 gain

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Net Realized and unrealized Foreign exchange Gain/(loss) on items not hedged | 39,461 | 34,500 | (9,678) | 11,419 |
| **Total Net Foreign Exchange gain** | **39,461** | **34,500** | **(9,678)** | **11,419** |

### 12 (b) Net (loss)/gain on fair value hedge (Hedging ineffectiveness)

| | | | | |
|---|---|---|---|---|
| Net gain on fair value hedge (Hedging effectiveness) | 222,816 | 19,742 | 222,816 | 19,742 |
| | **222,816** | **19,742** | **222,816** | **19,742** |

| **Dec-23 Fair value hedges** | **Average strike price ₦** | **Nominal amount of hedging instrument ₦'millions** | **Carrying amount of hedging instrument (Assets) ₦'millions** | **Changes in fair value used for calculating hedge ineffectiveness ₦'millions** |
|---|---|---|---|---|
| Hedging instrument | 595.48 | 2,062,451 | 1,995,401 | 1,110,074 |

*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-23** | **₦'millions** | **₦'millions** | **₦'millions** | **₦'millions** | |
| **Fair value hedges** | | | | | |
| Foreign exchange risk on foreign currency loan - Interest bearing loan | - | (774,671) | - | (335,066) | Interest bearing borrowings |
| Foreign exchange risk on foreign currency loan - Deposit from financial institution | - | (2,875,448) | - | (552,191) | Deposit from financial institution |

| Dec-23 | 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** | | **₦'millions** | **₦'millions** | | |
| Fair value changes in hedging instrument (forward element) | 90% | 1,110,074 | 222,816 | | |

The following table shows the year in which the hedging contract ends:

| Dec-23 | 3 months | 6 months | 12 months | 5 periods | More than 5 periods |
|---|---|---|---|---|---|
| **Fair value hedging** | **₦'millions** | **₦'millions** | **₦'millions** | **₦'millions** | **₦'millions** |
| Hedging assets | 1,141,801 | 275,680 | 488,262 | 89,659 | - |

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 (a) Other operating income

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Dividends on equity securities | 5,223 | 3,672 | 23,387 | 15,159 |
| Gain on disposal of property and equipment | 255 | 1,123 | 146 | 762 |
| Rental income | 22 | 17 | - | - |
| Bad debt recovered | 16,403 | 10,194 | 12,107 | 10,454 |
| Cash management charges | 573 | 604 | 572 | 604 |
| Income from agency and brokerage (i) | 1,192 | 2,794 | 971 | 738 |
| Income from asset management | - | 1,427 | - | 1,427 |
| Income from other investments | 13,535 | 4,597 | 2,911 | 1,885 |
| Gain on modification on leases | 88 | 232 | 88 | 232.28 |
| | **37,291** | **24,660** | **40,182** | **31,261** |

(i) Included in income from agency and brokerage is an amount of ₦298.23Mn (Dec 2022: ₦257.79Mn) representing the referral commission earned from bancassurance products.

Other operating income includes a loss on net monetary positions of ₦12.03Bn (2022: Nil) as a result of applying IAS 29 'Financial Reporting in Hyperinflationary Economies'.

| **Other operating income** | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Point in Time | 37,268 | 24,643 | 40,182 | 31,261 |
| Over time | 22 | 17 | - | - |
| | **37,291** | **24,660** | **40,182** | **31,261** |

## 14 Personnel expenses

| *In millions of Naira* | Group<br>December 2023 | Group<br>December 2022 | Bank<br>December 2023 | Bank<br>December 2022 |
|---|---|---|---|---|
| Wages and salaries | 153,578 | 103,882 | 73,351 | 62,461 |
| Increase in defined benefit obligation (see note 37 (a) (i)) | 687 | 5,769 | 687 | 5,769 |
| Contributions to defined contribution plans | 5,245 | 3,241 | 2,102 | 1,312 |
| Restricted share performance plan (See Note (a) below) | 1,320 | 1,871 | 831 | 1,541 |
| | **160,830** | **114,763** | **76,971** | **71,083** |

(a) The incorporation of Access Holding plc (""corporation"") in 2022 resulted in the shares of Access Bank ("the Bank") being fully acquired by Access Holding Plc which made the shareholders of Access Bank to become shareholders of the Corporation.

Consequently, the shares in RSPP previously accounted as equity-settled became cash-settled because the shares being vested to the employees are shares of the ultimate parent.

Under the Restricted Share Performance Plan (RSPP), shares of the parent 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 period 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 period of 7 years. As the RSSP scheme are cash settled, a liability is recognized in the statement of financial position (see Note 34) and an expense is recognized in the statement of comprehensive income within staff cost over the course of the minimum vesting period. The liability is remeasured at each reporting date with gains and loss reported in the statement of comprehensive income. Should any employee within the scheme leave the Bank within the vesting period, the shares may be forfeited.

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 period to purchase shares of Ac-cess Holdings from the floor of the Nigeria Exchange Group for the purpose of the plan. The Structured En-tity (SE) was transferred to the Parent (Access Holdings) to hold shares purchased on behalf of employees. The shares previously held in the Structured Entity (SE) on behalf of the Bank is now recognized as a receivable from the parent. Upon vesting the shares are transferred to the employees.

(i) The shares allocated to staff have a contractual vesting period of three to seven years commencing from the pe-riod of purchase/allocation to the staff. The Group has no legal or constructive obligation to repurchase or settle after the shares has vested.

(ii) The number and weighted-average exercise prices of shares has been detailed in table below;

**Group**

| Description of shares | December 2023 Number of Shares | December 2023 Weighted Share Price per Share - Naira | December 2022 Number of Shares | December 2022 Weighted Share Price per Share - Naira |
|---|---|---|---|---|
| (i) Outstanding at the beginning of the year; | 1,257 | 8.43 | 978 | 7.47 |
| (ii) Granted during the year; | 372 | 9.25 | 406 | 9.28 |
| (iii) Forfeited during the year; | (702) | 8.15 | (449) | 7.79 |
| (iv) Exercised during the year; | (68) | 8.82 | (110) | 7.07 |
| (v) Allocated outstanding at the end of the year; | 859 | 9.28 | 825 | 8.53 |
| (vi) Shares under the scheme at the end of the year | 1,114 | 8.84 | 1,257 | 8.20 |
| | **Naira ('Mn)** | **Price per Share - Naira** | **Naira ('Mn)** | **Price per Share - Naira** |
| Share based expense recognised during the year | 1,320 | 9.28 | 1,871 | 8.53 |

| | Grant Date | Vesting year | Expiry date | Shares |
|---|---|---|---|---|
| Outstanding allocated shares for the 2018 - 2025 vesting year | 1 July 2018 | 2018-2025 | 1 Jul 2025 | 2 |
| Outstanding allocated shares for the 2019 - 2026 vesting year | 1 Jan 2019 | 2019-2026 | 1 Jan 2026 | 6 |
| Outstanding allocated shares for the 2019 - 2026 vesting year | 1 July 2019 | 2019-2026 | 1 Jul 2026 | 11 |
| Outstanding allocated shares for the 2020 - 2027 vesting year | 1 Jul 2020 | 2020-2027 | 1 Jul 2027 | 6 |
| Outstanding allocated shares for the 2021 - 2028 vesting year | 1 Jan 2021 | 2021 - 2028 | 1 Jan 2028 | 136 |
| Outstanding allocated shares for the 2021 - 2028 vesting year | 1 Jul 2021 | 2021 - 2028 | 1 Jul 2028 | 65 |
| Outstanding allocated shares for the 2022 - 2029 vesting year | 1 Jan 2022 | 2022 - 2029 | 1 Jan 2029 | 210 |
| Outstanding allocated shares for the 2022 - 2029 vesting year | 1 Jan 2022 | 2022 - 2029 | 1 Jul 2029 | 104 |
| Outstanding allocated shares for the 2023 - 2030 vesting year | 1 Jan 2023 | 2023 - 2030 | 1 Jan 2030 | 195 |
| Outstanding allocated shares for the 2023 - 2030 vesting year | 1 Jan 2023 | 2023 - 2030 | 1 Jun 2030 | 124 |
| | | | | 859 |

**Bank**

| Description of shares | December 2023 Number of Shares | December 2023 Weighted Share Price per Share - Naira | December 2022 Number of Shares | December 2022 Weighted Share Price per Share - Naira |
|---|---|---|---|---|
| (i) Outstanding at the beginning of the year; | 1,122 | 8.43 | 861 | 7.47 |
| (ii) Granted during the year; | 306 | 11.70 | 351 | 9.28 |
| (iii) Forfeited during the year; | (702) | 8.92 | (446) | 7.79 |
| (iv) Exercised during the year; | (54) | 6.55 | (75) | 6.60 |
| (v) Allocated outstanding at the end of the year; | 672 | 9.68 | 691 | 8.43 |
| (vi) Shares under the scheme at the end of the year | 927 | 9.68 | 1,122 | 8.43 |
| | Naira ('000) | Price per Share - Naira | Naira ('000) | Price per Share - Naira |
| Share based expense recognised during the year | 831 | 9.68 | 1,541 | 8.43 |

| | Grant Date | Vesting year | Expiry date | Shares |
|---|---|---|---|---|
| Outstanding allocated shares for the 2019 - 2022 vesting year | 1 Jan 2019 | 2020-2023 | 1 Jan 2023 | - |
| Outstanding allocated shares for the 2019 - 2022 vesting year | 1 July 2019 | 2020-2023 | 1 Jul 2023 | (0) |
| Outstanding allocated shares for the 2020 - 2023 vesting year | 1 Jul 2020 | 2021 - 2024 | 1 Jan 2024 | 123 |
| Outstanding allocated shares for the 2021 - 2024 vesting year | 1 Jan 2021 | 2021 - 2024 | 1 Jul 2024 | 55 |
| Outstanding allocated shares for the 2021 - 2024 vesting year | 1 Jul 2021 | 2022 - 2025 | 1 Jan 2025 | 187 |
| Outstanding allocated shares for the 2022 - 2025 vesting year | 1 Jan 2022 | 2022 - 2025 | 1 Jul 2025 | 55 |
| Outstanding allocated shares for the 2022 - 2025 vesting year | 1 Jul 2022 | 2023 - 2026 | 1 Jan 2026 | 195 |
| Outstanding allocated shares for the 2023 - 2026 vesting year | 1 Jan 2023 | 2023 - 2026 | 1 Jul 2026 | 58 |
| | | | | 672 |

i. The weighted average remaining contractual life of the outstanding allocated shares is :

| Other operating income | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| | Years | Years | Years | Years |
| Weighted average contractual life of remaining shares | 5.50 | 4.43 | 1.48 | 1.38 |

Under the restricted share performance plan, ₦2.17billion worth of shares were granted to employees of the Bank at a weighted average fair value of ₦9.25per 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 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| | Number | Number | Number | Number |
| Managerial | 544 | 513 | 240 | 254 |
| Other staff | 6,184 | 5,852 | 3,925 | 3,765 |
| | **6,728** | **6,365** | **4,165** | **4,019** |

iii. Employees, other than directors, earning more than ₦900,000 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 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| | Number | Number | Number | Number |
| Below N900,000 | - | - | - | - |
| N900,001 - N1,990,000 | 1 | 171 | - | - |
| N1,990,001 - N2,990,000 | - | 6 | - | 6 |
| N2,990,001 - N3,910,000 | 6 | 807 | 6 | 807 |
| N3,910,001 - N4,740,000 | 716 | 568 | - | 28 |
| N4,740,001 - N5,740,000 | 1,043 | 149 | 1,043 | 149 |
| N5,740,001 - N6,760,000 | 438 | 452 | - | 2 |
| N6,760,001 - N7,489,000 | 82 | - | 82 | - |
| N7,489,001 - N8,760,000 | 321 | 1,440 | 5 | 1,105 |
| N8,760,001 - N9,190,000 | - | - | - | - |
| N9,190,001 - N11,360,000 | 1,447 | 722 | 1,119 | 401 |
| N11,360,001 - N14,950,000 | 1,005 | 1,109 | 716 | 929 |
| N14,950,001 - N17,950,000 | 745 | 278 | 574 | 208 |
| N17,950,001 - N21,940,000 | 380 | 150 | 380 | 130 |
| N21,940,001 - N26,250,000 | 172 | 134 | - | 1 |
| N26,250,001 - N30,260,000 | 112 | 213 | - | 117 |
| N30,261,001 - N45,329,000 | 190 | 113 | 170 | 83 |
| Above N45,329,000 | 70 | 53 | 70 | 53 |
| | **6,728** | **6,365** | **4,165** | **4,019** |

In line with the provision of S.238 of CAMA 2020, the Remuneration of the managers of the company for the year ended Dec 2023 amounted to ₦6.368Bn (Dec 2022: ₦5.38Bn).

## 15 Other operating expenses

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Premises and equipment costs | 34,269 | 27,933 | 27,853 | 24,735 |
| Professional fees | 22,165 | 15,063 | 12,119 | 9,539 |
| Insurance | 3,081 | 2,487 | 905 | 1,253 |
| Business travel expenses | 27,687 | 11,639 | 25,246 | 9,625 |
| Asset Management Corporation of Nigeria (AMCON) surcharge | 68,805 | 52,734 | 68,805 | 52,734 |
| Bank charges | 6,399 | 12,718 | 3,849 | 10,475 |
| Deposit insurance premium | 35,654 | 22,530 | 34,679 | 22,138 |
| Auditor's remuneration | 2,106 | 1,550 | 450 | 660 |
| Administrative expenses | 54,748 | 30,117 | 45,669 | 26,151 |
| Net Monetary Loss (ii) | 12,027 | - | - | - |
| Board expenses | 2,433 | 2,099 | 940 | 1,515 |
| Communication expenses | 13,639 | 14,746 | 7,818 | 10,192 |
| IT and e-business expenses | 76,952 | 44,551 | 56,172 | 33,879 |
| Outsourcing costs | 31,788 | 28,185 | 28,788 | 26,467 |
| Advertisements and marketing expenses | 18,810 | 13,811 | 15,276 | 12,331 |
| Recruitment and training | 8,215 | 6,793 | 7,048 | 6,259 |
| Events, charities and sponsorship | 21,434 | 11,992 | 17,249 | 11,183 |
| Periodicals and Subscriptions | 2,147 | 1,777 | 525 | 1,023 |
| Security expenses | 9,000 | 11,440 | 6,989 | 10,394 |
| Cash processing and management cost | 4,486 | 7,606 | 3,255 | 7,490 |
| Stationeries, postage and printing | 3,447 | 7,270 | 1,786 | 6,316 |
| Office provisions and entertainment | 927 | 2,610 | 309 | 2,295 |
| Rent expenses | 9,246 | 6,068 | 6,527 | 3,305 |
| | **469,465** | **335,720** | **372,257** | **289,959** |

(ii) Other operating expense includes a loss on net monetary positions of ₦12.03Bn (2022: Nil) as a result of applying IAS 29 'Financial Reporting in Hyperinflationary Economies'.

## 16 Income tax

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| **Current tax expense** | | | | |
| Corporate income tax | 72,163 | 16,390 | - | - |
| Minimum tax | 7,195 | 5,549 | 7,195 | 5,549 |
| IT tax | 5,691 | 1,627 | 5,691 | 1,627 |
| Education tax | - | - | - | - |
| Capital gains tax | 163 | - | 163 | - |
| Police fund tax levy | 28 | 8 | 28 | 8 |
| National Agency for Science and Engineering Infrastructure levy | 1,423 | 407 | 1,423 | 407 |
| Prior period's under provision | 168 | - | 168 | - |
| | 86,832 | 23,981 | 14,669 | 7,590 |
| **Deferred tax expense** | | | | |
| Origination of temporary differences | 18,792 | (9,452) | 18,792 | (11,542) |
| **Income tax expense** | 105,624 | 14,528 | 33,460 | (3,951) |
| Items included in OCI | 1,541 | (539) | 1,541 | (539) |

The computation of the Bank's income tax expense and deferred tax was carried out in accordance with the 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:**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Balance at the beginning of the year | 4,501 | 4,643 | 7,556 | 3,132 |
| Tax paid | (68,391) | (20,511) | (6,177) | (1,368) |
| Income tax charge | 86,664 | 23,981 | 14,501 | 7,591 |
| Prior period's under provision | 168 | - | 168 | - |
| Withholding tax utilization | (1,547) | (1,800) | (1,547) | (1,800) |
| Translation adjustments | (1,819) | (1,812) | - | - |
| Income tax receivable | 874 | - | - | - |
| Balance at the end of the year | **20,450** | **4,501** | **14,501** | **7,556** |

Income tax liability is to be settled within one year

Income tax for the Bank has been assessed under the minimum tax regulation.

| *In millions of Naira* | Group<br><br>December 2023 | Group<br><br>December 2023 | Group<br><br>December 2022 | Group<br><br>December 2022 |
|---|---|---|---|---|
| Profit before income tax | | 751,086 | | 170,402 |
| Income tax using the domestic tax rate | 30% | 225,326 | 30% | 51,121 |
| Effect of tax rates in foreign jurisdictions | 2% | 18,195 | 0% | - |
| Information technology tax | 1% | 5,691 | 1% | 1,627 |
| Unutilized deferred tax asset | -14% | (107,630) | 0% | - |
| Non-deductible expenses | 3% | 25,562 | 27% | 45,524 |
| Tax exempt income | -9% | (70,498) | -57% | (96,644) |
| Effect of prior period underprovision | 0% | 168 | 0% | - |
| Capital gain tax | 0% | 163 | 0% | - |
| Origination and reversal of temporary deferred tax differences | 0% | - | -6% | (9,452) |
| Company income Tax | 0% | - | 10% | 16,390 |
| Minimum tax effect | 1% | 7,195 | 3% | 5,549 |
| National Agency for Science and Engineering Infrastructure levy | 0% | 1,423 | 0% | 407 |
| Nigerian Police fund levy | 0% | 28 | 0% | 8 |
| **Effective tax rate** | **14%** | **105,624** | **9%** | **14,529** |

| *In millions of Naira* | Bank<br>December 2023 | Bank<br>December 2023 | Bank<br>December 2022 | Bank<br>December 2022 |
|---|---|---|---|---|
| Profit before income tax | | 569,140 | | 162,709 |
| Income tax using the domestic tax rate | 30% | 170,742 | 30% | 48,813 |
| Information technology tax | 1% | 5,691 | 1% | 1,627 |
| Non-deductible expenses | 4% | 25,562 | 28% | 45,524 |
| Tax exempt income | -12% | (70,498) | -58% | (94,337) |
| Education tax levy | 0% | - | 0% | - |
| Capital gain tax | 0% | 163 | 0% | - |
| National Agency for Science and Engineering Infrastructure levy | 0% | 1,423 | 0% | 407 |
| Nigerian Police fund levy | 0% | 28 | 0% | 8 |
| Effect of prior period under provision | 0% | 168 | 0% | - |
| Capital allowance | 0% | - | 0% | - |
| Origination and reversal of temporary deferred tax differences | 0% | - | -7% | (11,542) |
| Unutilized deferred tax asset | -19% | (107,015) | 0% | - |
| Minimum tax effect | 1% | 7,195 | 3% | 5,549 |
| **Effective tax rate** | **6%** | **33,460** | **-2%** | **(3,951)** |

Current income tax liabilities are due within 12 months from the period end date

| | | | | |
|---|---|---|---|---|
| **Classified as:** | | | | |
| Current | 20,450 | 8,716 | 4,501 | 7,556 |
| 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 period excluding ordinary shares purchased by the company and held as treasury shares.

| *In millions of Naira* | **Group December 2023** | **Group December 2022** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|---|
| **Total profit/(loss) attributable to owners of the bank:** | | | | |
| Continuing operations | 641,172 | 155,838 | 535,680 | 166,660 |
| Discontinued operations | - | (700) | | |
| Profit for the year | 641,172 | 155,138 | 535,680 | 166,660 |
| Weighted average number of ordinary shares in issue | 35,545 | 35,545 | 35,545 | 35,545 |
| Weighted average number of treasury Shares | 0 | (1,257) | - | - |
| | 35,545 | 34,288 | 35,545 | 35,545 |
| In kobo per share | | | | |
| Basic earnings per share from continuing operations | 1,804 | 454 | 1,507 | 469 |
| Basic earnings per share from discontinuing operations | - | (2) | - | - |

### (b) Diluted earnings per share

Diluted earnings per share is calculated by considering the impact of the treasury shares in weighted average number of ordinary shares outstanding.

| *In millions of Naira* | **Group December 2023** | **Group December 2022** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|---|
| **Total profit/(loss) attributable to owners of the bank:** | | | | |
| Continuing operations | 641,172 | 155,838 | 535,680 | 166,660 |
| Discontinued operations | - | (700) | - | - |
| Profit for the year | 641,172 | 155,138 | 535,680 | 166,660 |
| Weighted average number of Total shares in issue | 35,545 | 34,288 | 35,545 | 35,545 |
| Weighted average number of treasury shares in issue | 0 | 1,257 | - | - |
| Weighted average number of convertible additional tier bond (AT 1)* | 3 | - | 3 | - |
| Weighted average number of ordinary shares in issue | 35,548 | 35,545 | 35,548 | 35,545 |
| In kobo per share | | | | |
| Diluted earnings per share from continuing operations | 1,804 | 438 | 1,507 | 469 |
| Diluted earnings per share from discontinuing operations | - | (2) | - | - |

*The number of shares that would be issued in the event of conversion of the $300 million convertible additonal tier 1 bond has a dilutive effect on the ordinary shares of the Bank.

## 18 Cash and balances with banks

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Cash on hand and balances with banks (see note (i)) | 2,037,109 | 1,085,930 | 1,621,347 | 795,729 |
| Unrestricted balances with central banks | 719,502 | 186,534 | 415,846 | 89,148 |
| Money market placements | 220,222 | 152,680 | 309,541 | 24,669 |
| Other deposits with central banks (see note (ii) | 0 | 536,677 | 0 | 536,677 |
| | **2,976,833** | **1,961,821** | **2,346,734** | **1,446,223** |
| ECL on Placements | (1,348) | (721) | (961) | (563) |
| | **2,975,484** | **1,961,100** | **2,345,773** | **1,445,659** |

(i) Included in cash on hand and balances with banks is an amount of ₦83.60Bn (31 Dec 2022: ₦69.41Bn) 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.

**Movement in ECL on Placements**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance at beginning of the year | 721 | 186 | 563 | 61 |
| Charge for the year | 474 | 600 | 398 | 502 |
| Foreign translation reserve | 154 | (64) | - | - |
| Closing balance | **1,348** | **721** | **961** | **563** |

## 19 Investment under management

| Amortised cost<br>*In millions of Naira* | Group<br>December 2023 | Group<br>December 2022 | Bank<br>December 2023 | Bank<br>December 2022 |
|---|---|---|---|---|
| **Relating to unclaimed dividends:** | | | | |
| Eurobonds | 7,423 | 3,742 | 7,423 | 3,742 |
| | **7,423** | **3,742** | **7,423** | **3,742** |

## 20 Non pledged trading assets

| *In millions of Naira* | Group<br>December 2023 | Group<br>December 2022 | Bank<br>December 2023 | Bank<br>December 2022 |
|---|---|---|---|---|
| Government bonds | 10,146 | 12,280 | 5,819 | 2,319 |
| Eurobonds | 1,942 | 2,294 | 1,942 | 2,294 |
| Treasury bills | 197,120 | 88,116 | 150,037 | 73,011 |
| | **209,208** | **102,690** | **157,798** | **77,624** |

## 21 Derivative financial instruments

| *In millions of Naira* | Notional amount | Fair Value Assets/ (Liabilities) | Notional amount | Fair Value Assets/ (Liabilities) |
|---|---|---|---|---|
| | December 2023 | | December 2022 | |
| **Group** | | | | |
| Foreign exchange derivatives | | | | |
| **Total derivative assets** | **3,399,040** | **2,050,432** | **1,738,833** | **402,497** |
| Non-deliverable future contracts | - | 13,625 | - | 1,730 |
| Forward and swap contracts | 3,399,040 | 2,036,807 | 1,738,833 | 400,767 |
| **Total derivative liabilities** | **988,720** | **(475,997)** | **430,014** | **(32,737)** |
| Non-deliverable future contracts | - | (13,624) | - | (1,728) |
| Forward and swap contracts | 988,720 | (462,373) | 430,014 | (31,009) |

| | Notional amount | Fair Value Assets/ (Liabilities) | Notional amount | Fair Value Assets/ (Liabilities) |
|---|---|---|---|---|
| | December 2023 | | December 2022 | |
| **Bank** | | | | |
| Foreign exchange derivatives | | | | |
| **Total derivative assets** | **3,365,174** | **2,033,286** | **1,704,968** | **399,058** |
| Non-deliverable future contracts | - | 13,625 | - | 1,730 |
| Forward and swap contracts | 3,365,174 | 2,019,661 | 1,704,968 | 397,328 |
| **Total derivative liabilities** | **933,752** | **(471,819)** | **375,046** | **(31,071)** |
| Non-deliverable future contracts | - | (13,624) | - | (1,729) |
| Forward and swap contracts | 933,752 | (458,195) | 375,046 | (29,342) |

| | December 2023 | | December 2022 | |
|---|---|---|---|---|
| | Fair Value | | Fair Value | |
| **Derivative Assets** | **Group** | **Bank** | **Group** | **Bank** |
| Current (Hedging Instruments) | 1,905,743 | 1,905,743 | 288,188 | 288,188 |
| Non- Current (Hedging Instruments) | 89,658,733 | 89,658,733 | - | - |
| Current (Non-Hedging Instruments) | (89,514,043) | (89,531,190) | 114,309 | 110,870 |
| **Derivative Liabilities** | | | | |
| Current (Non-Hedging Instruments) | (475,997) | (471,819) | (32,737) | (31,072) |

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 less than a year. Derivative contracts are valued with reference to data obtained from sources such as Bloomberg and FMDQ.

The movement in fair value is as a result of a depreciation of the reporting currency of the Group (Naira) within the period and volume of transactions.

## 22 Loans and advances to banks

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Loans and advances to banks | 880,947 | 456,088 | 659,790 | 322,951 |
| Less allowance for impairment losses | (413) | (378) | (244) | (341) |
| | **880,534** | **455,710** | **659,546** | **322,610** |

### Group

**Impairment allowance for loans and advances to banks**

| *In millions of Naira* | December 2023 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Internal rating grade: | | | | |
| Investment | 396 | - | - | 396 |
| Standard grade | 17 | - | - | 17 |
| Non Investment | - | - | - | - |
| Total | **413** | **-** | **-** | **413** |

| *In millions of Naira* | December 2023 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| ECL allowance as at 1 January 2023 | 351 | - | 28 | 378 |
| -Charge for the year: | | | | |
| Transfers to Stage 1 | 458 | - | (458) | - |
| Transfers to Stage 2 | - | - | - | - |
| Transfers to Stage 3 | - | - | - | - |
| Total net P&L charge during the year | (923) | - | 431 | (492) |
| Foreign exchange revaluation | 214 | - | - | 214 |
| Amounts written off | - | - | - | - |
| Foreign exchange translation | 313 | - | - | 313 |
| **At 31 December 2023** | **413** | **-** | **0** | **413** |

**Impairment allowance for loans and advances to banks**

| *In millions of Naira* | December 2022 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Internal rating grade: | | | | |
| Investment | 345 | - | - | 345 |
| Standard grade | 6 | - | - | 6 |
| Non Investment | - | - | 28 | 28 |
| Total | **351** | **-** | **28** | **378** |

| *In millions of Naira* | December 2022 | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL allowance as at 1 January 2022 | 493 | 9 | 117 | 620 |
| Transfers to Stage 3 | - | - | - | - |
| Total net P&L charge during the year | (143) | (9) | (90) | (241) |
| **At 31 December 2022** | **351** | **-** | **28** | **378** |

**Bank**

**Loans to banks**

| *In millions of Naira* | December 2023 | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Internal rating grade: | | | | |
| Investment | 228 | - | - | 228 |
| Standard grade | 17 | - | - | 17 |
| Total | **244** | **-** | **-** | **244** |

| *In millions of Naira* | December 2023 | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL allowance as at 1 January 2023 | 314 | - | 28 | 341 |
| -Charge for the year: | | | | - |
| Transfers to Stage 1 | 176 | - | (176) | - |
| Total net P&L charge during the year | (458) | - | 148 | (310) |
| Foreign exchange revaluation | 214 | - | - | 214 |
| **At 31 December 2023** | **244** | **-** | **0** | **244** |

**Impairment allowance for loans and advances to banks**

| *In millions of Naira* | December 2022 | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Internal rating grade: | | | | |
| Investment | 308 | - | - | 308 |
| Standard grade | 6 | - | - | 6 |
| Non Investment | - | - | 28 | 28 |
| Total | **314** | **-** | **28** | **341** |

| | December 2022 | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL allowance as at 1 January 2022 | 343 | 8 | 84 | 435 |
| -Charge for the year: | - | - | - | - |
| Total net P&L charge during the year | (29) | (8) | (57) | (94) |
| **At 31 December 2022** | **314** | **-** | **28** | **341** |

## 23 Loans and advances to customers

| a Group<br>*In millions of Naira* | December 2023 |
|---|---|
| **Loans to individuals** | |
| Retail Exposures | |
| Auto Loan | 2,734 |
| Credit Card | 31,567 |
| Finance Lease (note 23c) | 94 |
| Mortgage Loan | 175,619 |
| Overdraft | 39,177 |
| Personal Loan | 483,228 |
| Term Loan | 225,218 |
| Time Loan | 14,968 |
| | 972,604 |
| Less allowance for expected credit loss | (29,346) |
| | **943,258** |
| **Loans to corporate entities and other organizations** | |
| Non-Retail Exposures | |
| Auto Loan (note 23c) | 12,610 |
| Credit Card | 1,476 |
| Finance Lease (note 23c) | 32,734 |
| Mortgage Loan | 64,520 |
| Overdraft | 381,260 |
| Personal Loan | - |
| Term Loan | 3,833,293 |
| Time Loan | 2,895,716 |
| | 7,221,608 |
| Less allowance for expected credit loss | (127,143) |
| | **7,094,465** |
| Loans and advances to customers (Individual and corporate entities and other organizations) | 8,194,213 |
| Less allowance for expected credit loss | (156,490) |
| | **8,037,723** |

**ECL allowance on loans and advances to customers**
**Loans to Individuals**

| *In millions of Naira* | December 2023 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Internal rating grade | | | | |
| Standard grade | 6,890 | 1,842 | - | 8,732 |
| Non-Investment | - | - | 19,150 | 19,150 |
| Total | **6,890** | **1,842** | **19,150** | **27,882** |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| ECL allowance as at 1 January 2023 | 6,928 | 1,095 | 11,016 | 19,039 |
| - Charge for the year: | | | | |
| Transfers to Stage 1 | (521) | 2,079 | (1,559) | - |
| Transfers to Stage 2 | 12 | 4 | (17) | - |
| Transfers to Stage 3 | (71) | 36 | 35 | - |
| Total net P&L impact during the year | (281) | (1,756) | 6,234 | 4,197 |
| Amounts written off | - | - | (1,249) | (1,249) |
| Foreign exchange revaluation | - | - | - | - |
| Translation difference | 823 | 383 | 4,690 | 5,895 |
| **At 31 December 2023** | **6,890** | **1,843** | **19,150** | **27,882** |

**Loans to corporate entities and other organizations**

| *In millions of Naira* | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Internal rating grade | | | | |
| Investment | 2,392 | - | - | 2,392 |
| Standard grade | 39,612 | 26,484 | - | 66,096 |
| Non-Investment | - | - | 60,120 | 60,120 |
| Total | **42,004** | **26,484** | **60,120** | **128,609** |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| ECL allowance as at 1 January 2023 | 20,849 | 16,648 | 42,406 | 79,903 |
| - Charge for the year: | | | | - |
| Transfers to Stage 1 | 6,989 | (6,919) | (70) | - |
| Transfers to Stage 2 | 2,546 | 1,594 | (4,139) | - |
| Transfers to Stage 3 | 15,348 | 2,748 | (18,097) | - |
| Total net P&L impact during the year | (61,273) | 9,613 | 131,836 | 80,176 |
| Amounts written off | - | - | (99,948) | (99,948) |
| Foreign exchange revaluation | 26,665 | 1,283 | 3,748 | 31,696 |
| Translation difference | 30,847 | 1,518 | 4,415 | 36,780 |
| **At 31 December 2023** | **41,971** | **26,485** | **60,152** | **128,609** |

| Group | December 2022 |
|---|---|
| *In millions of Naira* | |
| **Loans to individuals** | |
| Retail Exposures | |
| Auto Loan | 1,329 |
| Credit Card | 18,909 |
| Finance Lease (note 23c) | 1,111 |
| Mortgage Loan | 78,254 |
| Overdraft | 27,834 |
| Personal Loan | 285,388 |
| Term Loan | 82,172 |
| Time Loan | 5,717 |
| | 500,713 |
| Less Allowance for ECL/Impairment losses | (19,039) |
| | **481,675** |
| **Loans to corporate entities and other organizations** | |
| Non-Retail Exposures | |
| Auto Loan | 5,556 |
| Credit Card | 1,306 |
| Finance Lease (note 23c) | 8,519 |
| Mortgage Loan | 31,713 |
| Overdraft | 286,183 |
| Personal Loan | - |
| Term Loan | 3,617,981 |
| Time Loan | 747,778 |
| | 4,699,036 |
| Less Allowance for ECL/Impairment losses | (79,903) |
| | **4,619,133** |
| Loans and advances to customers (Individual and corporate entities and other organizations) | 5,199,749 |
| Less Allowance for ECL/Impairment losses | (98,942) |
| | **5,100,807** |

**ECL allowance on loans and advances to customers**

**Loans to Individuals**

| *In millions of Naira* | December 2022 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Internal rating grade | | | | |
| Standard grade | 6,928 | 1,095 | - | 8,023 |
| Non-Investment | - | - | 11,016 | 11,016 |
| Total | **6,928** | **1,095** | **11,016** | **19,039** |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| ECL allowance as at 1 January 2022 | 8,447 | 2,194 | 16,492 | 27,133 |
| Transfers to Stage 1 | 468 | (468) | - | - |
| Transfers to Stage 2 | (1,544) | 1,349 | 195 | - |
| Transfers to Stage 3 | (1) | (52) | 53 | - |
| Total net P&L impact during the year | (442) | (1,929) | (1,761) | (4,132) |
| Amounts written off | - | - | (3,978) | (3,978) |
| **At 31 December 2022** | **6,928** | **1,095** | **11,016** | **19,039** |

**Loans to corporate entities and other organizations**

*In millions of Naira*

| | December 2022 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Internal rating grade | | | | |
| Investment | 1,931 | - | - | 1,931 |
| Standard grade | 18,951 | 16,646 | - | 35,598 |
| Non-Investment | - | 7 | 42,374 | 42,374 |
| Total | **20,882** | **16,653** | **42,374** | **79,903** |

| | Stage 1 | Stage 2 | Stage 3 | Total ECL |
|---|---|---|---|---|
| ECL allowance as at 1 January 2022 | 28,756 | 25,350 | 68,662 | 122,767 |
| Transfers to Stage 1 | 10,176 | (8,596) | (1,581) | - |
| Transfers to Stage 2 | (7,113) | 7,120 | (7) | - |
| Transfers to Stage 3 | (202) | (5,208) | 5,410 | - |
| Total net P&L impact during the year | (10,863) | (2,018) | 90,666 | 77,785 |
| Amounts written off | - | - | (121,014) | (121,014) |
| Translation difference | 94 | - | 270 | 364 |
| At 31 December 2022 | **20,849** | **16,648** | **42,406** | **79,903** |

## 23 Loans and advances to customers

| b Bank | December 2023 |
|---|---|
| *In millions of Naira* | |
| **Loans to individuals** | |
| Retail Exposures | |
| Auto Loan | 1,438 |
| Credit Card | 31,213 |
| Finance Lease (note 23c) | 94 |
| Mortgage Loan | 21,600 |
| Overdraft | 18,612 |
| Personal Loan | 78,845 |
| Term Loan | 23,541 |
| Time Loan | 2,002 |
| | 177,345 |
| Less Allowance for Expected credit loss | (9,481) |
| | **167,865** |
| **Loans to corporate entities and other organizations** | |
| Non-Retail Exposures | |
| Auto Loan | 10,945 |
| Credit Card | 1,476 |
| Finance Lease (note 23c) | 21,880 |
| Mortgage Loan | 179 |
| Overdraft | 216,405 |
| Term Loan | 3,059,407 |
| Time Loan | 1,980,683 |
| | 5,290,974 |
| Less allowance for expected credit loss | (89,685) |
| | **5,201,289** |
| Loans and advances to customers (Individual and corporate entities and other organizations) | 5,468,319 |
| Less allowance for expected credit loss | (99,166) |
| | **5,369,154** |

**ECL allowance on loans and advances to customers**
**Loans to Individuals**

| *In millions of Naira* | December 2023 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Internal rating grade | | | | |
| Investment | - | - | - | - |
| Standard grade | 4,071 | 27 | - | 4,098 |
| Non-Investment | - | - | 5,383 | 5,384 |
| Total | **4,071** | **27** | **5,383** | **9,482** |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| ECL allowance as at 1 January 2023 | 5,260 | 21 | 2,869 | 8,152 |
| - Charge for the year: | | | | |
| Transfers to Stage 1 | (527) | 2,086 | (1,559) | - |
| Transfers to Stage 2 | 13 | 3 | (16) | - |
| Transfers to Stage 3 | (72) | 36 | 35 | - |
| Total net P&L impact during the year | (604) | (2,120) | 4,960 | 2,236 |
| Amounts written off | - | - | (907) | (907) |
| **At 31 December 2023** | **4,071** | **27** | **5,383** | **9,482** |

**Loans to corporate entities and other organizations**

| *In millions of Naira* | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Internal rating grade | | | | |
| Investment | 2,067 | - | - | 2,067 |
| Standard grade | 36,113 | 25,138 | - | 61,251 |
| Non-Investment | - | - | 26,369 | 26,369 |
| Sub-standard grade | - | - | - | |
| Total | **38,179** | **25,138** | **26,369** | **89,686** |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| ECL allowance as at 1 January 2023 | 18,623 | 15,851 | 22,436 | 56,910 |
| - Charge for the year: | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - |
| Transfers to Stage 1 | 6,988 | (6,918) | (69) | (0) |
| Transfers to Stage 2 | 2,545 | 1,594 | (4,139) | - |
| Transfers to Stage 3 | 13,138 | 4,626 | (17,764) | - |
| Total net P&L impact during the year | (29,779) | 8,703 | 94,710 | 73,634 |
| Amounts written off | - | - | (72,555) | (72,555) |
| Foreign exchange revaluation | 26,665 | 1,283 | 3,748 | 31,696 |
| **At 31 December 2023** | **38,179** | **25,138** | **26,368** | **89,683** |

| **Bank** | **December 2022** |
|---|---|
| *In millions of Naira* | |
| **Loans to individuals** | |
| Retail Exposures | |
| Auto Loan | 572 |
| Credit Card | 18,772 |
| Finance Lease (note 23c) | 127 |
| Mortgage Loan | 5,470 |
| Overdraft | 23,393 |
| Personal Loan | 80,178 |
| Term Loan | 20,169 |
| Time Loan | 590 |
| | 149,271 |
| Less Allowance for ECL/Impairment losses | (8,151) |
| | **141,120** |
| | |
| **Loans to corporate entities and other organizations** | |
| Non-Retail Exposures | |
| Auto Loan | 4,955 |
| Credit Card | 1,078 |
| Finance Lease (note 23c) | 6,260 |
| Mortgage Loan | 133 |
| Overdraft | 255,042 |
| Term Loan | 3,324,202 |
| Time Loan | 408,472 |
| | 4,000,142 |
| Less Allowance for ECL/Impairment losses | (56,910) |
| | **3,943,232** |
| | |
| Loans and advances to customers (Individual and corporate entities and other organisations) | 4,149,413 |
| Less Allowance for ECL/Impairment losses | (65,061) |
| | **4,084,352** |

## ECL allowance on loans and advances to customers

## Loans to Individuals

| *In millions of Naira* | December 2022 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Internal rating grade | | | | |
| Investment | - | - | - | - |
| Standard grade | 5,260 | 21 | - | 5,281 |
| Non-Investment | - | - | 2,869 | 2,870 |
| Total | **5,260** | **21** | **2,869** | **8,152** |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| ECL allowance as at 1 January 2022 | 6,409 | 883 | 6,540 | 13,831 |
| Transfers to Stage 1 | 362 | (362) | - | 0 |
| Transfers to Stage 2 | (1,088) | 1,089 | (1) | (0) |
| Transfers to Stage 3 | (1) | (97) | 97 | - |
| Total net P&L impact during the year | (422) | (1,492) | (1,369) | (3,283) |
| Amounts written off | - | - | (2,398) | (2,398) |
| Foreign exchange revaluation | - | - | - | - |
| **At 31 December 2022** | **5,260** | **21** | **2,870** | **8,151** |

**Loans to corporate entities and other organizations**

*In millions of Naira*

| | December 2022 | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Internal rating grade | | | | |
| Investment | 1,931 | - | - | 1,931 |
| Standard grade | 16,692 | 15,852 | - | 32,543 |
| Non-Investment | - | - | 22,436 | 22,436 |
| Sub-standard grade | - | - | - | |
| Total | **18,623** | **15,852** | **22,436** | **56,910** |

| | Stage 1 | Stage 2 | Stage 3 | Total ECL |
|---|---|---|---|---|
| ECL allowance as at 1 January 2022 | 23,945 | 23,657 | 26,215 | 73,818 |
| - Charge for the year | | | | |
| Transfers to Stage 1 | 9,468 | (7,329) | (2,138) | - |
| Transfers to Stage 2 | (6,556) | 6,563 | (7) | - |
| Transfers to Stage 3 | (100) | (4,743) | 4,842 | - |
| Total net P&L impact during the year | (8,134) | (2,296) | 70,533 | 60,102 |
| Amounts written off | - | - | (77,009) | (77,009) |
| Foreign exchange revaluation | - | - | - | - |
| **At 31 December 2022** | **18,623** | **15,851** | **22,436** | **56,909** |

**Modified loans:**

| | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Amortised Cost before modification | 24,234 | 33,302 | 24,234 | 33,302 |
| Modification gain/(loss) | 3,569 | 162 | 3,569 | 162 |
| Amortised Cost after modication | **27,802** | **33,464** | **27,802** | **33,464** |

## 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 millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Gross investment in finance lease, receivable | 32,833 | 9,630 | 21,979 | 6,388 |
| Unearned finance income on finance leases | (2,925) | (1,813) | (1,958) | (1,232) |
| Net investment in finance leases | 29,908 | 7,817 | 20,021 | 5,156 |
| Gross investment in finance leases, receivable: | | | | |
| Less than one year | 6,005 | 588 | 4,668 | 218 |
| Between one and five year | 26,828 | 9,042 | 17,311 | 6,170 |
| Later than five year | - | - | - | - |
| | 32,832 | 9,630 | 21,979 | 6,388 |
| Unearned finance income on finance leases | (2,925) | (1,813) | (1,958) | (1,232) |
| Present value of minimum lease payments | 29,907 | 7,816 | 20,021 | 5,156 |
| Present value of minimum lease payments may be analysed as: | | | | |
| - Less than one year | 5,928 | 316 | 4,609 | 208 |
| - Between one and five year | 23,980 | 7,501 | 15,412 | 4,948 |
| - Later than five year | - | - | - | - |

## 24 Pledged assets

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| -Financial instruments at FVOCI | | | | |
| Treasury bills | 445,262 | 451,476 | 445,262 | 451,476 |
| Government bonds | - | - | | - |
| Promissory note | - | - | - | - |
| | 445,262 | 451,476 | 445,262 | 451,476 |
| -Financial instruments at amortised cost | | | | |
| Treasury bills | 80,286 | 296,061 | 80,286 | 296,061 |
| Government bonds | 623,360 | 411,582 | 623,360 | 411,582 |
| Promissory note | 30,226 | 32,639 | 30,226 | 32,639 |
| | 733,872 | 740,282 | 733,872 | 740,282 |
| ECL on financial assets at amortized cost | (921) | (1,612) | (921) | (1,612) |
| | 732,951 | 738,670 | 732,951 | 738,670 |
| -Financial instruments at FVTPL | | | | |
| Treasury bills | 32,235 | 72,565 | 32,235 | 72,565 |
| Government bonds | 1,193 | 2,567 | 1,193 | 2,567 |
| Promissory note | - | - | - | - |
| | 33,428 | 75,132 | 33,428 | 75,132 |
| | **1,211,641** | **1,265,278** | **1,211,641** | **1,265,278** |

The Financial instruments at FVTPL have been designated at fair value through profit or loss by the Group

**ECL allowance on pledged assets at fair value through other comprehensive income (FVOCI)**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance | 880 | - | 880 | - |
| Additional allowance | - | 880 | - | 880 |
| Allowance written back | (691) | - | (691) | - |
| Balance, end of year | **189** | **880** | **189** | **880** |

ECL on financial assets at fair value through OCI are presented in statement of changes in equity.

**ECL allowance on pledged assets at amortised cost (AMC)**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2022 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance | 1,612 | 23 | 1,612 | 23 |
| Additional allowance | - | 1,589 | - | 1,589 |
| Allowance written back | (691) | - | (691) | - |
| Balance, end of year | **921** | **1,612** | **921** | **1,612** |

| | | | | |
|---|---|---|---|---|
| The related liability for assets pledged as collateral include: | | | | |
| Central Bank of Nigeria (CBN) | 264,720 | 541,476 | 264,720 | 541,476 |
| Bank of Industry (BOI) | 15,581 | 8,383 | 1,405 | 8,383 |
| | **280,301** | **549,859** | **266,125** | **549,859** |

The other counterparties included in this category of pledged assets include FIRS, Valucard, 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 (where borrowings can be seen in Note 36). 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<br>*In millions of Naira* | Group<br>December<br>2023 | Group<br>December<br>2022 | Bank<br>December<br>2023 | Bank<br>December<br>2022 |
|---|---|---|---|---|
| Equity securities at fair value through profit or loss (see note (i) below) | 406,154 | 167,906 | 402,711 | 167,622 |

| At fair value through other comprehensive income (FVOCI)<br>*In millions of Naira* | December<br>2023 | December<br>2022 | December<br>2023 | December<br>2022 |
|---|---|---|---|---|
| **Debt securities** | | | | |
| Government bonds | 239,630 | 168,293 | 68,321 | 50,774 |
| Treasury bills | 1,943,342 | 1,046,120 | 905,038 | 703,695 |
| Eurobonds | 89,227 | 41,695 | 53,394 | 21,182 |
| Corporate bonds | 18,059 | 20,599 | 18,059 | 20,599 |
| State government bonds | 52,376 | 65,652 | 52,376 | 65,652 |
| Commercial Paper | - | 3,869 | - | 3,869 |
| Promissory notes | 16,714 | 217,305 | 16,714 | 217,305 |
| | 2,359,348 | 1,563,533 | 1,113,902 | 1,083,076 |
| Changes in fair value of FVOCI instruments | (93,439) | 61,904 | (84,881) | 76,641 |
| Changes in allowance on FVOCI financial instruments | (16,696) | 21,282 | (973) | 3,472 |
| Net fair value changes in FVOCI instruments | **(110,135)** | **83,186** | **(85,854)** | **80,113** |

| At amortised cost (AMC)<br>*In millions of Naira* | | | | |
|---|---|---|---|---|
| **Debt securities** | | | | |
| Treasury bills | 754,810 | 192,795 | 585,470 | 102,399 |
| Credit Link Notes | - | 9,752 | - | - |
| Federal government bonds | 851,788 | 437,679 | 346,468 | 171,648 |
| State government bonds | 3,958 | 4,734 | 3,958 | 4,734 |
| FGN Promissory notes | 94,690 | 37,762 | 94,690 | 37,763 |
| Corporate bonds | 7,566 | 7,579 | 7,566 | 7,579 |
| Eurobonds | 1,067,418 | 420,119 | 901,666 | 411,046 |
| Preferential Shares Note | - | - | 7,138 | - |
| Gross amount | 2,780,230 | 1,110,420 | 1,946,956 | 735,169 |
| ECL on financial assets at amortized cost | (203,576) | (80,791) | (116,788) | (39,308) |
| Carrying amount | 2,576,654 | 1,029,629 | 1,830,168 | 695,861 |
| **Total** | **5,342,156** | **2,761,068** | **3,346,780** | **1,946,559** |

**ECL allowance on investments at fair value through other comprehensive income (FVOCI)**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance at 1 January | 21,750 | 468 | 3,694 | 222 |
| Additional allowance | 73 | 23,541 | 73 | 3,472 |
| Allowance written back | (1,372) | - | (1,151) | - |
| Revaluation difference | (15,396) | (2,259) | 105 | - |
| Balance, end of year | **5,055** | **21,750** | **2,721** | **3,694** |

**ECL allowance on investments at amortised cost (AMC)**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance at 1 January 2023 | 80,790 | 2,005 | 39,308 | 1,008 |
| Reclassification | (4,140) | - | - | - |
| -Charge for the year | 44,899 | 84,676 | 36,539 | 38,300 |
| Allowance written back | - | - | - | - |
| Revaluation difference | 82,026 | (5,891) | 40,941 | - |
| Balance, end of year | **203,576** | **80,790** | **116,788** | **39,308** |
| Total ECL charge on securities as seen in Note 9 | 43,600 | 108,218 | 35,461 | 41,772 |

(i) Equity securities at FVTPL (carrying amount)

| | | | | |
|---|---|---|---|---|
| Central securities clearing system limited | 7,440 | 4,673 | 7,440 | 4,673 |
| Nigeria interbank settlement system plc. | 36,109 | 12,635 | 36,109 | 12,635 |
| Unified payment services limited | 8,247 | 5,653 | 8,247 | 5,653 |
| Africa finance corporation | 333,769 | 131,633 | 333,769 | 131,633 |
| African export-import bank | 1,108 | 176 | 1,108 | 176 |
| FMDQ Holdings | 7,783 | 7,068 | 7,783 | 7,068 |
| Nigerian mortage refinance company plc. | 306 | 291 | 306 | 291 |
| Credit reference company | 311 | 383 | 311 | 383 |
| NG Clearing Limited | 434 | 325 | 434 | 325 |
| Capital Alliance Equity Fund | 7,154 | 4,735 | 7,154 | 4,735 |
| Investment in Parent's Shares | 2,755 | - | - | - |
| Shared agent network expansion facility | 50 | 50 | 50 | 50 |
| Others | 688 | 285 | - | - |
| | **406,154** | **167,907** | **402,711** | **167,622** |

## 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 period end- stage classificaton.

**Group** **December 2023**

**At fair value through other comprehensive income**

| *In millions of Naira* | Fair value | ECL |
|---|---|---|
| **Debt securities** | | |
| Government bonds | 239,630 | 100 |
| Treasury bills | 1,943,342 | 1,118 |
| Eurobonds | 89,227 | 2,926 |
| Corporate bonds | 18,059 | 594 |
| State government bonds | 52,376 | 292 |
| Promissory notes | 16,714 | 26 |
| Commercial Paper | - | - |
| **Total** | **2,359,348** | **5,056** |

**At amortised cost**

| *In millions of Naira* | Amortised cost | ECL | Carrying Amount |
|---|---|---|---|
| **Debt securities** | | | |
| Government bonds | 851,788 | 894 | 850,894 |
| Treasury bills | 754,810 | 1,476 | 753,334 |
| Credit Link Notes | - | - | - |
| Eurobonds | 1,067,418 | 200,808 | 866,610 |
| Corporate bonds | 7,566 | 237 | 7,329 |
| State government bonds | 3,958 | 23 | 3,935 |
| FGN Promissory notes | 94,690 | 138 | 94,552 |
| Preferential Shares Note | - | - | - |
| **Total** | **2,780,231** | **203,576** | **2,576,654** |

**Bank**

**At fair value through other comprehensive income**

| *In millions of Naira* | Fair value | ECL |
|---|---|---|
| **Debt securities** | | |
| Government bonds | 68,321 | 100 |
| Treasury bills | 905,038 | 690 |
| Eurobonds | 53,394 | 1,017 |
| Corporate bonds | 18,059 | 594 |
| State government bonds | 52,376 | 292 |
| Commercial Paper | - | - |
| Promissory notes | 16,714 | 26 |
| **Total** | **1,113,902** | **2,719** |

**At amortised cost**

| *In millions of Naira* | Amortised cost | ECL | Carrying Amount |
|---|---|---|---|
| **Debt securities** | | | |
| Government bonds | 346,468 | 459 | 346,009 |
| Treasury bills | 585,470 | 803 | 584,667 |
| Credit Link Notes | - | - | - |
| Eurobonds | 901,666 | 115,110 | 786,556 |
| Corporate bonds | 7,566 | 237 | 7,329 |
| State government bonds | 3,958 | 23 | 3,935 |
| Promissory notes | 94,690 | 138 | 94,552 |
| Preferential Shares Note | 7,138 | 19 | 7,119 |
| **Total** | **1,946,956** | **116,788** | **1,830,167** |

**Group**

| **Debt instruments at fair value through other comprehensive income** | **December 2023** | | | |
|---|---|---|---|---|
| *In millions of Naira* | **Stage 1** | **Stage 2** | **Stage 3** | **Total ECL** |
| Internal rating grade | | | | |
| Investment | 1,223,386 | - | - | 1,223,386 |
| Standard grade | - | - | - | - |
| Non-Investment | 1,113,106 | - | 22,857 | 1,135,963 |
| **Total** | **2,336,492** | **-** | **22,857** | **2,359,349** |

| | **Stage 1** | **Stage 2** | **Stage 3** | **Total ECL** |
|---|---|---|---|---|
| ECL allowance as at 1 January 2023 | 4,434 | - | 17,317 | 21,751 |
| - Charge for the year | - | - | 73 | 73 |
| Write Back | (1,372) | - | - | (1,372) |
| Foreign exchange adjustments | 245 | - | (15,641) | (15,396) |
| **At 31 December 2023** | **3,307** | **-** | **1,749** | **5,056** |

**Financial instruments at amortised cost**

| *In millions of Naira* | **Stage 1** | **Stage 2** | **Stage 3** | **Total ECL** |
|---|---|---|---|---|
| Internal rating grade | | | | - |
| Investment | 368,752 | - | - | 368,752 |
| Standard grade | - | - | - | - |
| Non-Investment | 1,639,581 | - | 771,897 | 2,411,478 |
| **Total** | **2,008,333** | **-** | **771,897** | **2,780,230** |

| | **Stage 1** | **Stage 2** | **Stage 3** | **Total ECL** |
|---|---|---|---|---|
| ECL allowance as at 1 January 2023 | 4,176 | - | 76,615 | 80,791 |
| Reclassification | - | - | (4,140) | (4,140) |
| - Charge for the year | 7,412 | - | 37,486 | 44,899 |
| Foreign exchange adjustments | (1,562) | - | 83,589 | 82,026 |
| Write back | - | - | - | - |
| **At 31 December 2023** | **10,026** | **-** | **193,550** | **203,576** |

## Bank

| Financial instruments at fair value through other comprehensive income | December 2023 | | | |
|---|---|---|---|---|
| *In millions of Naira* | Stage 1 | Stage 2 | Stage 3 | Total ECL |
| Internal rating grade | | | | - |
| Investment | - | - | - | - |
| Standard grade | - | - | - | - |
| Non-Investment | 1,113,106 | - | 797 | 1,113,903 |
| **Total** | **1,113,106** | **-** | **797** | **1,113,903** |

| | Stage 1 | Stage 2 | Stage 3 | Total ECL |
|---|---|---|---|---|
| ECL allowance as at 1 January 2023 | 3,591 | - | 102 | 3,694 |
| - Charge for the year | - | - | 73 | 73 |
| Write back | (1,151) | - | - | (1,151) |
| Foreign exchange adjustments | - | - | 105 | 105 |
| **At 31 December 2023** | **2,440** | **-** | **280** | **2,721** |

**Financial instruments at amortised cost**

| *In millions of Naira* | Stage 1 | Stage 2 | Stage 3 | Total ECL |
|---|---|---|---|---|
| Internal rating grade | | | | |
| Investment | - | - | - | - |
| Standard grade | - | - | - | - |
| Non-Investment | 1,639,581 | - | 307,375 | 1,946,956 |
| **Total** | **1,639,581** | **-** | **307,375** | **1,946,956** |

| | Stage 1 | Stage 2 | Stage 3 | Total ECL |
|---|---|---|---|---|
| ECL allowance as at 1 January 2023 | 1,988 | - | 37,320 | 39,308 |
| - Charge for the year | 6,995 | - | 29,544 | 36,539 |
| Write back | - | - | - | - |
| Foreign exchange adjustments | (71) | - | 41,012 | 40,941 |
| **At 31 December 2023** | **8,912** | **-** | **107,876** | **116,788** |

## 26 Restricted deposits and other assets

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Accounts receivable (see note (a)below) | 308,600 | 118,915 | 177,151 | 66,498 |
| Receivable from Parent company | 81,425 | 69,656 | 81,425 | 69,656 |
| Receivable on E-business channels (see note (b)below) | 205,297 | 111,678 | 192,376 | 104,903 |
| FX forwards receivable | 1,220,988 | - | 1,220,988 | - |
| Deposit for investment in AGSMEIS (see note (c)below) | 31,265 | 22,932 | 31,265 | 22,932 |
| Subscription for investment (see note (d)below) | 8,692 | 26 | 8,692 | 26 |
| Restricted deposits with central banks (see note (e)below) | 3,107,883 | 2,136,953 | 2,896,816 | 2,064,617 |
| | 4,964,150 | 2,460,160 | 4,608,713 | 2,328,632 |
| | | | | |
| **Non-financial assets** | | | | |
| Prepayments | 116,264 | 30,886 | 89,093 | 20,327 |
| Inventory (see note (e)below) | 19,909 | 4,879 | 18,314 | 4,185 |
| | 136,173 | 35,765 | 107,407 | 24,512 |
| | | | | |
| **Gross other assets** | 5,100,323 | 2,495,925 | 4,716,119 | 2,353,144 |
| Allowance for impairment on other assets | | | | |
| Financial assets | (16,465) | (6,012) | (14,680) | (4,876) |
| Non-financial assets | (7,445) | (2,216) | (7,445) | (2,216) |
| | (23,910) | (8,228) | (22,125) | (7,092) |
| | | | | |
| | **5,076,413** | **2,487,697** | **4,693,995** | **2,346,052** |
| **Classified as:** | | | | |
| Current | 1,936,018 | 330,003 | 1,764,668 | 260,693 |
| Non current | 3,140,394 | 2,157,695 | 2,929,327 | 2,085,359 |
| | **5,076,413** | **2,487,697** | **4,693,995** | **2,346,052** |

**Movement in allowance for impairment on other assets:**

| *In millions of Naira* | Group | Bank |
|---|---|---|
| Balance as at 1 January 2022 | 4,471 | 3,226 |
| | | |
| ECL allowance for the year: | | |
| - Additional provision | 8,143 | 8,124 |
| - Provision no longer required | - | - |
| Net impairment | 8,143 | 8,124 |
| Allowance written back | - | - |
| Allowance written off | (4,258) | (4,258) |
| -Reclassification | | - |
| -Transalation difference | (127) | - |
| Balance as at 31 Dec 2022/1 January 2023 | 8,229 | 7,092 |

| | | |
|---|---|---|
| ECL allowance for the year: | | |
| - Additional provision | 19,789 | 20,072 |
| - Writeback | | |
| Net ECL allowance | 19,789 | 20,072 |
| | | |
| Acquired from business combination | - | - |
| Allowance written back | - | - |
| - Write Off | (7,008) | (7,008) |
| -Reclassification | 500 | 500 |
| Foreign exchange revaluation | 1,470 | 1,470 |
| -Translation difference | 931 | - |
| **Balance as at 31 December 2022** | 23,912 | 22,125 |

(a) This represents the receivable from debtors to the Group that cuts across several services rendered in different capacities.

(b) E-banking receivables represent settlements due from other banks use of our electronic channels by their customers. The Group's payables to other banks is contained in Note 34.

(c) 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 period's Profit After Tax as equity investment in the scheme.

(d) Subscription for investment balance relates to deposits paid for the acquisition of equity investments for which shares have not been issued to the Bank.

(e) 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 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.

(f) 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 period for which the amortization will be over the relevant period of service. These include rents and advertisements.

In determining the ECL for other assets, the Group applies the simplified model in estimating the ECLs, adopting a provision matrix, where the receivables are grouped based on the nature of the transactions, aging of the balances and different historical loss patterns to determine the lifetime ECLs. Receivables relate to amount due for the provision of services to the Bank's customers. The provision matrix estimates ECLs on the basis of historical default rates adjusted for current and forward looking macroeconomic factors without undue cost and effort.

(g) Included in the Receivable from Parent balance are shares due to employees of the Bank that were previously settled by the Bank with a value of ₦9.02Bn.

(h) The balance of ₦1,220.99Bn represents the transaction value of outstanding forward contracts entered on behalf of customers, with the Central Bank of Nigeria.

## 27a Investments in associates

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Balance, beginning of year | 7,510 | 2,641 | 6,904 | 2,548 |
| Acquisition cost of additional interest during the year | - | 4,356 | - | 4,356 |
| Share of profit for the year | 914 | 513 | - | - |
| Balance, end of year | 8,424 | 7,510 | 6,904 | 6,904 |

Set out below are the summarised financial information for associates which are accounted for using the equity method.

| | December 2023 | E-tranzact December 2022 |
|---|---|---|
| **Assets** | | |
| Cash and balances with banks | 11,850 | 9,510 |
| Inventories | 2,345 | 2,967 |
| Trade and other receivables | 428 | 883 |
| Other assets | 3,716 | 2,834 |
| Deposit for shares | 457 | 457 |
| Intangible assets | 52 | 96 |
| Investment property | 137 | 137 |
| Property, plant and equipment | 1,500 | 993 |
| **Total Assets** | **20,485** | 17,875 |
| Financed by: | | |
| Current tax liabilities | 1,161 | 751 |
| Trade and other payables | 7,283 | 7,251 |
| Long Term Loan | 242 | 298 |
| Deferred Grant Income | 90 | 107 |
| Deferred Tax Liabilities | - | - |
| **Total Liabilities** | 8,777 | 8,408 |
| Net Assets | **11,709** | **9,468** |

**Reconciliation to carrying amounts:**

| | December 2023 |
|---|---|
| Opening Net Assets (1 January 2023) | 9,468 |
| Profit for the year | 2,433 |
| Impact of changes due to the net asset difference between 2022 Audited and Unaudited Financial statement* | (192) |
| **Closing net assets (31 December 2023)** | 11,709 |

**Summary statement of comprehensive income**

| | December 2023 |
|---|---|
| Revenue | 33,720 |
| Cost of sales | (25,312) |
| Interest Expense using the effective interest method | (25) |
| Interest Income using the effective interest method | - |
| Selling and marketing costs | (268) |
| Adminsitrative expenses | (4,736) |
| Other income | 2 |
| Finance cost | |
| Investment income | 94 |
| Taxation | (1,042) |
| **Profit for the period** | 2,433 |
| | |
| **Reconciliation of net asset in associate** | |
| Interest in Associate's net asset - (Etz: 37.56%) | 4,398 |
| Notional goodwill on investment in associate | 2,919 |
| Impact of changes in net assets | 1,107 |
| Impact of changes in Percentage Holding | - |
| Other comprehensive income | - |
| Carrying amount of investment in associates | 8,424 |
| | |
| Carrying value | 8,424 |

E-tranzact (ETRAN), a fully integrated fintech platform in Africa was founded in 2003 and is one of the leading independent players in Lagos, Nigeria with a diversified license and product capabilities. The company has enjoyed continuous and consistent growth in top line revenue and subscriber base and activity for a while now.

The Group holds an equity interest of 3,455,729,217 ordinary shares of 50k each in E-tranzact International Plc as at 31 December 2023, representing 37.56% equity participation in the company. No dividend income was received from ETRAN during the year. The proportion of the Bank's interest is the same as the proportion of voting rights. As at 31 December 2023, the fair value of the Bank's investment was ₦20.9Bn.

There are published price quotations for the associate on the Nigerian Stock Exchange. There are no significant restrictions on the ability of the associates to transfer funds to the group in the form of cash dividends, or repayments of loans or advances. The associate was accounted for using the equity method at the Group level and cost at the Bank level.

The Group exercises significant influence in E-tranzact International Limited by virtue of its more than 20% shareholding in the entity and the representation of one director on the board of the company and significant participation in the company's operating and financial policies.

The exisiting investment the Bank had in Etranzact was initially recognized in the books under equity instruments measured at Fair value through profit or loss. At the point of increasing the stakes of the Bank in Etranzact by means of the Right issue, the existing shares were reclasified to investment in associates at their fair value.

## 27(b) Subsidiaries (with continuing operations)

### (i) Group entities

Set out below are the group's subsidiaries as at 31 December 2023. 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 2023 | December 2022 |
| Access Bank Gambia Limited | Banking | Gambia | 88.00% | 88.00% |
| Access Bank Sierra Leone Limited | Banking | Sierra Leone | 99.19% | 99.19% |
| Access Bank Rwanda Limited | Banking | Rwanda | 91.22% | 91.22% |
| Access Bank Zambia | Banking | Zambia | 80.98% | 80.98% |
| The Access Bank UK | Banking | United Kingdom | 100.00% | 100.00% |
| Access Bank R.D. Congo | Banking | Congo | 99.98% | 99.98% |
| Access Bank Ghana | Banking | Ghana | 93.40% | 93.40% |
| Access Bank Guinea S.A | Banking | Guinea | 100.00% | 100.00% |
| Access Bank Mozambique | Banking | Mozambique | 99.98% | 99.98% |
| Access Bank Kenya | Banking | Kenya | 99.98% | 99.98% |
| Access Bank South Africa | Banking | South Africa | 97.89% | 97.89% |
| Access Bank Botswana | Banking | Botswana | 78.15% | 78.15% |
| Access Bank Cameroon | Banking | Cameroon | 100.00% | 100.00% |
| Access Bank Angola | Banking | Angola | 99.20% | 0.00% |
| Access Investors Services Nominees Limited | Asset Management | Nigeria | 100.00% | 0.00% |

## (27(c)(i) Investment in subsidiaries

| *In millions of Naira* | Bank December 2023 | Bank December 2022 |
|---|---|---|
| **Subsidiaries with continuing operations** | | |
| The Access Bank, UK | 163,922 | 88,287 |
| Access Bank, Ghana | 32,196 | 32,196 |
| Access Bank Rwanda | 5,221 | 5,221 |
| Access Bank, Congo | 13,205 | 13,205 |
| Access Bank, Zambia | 8,411 | 8,411 |
| Access Bank, Gambia | 7,062 | 7,062 |
| Access Bank, Sierra Leone | 3,398 | 3,398 |
| Access Bank, Guinea | 10,067 | 5,441 |
| Access Bank, Mozambique | 20,693 | 15,310 |
| Access Bank, Kenya | 11,615 | 11,615 |
| Investment in RSPP scheme | - | 10,077 |
| Access Bank, South Africa | 38,320 | 38,320 |
| Access Bank, Angola | 31,547 | - |
| Access Bank Botswana | 34,111 | 34,111 |
| Access Bank, Cameroon | 10,557 | 10,392 |
| **Balance, end of year** | **390,325** | **283,046** |

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 ₦390.32Bn.

## 27 (d) Condensed results of consolidated entities

### (i) The condensed financial data of the consolidated entities as at December 2023 are as follows:

| **Condensed profit and loss**<br>*In millions of Naira* | 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 | Access Bank Guinea | Access Bank PFC BV | Access Bank Mo-zambique | Access Bank Kenya | Access Bank South Africa | Access Bank Botswana | Access Bank Cam-eroon | Access Bank Angola |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating income | 135,860 | 133,525 | 10,865 | 24,131 | 17,214 | 3,135 | 6,253 | - | 4,159 | - | 20,099 | 4,806 | 9,472 | 21,002 | 7,226 | 9,227 |
| Operating expenses | (31,924) | (45,655) | (5,097) | (14,222) | (10,484) | (1,949) | (3,490) | - | (3,757) | - | (20,949) | (6,086) | (15,443) | (19,023) | (4,483) | (8,985) |
| Net impairment loss on financial assets | (5,514) | (10,152) | (292) | (334) | 122 | (32) | - | - | (40) | - | (261) | (25) | (242) | 388 | (452) | 582 |
| Profit before tax | 98,422 | 77,719 | 5,476 | 9,575 | 6,852 | 1,155 | 2,763 | - | 363 | - | (1,111) | (1,305) | (6,212) | 2,368 | 2,291 | 824 |
| Income tax expense | (25,091) | (37,965) | (1,643) | (2,873) | (2,056) | (77) | (691) | - | - | - | (871) | - | - | (547) | - | (349) |
| Profit for the year | **73,331** | **39,753** | **3,833** | **6,702** | **4,796** | **1,077** | **2,072** | **-** | **362** | **-** | **(1,982)** | **(1,305)** | **(6,213)** | **1,821** | **2,291** | **475** |

**The condensed financial data of the consolidated entities as at December 2023 are as follows:**

| | 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 | Access Bank Guinea | Access Bank PFC BV | Access Bank Mo-zambique | Access Bank Kenya | Access Bank South Africa | Access Bank Botswana | Access Bank Cam-eroon | Access Bank Angola |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(ii) Assets** | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 447,845 | 210,629 | 51,194 | 193,023 | 126,455 | 23,257 | 31,930 | - | 7,508 | - | 145,045 | 35,308 | 36,964 | 131,411 | 10,369 | 84,829 |
| Non pledged trading assets | - | 47,982 | - | - | - | - | - | - | - | - | - | 549 | - | 2,879 | - | - |
| Pledged assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Derivative financial instruments | - | - | 14,256 | - | - | - | - | - | - | - | - | - | - | 119 | - | - |
| Loans and advances to banks | 1,307,418 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans and advances to customers | 1,465,167 | 192,598 | 46,824 | 94,573 | 58,488 | 4,964 | 9,210 | - | 37,178 | - | 82,839 | 27,027 | 162,598 | 445,879 | 17,860 | 23,366 |
| Investment securities | 972,330 | 400,218 | 67,322 | 37,352 | 102,368 | 11,361 | 14,692 | - | 15,304 | - | 46,478 | 32,879 | 99,858 | 51,723 | 118,341 | 32,269 |
| Investment properties | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other assets | 13,198 | 74,511 | 7,797 | 12,157 | 7,222 | 14,710 | 1,280 | - | 1,074 | - | 28,669 | 2,735 | 5,078 | 6,755 | 2,539 | 1,733 |
| Investment in associates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment in subsidiary | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Property and equipment | 3,432 | 69,580 | 2,423 | 11,725 | 4,361 | 2,717 | 3,147 | - | 3,407 | - | 14,078 | 3,909 | 2,950 | 10,340 | 3,226 | 5,359 |
| Intangible assets | 4,433 | 6,327 | 1,139 | 1,223 | 518 | 1,255 | 322 | - | 986 | - | 833 | 1,217 | 4,926 | 3,478 | 1,266 | 23,432 |
| Current tax assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred tax assets | - | 32,495 | - | - | - | - | - | - | - | - | 6,392 | 1,531 | - | 172 | - | 2,314 |
| Non - current assets held for sale | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Assets classified as held for sale | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | **4,213,823** | **1,034,340** | **190,955** | **350,053** | **299,414** | **58,264** | **60,582** | **-** | **65,456** | **-** | **324,334** | **105,155** | **312,373** | **652,756** | **153,602** | **173,302** |
| **Financed by:** | | | | | | | | | | | | | | | | |
| Deposits from banks | 2,146,981 | 11,031 | - | 48,510 | 2,045 | 5,353 | 16,703 | - | - | - | 4 | 29,622 | 140 | 101 | 778 | - |
| Deposits from customers | 1,381,638 | 716,864 | 147,120 | 229,943 | 211,860 | 41,869 | 32,298 | - | 40,108 | - | 258,640 | 60,107 | 187,251 | 525,482 | 126,405 | 130,459 |
| Derivative Liability | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt securities issued | - | - | - | - | - | - | - | - | - | - | - | - | 7,646 | - | - | - |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Retirement benefit obligations | - | 55 | - | - | 41 | - | - | - | - | - | - | - | - | - | - | - |
| Current tax liabilities | 1,120 | 1,589 | 1,861 | 3,629 | - | - | 138 | - | - | - | - | - | - | 430 | - | (85) |
| Other liabilities | 13,509 | 56,581 | 2,383 | 12,963 | 47,926 | 1,625 | 827 | - | 2,631 | - | 18,257 | 9,178 | 5,465 | 17,849 | 3,409 | 5,723 |
| Interest-bearing loans and borrowings | - | 86,550 | 13,610 | 2,022 | 5,398 | - | - | - | - | - | 8,807 | - | 67,455 | 33,911 | - | - |
| Contingent settlement provisions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred tax liabilities | 473 | 7,307 | 473 | - | 569 | 95 | 7 | - | - | - | - | - | - | - | - | 180 |
| Non - current liabilities held for sale | - | | - | - | - | - | - | | | - | - | - | - | - | - | - |
| Equity | 670,103 | 154,364 | 25,507 | 52,987 | 31,572 | 9,321 | 10,608 | - | 22,717 | - | 38,626 | 6,248 | 44,415 | 74,983 | 23,010 | 37,024 |
| | **4,213,823** | **1,034,340** | **190,955** | **350,053** | **299,414** | **58,264** | **60,582** | **-** | **65,456** | **-** | **324,334** | **105,155** | **312,373** | **652,756** | **153,602** | **173,302** |
| Net cashflows from investing activities | (294,765) | (8,447) | (6,273) | (5,315) | (2,583) | 6,355 | (3,655) | - | - | - | 512 | (1,236) | (336) | (14,282) | (154) | (140) |
| Net cashflows from financing activities | 75,019 | (11,526) | - | (1,225) | (486) | - | - | - | - | - | 15,372 | 5,047 | - | 8,485 | (353) | (320) |
| Net cashflows from operating activities | 64,179 | (66,176) | 10,735 | 80,328 | 23,371 | 5,453 | 647 | - | - | - | 59,761 | 16,721 | (7,203) | 71,547 | 257 | 233 |
| Increase in cash and cash equivalents | (155,567) | (86,149) | 4,462 | 73,789 | 20,301 | 11,807 | (3,008) | - | - | - | 75,645 | 14,874 | (7,539) | 65,751 | (250) | (226) |
| Cash and cash equivalent, beginning of year | 607,435 | 210,949 | 46,935 | 44,583 | 57,738 | 1,378 | 12,850 | - | - | - | 78,510 | - | 42,405 | 116,094 | 2,288 | 2,074 |
| Effect of exchange rate fluctuations on cash held | (3,632) | 2,245 | - | - | - | - | - | - | - | - | - | - | - | 3,098 | 41 | 37 |
| Cash and cash equivalent, end of year | 448,238 | 127,045 | 51,397 | 118,372 | 78,038 | 13,185 | 9,842 | - | - | - | 154,154 | 14,874 | 34,866 | 184,943 | 2,080 | 1,886 |

## 27 (e) Condensed results of consolidated entities

### (i) The condensed financial data of the consolidated entities as at December 2022 are as follows:

| Condensed profit and loss<br>*In millions of Naira* | 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 | Access Bank Guinea | Access Bank PFC | Access Bank Mozambique | Access Bank Kenya | Access Bank South Africa | Access Bank Botswana | Access Bank Cameroon |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating income | 56,831 | 60,606 | 6,319 | 13,867 | 12,405 | 2,015 | 4,142 | - | 1,019 | (700) | 14,912 | 5,179 | 5,326 | 15,588 | 994 |
| Operating expenses | (15,848) | (18,939) | (3,388) | (8,462) | (5,581) | (1,120) | (2,369) | - | (1,995) | - | (12,318) | (3,856) | (11,306) | (15,306) | (1,684) |
| Net impairment loss on financial assets | (15,916) | (63,961) | (154) | - | (888) | (8) | (26) | - | - | - | (79) | (8) | (203) | 2,132 | (6) |
| Profit before tax | 25,067 | (22,294) | 2,776 | 6,547 | 5,936 | 888 | 1,747 | - | (977) | (700) | 2,515 | 1,315 | (6,182) | 2,415 | (695) |
| Income tax expense | (5,709) | (10,199) | (832) | 526 | (1,033) | (255) | (5) | - | - | - | (454) | - | - | (519) | - |
| **Profit for the year** | **19,358** | **(32,493)** | **1,944** | **7,072** | **4,903** | **633** | **1,742** | **-** | **(977)** | **(700)** | **2,061** | **1,315** | **(6,182)** | **1,896** | **(695)** |
| **(ii) Assets** | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 294,179 | 138,679 | 19,950 | 70,876 | 44,600 | 6,808 | 13,879 | - | 3,109 | - | 38,353 | 10,486 | 21,499 | 51,988 | 6,498 |
| Non pledged trading assets | - | 22,721 | - | - | - | - | - | - | - | - | - | 882 | - | 1,463 | - |
| Pledged assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Derivative financial instruments | - | - | 2,271 | - | - | - | - | - | - | - | - | - | - | 18 | - |
| Loans and advances to banks | 585,079 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans and advances to customers | 518,202 | 69,798 | 17,734 | 29,164 | 26,866 | 1,643 | 3,522 | - | 4,647 | - | 39,982 | 15,697 | 52,578 | 236,606 | 324 |
| Investment securities | 328,081 | 175,255 | 35,335 | 35,884 | 69,890 | 8,649 | 9,068 | - | 6,515 | - | 20,662 | 22,276 | 63,964 | 29,622 | 17,939 |
| Investment properties | - | - | - | - | - | - | - | | - | - | - | - | - | - | |
| Other assets | 10,266 | 15,466 | 6,329 | 4,081 | 6,094 | 8,112 | 802 | - | 657 | - | 15,175 | 2,382 | 3,834 | 3,301 | 339 |
| Investment in associates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment in subsidiaries | 1,152 | - | - | - | - | - | - | 11,228 | - | - | - | - | - | - | - |
| Property and equipment | 2,272 | 17,334 | 1,412 | 5,237 | 3,314 | 1,230 | 1,263 | - | 1,236 | - | 7,368 | 1,495 | 2,031 | 5,034 | 704 |
| Intangible assets | 1,776 | 2,564 | 666 | 148 | 558 | 214 | 181 | - | 472 | - | 910 | 630 | 2,342 | 3,217 | 86 |
| Deferred tax assets | - | 745 | - | 2,694 | 748 | - | 328 | - | - | - | 3,096 | 569 | - | 1,317 | - |
| Non - current assets held for sale | - | - | - | - | - | - | - | - | - | 2,397 | - | - | - | - | - |
| Assets classified as held for sale | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **1,741,006** | **442,562** | **83,698** | **148,085** | **152,071** | **26,656** | **29,045** | **11,228** | **16,636** | **2,397** | **125,546** | **54,417** | **146,249** | **332,567** | **25,890** |
| Financed by: | | | | | | | | | | | | | | | |
| Deposits from banks | 922,933 | 4,693 | - | - | 4,759 | 1,405 | 8,491 | - | - | - | - | 9,892 | 275 | 8 | - |
| Deposits from customers | 577,388 | 322,943 | 67,016 | 110,253 | 112,118 | 20,512 | 15,131 | - | 9,810 | - | 98,423 | 36,418 | 79,552 | 264,996 | 16,340 |
| Derivative Liability | 53 | - | - | - | - | - | - | - | - | - | - | - | 462 | - | - |
| Debt securities issued | - | - | - | - | - | - | - | - | - | - | - | - | 3,955 | - | - |
| Retirement benefit obligations | 0 | 24 | - | - | 9 | - | - | - | - | - | - | - | - | - | - |
| Current tax liabilities | - | - | 594 | 1,749 | - | 39 | - | - | - | - | - | - | - | - | 82 |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Other liabilities | 13,131 | 41,288 | 1,760 | 5,260 | 8,860 | 444 | 1,297 | - | 1,304 | - | 8,341 | 1,085 | 2,408 | 7,461 | 1,189 |
| Interest-bearing loans and borrowings | - | 38,023 | 2,182 | 2,083 | 5,027 | - | - | - | - | - | - | - | 29,310 | 21,931 | - |
| Contingent settlement provisions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred tax liabilities | 224 | 1,753 | 186 | 283 | 1,072 | 43 | 14 | - | - | - | - | - | - | - | - |
| Equity | 227,278 | 33,837 | 11,961 | 28,457 | 20,228 | 4,214 | 4,114 | 11,228 | 5,522 | 2,397 | 18,782 | 7,023 | 30,286 | 38,171 | 8,279 |
| | 1,741,006 | 442,562 | 83,698 | 148,085 | 152,071 | 26,656 | 29,055 | 11,228 | 16,636 | 2,397 | 125,546 | 54,417 | 146,249 | 332,567 | 25,890 |
| Net cashflows from investing activities | (48,985) | (4,299) | (9,611) | (1,002) | (5,472) | (1,786) | (8,259) | - | - | - | 2,085 | (415) | (18,678) | (4,336) | (288,682) |
| Net cashflows from financing activities | 29,972 | (38,026) | - | (3,774) | (1,509) | - | - | - | - | - | 2,070 | (469) | 27,622 | (9,947) | 2,041,793 |
| Net cashflows from operating activities | 66,476 | 149,321 | 4,779 | (43,256) | 1,888 | (4,679) | 12,731 | - | - | (69) | (35,154) | (3,052) | (10,503) | 7,253 | 2,433,192 |
| Increase in cash and cash equivalents | 47,463 | 106,996 | (4,832) | (48,031) | (5,093) | (6,465) | 4,472 | - | - | - | (30,999) | (3,936) | (1,559) | (7,029) | 4,186,303 |
| Cash and cash equivalent, beginning of year | 246,699 | 43,583 | 25,034 | 76,635 | 39,565 | 13,274 | 1,753 | - | - | - | 3,732 | - | 25,056 | 64,454 | 628,557 |
| Effect of exchange rate fluctuations on cash held | 113 | 1,875 | - | - | (48) | - | - | - | - | 273 | - | (3,936) | 171 | 1,163 | - |
| **Cash and cash equivalent, end of year** | **294,277** | **152,453** | **20,201** | **28,604** | **34,422** | **6,809** | **6,225** | **-** | **-** | **273** | **(27,268)** | **(7,873)** | **23,668** | **58,587** | **4,814,860** |

## 28 (a) Property and equipment

**Group**

| *In millions of Naira* | Leasehold improvement and buildings | Land | Computer hardware | Furniture & fittings | Motor vehicles | Capital work-in - progress | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| Balance at 1 January 2023 | 145,473 | 34,112 | 56,439 | 105,223 | 32,532 | 34,465 | 408,243 |
| Acquired from business combination | - | 709 | - | - | - | - | 709 |
| Acquisitions | 33,235 | - | 29,043 | 27,058 | 14,001 | 46,308 | 149,644 |
| Disposals | (6,993) | (1,248) | (3,413) | (8,266) | (7,714) | (3,316) | (30,950) |
| Write-offs | - | - | - | - | - | (444) | (444) |
| Reversals/Reclassification from(to) others | - | - | - | - | - | (99) | (99) |
| Transfers | 7,785 | - | 562 | 3,204 | 228 | (11,779) | - |
| Translation difference | 17,086 | 1,261 | 16,435 | 18,457 | 11,684 | 1,620 | 66,543 |
| **Balance at 31 December 2023** | **196,586** | **34,834** | **99,066** | **145,676** | **50,731** | **66,755** | **593,646** |
| | | | | | | | |
| Balance at 1 January 2022 | 137,621 | 32,985 | 45,393 | 86,838 | 30,367 | 21,461 | 354,665 |
| Acquisitions | 10,666 | 919 | 12,987 | 15,737 | 6,717 | 28,738 | 75,764 |
| Disposals | (8,046) | (384) | (2,144) | (1,781) | (3,904) | (4,396) | (20,655) |
| Reclassifications | 62 | - | 127 | 729 | - | (919) | (1) |
| Write-offs | (72) | - | - | - | - | (132) | (203) |
| Transfers | 993 | - | 777 | 5,122 | - | (6,892) | - |
| Translation difference | 4,248 | 592 | (701) | (1,422) | (649) | (3,394) | (1,327) |
| Balance at 31 December 2022 | 145,473 | 34,112 | 56,439 | 105,223 | 32,532 | 34,465 | 408,243 |

| **Depreciation and impairment losses** | Leasehold improvement and buildings | Land | Computer hardware | Furniture & fittings | Motor vehicles | Capital work-in - progress | Total |
|---|---|---|---|---|---|---|---|
| Balance at 1 January 2023 | 30,436 | - | 38,201 | 71,679 | 20,336 | - | 160,650 |
| Charge for the year (a) | 3,128 | - | 10,526 | 16,494 | 5,147 | - | 35,294 |
| Disposal | (89) | - | (210) | (67) | (1,363) | - | (1,729) |
| Translation difference | 9,854 | - | 8,495 | 10,449 | 5,097 | - | 33,893 |
| **Balance at 31 December 2023** | **43,329** | **-** | **57,012** | **98,553** | **29,217** | **-** | **228,108** |
| | | | | | | | |
| Balance at 1 January 2022 | 21,062 | - | 33,919 | 62,537 | 19,448 | - | 136,966 |
| Charge for the year | 5,902 | - | 5,189 | 10,441 | 3,980 | - | 25,511 |
| Disposal | (491) | - | (662) | (1,077) | (2,801) | - | (5,031) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Translation difference | 3,965 | - | (244) | (221) | (290) | - | 3,209 |
| Balance at 31 December 2022 | 30,436 | - | 38,201 | 71,679 | 20,336 | - | 160,652 |
| Carrying amounts | **153,257** | **34,834** | **42,054** | **47,123** | **21,514** | **66,755** | **365,538** |
| Right of use assets (see 28(b) below) | **52,643** | **-** | **-** | **-** | **-** | **-** | **52,643** |
| **Balance at 31 December 2023** | **205,900** | **34,834** | **42,054** | **47,123** | **21,514** | **66,755** | **418,181** |
| Balance at 31 December 2022 | 160,596 | 34,112 | 18,238 | 33,544 | 12,196 | 34,465 | 293,152 |
| **Depreciation charge on property plant and equipment and right of use assets** | | | | | | | |
| Total Depreciation charge (a+b) | **11,938** | **-** | **10,526** | **16,494** | **5,147** | **-** | **44,104** |

(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 and equipment for the period is ₦418.18Bn.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Classified as:** | | | | | | | |
| Current | - | - | - | - | - | - | - |
| Non current | **205,900** | **34,834** | **42,054** | **47,123** | **21,514** | **66,755** | **418,179** |
| | **205,900** | **34,834** | **42,054** | **47,123** | **21,514** | **66,755** | **418,179** |

## 28 (b) Leases

**Group**

This note provides information for leases where the Bank is a lessee.

| i Right-of-use assets | Land ₦'000 | Building and Equipment N'millions | Total N'millions |
|---|---|---|---|
| Opening balance as at 1 January 2023 | - | 62,465 | 62,465 |
| Acquired from business combination | - | 1,243 | 1,243 |
| Additions during the year | - | 7,278 | 7,278 |
| *Derecognition due to lease modifications | - | (45) | (45) |
| Translation difference | - | 14,027 | 14,027 |
| **Closing balance as at 31 December 2023** | **-** | **84,968** | **84,968** |
| | | | |
| Opening balance as at 1 January 2022 | | 42,405 | 42,405 |
| Additions during the year | - | 27,240 | 27,240 |
| Disposals during the year | - | (6,546) | (6,546) |
| *Derecognition due to lease modifications | | (550) | (550) |
| Translation difference | | (84) | (84) |
| Closing balance as at 31 December 2022 | - | 62,465 | 62,465 |
| | | | |
| Depreciation | | | |
| Opening balance as at 1 January 2023 | - | 16,905 | 16,905 |
| Acquired from business combination | | 813 | 813 |
| Charge for the year (b) | - | 8,810 | 8,810 |
| Translation difference | | 5,797 | 5,797 |
| **Closing balance as at 31 December 2023** | **-** | **32,325** | **32,325** |
| | | | |
| **Net book value as at 31 December 2023** | **-** | **52,643** | **52,643** |
| | | | |
| Opening balance as at 1 January 2022 | | 12,371 | 12,371 |
| Charge for the year | - | 4,787 | 4,787 |
| *Derecognition due to lease modifications | - | (221) | (221) |
| Translation difference | - | (33) | (33) |
| Closing balance as at 31 December 2022 | - | 16,905 | 16,905 |
| | | | |
| Net book value as at 31 December 2022 | - | 45,560 | 45,560 |

| ii Amounts recognised in the statement of profit or loss | ₦'millions |
|---|---|
| Depreciation charge of right-of-use assets | 8,810 |
| Interest expense (included in finance cost) | 1 |
| Expense relating to short-term leases (included in other operating expenses) | - |
| Expense relating to leases of low-value assets (included in other operating expenses) | - |
| | - |
| Total cash outflow for leases as at December 2023 | 26,335 |

*This relates to lease contracts that were modified during the year, subsequently derecognized and new contracts were drawn up to represent the new leases.

## 28 (c) Property and equipment

### Bank

| *In millions of Naira* | Leasehold improvement and buildings | Land | Computer hardware | Furniture & fittings | Motor vehicles | Capital work-in - progress | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| Balance at 1 January 2023 | 113,832 | 32,321 | 45,439 | 94,304 | 27,560 | 28,389 | 341,844 |
| Acquisitions | 1,817 | - | 18,294 | 12,956 | 6,766 | 22,004 | 61,837 |
| Disposals | (6) | - | (90) | (306) | (1,580) | (75) | (2,057) |
| Reclassification from(to) others | - | - | - | - | - | (99) | (99) |
| Transfers | 1,418 | - | 562 | 3,168 | 149 | (5,298) | - |
| Write-Offs | - | - | - | - | - | (444) | (444) |
| **Balance at 31 December 2023** | **117,061** | **32,321** | **64,205** | **110,122** | **32,895** | **44,477** | **401,081** |
| Balance at 1 January 2022 | 111,191 | 32,319 | 36,704 | 78,283 | 25,709 | 9,283 | 293,490 |
| Acquisitions | 2,224 | 386 | 8,375 | 11,505 | 5,569 | 26,710 | 54,770 |
| Disposals | (577) | (384) | (418) | (605) | (3,719) | (580) | (6,284) |
| Transfers | 993 | - | 777 | 5,122 | - | (6,892) | - |
| Write-Offs | - | - | - | - | - | (132) | (132) |
| Balance at 31 December 2022 | 113,832 | 32,321 | 45,439 | 94,304 | 27,560 | 28,389 | 341,844 |
| **Depreciation and impairment losses** | **Leasehold improvement and buildings** | **Land** | **Computer hardware** | **Furniture & fittings** | **Motor vehicles** | **Capital work-in - progress** | **Total** |
| Balance at 1 January 2023 | 19,134 | - | 31,557 | 65,398 | 18,053 | - | 134,143 |
| Charge for the year (a) | 1,939 | - | 7,760 | 10,850 | 3,764 | - | 24,312 |
| Disposal | (1) | - | (90) | (299) | (1,363) | - | (1,753) |
| **Balance at 31 December 2023** | **21,072** | **-** | **39,227** | **75,949** | **20,454** | **-** | **156,702** |
| Balance at 1 January 2022 | 17,071 | - | 27,162 | 56,049 | 17,116 | - | 117,398 |
| Charge for the year (a) | 2,192 | - | 4,800 | 9,918 | 3,568 | - | 20,479 |
| Disposal | (128) | - | (406) | (568) | (2,631) | - | (3,733) |
| Balance at 31 December 2022 | 19,134 | - | 31,557 | 65,398 | 18,053 | - | 134,143 |
| Carrying amounts | **95,989** | **32,321** | **24,978** | **34,173** | **12,441** | **44,477** | **244,379** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Right of use assets (see 28(d) below) | 33,148 | - | - | - | - | - | 33,148 |
| **Balance at 31 December 2023** | **129,137** | **32,321** | **24,978** | **34,173** | **12,441** | **44,477** | **277,527** |
| Balance at 31 December 2022 | 132,065 | 32,321 | 13,882 | 28,906 | 9,507 | 28,389 | 245,070 |
| **Depreciation charge on property and equipment and right of use assets** | | | | | | | |
| Total Depreciation/Impairment charge (a+b) | **7,124** | **-** | **7,760** | **10,850** | **3,764** | **-** | **29,497** |

(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 ₦277.53Bn

| **Classified as:** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Current | - | - | - | - | - | - | - |
| Non current | **95,989** | **32,321** | **24,978** | **34,173** | **12,441** | **44,477** | **244,379** |
| | **95,989** | **32,321** | **24,978** | **34,173** | **12,441** | **44,477** | **244,379** |

## 28 (d) Leases

**Bank**

This note provides information for leases where the Bank is a lessee.

| i) Right-of-use assets | Building and Equipment ₦'millions | Total ₦'millions |
|---|---|---|
| Opening balance as at 1 January 2023 | 46,403 | 46,403 |
| Additions during the year | 1,012 | 1,012 |
| Disposals during the year | - | - |
| *Reversals due to lease modifications | (45) | (45) |
| **Closing balance as at 31 December 2023** | **47,370** | **47,370** |
| | | |
| Opening balance as at 1 January 2022 | 24,320 | 24,320 |
| Additions during the year | 22,633 | 22,633 |
| Disposals during the year | - | - |
| *Reversals due to lease modifications | (550) | (550) |
| Closing balance as at 31 December 2022 | 46,403 | 46,403 |
| | | |
| Depreciation | | |
| | | |
| Opening balance as at 1 January 2023 | 9,036 | 9,036 |
| Charge for the year (b) | 5,185 | 5,185 |
| Disposals during the year | - | - |
| *Reversals due to lease modifications | - | - |
| **Closing balance as at 31 December 2023** | **14,222** | **14,222** |
| | | |
| **Net book value as at 31 December 2023** | **33,148** | **33,148** |
| | | |
| Opening balance as at 1 January 2022 | 6,341 | 6,341 |
| Charge for the year (b) | 2,916 | 2,916 |
| *Reversals due to lease modifications | (221) | (221) |
| Closing balance as at 31 December 2022 | 9,036 | 9,036 |
| | | |
| Net book value as at 31 December 2022 | 37,367 | 37,367 |

| ii) Amounts recognised in the statement of profit or loss | ₦'millions |
|---|---|
| Depreciation charge of right-of-use assets (buildings) | 5,185 |
| Interest expense (included in finance cost) | 1,054 |
| Expense relating to short-term leases (included in other operating expenses) | 17 |
| Expense relating to leases of low-value assets (included in other operating expenses) | - |
| | - |
| Total cash outflow for leases as at December 2023 | 20,068 |

*This relates to lease contracts that were modified during the year, subsequently derecognized and new contracts were drwan up to represent the new leases.

## 29 Intangible assets

### Group

| *In millions of Naira* | Goodwill | WIP | Purchased Software | Core deposit intangible | Customer relationship | Brand | Total Intangible |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **December 2023** | | | | | | | |
| Balance at 1 January 2023 | 12,747 | 10,729 | 61,000 | 28,665 | 12,652 | 4,725 | 130,517 |
| Arising from business combination (See note 44) | 2,948 | - | 23,225 | - | - | - | 26,173 |
| Changes Arising from final assessment | - | - | - | - | - | - | - |
| Acquisitions | - | 19,296 | 27,791 | - | - | - | 47,087 |
| Reclassification | - | (957) | 957 | - | - | - | - |
| Write off | - | (135) | | - | - | - | (135) |
| Translation difference | - | 24 | 17,370 | - | - | - | 17,394 |
| Balance at 31 December 2023 | **15,695** | **28,957** | **130,343** | **28,665** | **12,652** | **4,725** | **221,036** |
| | | | | | | | |
| **December 2022** | | | | | | | |
| Balance at 1 January 2022 | 12,664 | 3,487 | 51,360 | 28,665 | 12,652 | 4,725 | 113,552 |
| *Arising from business combination | 83 | - | - | - | - | - | 83 |
| Acquisitions | - | 11,270 | 6,642 | - | - | - | 17,913 |
| Reclassification | - | (4,001) | 4,001 | - | - | - | - |
| Write off | - | (35) | (1,933) | - | - | - | (1,967) |
| Translation difference | - | 7 | 930 | - | - | - | 937 |
| Balance at 31 December 2022 | 12,747 | 10,729 | 61,000 | 28,665 | 12,652 | 4,725 | 130,517 |
| | | | | | | | |
| **Amortisation and impairment losses** | | | | | | | |
| Balance at 1 January 2023 | - | - | 39,471 | 10,749 | 4,744 | 1,772 | 56,735 |
| Amortisation for the year | - | - | 13,467 | 2,866 | 1,265 | 472 | 18,071 |
| Write off | - | - | | - | - | - | - |
| Translation difference | - | - | 18,079 | - | - | - | 18,079 |
| Balance at 31 December 2023 | **-** | **-** | **71,017** | **13,616** | **6,009** | **2,244** | **92,885** |
| | | | | | | | |
| Balance at 1 January 2022 | - | - | 30,559 | 7,883 | 3,479 | 1,299 | 43,220 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Amortisation for the year | - | - | 9,221 | 2,866 | 1,265 | 472 | 13,825 |
| Impairment charge | - | - | - | - | - | - | - |
| Write off | - | - | (928) | - | - | - | (928) |
| Translation difference | - | - | 619 | - | - | - | 619 |
| Balance at 31 December 2022 | - | - | 39,471 | 10,749 | 4,744 | 1,772 | 56,735 |
| **Net Book Value** | | | | | | | |
| **Balance at 31 December 2023** | **15,695** | **28,957** | **59,326** | **15,050** | **6,641** | **2,481** | **128,150** |
| Balance at 31 December 2022 | 12,747 | 10,729 | 21,530 | 17,915 | 7,906 | 2,953 | 73,782 |

*Changes Arising from final assessment: This relates to the changes recognized in the goodwill acquired from former BancABC by Access Botswana post audit of the acquired net asset. The original goodwill recognized was provisional as the net assets were still being audited. The final net asset led to a change in the purchase consideration based on the share purchase agreement leading to the changes observed in the goodwill initially recognized from the previous period.

## Intangible assets

| **Bank**<br>*In millions of Naira* | **Goodwill** | **WIP** | **Purchased Software** | **Core deposit** | **Customer relationship** | **Brand** | **Total** |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **December 2023** | | | | | | | |
| Balance at 1 January 2023 | 11,148 | 9,670 | 40,083 | 28,665 | 12,652 | 4,725 | 106,943 |
| Acquisitions | - | 17,730 | 6,319 | - | - | - | 24,049 |
| Reclassification | - | (696) | 696 | | | | - |
| Write off | - | (135) | | | | | (135) |
| Balance at 31 December 2023 | **11,148** | **26,569** | **47,098** | **28,665** | **12,652** | **4,725** | **130,857** |
| | | | | | | | |
| **December 2022** | | | | | | | |
| Balance at 1 January 2022 | 11,148 | 1,086 | 37,955 | 28,665 | 12,652 | 4,725 | 96,229 |
| Acquisitions | - | 9,044 | 1,703 | - | - | - | 10,747 |
| Reclassification | - | (426) | 426 | - | - | - | - |
| Write off | - | (35) | - | - | - | - | (35) |
| Balance at 31 December 2022 | 11,148 | 9,670 | 40,083 | 28,665 | 12,652 | 4,725 | 106,943 |
| | | | | | | | |
| **Amortisation and impairment losses** | | | | | | | |
| Balance at 1 January 2023 | - | - | 30,312 | 10,749 | 4,744 | 1,772 | 47,578 |
| Amortisation for the year | - | - | 5,570 | 2,866 | 1,265 | 472 | 10,174 |
| **Balance at 31 December 2023** | **-** | **-** | **35,882** | **13,615** | **6,009** | **2,244** | **57,752** |
| | | | | | | | |
| Balance at 1 January 2022 | - | - | 24,836 | 7,883 | 3,479 | 1,299 | 37,497 |
| Amortisation for the year | - | - | 5,477 | 2,866 | 1,265 | 472 | 10,081 |
| Balance at 31 December 2022 | - | - | 30,312 | 10,749 | 4,744 | 1,772 | 47,578 |
| | | | | | | | |
| Carrying amounts | | | | | | | |
| **Balance at 31 December 2023** | **11,148** | **26,569** | **11,216** | **15,050** | **6,643** | **2,481** | **73,105** |
| Balance at 31 December 2022 | 11,148 | 9,670 | 9,771 | 17,915 | 7,907 | 2,953 | 59,365 |

Amortization method used is straight line.

| | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| **Classified as:** | | | | |
| Current | - | - | - | - |
| Non current | 128,150 | 73,782 | 73,105 | 59,365 |

### 29(b) Intangible assets

**(i) Goodwill is attributable to the acquisition of Diamond Bank Plc and the following subsidiaries:**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Diamond Bank Plc (see (a) below) | 4,555 | 4,555 | 11,148 | 11,148 |
| Access Bank Rwanda (see (b) below) | 681 | 681 | - | - |
| Access Bank Kenya (see (c) below) | 6,545 | 6,545 | - | - |
| Access Bank Botswana (see (d) below) | 965 | 965 | - | - |
| Access Bank Angola (see (e) below) | 2,948 | - | | |
| | **15,695** | **12,747** | **11,148** | **11,148** |

### (a) Diamond bank:

The recoverable amount of Goodwill as at 31 December 2023 was greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as ₦1,515Bn.

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 2023 (31 December 2022: Nil).

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Retail (Personal) Banking.

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. The approach is based on estimating the free cash flow to equity to determine the value in use. 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 3.20%. A discount rate of 29.63% 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 year. 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:

| | |
|---|---|
| Terminal growth rate (i) | 3.20% |
| Discount rate (ii) | 29.63% |

(i) Weighted average growth rate used to extrapolate cash flows beyond the budget year.
(ii) Pre-tax discount rate applied to the cash flow projections.

### Cash Flow Forecast

Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

**Discount Rate**

Pre-tax discount rate of 29.63% was applied in determining the recoverable amounts for Diamond Bank Plc. This discount rate was estimated using the a proxy of the average of thge beta for similar companies, the risk-free rate and the equity risk premium of the sovereign of the reporting entity.

**Terminal growth rate**

The terminal 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 (increase/(decrease) | (205,631) | 264,073 |
| Impact of change in growth rate on value-in-use computation (increase/(decrease) | 25,049 | (21,561) |

**(b) Access Bank Rwanda:**

The recoverable amount of Goodwill as at 31 December 2023 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as ₦57.60bn.

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 2023 (31 December 2022: Nil).

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Access Bank Rwanda.

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. The approach is based on estimating the free cash flow to equity to determine the value in use. 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 6.7%. A discount rate of 21.2% 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 year. 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:

| | December 2023 |
|---|---|
| Terminal growth rate (i) | 6.72% |
| Discount rate (ii) | 21.24% |

(i) Terminal growth rate used to extrapolate cash flows beyond the budget year.

(ii) Pre-tax discount rate applied to the cash flow projections.

**Cash Flow Forecast**

Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

**Discount Rate**

Pre-tax discount rate of 21.24% was applied in determining the recoverable amounts for the goodwill of Access Bank Rwanda. This discount rate was estimated using beta, risk-free rate and the equity risk premium for Rwanda.

**Terminal growth rate**

Terminal 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 (increase/(decrease) | (8,030) | 10,847 |
| Impact of change in growth rate on value-in-use computation (increase/(decrease) | 1,510 | (1,376) |

**(c) Access bank Kenya:**

The recoverable amount of Goodwill as at 31 December 2023 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as ₦25.25bn.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred.

**Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Access Bank Kenya.**

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on 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 5.41%. A discount rate of 27.77% 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 year. 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:

| | |
|---|---|
| Terminal growth rate (i) | 5.41% |
| Discount rate (ii) | 27.77% |

(i) Terminal growth rate used to extrapolate cash flows beyond the budget year.

(ii) Pre-tax discount rate applied to the cash flow projections.

**Cash Flow Forecast**

Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

**Discount Rate**

Pre-tax discount rate of 27.77% was applied in determining the recoverable amounts for the goodwill of Access Bank Kenya. This discount rate was estimated using the Bank's beta, the risk-free rate and the equity risk premium for Kenya.

**Terminal growth rate**

The terminal growth rate applied was based on the long term growth rate in GDP of Kenya.

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**

| **In thousands of Naira** | **10% increase** | **10% decrease** |
|---|---|---|
| Impact of change in discount rate on value-in-use computation (increase/(decrease) | (3,761) | 4,936 |
| Impact of change in growth rate on value-in-use computation (increase/(decrease) | 324 | (308) |

There were no write-downs of goodwill due to impairment during the year.

**(d) Access bank Botswana:**

The recoverable amount of Goodwill as at 31 December 2023 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as ₦239.78bn.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. This is the first impairment assessment.

**Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Access Bank Botswana .**

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on 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 4.29%. A discount rate of 8.7% 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 year. 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:

| | |
|---|---|
| Terminal growth rate (i) | 4.29% |
| Discount rate (ii) | 8.72% |

(i) Terminal growth rate used to extrapolate cash flows beyond the budget year.

(ii) Pre-tax discount rate applied to the cash flow projections.

**Cash Flow Forecast**

Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

**Discount Rate**

Pre-tax discount rate of 8.7% was applied in determining the recoverable amounts for the goodwill of Access Bank Botswana. This discount rate was estimated using the Bank's beta, the risk-free rate and the equity risk premium for Botswana

**Terminal growth rate**

The terminal growth rate applied was based on the long term growth rate in GDP of Botswana.

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**

| In thousands of Naira | 10% increase | 10% decrease |
|---|---|---|
| Impact of change in discount rate on value-in-use computation (increase/(decrease) | (42,403) | 63,304 |
| Impact of change in growth rate on value-in-use computation (increase/(decrease) | 17,361 | (14,302) |

There were no write-downs of goodwill due to impairment during the year.

**(e) Access bank Angola:**

Goodwill represents the value derived from a larger branch network and combined synergies of operations. The Goodwill recognized from former Finibanco Bank is provisional as the Bank is yet to complete all assessments as relates to the acquisition . Goodwill is not deductible for tax purposes.

The goodwill ₦2.95Bn arising from the acquisition of former Finibanco (now Access Bank Angola) is provisional.

## 30 Deferred tax assets and liabilities

### (a) Group

The following items gave rise to temporary differences during the period. Deferred tax assets and liabilities are attributable to the following items below:

| *In millions of Naira* | December 2023 | | | December 2022 | | |
|---|---|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Net** | **Assets** | **Liabilities** | **Net** |
| Property and equipment, and software | 66,111 | (1,143) | 64,968 | 32,881 | (2,468) | 30,412 |
| Allowances/(Reversal) for loan losses | 42,454 | - | 42,454 | 36,678 | - | 36,678 |
| Tax loss carry forward | 20,719 | - | 20,719 | 66,021 | - | 66,021 |
| Exchange gain/(loss) unrealised | - | (103,704) | (103,704) | - | (119,595) | (119,595) |
| Acquired Deferred tax asset | - | - | - | - | - | - |
| ECL on investment securities | - | (180) | (180) | - | | - |
| Actuarial gain on retirement benefit obligation | - | - | - | - | - | - |
| Fair value gain on FVOCI investments | - | - | - | - | (289) | (289) |
| Deferred tax assets (net) | 129,284 | (105,027) | 24,257 | 135,580 | (122,353) | 13,227 |

### (b) Bank

Deferred tax assets and liabilities are attributable to the following:

| *In millions of Naira* | December 2023 | | | December 2022 | | |
|---|---|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Net** | **Assets** | **Liabilities** | **Net** |
| Property and equipment, and software | 36,796 | - | 36,796 | 28,549 | - | 28,549 |
| Allowances/(Reversal) for loan losses | 42,454 | - | 42,454 | 35,776 | - | 35,776 |
| Tax loss carry forward | 14,437 | - | 14,437 | 62,978 | - | 62,978 |
| Exchange gain unrealised | - | (103,231) | (103,231) | - | (119,595) | (119,595) |
| Acquired Deferred tax asset | - | - | - | - | - | - |
| Fair value gain on equity investments | - | - | - | - | - | - |
| Deferred tax on retirement benefit obligation | | | - | | | - |
| Deferred tax assets/(liabilities) | 93,687 | (103,231) | (9,544) | 127,303 | (119,595) | 7,707 |

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.

The amount of unrecognised deferred tax asset as at December 31, 2023 is ₦53.27 billion (December 31, 2022: ₦45.91bn).

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| **Deferred income tax assets** | | | | |
| – Deferred income tax asset to be recovered after more than 12 months | 107,422 | 67,091 | 79,250 | 64,324 |
| – Deferred income tax asset to be recovered within 12 months | 21,862 | 68,490 | 14,437 | 62,978 |
| | 129,284 | 135,580 | 93,687 | 127,303 |
| **Deferred income tax liabilities** | | | | |
| – Deferred income tax liability to be recovered after more than 12 months | (1,143) | (2,758) | - | - |
| – Deferred income tax liability to be recovered within 12 months | (103,884) | (119,595) | (103,231) | (119,596) |
| | (105,027) | (122,353) | (103,231) | (119,596) |

## 30 Deferred tax assets and liabilities

(c) Movement on the net deferred tax assets / (liabilities) account during the year:

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Balance, beginning of year | 13,227 | 2,129 | 7,707 | (4,374) |
| Acquired from Business Combination | - | - | - | - |
| Tax charge | (18,792) | 9,452 | (18,792) | 11,542 |
| Translation adjustments | 28,280 | 1,136 | - | - |
| Prior adjustment on deferred tax on revaluation gain | - | - | | |
| Items included in OCI | 1,541 | 539 | 1,541 | 539 |
| Disposal of subsidiary | - | (29) | | |
| Net deferred tax assets/(liabilities) | 24,257 | 13,227 | (9,544) | 7,707 |
| Out of which | | | | |
| Deferred tax assets | 129,284 | 135,580 | 93,687 | 127,303 |
| Deferred tax liabilities | (105,027) | (122,353) | (103,231) | (119,596) |

| | Group December 2023 | | Group December 2022 | |
|---|---|---|---|---|
| | Deferred Tax Assets | Deferred Tax liabilities | Deferred Tax Assets | Deferred Tax liabilities |
| **Entity** | | | | |
| Access Bank Sierra Leone | - | 7 | - | 12 |
| Access Bank Rwanda | - | 473 | - | 186 |
| Access Bank United Kingdom | - | 472 | - | 223 |
| Access Bank Ghana | 25,188 | - | - | 1,008 |
| Access Pensions | - | - | - | - |
| Access Bank Congo | - | - | 2,412 | - |
| Access Bank Gambia | - | 95 | - | 43 |
| Access Bank Zambia | - | 569 | - | 324 |
| Access Bank Kenya | 1,531 | - | 491 | - |
| Access Bank Mozambique | 6,392 | - | 3,096 | - |

| | | | | |
|---|---|---|---|---|
| Access Bank Botswana | 172 | - | 1,317 | - |
| Access Bank Guinea | - | - | - | - |
| Access Bank Angola | 2,134 | - | | |
| Access Bank Nigeria | - | 9,544 | 7,707 | - |
| **Total Deferred Tax** | **35,417** | **11,160** | **15,023** | **1,796** |

Temporary difference relating to the Group's Investment in subsidiaries as at 31 December 2023 is ₦227.9billion (Dec 2022: ₦58.05Billion). 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.

### Deferred tax asset not recognised

The bank's deferred tax asset which typically arises from unutilized losses, unclaimed capital allowance and ECL allowance on not credit impaired financial instruments is ₦210.23billion as at 31 Dec 2023. (2022: ₦29.64Bn ). The bank has assessed based on its profit forecast, the extent to which there will be future taxable profits against which the deferred tax assets recognised, can be utilised. The value of unrecognized deferred tax asset as at 31 Dec 2023 is ₦210.23billion (2022: ₦29.64Bn).

Items included in Other Comprehensive Income

| *In millions of Naira* | **Group December 2023** | **Group December 2022** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|---|
| **Actuarial (loss)/gain on retirement benefit obligation** | | | | |
| Gross (loss)/gain on retirement benefit obligation | 4,670 | 1,658 | 4,670 | 1,658 |
| Deferred tax @ 33% | (1,541) | (539) | (1,541) | (539) |
| Net balance loss after tax | 3,129 | 1,119 | 3,129 | 1,119 |

### Deferred Tax asset

| *In millions of Naira* | **Group December 2023** | **Group December 2022** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|---|
| **Classified as:** | | | | |
| Current | 21,862 | 68,490 | 14,437 | 62,978 |
| Non current | 107,422 | 67,091 | 79,250 | 64,324 |

### Deferred Tax liability

| *In millions of Naira* | **Group December 2023** | **Group December 2022** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|---|
| **Classified as:** | | | | |
| Current | (103,884) | (119,595) | (103,231) | (119,596) |
| Non current | (1,143) | (2,758) | - | - |

## 31a Investment properties

| In millions of Naira | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Balance at 1 January | 217 | 217 | 217 | 217 |
| Valuation gain/(loss) | 220 | - | 220 | - |
| **Balance, end of year** | **437** | **217** | **437** | **217** |

Investment property of ₦217 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 ₦437 million for Group and ₦437 million for Bank.

## 31b Assets classified as held for sale

| In millions of Naira | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Balance at 1 January | 42,039 | 42,737 | 42,039 | 42,547 |
| Additions | 35,335 | 7,876 | 35,335 | 7,876 |
| Disposals | (1,957) | (8,384) | (1,957) | (8,384) |
| Transfers from assets held for sale | - | (190) | - | - |
| | **75,417** | **42,039** | **75,417** | **42,038** |

The total balance for non current financial assets held for sale for the year is ₦75.42Bn for Group and ₦75.42Bn for Bank

**Classified as:**

| | | | | |
|---|---|---|---|---|
| Current | - | - | - | - |
| Non current | 75,417 | 42,039 | 75,417 | 42,039 |

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). This largely comprises of Land and buildings. The items in non-current asset held for sale are repossessed collateral and this is seen in Note 5.1.3 (g)

## 32 Deposits from financial institutions

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Money market deposits | 2,189,528 | 960,476 | 1,641,990 | 868,070 |
| Trade related obligations to foreign banks | 2,197,492 | 1,044,841 | 2,265,202 | 769,248 |
| | **4,387,020** | **2,005,317** | **3,907,192** | **1,637,318** |
| | | | | |
| Current | 4,383,138 | 2,002,107 | 3,905,188 | 1,635,449 |
| Non-current | 3,882 | 3,211 | 2,003 | 1,869 |

## 33 Deposits from customers

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Term deposits | 5,697,621 | 3,462,402 | 3,667,657 | 2,586,981 |
| Demand deposits | 6,828,142 | 3,891,112 | 5,001,100 | 3,144,067 |
| Saving deposits | 2,796,989 | 1,897,724 | 2,571,090 | 1,799,015 |
| | **15,322,752** | **9,251,238** | **11,239,847** | **7,530,063** |
| | | | | |
| Current | 15,264,698 | 9,203,871 | 11,191,689 | 7,502,488 |
| Non-current | 58,053 | 47,367 | 48,158 | 27,576 |

## 34 Other liabilities

| *In millions of Naira* | | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|---|
| **Financial liabilities** | | | | | |
| Certified and bank cheques | | 7,392 | 5,242 | 5,329 | 4,738 |
| E-banking payables | ( see (a) below) | 56,418 | 74,892 | 50,285 | 72,218 |
| Collections account balances | ( see (b) below) | 1,028,888 | 452,078 | 985,479 | 441,818 |
| Due to subsidiaries | | - | 340.11 | 1,904 | 1,357 |
| Accruals | | 25,912 | 8,991 | 3,539 | 1,050 |
| Contribution to Industrial Training Fund (ITF) | (see (c) below) | 510 | 573 | 510 | 573 |
| Creditors | | 54,405 | 36,816 | 14,746 | 7,693 |
| Payable on AMCON | | 20 | 441 | 20 | 441 |
| Customer deposits for foreign exchange | (see (d) below) | 142,140 | 88,623 | 142,140 | 88,623 |
| Restricted shares performance plan payable (RSPP) | | 1,843 | - | 1,843 | - |
| Payable to Financial institutions | (see (i) below) | 249,125 | - | 249,125 | - |
| ECL on off-balance sheet | (see (e) below) | 3,928 | 6,871 | 3,318 | 10,848 |
| Lease liabilities | (see (g) below) | 16,604 | 11,650 | 7,261 | 6,256 |
| Other financial liabilities | (see (h) below) | 91,987 | 56,637 | 28,572 | 24,847 |
| | | 1,679,174 | 743,153 | 1,494,072 | 660,463 |
| **Non-financial liabilities** | | | | | |
| Litigation claims provision | (see (f) below) | 3,838 | 2,821 | 3,838 | 2,770 |
| Other non-financial liabilities | | 12,387 | 7,901 | 5,982 | 3,963 |
| Total other liabilities | | **1,695,403** | **753,875** | **1,503,893** | **667,195** |
| Classified as: | | | | | |
| Current | | 1,682,711 | 744,392 | 1,497,778 | 661,161 |
| Non current | | 12,688 | 9,483 | 6,115 | 6,034 |
| | | **1,695,403** | **753,875** | **1,503,893** | **667,195** |

(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.

(c) The contribution to the Industrial training fund scheme is being shown as a separate line under other liabilities. This has been stripped out of the accrual line where it was previously warehoused. The amount here represents 1% of the personnel cost of the employer according to the ITF amendment ACT 2011 , Act No 19 section 6, subsection 1

(d) 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.

**(e) Movement in ECL on contingents**

| | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance at 1 January 2023/31 December 2022 | 6,871 | 1,932 | 10,848 | 1,759 |
| (Write back)/Charge for the year | (6,827) | 4,949 | (6,803) | 9,089 |
| Additional provisions | | | | |
| Foreign exchange revaluation | (727) | - | (727) | |
| Reclassification | - | - | - | - |
| Translation difference | 4,611 | (10) | - | - |
| Balance, end of year | 3,928 | 6,871 | 3,318 | 10,848 |

**(f) Movement in litigation claims provision**

| | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance | 2,821 | 2,536 | 2,770 | 2,469 |
| Additions | 1,064 | 332 | 1,068 | 301 |
| Translation difference | (47) | (47) | - | - |
| Closing balance | **3,838** | **2,821** | **3,838** | **2,770** |

| **ii Lease liabilities** | Group N'millions | Bank N'millions |
|---|---|---|
| Opening balance as at 1 January 2023 | 11,649 | 6,256 |
| Additions | 3,811 | 201 |
| Interest expense | 1,477 | 1,054 |
| Lease payments | (1,577) | (180) |
| *Derecognition due to lease modifications | (70) | (70) |
| Translation difference | 5 | - |
| **Closing balance as at 31 December 2023** | **15,297** | **7,261** |
| | | |
| Current lease liabilities | 3,916 | 1,146 |
| Non-current lease liabilities | 11,381 | 6,115 |
| | **15,297** | **7,261** |

| ii Lease liabilities | Group N'millions | Bank N'millions |
|---|---|---|
| Opening balance as at 1 January 2022 | 15,306 | 5,893 |
| Additions | 1,196 | 633 |
| Interest expense | 1,424 | 973 |
| Lease payments | (4,899) | (681) |
| *Derecognition due to lease modifications | (562) | (562) |
| Translation difference | (816) | - |
| **Closing balance as at 31 December 2022** | **11,649** | **6,256** |
| | | |
| Current lease liabilities | 2,167 | 222 |
| Non-current lease liabilities | 9,483 | 6,034 |
| | **11,649** | **6,256** |

| iii) Liquidity risk (maturity analysis of undiscounted lease liabilities) | Group N'millions | Bank N'millions |
|---|---|---|
| Less than 6 months | 676 | 402 |
| 6-12 months | 1,323 | 794 |
| Between 1 and 2 years | 1,995 | 620 |
| Between 2 and 5 years | 2,906 | 1,818 |
| Above 5 years | 2,630 | 1,089 |
| **Closing balance as at 31 December 2023** | **9,529** | **4,723** |
| | | |
| Carrying amount | 16,604 | 7,261 |

*This relates to lease contracts that were modified during the year, subsequently derecognized and new contracts were drawn up to represent the new leases

(h) Other financial liabilities is comprised of items unclaimed items due to customers, other tax payables, staff payables and payables due to counterparties in the ordinary course of business

(i) Included in the payable to financial institutions are amounts due to financial institution that matured during the reporting period. These funds were subsequently rolled over after the reporting period

## 35 Debt securities issued

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Debt securities at amortized cost: | | | | |
| Eurobond debt security (see (i) below) | 481,138 | 232,651 | 481,138 | 232,651 |
| Green Bond (see (ii) below) | 64,382 | 38,871 | 64,382 | 38,871 |
| Local Bond (see (iii) below) | 33,827 | 31,775 | 31,858 | 31,775 |
| Debentures (see (iv) below) | 5,677 | 3,955 | - | - |
| | **585,024** | **307,253** | **577,378** | **303,297** |

**Movement in Debt securities issued:**

| *In millions of Naira* | Group December 2023 | Bank December 2023 |
|---|---|---|
| Net debt as at 1 January 2023 | 307,253 | 303,297 |
| Debt securities issued | - | - |
| Repayment of debt securities issued | - | - |
| Total changes from financing cash flows | 307,253 | 303,297 |
| | | |
| The effect of changes in foreign exchange rates | 275,167 | 271,888 |
| | | |
| **Other changes** | | |
| Interest expense | 30,364 | 29,779 |
| Interest paid | (27,760) | (27,586) |
| Balance as at 31 December 2023 | **585,024** | **577,378** |

| *In millions of Naira* | Group December 2022 | Bank December 2022 |
|---|---|---|
| Net debt as at 1 January 2022 | 264,495 | 260,644 |
| Debt securities issued | 21,887 | 21,887 |
| Repayment of debt securities issued | - | - |
| Total changes from financing cash flows | 286,382 | 282,531 |
| | | |
| The effect of changes in foreign exchange rates | 18,852 | 18,976 |
| | | |
| Other changes | | |
| Interest expense | 22,816 | 22,393 |
| Interest paid | (20,797) | (20,603) |
| Balance as at 31 December 2022 | **307,253** | **303,297** |

(i) This refers to US$500,000,000 notes of 6.13% interest issued on 21 September 2021 with a maturity date of 21 September 2026. The principal amount is payable at maturity, whilst coupon due is payable on a semi-annual basis.

(ii) The Bank issued an unsecured green bond of N15bn 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. In 2022, the Bank issued a puttable Senior unsecured USD$50,000,000 Step-Up Green Notes on May 3, 2022 with a coupon rate of 5.50% and 7.25% at put option date (May 3, 2024) payable semi-annually. The bond has a tenor of 5 years and is due on May, 2027.

(iii) Access Bank Plc issued a local bond of N30bn 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.

(iv) Access South Africa issued a Tier II subordinated convertible debenture of 183mn South African Rand on June, 30, 2021 with a coupon rate of 2% above 6 months JIBAR payable semi-annually. The bond has a tenor of 5 years and is due on September, 2026. The Bonds have a call option date of 1st July, 2026 and the issuer's call is subject to supervisory's approval.

## 36 Interest bearing borrowings

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| African Development Bank (see note (a)) | 6,385 | 8,909 | 6,385 | 8,909 |
| Netherlands Development Finance Company (see note (b)) | 296,311 | 158,564 | 282,458 | 146,767 |
| Citi Bank (see note (c)) | 18,513 | 8,386 | 18,513 | 8,386 |
| European Investment Bank (see note (d)) | 44,633 | 23,995 | 44,633 | 23,995 |
| Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (e)) | 23,956 | 9,473 | 3,346 | 2,699 |
| International Finance Corporation (see note (f)) | 83,402 | 40,620 | 83,402 | 40,620 |
| French Development Agency (see note (g)) | - | 10,901 | - | 10,901 |
| Mashreq Bank PSC Syndicated Trade Finance Facility (see note (h)) | - | 312,417 | - | 289,881 |
| Invest International (see note (i)) | 16,085 | 9,284 | 16,085 | 9,284 |
| US Development Finance Corporation (see note (j)) | 191,926 | 91,904 | 191,926 | 91,904 |
| Overseas Private Investment Corporation (OPIC) (see note (k)) | - | 4,591 | - | - |
| Botswana Development Corporation Limited (see note (l)) | 12,589 | 10,649 | - | - |
| Norfund Private Equity Company (see note (m)) | 17,059 | 7,812 | - | - |
| Anchor Borrowers Programme (ABP) | 60 | - | 60 | - |
| Microfinance Enhancement Facility SA, SICAV-SIF (MEF) (see note (n)) | - | 71 | - | - |
| Botswana Building Society - long term loan (see note (o)) | - | 4,637 | - | - |
| Société De Promotion Et De Participation Pour La Coopératio Économique S.A. ('Proparco') (see note (p)) | 5,772 | 793 | - | - |
| Kgori Capital Proprietary Limited (see note (q)) | - | 2,182 | - | - |
| Central Bank of Rwanda (see note (r)) | 13,610 | 4,275 | - | 4,275 |
| Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (s)) | 2,957 | 1,737 | 2,957 | 1,737 |
| Central Bank of Nigeria - Shared Agent Network Expansion Facility (SANEF) (see note (t)) | 1,405 | 1,150 | 1,405 | 1,150 |
| Bank of Industry-Power & Airline Intervention Fund (see note (u)) | - | 1,503 | - | 1,503 |
| Special Refinancing & Restructuring Intervention fund (SRRIF) (see note (v)) | 644 | 59,963 | 644 | 59,963 |
| Central Bank of Nigeria - Salary Bailout facilities (see note (w)) | 57,596 | 101,808 | 57,596 | 101,808 |
| Central Bank of Nigeria - Excess Crude Account (see note (x)) | 96,156 | 11,983 | 96,156 | 11,983 |
| Real Sector And Support Facility (RSSF) (see note (y)) | 8,119 | 93,521 | 8,119 | 93,521 |
| Development Bank of Nigeria (DBN) (see note (z)) | 93,303 | 333,108 | 93,303 | 333,108 |
| Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (aa)) | 313,840 | 5,366 | 313,840 | 5,366 |
| Nigeria Mortgage Refinance Company (NMRC) (see note (ab)) | 5,136 | - | 5,136 | - |
| Africa Export and Import Bank (AFREXIM) (see note (ac)) | - | 7,995 | - | - |
| Ghana International Bank (see note (ad)) | 14,176 | 7,233 | - | 7,233 |
| BOI Power and steel (PAIF) (see note (ae)) | 4,679 | 1,213 | 4,679 | 1,213 |
| Creative Industry Financing Initiative Fund (CIFI) (see note (af)) | 781 | 1,978 | 781 | 1,978 |
| Accelerated Agricultural Development Scheme (AADS) (see note (ag)) | 494 | 9,130 | 494 | 9,130 |
| Non-Oil Export Stimulation Facility (NESF) (see note (ah)) | 8,111 | 19,054 | 8,111 | 19,054 |
| Health Sector Intervention (HSI) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (ai)) | 16,377 | 383 | 16,377 | 383 |
| Lagos State Employment Trust Fund (LESTF) W Initiative (see note (aj)) | 144 | 1,050 | 144 | - |

| | | | | |
|---|---|---|---|---|
| ECOWAS Bank for Investment and Development (EBID) (see note (ak)) | 22,155 | - | - | - |
| Standard Chartered Bank GH. Ltd (see note (al)) | - | - | - | - |
| Bunge SA (see note (am)) | - | - | - | - |
| Cargill, Inc (see note (an)) | - | - | - | - |
| JP Morgan Chase Bank N.A. (see note (ao)) | - | - | - | - |
| FCC Securities (see note (ap)) | - | - | - | - |
| Norsad Finance Limited (see note (aq)) | - | 3,499 | - | - |
| Bank of Zambia - (TMTRF) (see note (ar)) | 3,852 | - | - | - |
| ABC Holdings Ltd (see note (as)) | - | - | - | - |
| SBSA( see note (at)) | 18,530 | 14,289 | - | 120 |
| Japan International Cooperation Agency(JICA) (see note au) | 70,818 | - | 70,818 | - |
| British International Investment plc (BII) (see note av) | 57,104 | - | 57,104 | - |
| Medium Term Note Programme(MTNP) (see note aw) | 4,268 | - | - | - |
| OFID (see note ax) | 11,283 | - | - | - |
| INPS (Commercial Paper) (see note ay) | 7,412 | - | - | - |
| IFAD Funding Line - Moza( see note az) | 1,395 | - | - | - |
| Other loans and borrowings | 51,190 | - | - | - |
| | **1,602,226** | **1,385,426** | **1,384,472** | **1,286,871** |

There have been no defaults in any of the borrowings covenants during the year

(a) The amount of ₦6,385,281,337 (USD 6,708,708) represents the outstanding balance in the on-lending facility granted to the Bank by AFDB (Africa Development Bank) in three 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. There has been a transition from LIBOR to SOFR effective May 2023 for the interest payable. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(b) The amount of ₦296,310,546,973 (USD 311,319,232) 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), August 2020 (USD 93.8m) and October 2022 (USD 45m) for a period of 5 years, 10 years, 10 years and 6 years respectively. The principal amount is repayable semi-annually from July 2019, quarterly from May 2019, January 2026, semi-annually from November 2023 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, quarterly at 9.61% and semi annually at 4.5% above 6 months LIBOR. There has been a transition from LIBOR to SOFR effective May 2023 for the interest payable. It also includes the facility granted to Ghana in December 2022 for a period of 7 years at 8.67% with interest (starting June 2023) and principal (starting June 2025) 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 2023.

(c) The amount of ₦18,513,101,942 (USD 19,450,826) represents the outstanding balance in on-lending facility was granted to the Bank by CITI Bank in November 2022 (USD 20M) for a period of 3 years. The princiapl amount is repayable quarterly from january 2024, while the interest portion is payable quarterly at 3.30% above 3 months SOFR and 330bps.From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(d) The amount of ₦44,633,010,668 (USD 46,893,758) represents the outstanding balance on three on-lending facilities granted to the Bank by the European Investment Bank (EIB) in September 2015 (USD 27.9m), March 2016 (USD 27.1m) and July 2020 (USD 68.7m), and Dec 2023(USD16.3m) for a period of 8 years each for the first two, 5 and 12 years for the third and last one respectively. Interest is paid semi-annually at 2.6%, 2.6% respectively above 6 months LIBOR , 3.04% for the third and 7.3% fixed rate for the last one. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(e) The amount of ₦23,956,217,030 (USD 25,169,645) 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. It also includes the ZAR 250,000,000 facility granted to South Africa in December 2022 for a period of 7 years with the principal and interest amount repayable quarterly at 11.27%. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(f) The amount of ₦83,402,413,489 (USD 87,626,907) represents the outstanding balance on the on-lending facility of USD 87.5mn granted to the Bank by International Finance Corporation for a period of 10 years. The principal amount will be repayable quarterly from September 2024, while interest is paid quarterly at 7.65% above 3 months LIBOR.There has been a transition from LIBOR to SOFR effective May 2023 for the interest payable. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(g) The on-lending facility of USD 30mn granted to the Bank by French Development Agency for a period of 8 years.has been settled. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(h) The on-lending facility in three tranches granted to the Bank by the MashreqBank PSC. The first tranche of USD 634.5m has matured and was fully paid out in July 2022. The second and third tranche were disbursed in August 2022 (USD 462.5m and USD 160m), for a period of 1 year and 2 years respectively has been fully settled. From this creditor, the bank has nil undrawn balance as at 31 December 2023

(i) The amount of ₦16,084,643,884 (USD 16,899,362) represents the outstanding balance on the on-lending facility of USD 20mn granted to the Bank by Invest International in September 2022 for 6 years. The principal amount will be paid in 10 equal installments from November 2022, while interest is paid semi-annually at 4.5% above 6 months LIBOR.There has been a transition from LIBOR to SOFR effective May 2023 for the interest payable. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(j) The amount of ₦191,925,635,877 (USD 201,647,039) represents the outstanding balance on the on-lending facility of USD 200mn granted to Access Bank by the US Development Finance Corporation in November 2022 for 10 years. The principal amount will be repayable quarterly from January 2025 while interest is paid quarterly at 3.90% above 3 moths SOFR. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(k) On 7 March 2017 BancABC Botswana (now Access Bank Botswana) finalised a USD 40 million Fintech and Financial Inclusion Debt Facility. The loan had a 7 year tenure with a 3 year moratorium on Capital. The on-lending facility of USD 40mn granted has been fully settled. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(l) The amount of ₦12,589,162,520 (USD 13,226,827) represents the outstanding balance on the on-lending facility of BWP 150mn granted to Access Bank Botswana by the Botswana Development Corporation Ltd (BDC) in 2018. The loan has a 10 year tenure (maturing 3 August 2028) at an interest rate of bank rate (currently 4.75%) and a margin of 4%. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(m) The amount of ₦17,058,585,520 (USD 17,922,635) represents the outstanding balance on the on-lending facility granted to Access Bank Ghana by Norfund in November 2022. The loan has a 5 year tenure (maturing November 2027) at an interest rate of 8.94%. Interest is to be paid semi-annually beginning in June 2023. Principal repayment is semi-annually for the next 4 years. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(n) The on-lending facility of USD 12mn was granted to Access Bank Botswana by the Microfinance Enhancement Facility SA, SICAV-SIF in January 2019 for 3 years. The principal and interest amount has been fully settled. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(o) The Botswana Building Society in January 2008 for 14 years. The principal amount and interest has been fully settled. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(p) The amount of ₦5,772,192,971 (USD 6,064,566) represents the outstanding balance on the on-lending facility of USD 10mn granted to Access Bank Botswana by the Société De Promotion Et De Participation Pour La Coopératio Économique S.A. ('Proparco') in 2020 for 10 years. The principal amount will be bullet at maturity in April 2030 while interest is paid semi annually at 6.65% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(q) The on-lending facility granted to Access Bank Botswana by the Kgori Capital Proprietary Limited, Botswana Insurance fund Management Proprietary Limited, Vunani Fund Managers and Morula Capital Partners in October 2016 for 7 years, the principal and interest has been fully settled. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(r) The amount of ₦13,610,351,074 (USD 14,299,742) represents the outstanding balance on the on-lending facility granted to Access Bank Rwanda by the Central Bank of Rwanda in 2021 for a year. The principal amount will be bullet at maturity in 2023 while interest is paid at maturity at 8%. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(s) The amount of ₦2,956,725,659 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 2023.

(t) The amount of ₦1,404,670,592 represents an outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria, to facilitate the rapid rollout of agent networks across Nigeria supporting the expansion of a shared Agent Network to deepen financial inclusion in Nigeria. The total facility has a tenor of 10 years at a 5% interest rate and the facility is meant for CBN Licensed Mobile Money Operators and Super Agents. The principal amount will be repayable quarterly after the 1 year interest moratorium and the 2 years principal moratorium. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(u) This represents an 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 had a maximum tenor of 13.5 years. A management fee of 1% deductible at source was paid by the Bank under the on-lending agreement and the Bank was under obligation to on-lend to customers at an all-in interest rate of 7% per annum. The principal and interest has been fully settled. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(v) The amount of ₦644,054,794 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 24 April 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 2023.

(w) The amount of ₦57,595,647,639 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 2023.

(x) The amount of ₦96,155,974,349 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 2023.

(y) The amount of ₦8,119,176,615 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 2023.

(z) The amount of ₦93,303,014,585 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%. It also includes the 20bn disbursed in August 2022, for a maximum of 3 years. Principal repayment will begin in February 2024 while interest is at a rate of 12%. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(aa) The amount of ₦313,840,109,477 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 ₦59bn for a period of 4 to 10 years inclusive of 6 months to 2 years moratorium at 2% interest rate on a quarterly basis. Additionally, facility worth 149bn was disbursed in 2022 to for mangal, BUA, retail supermarket etc for a period of 7.5 to 10 years at 2% interest rate on a quarterly basis. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(ab) The amount of ₦5,136,413,316 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 2023.

(ac) 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 has fully matured and has been settled. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(ad) The amount of ₦14,176,038,477 (USD 14,894,081) represents the outstanding balance on the on-lending facility granted to Access Bank Ghana by Ghana International Bank in October 2022. The principal amount will be bullet at maturity in 2023 while interest is paid at maturity at 7.59%. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(ae) The amount of ₦4,678,957,477 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 2023.

(af) The amount of ₦780,556,702 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 2023.

(ag) The amount of ₦493,639,256 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 2023.

(ah) The amount of ₦8,111,422,270 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, 2022. It also includes an additional N5bn disbursed in september 2022 for a period of 7 years at 2% interest repayable on a quarterly basiss. Principal repayment will start in October 2024, payable on a quarterly basis. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(ai) The amount of ₦16,376,703,522 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 2022. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(aj) The amount of ₦144,197,215 represents the outstanding balance on the on-lending facility granted to the Bank by Lagos State Employment Trust Fund (LESTF) to support financial inclusion of women in Lagos state. 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 2023.

(ak) The amount of ₦22,155,106,812 (USD 23,277,306) 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) for two different facilities which attracts an interest rate of 4.75% for 90 days and 2.75% for 63 days respectively disbursed on 29 June 2022 and 6 June 2022 all with principal and interest payable at maturity. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(al) This on-lending facility was granted to the Group's Subsidiary in Ghana by Standard Chartered Bank GH. Ltd. Two tranches were disbursed on 29 June 2021 and 3 June 2021 at an interest rate of 2.97% for 9 months and 1 year respectively where principal and interest were payable at maturity. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(am) The facility was granted to the Group's Subsidiary in Ghana by Bunge SA which attracts an interest rate of 5.24% for 175 days was disbursed on 1 June 2022. The principal and interest were payable at maturity. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(an) The facility was granted to the Group's Subsidiary in Ghana by Cargill, Inc. which attracts an interest rate of 3.16% for 357 days was disbursed on 15 October 2021. The principal and interest are payable semi-annually. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(ao) The facility was granted to the Group's Subsidiary in Ghana by JP Morgan Chase Bank N.A. which attracts an interest rate of 3.18% for 374 days was disbursed on 26 November 2021. The principal and interest are payable at maturity. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(ap) The facility was granted to the Group's Subsidiary in Ghana by FCC Securities which attracts an interest rate of 3.18% for 371 days was disbursed on 29 November 2021. The principal and interest are payable at maturity. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(aq) The facility was granted to the Group's Subsidiary in South Africa by Norsad Finance Limited disbursed 30 January 2020 which attracts an interest rate of 5.5% plus 3 months JIBAR for 3 years with interest and principal paid quarterly. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(ar) The amount of ₦3,851,729,935 (USD 4,046,827) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Zambia by Bank of Zambia - (TMTRF) which attracts an interest rate ranging from 9.5% to 10.25% with tenors ranging from 30 days to 7 years with eight different facilities disbursed on 31 July 2020, 10 March 2021, 3 December 2021 and 16 December 2021. Interest is payable quarterly after 12 months moratorium and principal is paid at maturity. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(as) This on-lending facility granted to the Group's Subsidiary in Mozambique by ABC Holdings Ltd for two facilities disbursed on 1 Dec 2017 and 31 Dec 2016 for a period of 5 and 10 years respectively which attracts an interest rate of 8.5% and 14.25% respectively with Semi- annual repayment of interest and Principal on maturity. The balances for this facility has been paid off. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(at) The amount of ₦18,530,209,152 (USD 19,468,800) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in South Africa by SBSA which attracts an interest rate ranging from 9.012% to 9.89% with tenors ranging from 30 days to 1 year . Principal and Interest is payable quarterly within 12 months. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(au) The amount of ₦70,818,011,454 (USD 74,405,080) represents the outstanding balance on the on-lending facility granted to the Bank by the Japan international Cooperation Agency(-JICA) on the 22nd of December 2023 which attracts an interest rate of 2.9% plus 6months SOFR for a tenor of 7 years . Principal and Interest is payable semiannually with a principal moratorium of 3 years. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(av) The amount of ₦57,104,165,661 (USD 59,996,602) represents the outstanding balance on the on-lending facility granted to the Bank by the British International Investment Plc (BII) on the 29th of September 2023 which attracts an interest rate of 3% plus 3months SOFR for a tenor of 1 years . Interest is payable Quarterly with principal payment at the end of the contract. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(aw) The amount of ₦4,267,571,089 (USD 4,483,732) represents the outstanding balance on the on-lending facility granted to Access Bank Bostwana. on 29 November 2023 Access Bank Botswana finalised a BWP 101 million drawdown on the BWP 2 billion Medium Term Note Programme. The notes purchasers had options to purchase securities of either a 3 year or 5 year tenure and are repayble in full at maturity. Interest is paid bi annually throughout the term of the bond. The rate for the bonds are fixed at 8.50% and 9,25% for the 3 year and 5 year notes respectively. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(ax) The amount of ₦11,282,546,066 (USD 11,854,029) represents the outstanding balance on the on-lending facility granted to Access Bank Bostwana. On 19 June 2023 Access Bank Botswana finalised a USD 20 million Term loan Facility provided by the OPEC Fund for International Development ("OFID"). The loan was drawndown on the 18th December 2023. The loan has a 5 year tenure with a 2 year moratorium on Capital after which it repayable in 6 equal bi-annual installments. Interest is paid quarterly during the three years and the Capital is paid in 16 equal instalments after year 3. The rate is six month SOFR plus a margin of 2.75%. The loan was disbured in one tranche. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(ay) The amount of ₦7,411,886,164 (USD 7,787,313) represents the outstanding balance on the on-lending facility granted to Access Bank Mozambique from INPS which attract an interest rate of 15%,tenor of 1year with repayment of Principal and interest on maturity. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

(az) The amount of ₦1,395,033,844 (USD 1,465,695) represents the outstanding balance on the on-lending facility granted to Access Bank Mozambique from the International Fund for Agricultural Development(IFAD) which attract an interest rate of 4%,tenor of 4year with repayment of Principal on maturity and interest on a monthly basis. From this creditor, the bank has nil undrawn balance as at 31 December 2023.

All borrowings are unsecured

**Reconciliation of interest bearing borrowings**

| *In millions of Naira* | **Group December 2023** | **Bank December 2023** |
|---|---|---|
| Balance as at 1 January 2023 | 1,385,587 | 1,286,871 |
| Proceeds from interest bearing borrowings | 310,975 | 152,003 |
| Repayment of interest bearing borrowings | (763,774) | (723,837) |
| Total changes from financing cash flows | 932,788 | 715,037 |
| The effect of changes in foreign exchange rates | 668,128 | 671,398 |
| **Other changes** | | |
| Interest expense | 79,300 | 72,316 |
| Interest paid | (77,992) | (74,277) |
| Balance as at 31 December 2023 | **1,602,224** | **1,384,474** |

| *In millions of Naira* | **Group December 2022** | **Bank December 2022** |
|---|---|---|
| Balance as at 1 January 2022 | 1,171,260 | 1,072,436 |
| Proceeds from interest bearing borrowings | 678,377 | 612,579 |
| Arising from business combination (Note 44) | - | - |
| Repayment of interest bearing borrowings | (509,479) | (446,598) |
| Total changes from financing cash flows | 1,340,158 | 1,238,417 |
| The effect of changes in foreign exchange rates | 41,693 | 44,095 |
| **Other changes** | | |
| Interest expense | 51,900 | 47,220 |
| Interest paid | (48,164) | (42,861) |
| Balance as at 31 December 2022 | **1,385,587** | **1,286,871** |

## 37 Retirement benefit obligation

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Recognised liability for defined benefit obligations (see note (a) below) | 8,480 | 3,244 | 8,480 | 3,244 |
| Liability for defined contribution obligations | 97 | 33 | - | - |
| | **8,577** | **3,277** | **8,480** | **3,244** |

### (a) Defined benefit obligations

The amounts recognised in the statement of financial position are as follows:

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Post employment benefit plan (see note (i) below) | 8,480 | 3,244 | 8,480 | 3,244 |
| Recognised liability | **8,480** | **3,244** | **8,480** | **3,244** |

### (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 periods 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 period 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 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Defined benefit obligations at 1 January | 3,243 | 3,846 | 3,243 | 3,846 |
| Charge for the year: | | | | |
| -Interest costs | 475 | 19 | 475 | 19 |
| -Current service cost | 211 | 317 | 211 | 317 |
| -Past service cost | - | 5,433 | - | 5,433 |
| -Benefits paid | (120) | (8,029) | (120) | (8,029) |
| Net actuarial gain/(loss) for the period remeasured in OCI: | | | | |
| Remeasurements - Actuarial gains and losses arising from changes in economic assumptions | - | - | - | - |
| Remeasurements - Actuarial gains and losses arising from changes in salary increases | 4,886 | 346 | 4,886 | 346 |
| Remeasurements - Actuarial gains and losses arising from changes in promotions | 126 | 477 | 126 | 477 |
| Remeasurements - Actuarial gains and losses arising from changes in financial assumption | (371) | (194) | (371) | (194) |
| Remeasurements - Actuarial gains and losses arising from changes in demograhic experience | 29 | 88 | 29 | 88 |
| Remeasurements - Actuarial gains and losses arising from changes in correction of past data | - | 940 | - | 940 |
| **Balance, end of year** | **8,480** | **3,243** | **8,480** | **3,243** |
| Expense recognised in income statement: | | | | |
| Current service cost | 211 | 317 | 211 | 317 |

| | | | | |
|---|---|---|---|---|
| Interest on obligation | 475 | 19 | 475 | 19 |
| Past service cost | - | 5,433 | - | 5,433 |
| **Total expense recognised in profit and loss (see Note 14)** | **686** | **5,769** | **686** | **5,769** |

All retired benefit obligations have been classified as non current with a closing amount of ₦8.48 billion for both Group and Bank

The weighted average duration of the defined benefit obligation is 4 years. The information on the maturity profile of the defined benefit plan includes the maturity analysis and the distribution of the timing of payment.

**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 2023** | **Impact on defined benefit obligation** | | |
|---|---|---|---|
| *In millions 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 4.4% | 8,851 | (371) |
| Effect of changes in assumption to the salary growth | Decrease in the liability by 4.6% | 8,086 | 393 |
| Effect of changes in assumption to the mortality rate | Decrease in liability by 0.15% | 8,467 | 13 |

| | **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 4.3% | 8,133 | 346 |
| Effect of changes in assumption to the salary growth | Increase in the liability by 4.2% | 8,897 | (417) |
| Effect of changes in assumption to the mortality rate | Increase in the liability by 0.19% | 8,494 | (14) |

**December 2022**

| *In millions of Naira* | Impact on defined benefit obligation: 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 4.9% | 3,404 | (160) |
| Effect of changes in assumption to the salary growth | Decrease in the liability by 4.7% | 3,092 | 152 |
| Effect of changes in assumption to the mortality rate | Decrease in liability by 0.2% | 3,238 | 6 |

| | 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 4.6% | 3,095 | 149 |
| Effect of changes in assumption to the salary growth | Increase in the liability by 5.0% | 3,406 | (162) |
| Effect of changes in assumption to the mortality rate | Increase in the liability by 0.2% | 3,250 | (6) |

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 period) 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 2023.

| | December 2023 | December 2022 |
|---|---|---|
| Discount rate | 15.00% | 14.00% |
| Future salary increases | 5.00% | 5.00% |
| Retirement age for both male and female | 60 years | 60 years |
| Retirement rate: 50 – 59 (average rate) | 1.89% | 1.70% |
| 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) | 1.67% | 1.70% |

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 14.3% as at 31 December 2023. 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 millions of Naira | Bank December 2023 | Bank December 2022 |
|---|---|---|
| **a. Issued and fully paid-up :** | | |
| 35,545,225,622 Ordinary shares of 50k each | 17,773 | 17,773 |

**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 millions of Naira | Bank December 2023 | Bank December 2022 |
|---|---|---|
| Balance, beginning of the year | 17,773 | 17,773 |
| Balance, end of the year | 17,773 | 17,773 |

**(b) The movement on the number of shares in issue during the year was as follows:**

| In millions of Naira | Group December 2023 | Group December 2022 |
|---|---|---|
| Balance, beginning of the year | 35,545 | 35,545 |
| Balance, end of the year | 35,545 | 35,545 |

### B Share premium

Share premium is the excess paid by shareholders over the nominal value for their shares.

| In millions of Naira | Group December 2023 | Group December 2022 |
|---|---|---|
| Balance, beginning of the year | 234,039 | 234,039 |
| Balance, end of the year | 234,039 | 234,039 |

### C (i) Additional Tier 1 Capital

The Bank issued a U.S.$500,000,000 Perpetual Fixed Rate Resettable Non-callable prior to 5.25 years Additional Tier 1 (AT1) Subordinated Notes under its U.S.$1,500,000,000 Global Medium Term Note Programme listed on the London Stock Exchange.

The principal terms of the issue are described below:

1) The AT1 security will rank in claim behind all present and future Senior Obligation; pari passu without any preference among themselves with all present and future parity obligations and in priority to all payments in respect of all present and future Junior Obligations.

2) The AT1 security is undated and are redeemable, at the option of Access Bank PLC in whole at (i)any time from 7 October 2026 up to and including the First Reset Date of January 7, 2027 and (ii)every Interest Payment Date thereafter (Issuer Call Date). In addition,the AT1 security is redeemable, at the option of the Bank, in whole in the

event of certain changes in the tax or regulatory treatment of the securities.

3) AT1 security will bear a fixed rate of interest of 9.125 percent until the initial call date or the initial reset date, as the case may be. After the initial call date or the initial reset date, as the case may be, in the event that they are not redeemed, the AT1 security will bear interest at a rate per annum equal to the aggregate of (i) the Reset Margin of 8.07 per cent. per annum and (ii) the then prevailing U.S. Treasury Rate.

4) Interest on the AT1 security will be due and payable only at the sole discretion of the Bank, and it has sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date. Interest on the Notes will be payable semi-annually in arrears commencing on 7 July 2022.

**C (ii) Mandatory Convertible Notes**

On the 29 March 2023, the Bank issued a $300Mn Additional Tier 1 (AT1) capital through a mandatory convertible note to Access Holdings.

The principal terms of the additional tier 1 security are as follows:

1) The AT1 security will rank in claim behind all present and future Senior Obligation; pari passu without any preference among themselves with all present and future parity obligations and in priority to all payments in respect of all present and future Junior Obligations.

2) The AT 1 security will bear a fixed interest rate of 15% per annum and shall be payable to the Subscriber on in two equal semi-annual installments, in US Dollars net of any fees and taxes. The Issuer (Access Bank Plc) shall have full discretion at all times to vary, cancel, or postpone the Interest payments.

3) The AT 1 security is undated and convertible (i) on the date falling 8 (eight) years(29 March 2031) after the Closing Date being the Conversion Date but shall be converted at the discretion of the Issuer (Access Bank Plc), subject to the approval of the CBN, into ordinary shares of the Company. (ii) a trigger event where the tier 1 capital of the Bank (inclusive of the Notes), is below the requirements of the Central Bank of Nigeria.

4) The subscriber shall mandatorily deliver a conversion notice to the issuer(Access Bank Plc) seeking to convert the Notes but the ultimate conversion right is retained with the issuer (Access Bank Plc).

| *In millions of Naira* | **Initial call date** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|
| U.S.$500,000,000 Perpetual Fixed Rate Resettable NC 5.25 Additional Tier 1 Subordinated Notes | 2026 | 206,355 | 206,355 |
| U.S.$300,000,000 Non cumulative Fixed Rate Resettable NC 8 Mandatory convertible Preference shares | 2031 | 138,675 | - |
| Balance, end of the year | | **345,030** | **206,355** |

**D Retained Earnings**

| | **Group December 2023** | **Group December 2022** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|---|
| Retained earnings | 737,133 | 409,653 | 605,619 | 321,181 |

## E Other components of equity

| | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Other regulatory reserves (see i(a) below) | 328,960 | 158,305 | 217,119 | 136,767 |
| Share Scheme reserve | - | 3,514 | - | 2,674 |
| Treasury Shares | - | (11,228) | - | - |
| Capital Reserve | 3,489 | 3,489 | 3,489 | 3,489 |
| Fair value reserve | (20,665) | 78,959 | (15,802) | 70,053 |
| Foreign currency translation reserve | 501,795 | 33,083 | - | - |
| Regulatory risk reserve | 146,966 | 78,556 | 124,720 | 76,336 |
| | **960,546** | **344,676** | **329,526** | **289,319** |

### (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)**

| ***Group*** | **Statutory reserves** | | **SMEEIS Reserves** | | **Total** | |
|---|---|---|---|---|---|---|
| *In millions of Naira* | **December 2023** | **December 2022** | **December 2023** | **December 2022** | **December 2023** | **December 2022** |
| Opening | 157,479 | 135,902 | 827 | 827 | 158,306 | 136,728 |
| Transfers during the year | 170,656 | 21,577 | - | - | 170,656 | 21,577 |
| Closing | 328,135 | 157,479 | 827 | 827 | 328,962 | 158,306 |
| | | | | | | |
| ***Bank*** | | | | | | |
| *In millions of Naira* | | | | | | |
| Opening | 135,940 | 110,940 | 827 | 827 | 136,767 | 111,767 |
| Transfers during the year | 80,352 | 24,999 | - | - | 80,352 | 24,999 |
| Closing | 216,292 | 135,940 | 827 | 827 | 217,120 | 136,767 |

### (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. This has been reclassified in line with the transfer of the scheme to the Holding company (Please refer to Note 14 (a))

**(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 investments measured through other comprehensive income 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. An amount of ₦47.88Bn relating to the impact of IAS 29 assessment for Hyperinflationary economies has been recognized through retained earnings as relates to one of the Group's subsidiaries, Access Bank Ghana.

**F Non-controlling Interest**

This represents the Non-controlling interest's (NCI) portion of the net assets of the Group

| *In millions of Naira* | **Group December 2023** | **Group December 2022** |
|---|---|---|
| Access Bank, Gambia | 1,682 | 546 |
| Access Bank, Sierra Leone | 141 | 31 |
| Access Bank Zambia | 8,460 | 4,846 |
| Access Bank, Rwanda | 3,427 | 1,289 |
| Access Bank, Congo | 16 | 9 |
| Access Bank, Ghana | 14,329 | (1,629) |
| Access Bank, Mozambique | 13 | 6 |
| Access Bank, Kenya | 1 | 2 |
| Access Bank, South Africa | 1,318 | 523 |
| Access Bank, Botswana | 24,095 | 8,773 |
| Access Bank, Cameroon | - | - |
| Access Bank, Angola | 430 | - |
| | **53,912** | **14,398** |

This represents the NCI share of profit/(loss) for the year

| *In millions of Naira* | Group December 2023 | Group December 2022 |
|---|---|---|
| Access Bank, Gambia | 129 | 76 |
| Access Bank, Sierra Leone | 17 | 14 |
| Access Bank Zambia | 912 | 933 |
| Access Bank, Rwanda | 337 | 171 |
| Access Bank, Congo | 2 | 2 |
| Access Bank, Ghana | 2,624 | (2,145) |
| Access Bank, Mozambique | (0) | 0 |
| Access Bank, Kenya | (0) | 0 |
| Access Bank, South Africa | (131) | (130) |
| Access Bank, Botswana | 398 | 414 |
| Access Bank, Cameroon | - | - |
| Access Bank, Angola | 4 | |
| | **4,292** | **(664)** |

**Proportional Interest of NCI in subsidiaries**

| | Group December 2023 | Group December 2022 |
|---|---|---|
| **Proportional Interest of NCI in subsidiaries** | % | % |
| Access Bank, Gambia | 12.00% | 12.00% |
| Access Bank, Sierra Leone | 0.81% | 0.81% |
| Access Bank Zambia | 19.02% | 19.02% |
| Access Bank, Rwanda | 8.78% | 8.78% |
| Access Bank Congo | 0.02% | 0.02% |
| Access Bank, Ghana | 6.60% | 6.60% |
| Access Bank, Mozambique | 0.02% | 0.02% |
| Access Bank, Kenya | 0.02% | 0.02% |
| Access Bank, South Africa | 2.11% | 4.80% |
| Access Bank, Botswana | 21.85% | 21.85% |
| Access Bank, Cameroon | 0% | 0% |
| Access Bank, Angola | 0.80% | 0% |

## G Dividends

| *In Millions of Naira* | Bank December 2023 | Bank December 2022 |
|---|---|---|
| Interim dividend paid (June 2023: 40k, June 2022: 0.27k) | 14,218 | 9,597 |
| Final dividend paid ( Dec 2022: ₦1.33k, Dec 2021: 0.70k) | 47,275 | 24,882 |
| | **61,493** | **34,479** |
| Final dividend proposed (Dec 2023: ₦2.22k) | 78,910 | - |
| Number of shares | 35,545 | 35,545 |

The Directors proposed a final dividend of ₦2.22k for the year ended 31 December 2023

## 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. ₦3.84 billion provision has been made as at 31 Dec 2023.

The bank's litigation portfolio as at 31 December consisted of 2,130 cases and the aggregate value of monetary claims against the Bank is ₦12.5 trillion while the total amount claimed by the bank is ₦62.2 billion.

The claims against the bank are generally considered to have a low likelihood of success and the bank is actively defending same. Management believes that the ultimate resolution of any of the proceedings will not have a significantly adverse effect on the bank.

### 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:**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| **Contingent liabilities:** | | | | |
| Transaction related bonds and guarantees | 744,454 | 693,915 | 735,514 | 618,742 |
| **Commitments:** | | | | |
| Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments | 1,645,678 | 842,563 | 1,060,454 | 606,878 |
| Swap and forward contracts | - | - | - | - |
| | **2,390,132** | **1,536,478** | **1,795,968** | **1,225,620** |

The Bank granted clean line facilities for letters of credit during the period to guarantee the performance of customers to third parties. Contractual capital commitments undertaken by the Bank during the year amounted to ₦18.32 Bn (31 Dec 2022: ₦1.5Bn)

## 40 Reconciliation to the Cash and Cash Equivalents

### (a) Cash and cash equivalents include the following for the purposes of the statement of cash flows:

| In millions of Naira | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Cash on hand and balances with banks | 1,907,562 | 1,016,519 | 1,497,866 | 731,135 |
| Unrestricted balances with central banks | 719,501 | 186,533 | 415,846 | 89,148 |
| Money market placements | 220,223 | 152,681 | 309,540 | 24,668 |
| Investment under management | - | - | - | - |
| Treasury bills with original maturity of less than 90days | 541,171 | 539,198 | 541,171 | 539,198 |
| | **3,388,457** | **1,894,931** | **2,764,423** | **1,384,149** |

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

| In millions of Naira | Debt securities issued | | Interest bearing borrowings | |
|---|---|---|---|---|
| | Group December 2023 | Bank December 2023 | Group December 2023 | Bank December 2023 |
| Net debt | 307,253 | 303,297 | 1,385,587 | 1,286,871 |
| Proceeds from interest bearing borrowings | - | - | 310,975 | 152,003 |
| Repayment of interest bearing borrowings | - | - | (763,774) | (723,837) |
| Total changes from financing cash flows | 307,253 | 303,297 | 932,788 | 715,037 |
| The effect of changes in foreign exchange rates | 275,167 | 271,888 | 668,128 | 671,398 |
| **Other changes** | | | | |
| Interest expense | 30,364 | 29,779 | 79,300 | 72,316 |
| Interest paid | (27,760) | (27,586) | (77,992) | (74,277) |
| Balance | **585,024** | **577,378** | **1,602,224** | **1,384,474** |

| In millions of Naira | Debt securities issued | | Interest bearing borrowings | |
|---|---|---|---|---|
| | Group December 2022 | Bank December 2022 | Group December 2022 | Bank December 2022 |
| Net debt | 264,495 | 260,644 | 1,171,260 | 1,072,436 |
| Proceeds from interest bearing borrowings | - | - | 678,377 | 612,579 |
| Repayment of interest bearing borrowings | - | - | (509,479) | (446,598) |
| Debt securities issued | 21,887 | 21,887 | - | - |
| Total changes from financing cash flows | 286,382 | 282,531 | 1,340,158 | 1,238,417 |
| The effect of changes in foreign exchange rates | 18,852 | 18,976 | 41,693 | 44,095 |
| **Other changes** | | | | |
| Interest expense | 22,816 | 22,393 | 51,900 | 47,220 |
| Interest paid | (20,797) | (20,603) | (48,164) | (42,861) |
| Balance | **307,253** | **303,297** | **1,385,587** | **1,286,871** |

**(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 | | Date |
|---|---|---|---|
| (I) | Central Bank of Nigeria | Sum of ₦2m penalty for the delayed payment to customer as directed by the CBN | 30 Mar 2023 |
| (II) | Central Bank of Nigeria | Sum of ₦10m in respect of Employment of Prospective Employees without CBN approval. | 20 Mar 2023 |
| (III) | Central Bank of Nigeria | Sum of ₦5m IRO anti money laundering, combating the financing of terrorism & countering proliferation financing (aml/cft/cpf) risk-based examination for the period May 1, 2021 to April 30, 2022 | 29 Nov 2023 |
| (IV) | Central Bank of Nigeria | Sum of ₦15m IRO of penalties for late rendition of Monthly, Quarterly and Semi-Annual returns for June 2023 | 15 Dec 2023 |
| (IV) | Central Bank of Nigeria | Sum of ₦6m IRO risk based examination as at June 30, 2022 | 18 Dec 2023 |

## 42 Events after reporting date

Subsequent to the end of the financial year, the following events occurred:

On 29th January 2024, the Board of Directors proposed final dividend of ₦2.22k each payable to shareholders on register of shareholding at the closure date.

On the 17th of January 2024, Access Bank entered into a definitive agreement with Finance Trust Bank Uganda to acquire 80.88% shareholding in the Ugandan entity.

On the 5th of Jan 2024, Access Bank Zambia, a subsidiary of Access Bank Plc, completed the acquisition of African Banking Corporation Zambia Limited, trading as Atlas Mara Zambia. Atlas Mara Zambia is now a wholly owned subsidiary of Access Zambia.

On the 20th March 2024, Access Bank Plc entered into a binding agreement with Kenyan-based KCB Group Plc ("KCB") for the acquisition of the entire issued share capital of National Bank of Kenya Limited ("NBK") from KCB. KCB is also the holding company of KCB Bank Ltd, Kenya's largest commercial bank

Other than the above mentioned, there were no other events after reporting date requiring adjustment of, or disclosure in, these consolidated and separate financial statements.

## 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 Holdings 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 2023**<br>*In millions of Naira* | **Directors and other key management personnel (and close family members)** | **Subsidiaries** | **Associate** | **Total** |
|---|---|---|---|---|
| Balance, beginning of year | 1,352 | 256,049 | 403 | **257,804** |
| Net movement during the year | (253) | 651,566 | (55) | **651,258** |
| Balance, end of year | 1,099 | 907,614 | 348 | **909,061** |
| Interest income earned | 66 | 42 | 29 | **137** |
| ECL due from related parties expense | - | - | - | **-** |

The loans issued to directors and other key management personnel (and close family members) as at 31 December 2023 is ₦1.1 billion 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 4 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 USD873M granted during the year. It is a non-collateralised placement advanced at an average interest rate of 4.76% and an average tenor of 9 months. This loan has been eliminated on consolidation and does not form part of the reported Group loans and advances balance.

The loan granted to associate as at 31 December 2023 is ₦348m at an average interest rate of 9% and an average tenor of 4years.

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**

| **31 December 2023** *In millions of Naira* | **Directors (and close family members and related entities)** | **Subsidiaries** | **Associate** | **Total** |
|---|---|---|---|---|
| Balance, beginning of year | 4,583 | 219,043 | 3,402 | **227,028** |
| Net movement during the year | (1,389) | 284,987 | 6,655 | **290,252** |
| Balance, end of year | 3,194 | 504,030 | 10,057 | **517,281** |
| Interest expenses on deposits | 69 | 20,636 | 61 | **20,766** |

The deposits are majorly term deposit with an average interest rate and tenor of approximately 6.4% and 8.7 months for directors, 9% and 13months for Associate and 8% and 3 months for subsidiaries.

**(c ) Borrowings from related parties**

| *In millions of Naira* | **Subsidiaries** | **Associate** | **Total** |
|---|---|---|---|
| Borrowings at 1 January 2023 | - | - | **-** |
| Net movement during the year | - | - | **-** |
| Borrowings at 31 December 2023 | - | - | **-** |
| Interest expenses on borrowings | - | - | **-** |

**(d) Other balances and transactions with related parties**

| *In millions of Naira* | **Directors (and close family members and related entities)** | **Subsidiaries** | **Associate** | **Holding Com-pany** | **Total** |
|---|---|---|---|---|---|
| Cash and cash equivalent | - | 256,955 | - | - | **256,955** |
| Receivables | - | 2,736 | - | 81,425 | **84,161** |
| Other Liabilities | - | 4,632 | - | - | **4,632** |
| Other operating income | - | - | | | **-** |
| Off balance sheet exposures | - | 199,070 | - | - | **199,070** |

**(e) Key management personnel compensation for the year comprises:**

| *In millions of Naira* | **December 2023** | **December 2022** |
|---|---|---|
| Directors' remuneration | | |
| Non-executive Directors | | |
| Fees | 53 | 63 |
| Other emoluments: | | |
| Allowances | 654 | 740 |
| | **707** | **803** |
| | **December 2023** | **December 2022** |
| Executive directors | | |
| Short term employee's benefit | 315 | 283 |
| Defined contribution plan | 48 | 55 |
| Share based payment | 295 | 242 |
| Retirement benefits paid | 120 | 8 |
| | **778** | **588** |

**(f) Directors remuneration:**

Remuneration paid to directors of the Bank (excluding pension contributions and other benefits) was as follows:

| *In millions of Naira* | December 2023 | December 2022 |
|---|---|---|
| Fees as Directors | 53 | 63 |
| Other emoluments | 471 | 535 |
| Wages and salaries | 315 | 283 |
| Allowances | 183 | 205 |

The Directors remuneration shown above includes:

| | December 2023 | December 2022 |
|---|---|---|
| Chairman | 81 | 71 |
| Highest paid director | 90 | 86 |

The emoluments of all other directors fell within the following ranges:

| | December 2023 | December 2022 |
|---|---|---|
| ₦13,000,001-₦20,000,000 | - | - |
| ₦20,000,001-₦37,000,000 | 5 | 7 |
| Above ₦37,000,000 | 11 | 10 |
| | 16 | 17 |

## 44 Business Combination

**(g) Business Combination with Finibanco Angola**

Access Bank Plc recently acquired Finibanco Bank in Angola on the 30th of June 2023 as agreed between both parties. The bank however obtained control of the entity on 5th September 2023 by virtue of its ability to meet the control requirement of ownership of up to 66% as stipulated in the agreement. The acquisition involved the Bank acquiring 99.2% of the issued share capital of Finibanco in exchange for cash of ₦31,546,835,859 (Thirty one billion, five hundred and forty six million, eight hundred and thirty five thousand, eight hundred and fifty nine naira) used to pay off the shareholders of former Finibanco.

The goodwill has been computed by comparing the fair value of the net asset of former Finibanco to the cash consideration paid for the acquisition. The goodwill computation is provisional at the time of this report.

| *In millions of Naira* | Bank September 2023 |
|---|---|
| Considerations: | |
| Cash payment | 31,547 |
| Consideration deferred | - |
| **Total Consideration** | **31,547** |
| | |
| Net assets/ (liabilities) acquired from business combination (see note 44 (j) below) | 28,599 |
| Fair value adjustment | - |
| Adjusted Net assets/(liabilities) acquired from business combination (see note 44 (j) below) | 28,599 |
| | |
| **Goodwill** | **2,948** |

The fair value of the net assets/(liabilities) acquired include:

| | Bank September 2023 |
|---|---|
| **(h) Assets** | |
| Cash and balances with banks | 70,667 |
| Non pledged trading assets | - |
| Derivative financial assets | - |
| Pledged assets | - |
| Loans to banks | - |
| Loans and advances to customers | 19,422 |
| Investment securities | 26,925 |
| Investment properties | - |
| Other assets | 1,592 |
| Investment in subsidiaries | - |
| Investment in associates | - |
| Property and equipment | 2,758 |
| Intangible assets | 18,788 |
| Current tax assets | 69 |
| Deferred tax assets | 1,889 |
| | **142,110** |
| Asset classified as held for sale and discontinued operations | - |
| **Total assets** | **142,110** |
| | |
| **Liabilities** | |
| Deposits from financial institutions | - |
| Deposits from customers | 110,815 |
| Derivative Liabilities | - |
| Current tax liabilities | - |
| Other liabilities | 2,317 |
| Deferred tax liabilities | 147 |
| Debt securities issued | - |
| Interest-bearing borrowings | - |
| | **113,279** |
| Liabilities classified as held for sale and discontinued operations | - |
| **Total liabilities** | **113,279** |
| | |
| Net assets/ (liabilities) | **28,830** |
| | |
| Non controlling interest | 231 |
| | |
| **Owners of the Bank equity** | **28,599** |

## 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 period of more than 12months."

The Bank's principal exposure to all its directors as at 31 December 2023 is ₦851Mn. 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 the schedule showing te details of the Bank's director-related lending

**December 2023**

| S/N | Name of borrower | Relationship to reporting institution | Name of related Directors | Facility type | Out-standing Principal N'millions | Status | Nature of security |
|---|---|---|---|---|---|---|---|
| 1 | Paul Usoro & Company | Non-executive director | Mr Paul Usoro | Overdraft | *170* | Performing | Cash collateral |
| 2 | Paul and Mfon Usoro | Non-executive director | Mr Paul Usoro | Credit Card | 2 | Performing | Cash collateral |
| 3 | Okey Nwuke | Non-executive director | Mr Okey Nwuke | Overdraft | 5 | Performing | Cash collateral |
| 4 | Okey Nwuke | Non-executive director | Mr Okey Nwuke | Credit Card | 12 | Performing | Cash collateral |
| 5 | Ajoritsedere Josephine Awosika | Non-executive director | Ajoritsedere Awosika | Credit Card | 21 | Performing | Cash collateral |
| 6 | Herbert Wigwe | Non-executive director | Herbert Wigwe | Mortgage | 253 | Performing | Legal Mortgage |
| 7 | Herbert Wigwe | Non-executive director | Herbert Wigwe | Credit Card | 370 | Performing | Cash Collateral |
| 8 | Herbert Wigwe | Non-executive director | Herbert Wigwe | Credit Card | 19 | Performing | Cash Collateral |
| 9 | Herbert Wigwe | Non-executive director | Herbert Wigwe | Overdraft | - | Performing | Cash Collateral |
| | **Balance, end of year** | | | | **851** | | |

**December 2022**

| S/N | Name of borrower | Relationship to reporting institution | Name of related Directors | Facility type | Out-standing Principal N'millions | Status | Nature of security |
|---|---|---|---|---|---|---|---|
| 1 | Paul Usoro & Company | Non-executive director | Mr Paul Usoro | Overdraft | *131* | Performing | Cash collateral |
| 2 | Paul and Mfon Usoro | Non-executive director | Mr Paul Usoro | Credit Card | 8 | Performing | Cash collateral |
| 3 | Okey Nwuke | Non-executive director | Mr Okey Nwuke | Overdraft | - | Performing | Cash collateral |
| 4 | Okey Nwuke | Non-executive director | Mr Okey Nwuke | Credit Card | 5 | Performing | Cash collateral |
| 5 | Ajoritsedere Josephine Awosika | Non-executive director | Ajoritsedere Awosika | Credit Card | 6 | Performing | Cash collateral |
| 6 | Herbert Wigwe | Non-executive director | Herbert Wigwe | Mortgage | 300 | Performing | Legal Mortgage |
| 7 | Herbert Wigwe | Non-executive director | Herbert Wigwe | Credit Card | 162 | Performing | Cash Collateral |
| 8 | Herbert Wigwe | Non-executive director | Herbert Wigwe | Credit Card | - | Performing | Cash Collateral |
| | **Balance, end of year** | | | | **612** | | |

## 46(b) Discontinued operations

Statement of comprehensive income of discontinued operations

| *In millions of Naira* | **Access Bank PFC June 2022** |
|---|---|
| Interest income calculated using effective interest rate | 127 |
| Interest income on financial assets at FVTPL | - |
| Interest expense | - |
| | |
| Net interest income | 127 |
| Net impairment write back on financial assets | 5 |
| Net interest income after impairment charges | 132 |
| | |
| Fee and commission income | 288 |
| Fee and commission expense | - |
| Net fee and commission income | 288 |
| | |
| Other operating income | (847) |
| Personnel expenses | (116) |
| Depreciation | (22) |
| Amortisation and impairment | (17) |
| Other operating expenses | (119) |
| | |
| **(Loss) before tax** | (701) |
| Income tax | - |
| | |
| **(Loss) for the year** | **(701)** |

The Bank also disposed of its holdings in Access Pension funds custodian limited by selling of its entire stakes in the entity. The CBN approved of this disposal on the 7th July, 2022. The aggregate book values of the net assets for the entity whose operations is proposed for discontinuance are as follows:

**Statement of financial position for Discontinued operations**

| **As at 30 June 2022**<br>*In millions of Naira* | **Access Bank PFC June 2022** |
|---|---|
| **Assets** | |
| Cash and balances with banks | 3,803 |
| Restricted deposit and other assets | 102 |
| Property and equipment | - |
| Intangible assets | - |
| | 3,905 |
| Asset classified as held for sale | |
| | 190 |
| **Total assets** | **4,095** |
| **Liabilities** | |
| Deposits from financial institutions | - |
| Deposits from customers | - |
| Derivative financial liabilities | - |
| Current tax liabilities | - |
| Other liabilities | 1,669 |
| Deferred tax liabilities | 29 |
| Retirement benefit obligation | - |
| **Total liabilities** | **1,698** |
| **Net Asset of discontinued Group** | 2,397 |

During the year, the Access pension business was sold and the net asset of the business disposed from the books. Please see below the computation showing the disposal of the net asset

| In millions of Naira | |
|---|---|
| Consideration paid: | |
| Cash received | 2,000 |
| Net Asset of disposed subsidiaries | (2,397) |
| **(Loss)/Gain of disposed subsidiaries** | **(397)** |

## 47 Non-Audit Services

During the year, the Bank's auditor, KPMG, were paid for the following services

**(i) Non-audit services required by regulators**

| | Service | Description | Amount ₦'000 |
|---|---|---|---|
| 1 | Internal Control Over Financial Reporting (ICFR) | KPMG was engaged to review the Bank's internal control over it financial reporting activities. | 100,000 |

**(ii) Other non-audit services**

| | Service | Description | Amount ₦'000 |
|---|---|---|---|
| 1 | Crisis Management Training & Exercising | KPMG was engaged to provide a crisis management training and exercise to the bank. | 22,763 |
| 2 | Security Operations Centre Market study | KPMG was engaged to perform a SOC strategy study of leading global financial services institutions. | 1,927 |
| 3 | Project Management Support | KPMG was engaged to provide Project management support services for the bank's Treasury management solution implementation. | 42,687 |
| 4 | Quality Assurance | KPMG was engaged to provide Project management support services for the bank's ICFR implementation. | 1,703 |
| 5 | Due Dilligence | KPMG was engaged to perform due dilligence services for the bank's proposed acquisitions. | 2,817 |
| 6 | CRS Compliance Services | KPMG was engaged to provide Common Reporting Standard (CRS) Compliance Services. | 7,000 |
| 7 | AML/CFT/CPF training | KPMG was engaged to provide a AML/CFT/CPF training for Senior Management and Board Members. | 2,500 |
| 8 | Quality Assurance review | KPMG was engaged to provide a Quality Assurance Review on the bank's Treasury management solution implementation. | 89,000 |

In the Bank's opinion, the provision of these services to the bank did not impair the independence and objectivity of the external auditor

## 48 Statement of Cashflow Workings

### (I) Non-Pledged Trading assets

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance 1 Jan 2023 | 102,690 | 892,508 | 77,624 | 803,806 |
| Fair value gains/(loss) on FVPL financial instruments (Equity) | 559 | 1,523 | 518 | 1,412 |
| Gain or loss on disposal of investments | (39,169) | (74,374) | (40,163) | (74,843) |
| Interest income | 90,067 | 57,506 | 44,297 | 39,418 |
| Interest received | (92,041) | (60,006) | (44,599) | (37,440) |
| Foreign exchange difference | - | - | - | - |
| Closing balance | (209,208) | (102,690) | (157,798) | (77,624) |
| **Recognized in cashflow** | **(147,102)** | **714,467** | **(120,121)** | **654,729** |

### (II) Pledged assets

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance 1 Jan 2023 | 726,081 | 97,712 | 726,081 | 97,712 |
| Additional provision for impairment | 1,383 | (2,468) | 1,383 | (2,468) |
| Closing balance | (670,470) | (726,080) | (670,470) | (726,080) |
| **Recognized in cashflow** | **56,993** | **(630,836)** | **56,995** | **(630,836)** |

### (III) Changes in other restricted deposits with central banks

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance 1 Jan 2023 | 605,366 | 233,885 | 600,707 | 230,690 |
| Change in ECL allowance | (474) | - | (398) | - |
| Closing balance | (128,199) | (606,087) | (122,520) | (601,270) |
| **Recognized in cashflow** | **476,693** | **(372,202)** | **477,789** | **(370,580)** |

### (IV) Loans and advances to banks and customers

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance 1 Jan 2023 | 5,556,517 | 4,445,912 | 4,406,961 | 3,578,332 |
| Acquired Balances | 19,422 | - | - | |
| Change in ECL allowance | (83,881) | (73,412) | (75,560) | (56,723) |
| Additions to Assets Held for Sale | (35,335) | (7,876) | (35,335) | (7,876) |
| Gain on modification of loans | 3,569 | - | 3,569 | - |
| Interest income | 826,772 | 481,386 | 535,663 | 364,031 |
| Interest received | (1,127,415) | (421,225) | (565,546) | (310,052) |
| Closing balance | (8,918,257) | (5,556,517) | (6,028,699) | (4,406,961) |
| **Recognized in cashflow** | **(3,758,609)** | **(1,131,732)** | **(1,758,947)** | **(839,249)** |

**(V) Restricted deposits and other assets**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance 1 Jan 2023 | 2,487,696 | 1,707,290 | 2,346,052 | 1,601,379 |
| Acquired Balances | 3,210 | - | - | - |
| Change in ECL allowance | (19,789) | (8,143) | (20,072) | (8,124) |
| Outflow/Inflow to the CBN | (503,554) | 49,937 | (495,448) | 36,410 |
| Reclassification from Other assets | 170,104 | (85) | (174) | 74,758 |
| Foreign exchange difference | (545,822) | 240,953 | 361,383 | 204,240 |
| Closing balance | (5,076,416) | (2,487,696) | (4,693,995) | (2,346,052) |
| **Recognized in cashflow** | **(3,484,570)** | **(497,744)** | **(2,502,254)** | **(437,389)** |

**(VI) Deposits from banks**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance 1 Jan 2023 | (2,005,317) | (1,696,521) | (1,637,318) | (1,422,707) |
| Interest expense | 320,758 | 118,531 | 327,153 | 111,820 |
| Interest paid | (255,795) | (102,011) | (281,529) | (97,483) |
| Foreign exchange difference | (129,927) | (86,893) | (91,248) | (82,527) |
| Closing balance | 4,387,020 | 2,005,317 | 3,907,192 | 1,637,318 |
| **Recognized in cashflow** | **2,316,739** | **238,423** | **2,224,250** | **146,421** |

**(VII) Deposits from customers**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance 1 Jan 2023 | (9,251,238) | (6,954,827) | (7,530,063) | (5,517,069) |
| Acquired Balances | 110,815 | - | - | - |
| Interest expense | 505,591 | 273,059 | 379,288 | 221,793 |
| Interest paid | (464,785) | (255,947) | (373,994) | (206,824) |
| Foreign exchange difference | (303,240) | (34,224) | (10,587) | (29,936) |
| Closing balance | 15,322,752 | 9,251,238 | 11,239,847 | 7,530,063 |
| **Recognized in cashflow** | **5,919,895** | **2,279,299** | **3,704,491** | **1,998,027** |

**(VIII) Other Liabilities**

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Opening balance 1 Jan 2023 | (753,875) | (560,709) | (667,195) | (495,161) |
| Acquired Balances | 2,548 | - | - | - |
| Lease payments | (100) | (4,899) | (874) | (681) |
| Additional provision for impairment | (6,827) | 4,949 | (6,803) | 9,089 |
| Interest expense on lease liability | 1,477 | 1,424 | 1,054 | 973 |
| Foreign exchange difference | 5,803 | 237,939 | 10,324 | 185,478 |
| Closing balance | 1,695,403 | 753,875 | 1,503,893 | 667,195 |
| **Recognized in cashflow** | **944,429** | **432,579** | **840,399** | **366,893** |

### (IX) Interest paid

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Deposit from Banks | (255,795) | (102,011) | (281,529) | (97,483) |
| Deposit from Customers | (464,785) | (255,947) | (373,994) | (206,824) |
| Interest bearing borrowings | (89,322) | (48,164) | (83,449) | (42,861) |
| Debt securities | (24,896) | (20,797) | (24,632) | (20,603) |
| **Recognized in cashflow** | **(834,798)** | **(426,919)** | **(763,604)** | **(367,771)** |

### (X) Interest received

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Loans from Banks and customers | 1,127,415 | 421,225 | 565,546 | 310,052 |
| Non-Pledged trading assets | 92,041 | 60,006 | 44,599 | 37,440 |
| Investment securities | 757,292 | 267,180 | 577,254 | 208,814 |
| Placement | 5,761 | 11,374 | 32,989 | 5,535 |
| **Recognized in cashflow** | **1,982,509** | **759,785** | **1,220,388** | **561,841** |

### (XI) Additions from investing activities

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Acquisition of investment securities | (3,673,857) | (1,981,681) | (3,520,411) | (1,828,663) |
| Additional investment in fund manager/Transfer from asset managers | (3,681) | 3,003 | (3,681) | 3,003 |
| Acquisition of property and equipment | (149,644) | (75,764) | (61,837) | (54,770) |
| Acquisition of intangible assets | (47,087) | (17,913) | (24,049) | (10,747) |
| Additional investment in subsidiaries | - | | (117,356) | - |
| **Recognized in cashflow** | **(3,874,269)** | **(2,072,355)** | **(3,727,335)** | **(1,891,176)** |

### (XII) Additions from Financing activities

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Lease payments | (7,378) | (32,138) | (138) | (23,314) |
| Purchase of own shares | (291) | (4,700) | (291) | (4,700) |
| **Recognized in cashflow** | **(7,669)** | **(36,838)** | **(429)** | **(28,014)** |

### (XIII) Proceeds from investing activities

| *In millions of Naira* | Group December 2023 | Group December 2022 | Bank December 2023 | Bank December 2022 |
|---|---|---|---|---|
| Dividend received | 5,223 | 3,672 | 23,387 | 9,164 |
| Proceeds from the sale of property and equipment | 29,475 | 16,747 | 450 | 3,313 |
| Proceeds from disposal of asset held for sale | 1,957 | 8,384 | 1,957 | 8,384 |

| | | | | |
|---|---|---|---|---|
| Proceeds from matured investment securities | 2,199,706 | 1,189,922 | 2,169,007 | 1,189,922 |
| Net cash acquired on business combination | 39,121 | - | - | - |
| Disposal of subsidiaries | - | 2,000 | - | 2,000 |
| **Recognized in cashflow** | **2,275,482** | **1,220,725** | **2,194,801** | **1,212,783** |

### (XIV) Proceeds from financing activities

| *In millions of Naira* | **Group December 2023** | **Group December 2022** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|---|
| Proceeds from Additional Tier 1 capital issued | 138,675 | - | 138,675 | - |
| **Recognized in cashflow** | **138,675** | **-** | **138,675** | **-** |

### (XV) Dividend paid

| *In millions of Naira* | **Group December 2023** | **Group December 2022** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|---|
| Dividends paid to owners | (61,493) | (35,810) | (61,493) | (34,479) |
| Payments on Additional Tier 1 capital | (57,884) | (14,441) | (57,884) | (14,441) |
| **Recognized in cashflow** | **(119,377)** | **(50,251)** | **(119,377)** | **(48,920)** |

### (XVI) Investment securities

| *In millions of Naira* | **Group December 2023** | **Group December 2022** | **Bank December 2023** | **Bank December 2022** |
|---|---|---|---|---|
| Opening balance 1 Jan 2023 | 2,761,070 | 2,270,338 | 1,946,560 | 1,553,458 |
| Acquired Balances | 26,925 | - | - | - |
| Changes in allowance on FVOCI debt financial instruments | 16,694 | 21,283 | 973 | |
| Impairment allowance on AMC debts | (43,600) | (108,218) | (35,461) | (41,772) |
| Additions to Investment securities | 16,470,252 | 17,444,529 | 16,112,417 | 17,321,747 |
| Disposal of Investment securities | (12,796,396) | (15,462,847) | (12,827,095) | (15,493,547) |
| Proceeds from Matured and redeemed FVOCI and AMC Investments | (2,199,706) | (1,189,922) | (2,169,007) | (1,189,922) |
| Fair value gains/(loss) on FVOCI financial instruments | (93,440) | 61,903 | (86,828) | 80,112 |
| Gain or loss on disposal of investments | 132,844 | 185,754 | 132,346 | 185,058 |
| Interest income | 727,936 | 276,319 | 627,258 | 220,042 |
| Interest received | (757,292) | (267,180) | (577,254) | (208,814) |
| Reclassification from investment securities | 8,975 | (427) | 8,975 | - |
| Foreign exchange difference | 895,278 | (472,566) | (213,811) | (482,371) |
| Purchase of equity securities | - | - | 235,089 | 464 |
| Fair value gains/(loss) on FVPL financial instruments (Equity) | 192,616 | 2,105 | 192,616 | 2,105 |
| Closing balance | (5,342,156) | (2,761,068) | (3,346,780) | (1,946,559) |
| **Recognized in cashflow** | **-** | **-** | **-** | **-** |

# OTHER NATIONAL DISCLOSURES

## Value Added Statement

| In millions of Naira | Group December 2023 | % | Group December 2022 | % |
|---|---|---|---|---|
| Gross earnings | 2,589,874 | | 1,382,773 | |
| Interest expense | | | | |
| Foreign | (58,493) | | (80,536) | |
| Local | (769,333) | | (312,477) | |
| | 1,762,048 | | 989,760 | |
| Net impairment loss on financial assets | (119,746) | | (189,647) | |
| Net impairment loss on non financial assets | (19,789) | | (8,143) | |
| Bought-in-materials and services | | | | |
| Foreign | (137,126) | | (39,863) | |
| Local | (401,632) | | (348,804) | |
| **Value added** | **1,083,755** | | **403,303** | |

### Distribution of Value Added

### To Employees:

| *In millions of Naira* | Group December 2023 | % | Group December 2022 | % |
|---|---|---|---|---|
| Employees costs | 160,830 | 15% | 114,763 | 28% |
| **To government** | | | | |
| Government as taxes | 105,624 | 10% | 14,529 | 4% |
| **To providers of finance** | | | | |
| Interest on borrowings | 109,664 | 10% | 74,716 | 19% |
| Dividend to shareholders | 61,493 | 6% | 35,810 | 9% |
| **Retained in business:** | | | | |
| For replacement of property and equipment and intangible assets | 62,175 | 6% | 44,123 | 11% |
| For replacement of equipment on lease | - | 0% | - | 0% |
| Retained profit (including Statutory and regulatory risk reserves) | 583,969 | 54% | 119,362 | 30% |
| | **1,083,755** | **100%** | **403,303** | **100%** |

## OTHER NATIONAL DISCLOSURES

### Value Added Statement

| In millions of Naira | Bank December 2023 | % | Bank December 2022 | % |
|---|---|---|---|---|
| Gross earnings | 2,048,912 | | 1,125,012 | |
| Interest expense | | | | |
| Foreign | (68,131) | | (63,178) | |
| Local | (639,364) | | (271,407) | |
| | 1,341,417 | | 790,426 | |
| Net impairment loss on financial assets | (103,231) | | (110,557) | |
| Net impairment loss on non financial assets | (20,072) | | (8,124) | |
| Bought-in-materials and services | | | | |
| Foreign | (91,813) | | (26,766) | |
| Local | (338,426) | | (308,100) | |
| **Value added** | **787,875** | | **336,880** | |

### Distribution of Value Added

### To Employees:

| *In millions of Naira* | Bank December 2023 | % | Bank December 2022 | % |
|---|---|---|---|---|
| Employees costs | 76,971 | 10% | 71,083 | 21% |
| **To government** | | | | |
| Government as taxes | 33,460 | 4% | (3,951) | -1% |
| **To providers of finance** | | | | |
| Interest on borrowings | 102,095 | 13% | 69,613 | 21% |
| Dividend to shareholders | 61,493 | 8% | 34,479 | 10% |
| **Retained in business:** | | | | |
| For replacement of property and equipment and intangible assets | 39,671 | 5% | 33,476 | 10% |
| For replacement of equipment on lease | - | 0% | - | 0% |
| Retained profit (including Statutory and regulatory risk reserves) | 474,185 | 60% | 132,180 | 39% |
| | **787,875** | **100%** | **336,880** | **100%** |

**Other financial Information**
**Five-year Financial Summary**

| Group | December 2023 N'millions | December 2022 N'millions | December 2021 N'millions | December 2020 N'millions | December 2019 N'millions |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and balances with banks | 2,975,484 | 1,961,100 | 1,487,665 | 723,873 | 723,064 |
| Investment under management | 7,423 | 3,742 | 34,942 | 30,451 | 28,292 |
| Non pledged trading assets | 209,208 | 102,690 | 892,508 | 207,952 | 129,819 |
| Pledged assets | 1,211,641 | 1,265,278 | 344,537 | 228,546 | 605,556 |
| Derivative financial instruments | 2,050,432 | 402,497 | 171,332 | 251,113 | 143,521 |
| Loans and advances to banks | 880,534 | 455,710 | 284,548 | 392,821 | 152,825 |
| Loans and advances to customers | 8,037,723 | 5,100,807 | 4,161,364 | 3,218,107 | 2,911,580 |
| Current tax assets | - | - | - | - | - |
| Investment securities | 5,342,156 | 2,761,068 | 2,270,338 | 1,749,549 | 1,084,604 |
| Investment properties | 437 | 217 | 217 | 217 | 927 |
| Other assets | 5,076,416 | 2,487,696 | 1,707,290 | 1,548,891 | 1,055,510 |
| Investment in associates | 8,424 | 7,510 | 2,641 | - | - |
| Investment in subsidiaries | - | - | - | - | - |
| Property and equipment | 418,181 | 293,152 | 247,734 | 226,479 | 211,214 |
| Intangible assets | 128,148 | 73,782 | 70,332 | 69,190 | 62,480 |
| Deferred tax assets | 35,417 | 15,023 | 13,781 | 4,240 | 8,808 |
| Assets classified as held for sale | 75,418 | 42,039 | 42,737 | 28,318 | 24,958 |
| **Total assets** | **26,457,042** | **14,972,311** | **11,731,965** | **8,679,748** | **7,143,157** |
| **Liabilities** | | | | | |
| Deposits from financial institutions | 4,387,020 | 2,005,316 | 1,696,521 | 958,397 | 1,186,356 |
| Deposits from customers | 15,322,752 | 9,251,238 | 6,954,827 | 5,587,418 | 4,255,837 |
| Derivative financial instruments | 475,997 | 32,737 | 13,953 | 20,881 | 6,886 |
| Current tax liabilities | 20,450 | 4,501 | 4,643 | 2,160 | 3,531 |
| Other liabilities | 1,695,403 | 753,875 | 560,709 | 379,417 | 324,334 |
| Deferred tax liabilities | 11,160 | 1,796 | 11,652 | 14,877 | 11,273 |
| Debt securities issued | 585,024 | 307,253 | 264,495 | 169,160 | 157,988 |
| Interest-bearing borrowings | 1,602,226 | 1,385,424 | 1,171,260 | 791,455 | 586,603 |
| Retirement benefit obligations | 8,577 | 3,277 | 3,877 | 4,941 | 3,609 |
| **Total liabilities** | **24,108,609** | **13,745,420** | **10,681,936** | **7,928,706** | **6,536,417** |
| **Equity** | | | | | |
| Share capital and share premium | 251,811 | 251,811 | 251,811 | 251,811 | 251,811 |
| Additional Tier 1 Capital | 345,030 | 206,355 | 206,355 | - | - |
| Retained earnings | 737,133 | 409,653 | 397,273 | 252,397 | 221,666 |
| Other components of equity | 960,548 | 344,677 | 171,113 | 239,494 | 124,734 |
| Non controlling interest | 53,911 | 14,395 | 23,477 | 7,339 | 8,529 |
| **Total equity** | **2,348,432** | **1,226,891** | **1,050,029** | **751,041** | **606,740** |
| **Total liabilities and Equity** | **26,457,042** | **14,972,311** | **11,731,965** | **8,679,748** | **7,143,157** |
| **Gross earnings** | **2,589,874** | **1,382,773** | **971,885** | **764,717** | **666,754** |
| **Profit before income tax** | **751,086** | **170,394** | **176,701** | **125,922** | **111,926** |

| | | | | | |
|---|---|---|---|---|---|
| **Profit from continuing operations** | **645,462** | **155,865** | **160,216** | **106,010** | **94,057** |
| **Profit for the year** | **645,462** | **155,165** | **160,216** | **106,010** | **94,057** |
| **Non controlling interest** | **4,290** | **(665)** | **1,888** | **1,327** | **1,008** |
| **Profit attributable to equity holders** | **641,172** | **155,830** | **158,328** | **104,683** | **93,049** |
| **Dividend declared** | 2.10k | 1.30k | 100k | 80k | 65k |
| **Earning per share - Basic** | 1804k | 452k | 459k | 300k | 173k |
| **- Adjusted** | 1804k | 436k | 445k | 294k | 169k |
| **Number of ordinary shares of 50k** | 35,545,225,622 | 35,545,225,622 | 35,545,225,622 | 35,545,225,622 | 35,545,225,622 |

**Other financial Information**
**Five-year Financial Summary**

| Bank | December 2023 N'millions | December 2022 N'millions | December 2021 N'millions | December 2020 N'millions | December 2019 N'millions |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and balances with banks | 2,345,773 | 1,445,659 | 1,068,976 | 589,812 | 575,906 |
| Investment under management | 7,423 | 3,742 | 34,942 | 30,451 | 28,292 |
| Non pledged trading assets | 157,798 | 77,624 | 803,806 | 110,283 | 76,972 |
| Pledged assets | 1,211,641 | 1,265,278 | 344,537 | 228,546 | 605,556 |
| Derivative financial instruments | 2,033,286 | 399,058 | 161,439 | 244,564 | 143,480 |
| Loans and advances to banks | 659,546 | 322,610 | 322,259 | 231,788 | 164,413 |
| Loans and advances to customers | 5,369,154 | 4,084,352 | 3,256,073 | 2,818,876 | 2,481,624 |
| Investment securities | 3,346,780 | 1,946,559 | 1,553,458 | 1,428,040 | 813,707 |
| Other assets | 4,693,995 | 2,346,052 | 1,601,379 | 1,490,633 | 1,004,310 |
| Investment properties | 437 | 217 | 217 | 217 | 727 |
| Investment in associates | 6,904 | 6,904 | 2,548 | - | - |
| Investment in subsidiaries | 390,325 | 283,046 | 215,775 | 164,252 | 131,459 |
| Property and equipment | 277,527 | 245,070 | 194,071 | 191,893 | 188,634 |
| Intangible assets | 73,105 | 59,365 | 58,734 | 67,496 | 67,551 |
| Deferred tax assets | - | 7,707 | - | - | - |
| Assets classified as held for sale | 75,418 | 42,038 | 42,547 | 28,128 | 24,958 |
| **Total assets** | **20,649,112** | **12,535,281** | **9,660,761** | **7,624,980** | **6,307,588** |
| **Liabilities** | | | | | |
| Deposits from banks | 3,907,192 | 1,637,318 | 1,422,707 | 831,632 | 1,079,284 |
| Deposits from customers | 11,239,847 | 7,530,063 | 5,517,069 | 4,832,744 | 3,668,340 |
| Derivative financial instruments | 471,819 | 31,071 | 9,943 | 20,776 | 6,827 |
| Debt securities issued | 577,378 | 303,297 | 260,644 | 169,160 | 157,988 |
| Current tax liabilities | 14,501 | 7,556 | 3,132 | 2,547 | 1,409 |
| Other liabilities | 1,503,893 | 667,195 | 495,161 | 342,460 | 302,262 |
| Retirement benefit obligations | 8,480 | 3,244 | 3,846 | 4,584 | 3,418 |
| Interest-bearing borrowings | 1,384,472 | 1,286,871 | 1,072,435 | 755,254 | 544,064 |
| Deferred tax liabilities | 9,544 | - | 4,374 | 11,926 | 4,507 |
| **Total liabilities** | **19,117,126** | **11,466,615** | **8,789,310** | **6,971,084** | **5,768,100** |
| **Equity** | | | | | |
| Share capital and share premium | 251,811 | 251,811 | 251,811 | 251,811 | 251,811 |
| Additional Tier 1 Capital | 345,030 | 206,355 | 206,355 | - | - |
| Retained earnings | 605,619 | 321,181 | 304,778 | 206,896 | 188,926 |
| Other components of equity | 329,526 | 289,319 | 108,506 | 195,188 | 98,751 |
| **Total equity** | **1,531,986** | **1,068,666** | **871,450** | **653,896** | **539,488** |
| **Total liabilities and Equity** | **20,649,112** | **12,535,281** | **9,660,761** | **7,624,980** | **6,307,588** |
| **Gross earnings** | **2,048,912** | **1,125,012** | **734,283** | **634,864** | **576,348** |
| **Profit before income tax** | **569,140** | **162,704** | **106,483** | **90,196** | **79,214** |
| **Profit for the year** | **535,680** | **166,665** | **111,326** | **80,039** | **70,116** |

| | | | | | |
|---|---|---|---|---|---|
| **Dividend declared** | 2.22k | 1.33k | 100k | 80k | 65k |
| **Earning per share - Basic** | 1507k | 469k | 314k | 225k | 207K |
| **- Adjusted** | 1507k | 469k | 314k | 225k | 207K |
| **Number of ordinary shares of 50k** | 35,545,225,622 | 35,545,225,622 | 35,545,225,622 | 35,545,225,622 | 35,545,225,622 |

# 5

# SHAREHOLDER INFORMATION

Access Bank's commitment to effectively communicate with its shareholders

5

# SHAREHOLDER 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 maintain 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 format 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** | The publication of the Bank's results is followed by conference calls with shareholders, investors and analysts. The conference calls enable the investor 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 assets of the company upon dissolution
- Electing and removing Directors
- Approving bye-laws 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 Exchange Limited.

## INVESTOR RELATIONS CONTACT DETAILS

| | Retail Shareholders | Institutional Investors & Financial Analysts |
|---|---|---|
| **E-mail** | shareholderservices@accessbankplc.com<br>info@coronationregistrars.com | investorrelations@accessbankplc.com |
| **Phone** | 234-1-2364130<br>234-1-2714566-7 | 234-1-2364130 |
| **Contact Address** | Coronation Registrars Ltd.<br>Plot 09, Amodu Ojikutu Street,<br>Victoria Island, Lagos.<br><br>Shareholder Services Unit,<br>Access Bank Plc.<br>Access Tower 14/15, Prince Alaba<br>Oniru Street, Oniru Estate,<br>Victoria Island,Lagos | Investor Relations Unit<br>Access Bank Plc<br>Access Tower 14/15 Prince Alaba Oniru<br>Street, Oniru Estate<br>Victoria Island, Lagos. |

5

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN that the 35th 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 April 18, 2024, by 9:00 a.m. You will be asked to consider and, if thought fit, to pass the resolutions below:**

## A. ORDINARY BUSINESS/ORDINARY RESOLUTIONS

1. To receive the Audited Financial Statements for the year ended December 31, 2023 and the Reports of the Directors, Auditor, Board Evaluation Consultant and Audit Committee thereon.
2. To declare final dividend.
3. To re-elect Mr. Iboroma Akpana as an Independent Non-Executive Director.
4. To re-elect Mr. Hassan Usman as an Independent Non-Executive Director.
5. To re-elect Mr. Adeniyi Adekoya as an Independent Non-Executive Director.
6. To approve the appointment of Mrs. Iyabo Soji-Okusanya who was appointed as an Executive Director by the Board of Directors since the last Annual General Meeting.
7. To authorise the Directors to fix the remuneration of the Auditors.
8. To disclose the remuneration of the managers of the Company in line with the provisions of the Companies and Allied Matters Act, 2020.
9. To elect/re-elect members of the Statutory Audit Committee.

## B. SPECIAL BUSINESS/ORDINARY RESOLUTIONS

10. That the Directors' fees for the financial year ending December 31, 2024 and for succeeding years until reviewed by the Annual General Meeting be and is hereby fixed at ₦67,470,000 (Sixty-Seven Million, Four Hundred and Seventy Thousand Naira Only).
11. That the Issued Share Capital of the Company be

and is hereby increased from ₦17,772,612,811.00 (Seventeen Billion, Seven Hundred and Seventy-Two Million, Six Hundred and Twelve Thousand, Eight Hundred and Eleven Naira Only) divided into 35,545,225,622.00 (Thirty Five Billion, Five Hundred and Forty Five Million, Two Hundred and Twenty Five Thousand, Six Hundred and Twenty-Two) ordinary shares of ₦0.50 kobo each up to ₦26,658,919,216.50 (Twenty-Six Billion, Six Hundred and Fifty-Eight Million, Nine Hundred and Nineteen Thousand, Two Hundred and Sixteen Naira, Fifty Kobo Only) by the creation of up to 17,772,612,811.00 (Seventeen Billion, Seven Hundred and Seventy-Two Million, Six Hundred and Twelve Thousand, Eight Hundred and Eleven) ordinary shares of ₦0.50 kobo each ranking pari-passu with the existing ordinary shares of the Company.

12. That the Company be and is hereby authorised to raise capital of up to ₦365,000,000,000.00 (Three Hundred and Sixty-Five Billion Naira) by way of a rights issue on such terms and conditions and on such dates as may be determined by the Directors, subject to obtaining the approvals of the relevant regulatory authorities.

## C. SPECIAL BUSINESS/SPECIAL RESOLUTION

13. That Clause 6 of the Company's Memorandum of Association and Article 7 of the Company's Articles of Association be and are hereby amended to refect the new share capital of up to ₦26,658,919,216.50 (Twenty-Six Billion, Six Hundred and Fifty-Eight Million, Nine Hundred and Nineteen Thousand, Two Hundred and Sixteen Naira, Fifty Kobo Only) by the creation and addition of up to 17,772,612,811 (Seventeen Billion, Seven Hundred and Seventy-Two Million, Six Hundred and Twelve Thousand, Eight Hundred and Eleven) ordinary shares of ₦0.50 Kobo each ranking pari-passu with the existing ordinary shares of the Company bringing the total issued shares of the Company to 53,317,838,433 (Fifty-Three Billion, Three Hundred and Seventeen Million, Eight Hundred and Thirty-Eight Thousand, Four Hundred and Thirty-Three) ordinary shares of ₦0.50 Kobo each.

## D. SPECIAL BUSINESS/ORDINARY RESOLUTION

14. That the Directors be and are hereby authorised to appoint such professional parties and advisers and perform all such other acts and do all such other things as may be necessary to give efect to the above resolutions, including without limitation, complying with the directives of any relevant regulatory authority.

## NOTES

**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 Ofce and deposited at the ofce of the Registrars, Coronation Registrars Limited, Plot 09, Amodu Ojikutu Street, of Saka Tinubu Street, Victoria Island, Lagos, or via e-mail at eforms@coronationregistrars.com 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 sufce, but the names of all the Joint Shareholders must be stated.

If the shareholder is a company, the proxy form must be under the Common Seal or under the hand of the same ofcer or attorney duly authorised by the company to act on its behalf.

DATED THIS 12TH DAY OF APRIL, 2024
**BY ORDER OF THE BOARD**

**Sunday Ekwochi**
COMPANY SECRETARY
FRC/2013/PRO/NBA/002/00000005528

## NOTES

### 1. Dividend

If the proposed Final Dividend of ₦2.22 Kobo per every 50 Kobo ordinary share is approved, dividend will be payable on April 18 to shareholders whose names appear in the Register of Members at the close of business on April 10, 2024 (bringing the Total Dividend paid for 2023 fnancial year to ₦2.62 Kobo per share).

### 2. Statutory Audit Committee

The Audit Committee consists of 3 shareholders and 2 directors. 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 Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be fnancially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

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

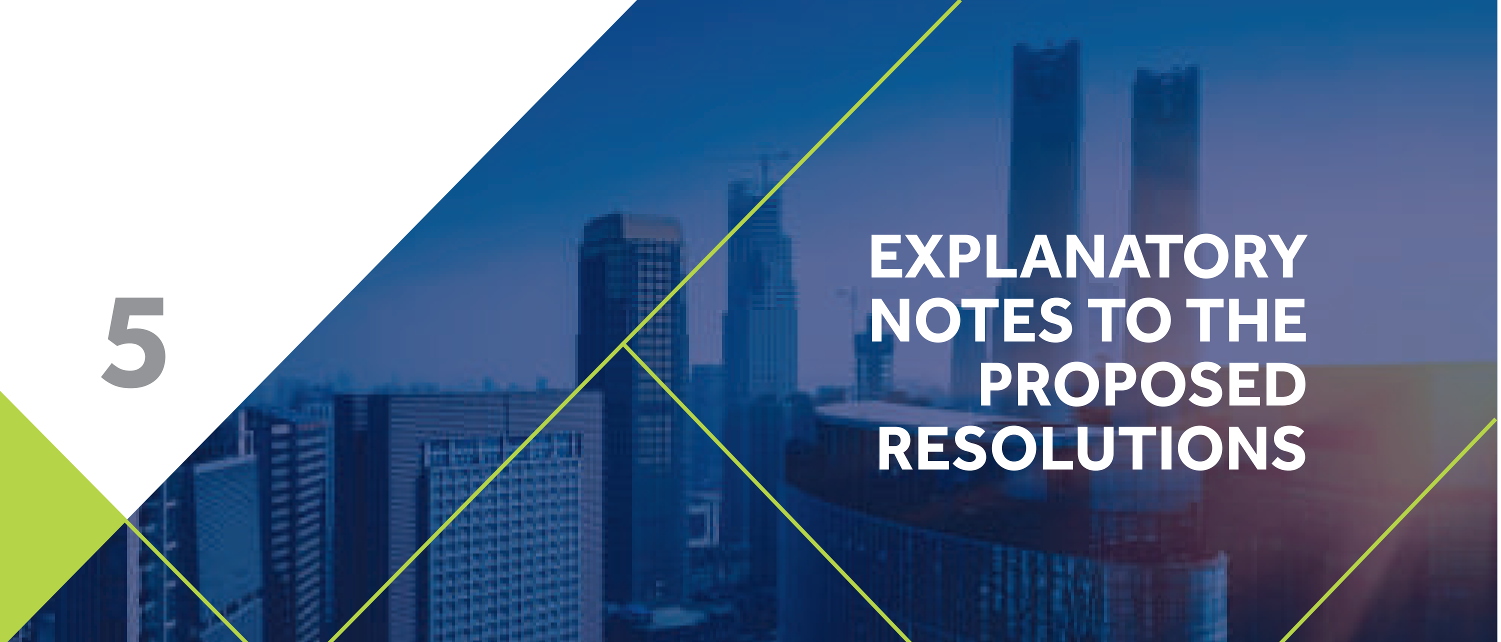
### Biographical Details of Directors for Re-election/ Approval

Biographical details of Directors submitted for re-election or approval are contained in the Annual Report.

### Website

A copy of this Notice and other information relating to the meeting can be found at *https://investorrelations.accessbankplc.com*.


Set your
CHILD
up for
success
Save today for your child's tomorrow with our Early Savers Account.
• Accounts are available for children aged 0 to 18 years, and children aged 13 to 18 years can get a teens card.
• Financial literacy club for children
• Standing order to pay a set amount on a monthly basis.
Visit www.accessbankplc.com to get started
Terms & Conditions apply.
Scan to download AccessMore app
Download on the App Store
GET IT ON Google Play
Banking with Access: branch | ATM | online | mobile | contact centre
More information:
0700-300-0000
accessbankplc.com
Facebook.com/accessbankplc | twitter.com/accessbankplc
gplusid.com/accessbankplc |youtube/user/accessbankplc
accessbankplc.blogspot.com
access
more than banking



# 5 EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

**The Notes below provide explanation to the proposed resolutions.**

**Resolutions 1-12 and 14 are being proposed as ordinary resolutions. This implies that for each resolution to be passed, a simple majority of votes in favour of the resolution is required. Resolution 13 is being proposed as a Special Resolution and its approval would require a ¾ majority of votes in favour. 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. 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 shareholders 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 final dividend of ₦2.22 Kobo per ordinary share recommended by the Directors is approved, the final dividend net of withholding tax will be payable on April 18, 2024, to the shareholders registered on the Company's register of shareholders as at April 10, 2024.

### Resolutions 3-6: Election/Re-election of Directors

The Company's Articles of Association requires 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. Iboroma Akpana, Mr. Hassan Usman and Mr. Adeniyi Adekoya, being eligible for re-election, as well as Mrs. Iyabo Soji-Okusanya, being eligible for election will retire at this Annual General Meeting and will submit themselves for re-election and election as applicable. It is hereby confirmed that following a formal evaluation, the Directors continue to demonstrate commitment to their roles as Non-Executive Directors. The biographical details of the four directors are contained on pages 106 to 112 of this report. The re-election of the directors will enable the Board to maintain the needed balance of skill, knowledge, and experience.

The interest of Directors standing for re-election and election in the ordinary shares of the Bank as of December 31, 2023, are as shown below.

| S/N | Director's Name | Direct Holding | Indirect Holding |
|---|---|---|---|
| 1 | Mr. Iboroma Akpana | Nil | Nil |
| 2 | Mr. Hassan Usman | Nil | Nil |
| 3 | Mr. Adeniyi Adekoya | Nil | Nil |
| 4 | Mrs. Iyabo Soji-Okusanya | Nil | Nil |

### Resolution 7: Approval of Auditors' Remuneration

Section 408 (1) (b) of the Companies and Allied Matters Act 2020 provides that the remuneration of Auditors of a company shall 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, 2024.

### Resolution 8: Disclosure of Remuneration of Managers

The Companies and Allied Matters Act in Section 257 provides that the remuneration of managers of a company shall be disclosed to members of the company at the Annual General Meeting. Accordingly, shareholders will be requested to note the disclosure on the remuneration of the managers of the company as contained in Page 341 of the Annual Report.

### Resolution 9: Election/Re-election of Members of Audit Committee

In accordance with Section 404 (6) of the Companies and Allied Matters Act 2020, any member may nominate a shareholder for election as a member of the Statutory 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 Statutory Audit Committee.

### Resolution 10 – Approval of Directors' Fees

Your 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 ₦67,470,000.00 (Sixty-Seven Million, Four Hundred and Seventy Thousand Naira Only) for the Non-Executive Directors for the 2024 financial year and for succeeding years until reviewed by the Annual General Meeting.

### Resolutions 11-12: Increase in Issued Share Capital and Capital Raise Programme

The Company seeks to increase its Issued Share Capital from ₦17,772,612,811.00 (Seventeen Billion, Seven Hundred and Seventy-Two Million, Six Hundred and Twelve Thousand, Eight Hundred and Eleven Naira Only) divided into 35,545,225,622 (Thirty-Five Billion, Five Hundred and Forty-Five Million, Two Hundred and Twenty-Five Thousand, Six Hundred and Twenty-Two) ordinary shares of ₦0.50 Kobo each, up to ₦26,658,919,216.50 (Twenty-Six Billion, Six Hundred and Fifty-Eight Million, Nine Hundred and Nineteen Thousand, Two Hundred and Sixteen Naira, Fifty Kobo Only) divided into 53,317,838,433 (Fifty-Three Billion, Three Hundred and Seventeen Million, Eight Hundred and Thirty-Eight Thousand, Four Hundred and Thirty-Three) ordinary shares of ₦0.50 Kobo each, by the creation and addition of up to 17,772,612,811 (Seventeen Billion, Seven Hundred and Seventy-Two Million, Six Hundred and Twelve Thousand, Eight Hundred and Eleven) ordinary shares of ₦0.50 Kobo each, ranking pari passu with the existing ordinary shares of the Company.

The Group plans to raise up to ₦365,000,000,000.00 (Three Hundred and Sixty-Five Billion Naira) via a Rights Issue of ordinary shares. The proceeds of the proposed Rights Issue would be used to support working capital and for organic growth.

### Resolution 13: Amendment of the Memorandum and Articles of Association

This seeks to amend the Company's Memorandum and Articles of Association as appropriate to reflect the new Issued Share Capital.

### Resolution 14: Authorisation of the Board

This seeks to authorise the Directors to, on behalf of the Company, appoint such professional parties and advisers and perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority.

# DIVIDEND HISTORY INFORMATION

| S/N | Dividend Payment | Year Ended | Date Received | Amount Declared | Div. per share | Unclaimed as at December 31, 2023 | Claimed as at December 31, 2023 |
|---|---|---|---|---|---|---|---|
| 1 | Dividend 8 | 30/06/2010 | 11/09/2010 | 3,219,885,266.04 | 0.20 | 306,317,949.89 | 2,913,567,316.15 |
| 2 | Dividend 9 | 31/12/2010 | 28/04/2011 | 5,366,475,443.40 | 0.30 | 393,430,482.55 | 4,973,044,960.85 |
| 3 | Dividend 10 | 30/06/2011 | 21/09/2011 | 3,577,650,295.60 | 0.20 | 298,619,589.20 | 3,279,030,706.40 |
| 4 | Dividend 11 | 31/12/2011 | 27/04/2012 | 6,866,475,435.00 | 0.30 | 520,433,210.33 | 6,346,042,224.67 |
| 5 | Dividend 12 | 30/06/2012 | 17/10/2012 | 5,148,656,754.30 | 0.25 | 451,227,387.50 | 4,697,429,366.80 |
| 6 | Dividend 13 | 31/12/2012 | 25/04/2013 | 12,356,776,210.32 | 0.60 | 1,144,081,368.72 | 11,212,694,841.60 |
| 7 | Dividend 14 | 30/06/2013 | 17/09/2013 | 5,148,656,754.30 | 0.25 | 461,228,023.63 | 4,687,428,730.67 |
| 8 | Dividend 15 | 31/12/2013 | 30/04/2014 | 7,208,119,746.95 | 0.35 | 686,293,959.08 | 6,521,825,787.87 |
| 9 | Dividend 16 | 30/06/2014 | 23/09/2014 | 5,148,656,754.30 | 0.25 | 542,819,800.66 | 4,605,836,953.64 |
| 10 | Dividend 17 | 31/12/2014 | 06/05/2015 | 7,208,119,456.02 | 0.35 | 745,144,793.97 | 6,462,974,662.05 |
| 11 | Dividend 18 | 30/06/2015 | 10/09/2015 | 6,508,795,773.20 | 0.25 | 826,624,598.62 | 5,682,171,174.58 |
| 12 | Dividend 19 | 31/12/2015 | 26/04/2016 | 7,810,552,340.37 | 0.30 | 726,663,820.34 | 7,083,888,520.03 |
| 13 | Dividend 20 | 30/06/2016 | 14/09/2016 | 6,508,795,763.64 | 0.25 | 596,022,668.98 | 5,912,773,094.66 |
| 14 | Dividend 21 | 31/12/2016 | 29/03/2017 | 10,523,898,704.16 | 0.40 | 999,786,998.79 | 9,524,111,705.37 |
| 15 | Dividend 22 | 30/06/2017 | 21/09/2017 | 6,579,385,418.35 | 0.25 | 619,064,885.73 | 5,960,320,532.62 |
| 16 | Dividend 23 | 31/12/2017 | 25/04/2018 | 10,543,652,010.12 | 0.40 | 1,113,882,497.11 | 9,429,769,513.01 |
| 17 | Dividend 24 | 30/06/2018 | 21/09/2018 | 6,590,513,640.52 | 0.25 | 677,993,053.93 | 5,912,520,586.59 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 18 | Dividend 25 | 31/12/2018 | 25/04/2019 | 8,093,007,625.67 | 0.25 | 775,784,370.64 | 7,317,223,255.03 |
| 19 | Dividend 26 | 30/06/2019 | 03/10/2019 | 8,090,057,979.07 | 0.25 | 763,833,672.07 | 7,326,224,307.00 |
| 20 | Dividend 27 | 31/12/2019 | 30/05/2020 | 12,956,339,977.00 | 0.40 | 1,275,663,919.17 | 11,680,676,057.83 |
| 21 | Dividend 28 | 30/06/2020 | 25/09/2020 | 8,106,049,074.40 | 0.25 | 809,439,480.77 | 7,296,609,593.63 |
| 22 | Dividend 29 | 31/12/2020 | 29/04/2021 | 17,880,496,347.40 | 0.55 | 1,823,332,237.07 | 16,057,164,110.33 |
| 23 | Dividend 30 | 30/06/2021 | 28/09/2021 | 9,742,856,013.12 | 0.30 | 1,024,949,119.19 | 8,717,906,893.93 |
| 24 | Access Holdings Div. 1 | 31/12/2021 | 28/04/2022 | 22,701,511,655.13 | 0.70 | 2,368,639,875.97 | 20,332,871,779.16 |
| 25 | Access Holdings Div. 2 | 30/06/2022 | 11/10/2022 | 6,488,492,821.44 | 0.20 | 730,010,563.48 | 5,758,482,257.96 |
| 26 | Access Holdings Div. 3 | 31/12/2022 | 24/05/2023 | 42,106,842,565.06 | 1.30 | 4,187,614,273.36 | 37,919,228,291.70 |
| 27 | Access Holdings Div. 4 | 30/06/2023 | 19/10/2023 | 9,698,684,255.91 | 0.30 | 999,042,514.78 | 8,699,641,741.13 |
| | **TOTAL** | | | **262,179,404,080.79** | | **25,867,945,115.55** | **236,311,458,965.24** |

* Information on the unclaimed dividend is available on the Company's website: ***https://shareholderlive.coronationregistrars.com/udivsearch/***

# CAPITAL FORMATION HISTORY

| S/N | Timeline | Corporate Action | Number of Shares | Amount in Naira (₦) |
|---|---|---|---|---|
| 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** |

access
BANK PLC
RC 125384

# PROXY FORM

35th Annual General Meeting of Access Bank Plc ('the Company') to be held at the Bank's Head Office, 14th Floor, Plot 14/15, Prince Alaba Oniru Street, Oniru Estate, Victoria Island, Lagos on April 18, 2024 at 9.00 a.m.

"I/WE

OF ____________________________________________

**(Name of Shareholder in block letters)**

Dated this ..........day of ............ 2024

Being a member/(s) of the above-named Company hereby appoints ______________________________ or failing him/her, ______________________________, as my/our proxy to vote for me/us and on my/our behalf at the 35th Meeting of the Company to be held on April 18, 2024 and at any adjournment thereof. Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

Signature of Shareholder

| ORDINARY BUSINESS/ORDINARY RESOLUTIONS | FOR | AGAINST | ABSTAIN |
|---|---|---|---|
| 1. To receive the Audited Financial Statements for the year ended December 31, 2023 and the Reports of the Directors, Auditor, Board Evaluation Consultant and Audit Committee thereon. | | | |
| 2. To declare final dividend. | | | |
| 3. To re-elect Mr. Iboroma Akpana as an Independent Non-Executive Director. | | | |
| 4. To re-elect Mr. Hassan Usman as an Independent Non-Executive Director. | | | |
| 5. To re-elect Mr. Adeniyi Adekoya as an Independent Non-Executive Director. | | | |
| 6. To approve the appointment of Mrs. Iyabo Soji-Okusanya who was appointed as an Executive Director by the Board of Directors since the last Annual General Meeting. | | | |
| 7. To authorise the Directors to fix the remuneration of the Auditors. | | | |
| 8. To disclose the remuneration of the managers of the Company in line with the provisions of the Companies and Allied Matters Act, 2020. | | | |
| 9. To elect/re-elect members of the Statutory Audit Committee. | | | |
| **SPECIAL BUSINESS/ORDINARY RESOLUTIONS** | **FOR** | **AGAINST** | **ABSTAIN** |
| 10. That the Directors' fees for the financial year ending December 31, 2024 and for succeeding years until reviewed by the Annual General Meeting be and is hereby fixed at ₦67,470,000 (Sixty-Seven Million, Four Hundred and Seventy Thousand Naira Only). | | | |
| 11. That the Issued Share Capital of the Company be and is hereby increased from ₦17,772,612,811.00 (Seventeen Billion, Seven Hundred and Seventy-Two Million, Six Hundred and Twelve Thousand, Eight Hundred and Eleven Naira Only) divided into 35,545,225,622.00 (Thirty Five Billion, Five Hundred and Forty Five Million, Two Hundred and Twenty Five Thousand, Six Hundred and Twenty-Two) ordinary shares of ₦0.50 kobo each up to ₦26,658,919,216.50 (Twenty-Six Billion, Six Hundred and Fifty-Eight Million, Nine Hundred and Nineteen Thousand, Two Hundred and Sixteen Naira, Fifty Kobo Only) by the creation of up to 17,772,612,811.00 (Seventeen Billion, Seven Hundred and Seventy-Two Million, Six Hundred and Twelve Thousand, Eight Hundred and Eleven) ordinary shares of ₦0.50 kobo each ranking pari-passu with the existing ordinary shares of the Company. | | | |
| 12. That the Company be and is hereby authorised to raise capital of up to ₦365,000,000,000.00 (Three Hundred and Sixty-Five Billion Naira) by way of a rights issue on such terms and conditions and on such dates as may be determined by the Directors, subject to obtaining the approvals of the relevant regulatory authorities. | | | |
| **SPECIAL BUSINESS/SPECIAL RESOLUTION** | **FOR** | **AGAINST** | **ABSTAIN** |
| 13. That Clause 6 of the Company's Memorandum of Association and Article 7 of the Company's Articles of Association be and are hereby amended to refect the new share capital of up to ₦26,658,919,216.50 (Twenty-Six Billion, Six Hundred and Fifty-Eight Million, Nine Hundred and Nineteen Thousand, Two Hundred and Sixteen Naira, Fifty Kobo Only) by the creation and addition of up to 17,772,612,811 (Seventeen Billion, Seven Hundred and Seventy-Two Million, Six Hundred and Twelve Thousand, Eight Hundred and Eleven) ordinary shares of ₦0.50 Kobo each ranking pari-passu with the existing ordinary shares of the Company bringing the total issued shares of the Company to 53,317,838,433 (Fifty-Three Billion, Three Hundred and Seventeen Million, Eight Hundred and Thirty-Eight Thousand, Four Hundred and Thirty-Three) ordinary shares of ₦0.50 Kobo each. | | | |
| **SPECIAL BUSINESS/ORDINARY RESOLUTION** | **FOR** | **AGAINST** | **ABSTAIN** |
| 14. That the Directors be and are hereby authorised to appoint such professional parties and advisers and perform all such other acts and do all such other things as may be necessary to give efect to the above resolutions, including without limitation, complying with the directives of any relevant regulatory authority. | | | |

## IMPORTANT NOTES

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 Ofce and deposited at the ofce of the Registrars, Coronation Registrars Limited, Plot 09, Amodu Ojikutu Street, of Saka Tinubu Street, Victoria Island, Lagos, or via e-mail at eforms@coronationregistrars.com 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 sufce, but the names of all the Joint Shareholders must be stated.

If the shareholder is a company, the proxy form must be under the Common Seal or under the hand of the same ofcer or attorney duly authorised by the company to act on its behalf.

______________________

**Signature of the Person Attending**

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 discretion.

# 6

# 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 |
| ADAMAWA STATE | 2 |
| AKWA IBOM STATE | 9 |
| ANAMBRA STATE | 26 |
| BAUCHI STATE | 1 |
| BAYELSA STATE | 4 |
| BENUE STATE | 8 |
| BORNO STATE | 4 |
| CROSS RIVER STATE | 6 |
| DELTA STATE | 13 |
| EBONYI STATE | 4 |
| EDO STATE | 18 |
| EKITI STATE | 5 |
| ENUGU STATE | 18 |
| FEDERAL CAPITAL TERRITORY (F.C.T) | 36 |
| GOMBE STATE | 6 |
| IMO STATE | 16 |
| JIGAWA STATE | 3 |
| KADUNA STATE | 18 |
| KANO STATE | 14 |
| KATSINA STATE | 8 |
| KEBBI STATE | 2 |
| KOGI STATE | 7 |
| KWARA STATE | 5 |
| LAGOS STATE | 170 |
| NASSARAWA STATE | 8 |
| NIGER STATE | 6 |
| OGUN STATE | 21 |
| ONDO STATE | 9 |
| OSUN STATE | 10 |
| OYO STATE | 27 |
| PLATEAU STATE | 9 |
| RIVERS STATE | 31 |
| SOKOTO STATE | 6 |
| TARABA STATE | 1 |
| YOBE STATE | 2 |
| ZAMFARA STATE | 4 |
| **Grand Total** | **554** |

# CORRESPONDENT BANKS

| S/N | BANK |
|---|---|
| 1 | ABN AMRO BANK |
| 2 | ABSA CAPITAL |
| 3 | BANK OF BEIRUT |
| 4 | BANK OF CHINA |
| 5 | BYBLOS BANK |
| 6 | BNP FORTIS |
| 7 | BNP PARIBAS PARIS |
| 8 | CITIBANK LONDON |
| 9 | CITIBANK NEW YORK |
| 10 | COMMERZBANK AG |
| 11 | CREDIT SUISSE AG |
| 12 | DEUTSCHE BANK |
| 13 | FBN UK |
| 14 | FIRST RAND |
| 15 | HANDELSSBANKEN INT. (SVENSKA) |
| 16 | HSBC BANK |
| 17 | ICICI BANK INDIA |
| 18 | IFC |
| 19 | ING DIRECT |
| 20 | J.P. MORGAN |
| 21 | KBC BANK BELGIUM |
| 22 | MASHREQ BANK |
| 23 | MIZUHO |
| 24 | NORDEA BANK |
| 25 | NED CAPITAL |
| 26 | STANDARD BANK OF SOUTH AFRICA |
| 27 | STANDARD CHARTERED BANK, LONDON |
| 28 | SUMITOMO MITSUI BANKING CORPORATION EUROPE LIMITED |
| 29 | THE ACCESS BANK UK LIMITED |
| 30 | UBS |
| 31 | UNICREDIT |
| 32 | UNION BANK UK |
| 33 | UNITED BANK FOR AFRICA |

# AGENCY BANKING NETWORK

## SUMMARY OF THE BANK'S AGENCY BANKING NETWORK AS AT DECEMBER 31, 2023

In 2023, we intensified the accelerated growth of our Agency Banking business with 85% increase in our agent portfolio. In other words, we grew from 92,820 agents to over 177,255 unique agents during the year and this expanded our further reach to hitherto under-banked and unbanked areas through deliberate inclusiveness strategy known as Project Dominance. 33% of these Agents are Female which speaks strongly to our passion for Women inclusion.

The approach for this project culminated into establishing financial services for 95 new CLOSA Agent outlets in 11 Local Government Areas which had been experiencing security challenges in the North-East in our quest towards deepening visibility and access to community-based banking. Access CLOSA is now present in all the 774 LGAs with 177,255 agents' outlets. These outlets consummated transactions to the tune of ₦1.3trillion in value and 43million in counts in 2022.

The push for more footprints of the CLOSA network nationwide contributed to the financial inclusion of over 10 million Nigerians in the year 2022. The Focus has been in the hinterlands due to the high level of exclusion in rural Areas. We recognise Agency Banking as an alternative to branch banking, and we are committed to expanding our impact to increase our foothold.

Furthermore, the business reinforced one of its visions to empower Nigerians by partnering with several Not-For-Profit Organisations and Government Bodies that are focused on driving Financial Inclusion to strengthen the social protection system in Nigeria and to drive financial inclusion and literacy in its core strategy to help end extreme poverty and promote shared prosperity.

As a way of solving one of the identified needs of the Agents, the bank empowered some of its Closa Agents across the country with Solar-Powered Fibre Glass Kiosks to further strengthen access to financial services in highly underserved markets and motor parks.

To drive inclusion, the bank has continued to dedicate a workforce of over 3,000 staff, these staff are presently available at all our branches, different markets and Agent locations. They are involved in providing 1st level support for Agents, market women account opening, card issuance, cash collection and withdrawal and account acquisition. The whole essence to provide Financial services at the doorsteps of Nigerians.

access
BANK PLC

# **Expanding Horizons,** Shaping Financial Future

**OUR SERVICE MANTRA:**

Exceptional Service
**Our DNA...**

Customers
**Our Priority...**

**Corporate Head Office:**
Access Towers, 14/15. Prince Alaba Oniru Road, Victoria Island, Lagos, Nigeria.
**www.accessbankplc.com**