

FBN Holdings Plc.
Unaudited Consolidated Financial Statements
for the year ended December 31, 2024

FBN Holdings Plc

DIRECTORS AND ADVISORS

DIRECTORS:

Alhaji Ahmad Abdullahi
Olufemi Otedola, CON
Nnamdi Okonkwo
Wale Oyediji
Adesola Adeduntan
Abiodun Oluwole Fatade
Alimi Abdul-Razaq
Peter Aliogo
Ahmed Modibbo
Kofo Dosekun
Khalifa Imam
Julius B. Omodayo-Owotuga
Olusegun Alebiosu
Oyewale Ariyibi

Group Chairman - resigned January 31, 2024
Group Chairman - with effect from January 31, 2024
Group Managing Director- retired December 31, 2024
Group Managing Director- with effect from November 13, 2024
Non-Executive Director - retired April 19, 2024
Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director - resigned March 31, 2024
Independent Non-Executive Director
Independent Non-Executive Director - resigned March 31, 2024
Non-Executive Director
Non-Executive Director - appointed July 30, 2024
Executive Director

COMPANY SECRETARY:

*Adewale Arogundade - appointed October 1, 2024

REGISTERED OFFICE:

Samuel Asabia House
35, Marina
Lagos

AUDITOR:

KPMG Professional Services
KPMG Tower, Bishop Aboyade Cole Street
Victoria Island, Lagos
Telephone: +234 271 8955
Website: www.kpmg.com/ng

REGISTRAR:

Meristem Registrars & Probate Services Limited
213 Herbert Macaulay Way
Yaba, Lagos

BANKERS:

First Bank of Nigeria Limited
35 Marina,
Lagos

FBNQuest Merchant Bank Limited
2, Broad Street
Lagos

TAX IDENTIFICATION NUMBER:

15562790-0001

*Awaiting the ratification of Central Bank of Nigeria


Certification pursuant to section 60(2) of Investment and Securities Act No. 29 of 2007

We the undersigned hereby certify the following with regards to FBN Holdings Plc financial report for the year ended December 31, 2024 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not:
 - (i) contain any untrue statement of a material fact, or
 - (ii) omit to state a material fact, which could make the statements misleading in the light of the circumstances under which such statements were made.
- (c) To the best of our knowledge, the financial statements and other financial information included in the report fairly represent in all material respects the financial condition and results of operations of the Company as of December 31, 2024 and the periods presented in the report.
- (d) We:
 - (i) are responsible for establishing and maintaining internal controls.
 - (ii) 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 periodic reports are being prepared.
 - (iii) have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the reports.
 - (iv) have presented in the report our conclusions about the effectiveness of the Company's internal controls based on our evaluation as of that date.
- (e) We have disclosed to the auditors of the Company and the audit committee:
 - (i) all significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
 - (ii) Any fraud, whether or not material, that involve management or other employees who have significant role in the Company's internal controls.
- (f) We have identified in the report whether or not there were significant changes in the internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses.



ADEBOWALE OYEDEJI
Group Managing Director
FRC/2024/PRO/DIR/003/450036



OYEWALE ARIYIBI
Executive Director
FRC/2013/ICAN/00000001251

FBN Holdings Plc

INCOME STATEMENT

		GROUP			
	Note	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Q4 ended 31 Dec. 2023 N 'million	Year to date 31 Dec. 2023 N 'million
Continuing operations					
Interest income	4	787,410	2,420,420	319,624	936,682
Interest expense	5	(269,607)	(1,028,678)	(148,866)	(390,394)
Net interest income		517,803	1,391,742	170,758	546,288
Impairment charge for losses	6	(239,423)	(410,810)	(143,907)	(224,948)
Net interest income after impairment charge for losses		278,380	980,932	26,851	321,340
Fee and commission income	7a	97,574	302,901	80,794	220,328
Fee and commission expense	7b	(29,734)	(63,717)	(8,776)	(33,256)
Net fee and commission income		67,840	239,184	72,018	187,072
Foreign exchange gain/(loss)	8	164,130	(62,598)	(236,853)	(334,230)
Net (loss)/gains on sale of investment securities	9	(50,834)	(40,293)	(8,703)	34,848
Net gains from financial instruments at FVTPL	10	90,110	641,870	434,059	678,432
Dividend income	11	124	9,864	349	5,742
Other operating income	12	(9,249)	58,831	9,681	19,151
Personnel expenses		(109,822)	(320,228)	(64,675)	(175,901)
Depreciation, amortisation and impairment		(15,698)	(60,794)	(18,841)	(42,878)
Other operating expenses	13	(163,473)	(584,794)	(126,054)	(338,248)
Operating profit		251,508	861,974	87,832	355,328
Share of profit of associates	23	22	417	435	820
Profit before tax		251,530	862,391	88,267	356,148
Income tax expense	14	(41,075)	(125,657)	(13,884)	(47,715)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		210,455	736,734	74,383	308,433
Discontinued operations					
Profit for the period from discontinued operations	28.4	(5,475)	2,123	(429)	1,937
PROFIT FOR THE PERIOD		204,980	738,857	73,954	310,370
Profit attributable to:					
Owners of the parent		204,131	732,413	73,475	308,203
Non-controlling interests		849	6,444	479	2,167
		204,980	738,857	73,954	310,370
Earnings per share attributable to owners of the parent					
Basic/diluted earnings per share (expressed in naira per share):					
From continuing operations	41		20.34		8.53
From discontinued operations	41		0.06		0.06
From profit for the period			20.40		8.59

FBN Holdings Plc

INCOME STATEMENT

INCOME STATEMENT		COMPANY			
		Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Q4 ended 31 Dec. 2023 N 'million	Year to date 31 Dec. 2023 N 'million
		Note			
Continuing operations					
Interest income	4	1,689	6,009	668	3,379
Interest expense	5	(5)	(8)	(2)	(6)
Net interest income		1,684	6,001	666	3,373
Impairment charge for losses	6	-	(3)	-	-
Net interest income after impairment charge for losses		1,684	5,998	666	3,373
Foreign exchange income	8	(679)	1,164	456	787
Net gains on sale of investment securities	9	-	21	(63)	(50)
Net gains from financial instruments at FVTPL	10	-	4	-	(379)
Dividend income	11	27,090	27,090	17,393	17,160
Other operating income	12	(117)	(94)	75	123
Gain on disposal of subsidiary	28.4	18,405	18,405	-	-
Personnel expenses		(2,171)	(2,938)	(1,489)	(2,194)
Depreciation, amortisation and impairment		(95)	(370)	(89)	(326)
Other operating expenses	13	(1,904)	(4,589)	(1,772)	(3,302)
Profit before tax		42,213	44,691	15,177	15,192
Income tax expense	14	(2,027)	(2,049)	(8)	(22)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		40,186	42,642	15,169	15,170
Profit attributable to:					
Owners of the parent		40,186	42,642	15,169	15,170
Non-controlling interests		-	-	-	-
		40,186	42,642	15,169	15,170
Earnings per share attributable to owners of the parent					
Basic/diluted earnings per share (expressed in naira per share):					
From continuing operations	41		1.19		0.42
From discontinued operations	41		-		-
From profit for the period			1.19		0.42

STATEMENT OF COMPREHENSIVE INCOME

	GROUP			
	Q4 ended	Year to date	Q4 ended	Year to date
	31 Dec. 2024 N 'million	31 Dec. 2024 N 'million	31 Dec. 2023 N 'million	31 Dec. 2023 N 'million
PROFIT FOR THE PERIOD	204,980	738,857	73,954	310,370
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
From continuing operations				
Movement in fair value reserves (FVOCI debt instruments):				
-Net changes in fair value	(154,574)	(228,206)	31,217	31,072
-Net reclassified (loss)/ gains to profit or loss	-	-	-	5,239
Foreign operations- foreign currency translation differences	(101,836)	286,736	136,688	299,368
From discontinued operations				
Net gains/(losses) on debt instruments at fair value through other comprehensive income	5,364	342	(234)	(3,436)
Items that will not be reclassified to profit or loss				
From continuing operations				
Equity investments at FVOCI - net changes in fair value	1,554	6,566	168,153	168,463
Remeasurement of defined benefit pension scheme	1,691	1,691	(1,409)	(1,409)
Effects of hyperinflation	-	-	(43,851)	(43,851)
Related taxes	-	-	3,411	3,411
Total other comprehensive income for the period	(247,801)	67,129	293,975	458,857
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(42,821)	805,986	367,929	769,227
Total comprehensive income attributable to:				
Owners of the parent	(43,670)	799,542	372,644	767,015
Non-controlling interests	849	6,444	524	2,212
	(42,821)	805,986	373,168	769,227
Total comprehensive income/(loss) attributable to owners of the parent arises from :				
Continuing operations	(43,593)	796,903	373,291	768,459
Discontinued operations	(77)	2,639	(647)	(1,444)
	(43,670)	799,542	372,644	767,015

FBN Holdings Plc

STATEMENT OF COMPREHENSIVE INCOME

	COMPANY			
	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Q4 ended 31 Dec. 2023 N 'million	Year to date 31 Dec. 2023 N 'million
PROFIT FOR THE PERIOD	40,186	42,642	15,169	15,170
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Net (losses)/gains on debt instruments at fair value through other comprehensive income	(15)	(635)	313	185
Total other comprehensive (loss)/ income for the period	(15)	(635)	313	185
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	40,171	42,007	15,482	15,355
Total comprehensive income attributable to:				
Owners of the parent	40,171	42,007	15,482	15,355
	40,171	42,007	15,482	15,355
Total comprehensive income/(loss) attributable to owners of the parent arises from:				
Continuing operations	40,171	42,007	15,482	15,355
	40,171	42,007	15,482	15,355

FBN Holdings Plc

STATEMENT OF FINANCIAL POSITION

	Note	GROUP		COMPANY	
		31 Dec.	31 Dec.	31 Dec.	31 Dec.
		2024	2023	2024	2023
		N 'million	N 'million	N 'million	N 'million
ASSETS					
Cash and balances with central banks	15	4,483,925	2,572,363	-	-
Loans and advances to banks	17	3,565,803	2,053,230	23,269	16,523
Loans and advances to customers	18	8,953,640	6,359,294	178	269
Financial assets at fair value through profit or loss	19	527,206	748,785	-	504
Investment securities	20	6,468,770	2,797,620	14,504	6,959
Asset pledged as collateral	21	1,061,107	1,519,094	-	-
Other assets	22	1,135,932	600,927	54,348	17,661
Investment in associates	23	2,422	2,005	-	-
Investment in subsidiaries	24	-	-	246,982	262,671
Property and equipment	25	212,735	161,677	545	948
Intangible assets	26	41,014	33,557	-	-
Deferred tax assets	27	55,625	55,895	-	-
		26,508,179	16,904,447	339,826	305,535
Assets held for sale	28.6	33,297	33,237	-	-
Total assets		26,541,476	16,937,684	339,826	305,535
LIABILITIES					
Deposits from banks	29	2,968,273	1,803,182	-	-
Deposits from customers	30	17,287,657	10,663,346	-	-
Financial liabilities at fair value through profit or loss	31	48,958	143,470	-	-
Financial liabilities at amortized cost	32	474,512	-	-	-
Current income tax liabilities	33	131,661	52,662	2,060	29
Other liabilities	34	1,515,896	1,261,833	23,652	19,041
Borrowings	35	1,559,645	1,250,827	-	-
Retirement benefit obligations	36	9,455	8,036	-	-
Deferred tax liabilities	27	4,987	5,524	-	-
		24,001,044	15,188,880	25,712	19,070
Liabilities held for sale	28.3	1,783	1,783	-	-
Total liabilities		24,002,827	15,190,663	25,712	19,070
EQUITY					
Share capital	37	17,948	17,948	17,948	17,948
Share premium	38	233,392	233,392	233,392	233,392
Retained earnings	38	1,301,904	588,967	64,898	36,614
Statutory reserve	38	220,566	211,935	-	-
Capital reserve	38	-	-	10	10
SME investment reserve	38	6,076	6,076	-	-
Fair value reserve	38	79,386	300,888	(2,134)	(1,499)
Regulatory risk reserve	38	18,883	20,501	-	-
Foreign currency translation reserve	38	625,607	338,871	-	-
		2,503,762	1,718,578	314,114	286,465
Non-controlling interests		34,887	28,443	-	-
Total equity		2,538,649	1,747,021	314,114	286,465
Total equity and liabilities		26,541,476	16,937,684	339,826	305,535

The unaudited consolidated financial statements were approved by the Board of Directors on January 30, 2025, and signed on its behalf by:



ADEBOWALE OYEDEJI
Group Managing Director
FRC/2024/PRO/DIR/003/450036



OYELEWA ARIYIBI
Executive Director
FRC/2013/ICAN/00000001251

FBN Holdings Plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent										Non-controlling interest	Total equity
	Share capital	Share premium	Retained earnings	Capital reserve	Statutory reserve	SME investment reserve	Fair value reserve	Regulatory risk reserve	Foreign currency translation reserve	Total		
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million		
Balance at January 1, 2023	17,948	233,392	397,709	-	156,553	6,076	98,060	20,224	53,667	983,629	12,112	995,741
Profit for the year	-	-	308,203	-	-	-	-	-	-	308,203	2,167	310,370
Other comprehensive income												
Foreign operations- foreign currency translation differences	-	-	-	-	-	-	-	-	285,204	285,204	14,164	299,368
Net changes in fair value	-	-	-	-	-	-	27,636	-	-	27,636	-	27,636
Net reclassified (loss)/ gains to profit or loss	-	-	-	-	-	-	5,239	-	-	5,239	-	5,239
Equity investments at FVTOCI- net changes in fair value	-	-	-	-	-	-	168,463	-	-	168,463	-	168,463
Effects of hyperinflation	-	-	(43,851)	-	-	-	-	-	-	(43,851)	-	(43,851)
Remeasurement of defined benefit pension scheme	-	-	(1,409)	-	-	-	-	-	-	(1,409)	-	(1,409)
Related taxes	-	-	3,411	-	-	-	-	-	-	3,411	-	3,411
Total comprehensive income	-	-	266,354	-	-	-	201,338	-	285,204	752,896	16,331	769,227
Transactions with owners												
Dividends	-	-	(17,947)	-	-	-	-	-	-	(17,947)	-	(17,947)
Transfer between reserves	-	-	(57,149)	-	55,382	-	1,490	277	-	-	-	-
Total transactions with Owners	-	-	(75,096)	-	55,382	-	1,490	277	-	(17,947)	-	(17,947)
At December 31, 2023	17,948	233,392	588,967	-	211,935	6,076	300,888	20,501	338,871	1,718,578	28,443	1,747,021
Balance at January 1, 2024	17,948	233,392	588,967	-	211,935	6,076	300,888	20,501	338,871	1,718,578	28,443	1,747,021
Profit for the year	-	-	732,413	-	-	-	-	-	-	732,413	6,444	738,857
Other comprehensive income												
Foreign operations- foreign currency translation differences	-	-	-	-	-	-	-	-	286,736	286,736	-	286,736
Net changes in fair value - FVOCI debt instruments	-	-	-	-	-	-	(227,864)	-	-	(227,864)	-	(227,864)
Equity investments at FVOCI- net changes in fair value	-	-	-	-	-	-	6,566	-	-	6,566	-	6,566
Remeasurement of defined benefit pension scheme	-	-	1,691	-	-	-	-	-	-	1,691	-	1,691
Total comprehensive income	-	-	734,104	-	-	-	(221,298)	-	286,736	799,542	6,444	805,986
Transactions with owners												
Dividends	-	-	(14,358)	-	-	-	-	-	-	(14,358)	-	(14,358)
Transfer between reserves	-	-	(6,809)	-	8,631	-	(204)	(1,618)	-	-	-	-
Total transactions with Owners	-	-	(21,167)	-	8,631	-	(204)	(1,618)	-	(14,358)	-	(14,358)
At December 31, 2024	17,948	233,392	1,301,904	-	220,566	6,076	79,386	18,883	625,607	2,503,762	34,887	2,538,649

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COMPANY STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent					
	Share capital	Share premium	Retained earnings	Capital reserve	Fair value reserve	Total
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million
Balance at January 1, 2023	17,948	233,392	39,391	10	(1,684)	289,057
Profit for the year	-	-	15,170	-	-	15,170
Other comprehensive income						
Fair value changes on financial assets at FVOCI	-	-	-	-	185	185
Total comprehensive income	-	-	15,170	-	185	15,355
Transactions with owners						
Dividends	-	-	(17,947)	-	-	(17,947)
Total transactions with Owners	-	-	(17,947)	-	-	(17,947)
At December 31, 2023	17,948	233,392	36,614	10	(1,499)	286,465
Balance at January 1, 2024	17,948	233,392	36,614	10	(1,499)	286,465
Profit for the year	-	-	42,642	-	-	42,642
Other comprehensive income						
Fair value changes on financial assets at FVOCI	-	-	-	-	(635)	(635)
Total comprehensive income	-	-	42,642	-	(635)	42,007
Transactions with owners						
Dividends	-	-	(14,358)	-	-	(14,358)
Total transactions with Owners	-	-	(14,358)	-	-	(14,358)
At December 31, 2024	17,948	233,392	64,898	10	(2,134)	314,114

STATEMENT OF CASH FLOWS

		GROUP		COMPANY	
	Note	31 Dec. 2024 N 'million	31 Dec. 2023 N 'million	31 Dec. 2024 N 'million	31 Dec. 2023 N 'million
Operating activities					
Cash flow from/ (used in) operations	39	216,320	250,546	(5,319)	(3,397)
Income taxes paid		(55,504)	(31,458)	-	-
Interest received		2,175,932	1,270,348	4,778	3,447
Interest paid		(764,319)	(329,120)	-	-
Net cash flow (used in)/generated from operating activities		1,572,428	1,160,316	(541)	50
Investing activities					
Purchase of investment securities		(5,125,116)	(1,462,185)	(12,808)	(3,602)
Proceeds from the sale of investment securities		6,053,029	1,213,682	6,405	1,103
Net proceeds from disposal of subsidiary		5,400	-	5,400	-
Dividends received		9,864	5,742	21,752	18,780
Purchase of property and equipment		(98,075)	(43,637)	(153)	(584)
Purchase of intangible assets		(47,553)	(32,081)	-	-
Proceeds on disposal of property and equipment		9,768	1,407	79	35
Net cash flow (used in)/generated from investing activities		807,317	(317,072)	20,675	15,732
Financing activities					
Dividend paid		(14,358)	(17,947)	(14,358)	(17,947)
Proceeds from new borrowings		1,341,803	661,908	-	-
Repayment of borrowings		(1,090,701)	(676,475)	-	-
Net cash flow from/ (used in) financing activities		236,744	(32,514)	(14,358)	(17,947)
Increase/ (decrease) in cash and cash equivalents		2,616,489	810,730	5,776	(2,165)
Cash and cash equivalents at start of year		2,641,275	1,862,451	16,523	18,331
Effect of exchange rate fluctuations on cash held		27,848	9,405	970	357
Cash and cash equivalents at end of year	16	5,285,612	2,682,586	23,269	16,523

1 General information

These financial statements are the consolidated financial statements of FBN Holdings Plc. (the Company), and its subsidiaries (hereafter referred to as 'the Group'). The Registered office address of the Company is at 35 Marina, Samuel Asabia House, Lagos, Nigeria.

The principal activities of the Group are mainly the provision of commercial banking services, merchant banking and asset management services, insurance brokerage services and provision of other financial services.

The unaudited consolidated financial statements for the year ended December 31, 2024 were approved and authorised for issue by the Board of Directors on January 30, 2025

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of separate and consolidated financial statements of the parent and the Group are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The Group's consolidated financial statements for the year ended December 31, 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and with the applicable interpretations – International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretation Committee (SIC) as issued by IFRS Interpretation Committee. Additional information required by national regulations is included where appropriate.

The consolidated financial statements comprise the income statement, statement of comprehensive income, statement of financial position, the statement of changes in equity, statement of cash flows and the related notes for the Group and the Company.

The consolidated 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, to the extent required or permitted under IFRS as set out in the relevant accounting policies.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed.

The Directors believe that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial position and results fairly.

2.1.1 Basis of measurement

These financial statements have been prepared in accordance with the going concern principle under the historical cost basis except for the following:

- Derivative financial instruments which are measured at fair value.
- Non-derivative financial instruments, carried at fair value through profit or loss, are measured at fair value.
- Financial assets at fair value through other comprehensive income
- The liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the fair value of the plan assets.
- The plan assets for defined benefit obligations are measured at fair value.

2.2 Changes in accounting policy and disclosures

2.2.1 New and amended standards adopted by the Group

The Group has not applied any standards and amendment for the first time for their annual reporting period commencing January 1, 2024.

2.2.2 New standards, interpretations and amendments to existing standards that are not yet effective

A number of new standards, interpretations and amendments thereto, have been issued by IASB which are not yet effective, and have not been applied in preparing these consolidated financial statements.

- (i) Lack of Exchangeability - Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (effective 1 January 2025)
- (ii) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (effective 1 January 2026)
- (iii) IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027)
- (iv) IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)

2.3 Consolidation

The financial statements of the consolidated subsidiaries used to prepare the consolidated financial statements were prepared as of the parent company's reporting date.

a. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity 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 over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The assessment of control is based on the consideration of all facts and circumstances. The Group reassesses whether or not it controls an investee if fact and circumstances indicate that there are changes to one or more of the elements of control.

Investment in subsidiaries is measured at cost less accumulated impairment losses in the separate financial statements of the parent.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

b. 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.

c. Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. 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 profit or loss.

d. 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. Investment in associates is measured at cost in the separate financial statements of the investor. Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements of the Group. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

The Group's investment in associates includes goodwill identified on acquisition.

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 profit or loss 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.

The Group determines at each reporting date whether there is any objective evidence that the investment in an 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.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

All transactions between business segments are conducted at arm's length, with inter-segment revenue and expenditure eliminated at the Group. Income and expenses directly associated with each segment is included in determining the segment's performance.

2.5 Common control transactions

A business combination involving entities or businesses under common control is excluded from the scope of IFRS 3: Business Combinations. The exemption is applicable where the combining entities or businesses are controlled by the same party both before and after the combination. Where such transactions occur, the Group, in accordance with IAS 8, uses its judgment in developing and applying an accounting policy that is relevant and reliable. In making this judgment, directors consider the requirements of IFRS dealing with similar and related issues and the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the framework.

Directors also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that these do not conflict with the IFRS Framework or any other IFRS or interpretation.

Accordingly, the Group's policy is that the assets and liabilities of the business transferred are measured at their existing book value in the consolidated financial statements of the parent, as measured under IFRS. The Company incorporates the results of the acquired businesses only from the date on which the business combination occurs.

2.6 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 Nigerian Naira which is the group's presentation currency.

b. *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

c. *Group companies*

The results and financial position of all the group entities which have functional currency different from the Group's presentation currency, are translated into the Group's presentation currency as follows:

- assets and liabilities of each foreign operation are translated at the rates of exchange ruling at the reporting date;
- income and expenses of each foreign operation are translated at the average exchange rate for the period, unless this average is not a reasonable approximation of the rate prevailing on transaction date, in which case income and expenses are translated at the exchange rate ruling at transaction date; and
- 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.

2.7 Income taxation

a. *Current income tax*

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on equity instruments for which the entity has elected to present gains and losses in other comprehensive income).

b. *Deferred tax*

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred 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 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 tax asset is realised or the deferred tax liability is settled.

Deferred 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 tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred 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 and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Inventories

Inventories include stock of consumables and repossessed assets held for resale. Stock of consumables comprise of materials to be consumed in the process of rendering of services as well as accessories held for subsequent issuance to customers. They are measured at lower of cost and net realisable value. Cost comprises cost of purchase and other costs incurred in bringing the items of stock to their present location and condition. Net realisable value is the estimated issuance price. When items of stock are issued to customers, their carrying amount is recognised as an expense in the period in which the relevant revenue is recognised.

Repossessed assets held for resale include assets held as collaterals recovered from defaulting loan customers. These assets includes Land, Buildings, Tank farm, Rigs and Vessel. They are valued at the lower of cost and net realisable value. Cost is the carrying amount of the related loan at the date of exchange. Net realisable value represents the estimated selling price less estimated costs to completion and costs to be incurred in marketing, selling and distribution.

2.9 Financial assets and liabilities

In accordance with IFRS 9, all financial assets and liabilities – which include derivative financial instruments – have to be recognised in the statement of financial position and measured in accordance with their assigned category.

2.9.1 Financial assets

The Group allocates financial assets into one of the following categories: Fair value through profit or loss, Amortised cost and Fair value through other comprehensive income. The Group classifies all financial assets on the basis of the business model for managing the asset and the contractual cashflow characteristics of the asset.

a. Financial assets at fair value through profit or loss (FVTPL)

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

b. Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate.

Amortization is included in interest income in the income statement. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses in the statement of financial position.

c. *Financial assets at fair value through other comprehensive*

Financial assets are measured at fair value through other comprehensive income (FVOCI) if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest.

Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income (OCI), unless the instrument is designated in a fair value hedge relationship. When designated in a fair value hedge relationship any changes in fair value due to changes in the hedged risk is recognized in the income statement. Foreign exchange gains and losses that relate to the amortized cost of the debt instrument are recognized in the income statement. Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to interest income in the income statement using the effective interest rate method.

d. *Recognition*

The Group uses settlement date accounting for regular way contracts when recording financial asset transactions. Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

2.9.2 Financial liabilities

The Group's holding in financial liabilities is in financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Financial liabilities are derecognised when extinguished.

a. *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss are financial liabilities held for trading.

A financial liability is classified as held for trading if it is 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 as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

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

b. *Other liabilities measured at amortised cost*

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

2.9.3 Derivative financial instruments

Derivative financial instruments include swaps, forward rate agreements, futures, options and combinations of these instruments, and they primarily affect the Group's net interest income, net trading income, net fee and commission income and derivative assets and liabilities. Notional amounts of the contracts are not recorded on the balance sheet. All derivative financial instruments are held at fair value through profit or loss.

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset where there is a legal right of offset of the recognised amounts and the parties intend to settle the cash flows on a net basis, or realise the asset and settle the liability simultaneously.

2.9.4 Embedded derivatives

Hybrid contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative. Where the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract, and the host contract itself is not carried at fair value through profit or loss, the embedded derivative is bifurcated and measured at fair value with gains and losses being recognised in the income statement.

2.9.5 Determination of fair value

Fair value is defined as 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.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, the Nigerian Exchange Limited (NGX)) and broker quotes from Bloomberg and Reuters.

A financial instrument is regarded as quoted in an active market 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.

If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.

The Group uses widely recognised valuation models for determining fair values of non standardised financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market-observable.

For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value derivatives transacted in the over-the-counter market, unlisted securities (including those with embedded derivatives) and other instruments for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk.

Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

The estimated fair value of loans and advances represents an estimation of the value of the loans using average benchmarked lending rates which were adjusted for specific entity risks based on history of losses.

2.9.6 De-recognition of financial instruments

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

2.9.7 Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations.

2.10 Offsetting financial instruments

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

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

2.11 Revenue recognition

a. Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in profit or loss using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets — assets that are credit-impaired at initial recognition — the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Group estimates cash flows considering all contractual terms of the financial instrument but excluding future credit losses.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- (a) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- (b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

b. Fees and commission income

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. For other fees and commission 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.

c. Dividend income

Dividend income is recognised when the right to receive income is established.

2.12 Impairment of financial assets

The Group assesses the following financial assets for impairment using the Expected Credit Loss (ECL) approach:

- Financial assets classified at amortised cost
- Debt securities classified at fair value through other comprehensive income
- Off-balance sheet loan commitments and
- Financial guarantee contracts.

Equity instruments and financial assets measured at fair value through profit or loss are not subjected to impairment under the standard.

Expected Credit Loss Impairment Model

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

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

- Stage 1 – Where there has not been a significant increase in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

2.13 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additionally, assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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. An impairment loss in respect of goodwill is not reversed.

2.14 Collateral

The Group obtains collateral where appropriate, from customers to manage their credit risk exposure to the customer. The collateral normally takes the form of a lien over the customer's assets and gives the Group a claim on these assets for both existing and future customer in the event that the customer defaults.

The Group may also use other credit instruments, such as stock borrowing contracts, and derivative contracts in order to reduce their credit risk.

Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. These items are assigned to deposits received from bank or other counterparties. Any interest payable or receivable arising is recorded as interest expense or interest income respectively.

2.15 Discontinued operations

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

- i. represents a separate major line of business or geographical area of operations;
- ii. is a part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- iii. is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

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 cost to sell.

2.16 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after January 1, 2019

Leases in which the Group is a lessee

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 Group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease Liabilities

At the commencement date of a lease, the Group recognises lease liabilities 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 payments that are based on an index or a rate
- amounts expected to be payable by the Group 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 Group 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 expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the Group 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 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.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Right of use assets

Right-of-use assets are initially measured at cost, comprising of 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 Group 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 assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than N1 million when new, e.g., small IT equipment and small items of office furniture, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term. The Group has applied the low value lease exemption for leases of printers as they are less than N1 million when new.

Extension and termination options

Extension and termination options are included in all of the Group's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Most of the extension options are subject to mutual agreement by the Group and the lessors and some of the termination options held are exercisable only by the Group.

The Group is the lessor

(i) Operating lease

When assets are subject to an operating lease, the assets continue to be recognised as property and equipment based on the nature of the asset. Lease income is recognised on a straight line basis.

(ii) Finance lease

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) 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 which allocates rentals between finance income and repayment of capital in each accounting period in such a way that finance income will emerge as a constant rate of return on the lessor's net investment in the lease.

2.17 Investment Properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated group, are classified as investment properties. Investment properties comprise residential buildings constructed with the aim of leasing out to tenants or for selling. Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value.

The fair value reflects market conditions at the date of the statement of financial position and is obtained from professional third party valuers contracted to perform valuations on behalf of the Group. The fair value does not reflect future capital expenditure that will improve or enhance the property.

Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Transfer to, or from, investment property is recognized only when there is a change in use, evidenced by one or more of the following:

- i. commencement of owner-occupation (transfer from investment property to owner-occupied property)
- ii. commencement of development with the view to sale (transfer from investment property to inventories)
- iii. end of owner-occupation (transfer from owner-occupied property to investment property)
- iv. commencement of an operating lease to another party (transfer from inventories to investment property)
- v. end of construction or development (transfer from property in the course of construction/ development to investment property)

Investment properties are derecognized on disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in other operating income in the income statement.

2.18 Property and Equipment

All property and equipment used by the parent or its subsidiaries is stated at historical cost less depreciation less accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Asset class	Depreciation rate
Improvement and buildings	2%
Motor vehicles	25%
Office equipment	20%
Computer equipment	33⅓%
Furniture and fittings	20%
Machinery	20%

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property and equipment are kept under review on an annual basis to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Group takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets.

When reviewing residual values, the Group estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic life.

No depreciation is provided on freehold land, although, in common with all long-lived assets, it is subject to impairment testing, if deemed appropriate.

Construction cost and improvements in respect of offices is carried at cost as capital work in progress. On completion of construction or improvements, the related amounts are transferred to the appropriate category of property and equipment.

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/ loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement in the period the asset is derecognised.

2.19 Intangible assets

a. Goodwill

Goodwill arises on the acquisition of subsidiary and associates, and represents the excess of the cost of acquisition, over the fair value of the Group's share of the assets acquired, and the liabilities and contingent liabilities assumed on the date of the acquisition. For the purpose of calculating goodwill, fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows to present value. This discounting is either performed using market rates or by using risk-free rates and risk-adjusted expected future cash flows. Goodwill is initially recognised as an asset at cost and subsequently measured at cost less accumulated impairment losses, if any. Goodwill which is recognised as an asset is reviewed at least annually for impairment. Any impairment loss is immediately recognised in profit or loss.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit that is expected to derive benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

Goodwill on acquisitions of associates is included in the amount of the investment.

Gains and losses on the disposal of an entity include the carrying amount of the goodwill relating to the entity sold.

b. Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group, are recognised as intangible assets when the following criteria are met:

- i. It is technically feasible to complete the software product so that it will be available for use;
- ii. Management intends to complete the software product and use or sell it;
- iii. There is an ability to use or sell the software product;
- iv. It can be demonstrated how the software product will generate probable future economic benefits;
- v. Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- vi. The expenditure attributable to the software product during its development can be reliably measured.

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software development costs recognised as intangible assets are amortised on the straight-line basis over 3 years and are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying amount of capitalised computer software is reviewed annually and is written down when the carrying amount exceeds its recoverable amount.

c. Derecognition

An item of intangibles is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents excludes restricted balances with central banks.

2.21 Employee benefits

(i) Post-employment benefits

The Group has both defined benefit and defined contribution plans

a. Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The company and all entities within the Group make contributions in line with relevant pension laws in their jurisdiction. In Nigeria, the company contributes 16.5% of each employee's monthly emoluments (as defined by the Pension Act 2014) to the employee's Retirement Savings Account. The Act stipulates a minimum contribution of 10%.

b. Defined benefit plan

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

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of the statement of financial position less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the Estimated future cash outflows using interest rates of Federal government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Remeasurement gains and losses are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in income.

(ii) Short-term benefits

Short-term benefits consists of salaries, accumulated leave allowances, bonuses and other non-monetary benefits. Short-term benefits are measured on an undiscounted basis and are expensed as the related services provided.

A liability is recognised for the amount expected to be paid under short-term cash benefits such as accumulated leave and leave allowances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be measured reliably.

2.22 Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

When a leasehold property ceases to be used in the business or a demonstrable commitment has been made to cease to use a property where the costs exceed the benefits of the property, provision is made, where the unavoidable costs of the future obligations relating to the lease are expected to exceed anticipated rental income and other benefits. The net costs are discounted using market rates of interest to reflect the long-term nature of the cash flows.

Provision is made for the anticipated cost of restructuring, including redundancy costs when an obligation exists. An obligation exists when the Group has a detailed formal plan for restructuring a business and has raised valid expectations in those affected by the restructuring by starting to implement the plan or announcing its main features. The provision raised is normally utilised within nine months.

Provision is made for undrawn loan commitments and similar facilities if it is probable that the facility will be drawn and result in the recognition of an asset at an amount less than the amount advanced.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.

2.23 Fiduciary activities

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

2.24 Issued debt and equity securities

Issued financial instruments or their components are classified as liabilities where the contractual arrangement results in the Group having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavourable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares. Issued financial instruments, or their components, are classified as equity where they meet the definition of equity and confer on the holder a residual interest in the assets of the Group. The components of issued financial instruments that contain both liability and equity elements are accounted for separately with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component.

2.25 Share capital

a. *Share issue costs*

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

b. *Dividends on ordinary shares*

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the shareholders.

Dividends for the period that are declared after the reporting date are dealt with in the subsequent events note.

Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

c. *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 Group 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.

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d. *Treasury shares*

Where the Company or other members of the Group purchase the Company's equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

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 for losses in risk assets. Assets are classed as performing or non-performing. Non-performing assets are further classed as Substandard, Doubtful or Lost with attendant provision as per the table below based on objective criteria.

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 impairment determined for these assets under IFRS 9 are compared. The IFRS 9 determined impairment charge is always included in the income statement.

Where the Prudential Guidelines provision is greater, the difference is appropriated from Retained Earnings and included in a non-distributable reserve "Regulatory risk reserve". Where the IFRS 9 impairment is greater, no appropriation is made and the amount of the IFRS 9 impairment is recognised in income statement.

Following an examination, the regulator may also require more amounts be set aside on risk and other assets. Such additional amounts are recognised as an appropriation from retained earnings to regulatory risk reserve.

2.26 Financial guarantees

Financial guarantees are contracts that require the Group to make specific payments to reimburse the holder of a loss it incurs because a specific debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at the 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).

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3 Segment information

In accordance with the management approach of IFRS 8, operating segments are reported in accordance with the internal reports provided to the Board of Directors (the chief operating decision maker), which is responsible for allocating resources to the operating segments and assesses its performance.

The Group is divided into the following business units:

1. Commercial Banking Business Group
2. Investment Banking and Asset Management Business Group
3. Others

Commercial Banking Business Group

This is the Group's core business, which provides both individual and corporate clients/customers with financial intermediation services. This business segment includes the Group's local, international and representative offices offering commercial banking services.

Investment Banking and Asset Management Business Group (IBAM) (formerly MBAM)

This is the investment-banking arm of the Group, providing advisory, asset management, markets and private equity services to a large institutional (corporations and governments) clientele.

In prior periods, this included the merchant banking subsidiary, FBNQuest Merchant Bank Limited and the reporting segment was referred to as the Merchant Banking and Asset Management Business (MBAM). Following the Board of Directors approval and resolution to divest from the merchant banking subsidiary, the reporting segment has been amended as the Investment Banking and Asset Management Business Group.

Others

Others, comprises of FBN Holdings Plc., the parent company, FirstInsurance Brokers Limited, Rainbow Town Development Limited and FBNQuest Merchant Bank Limited.

The Group's management reporting is based on a measure of operating profit comprising net interest income, loan impairment charges, net fee and commission income, other income and non-interest expenses. This measurement basis excludes the effect of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring events.

As the Board of Directors reviews operating profit, the results of discontinued operations are not included in the measure of operating profit. The transactions between segments are carried out at arm's length, which is consistent with the basis of transacting with external parties.

The information provided about each segment is based on the internal reports about segment profit or loss, assets and other information, which are regularly reviewed by the Board of Directors.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the consolidated statement of financial position.

Segment result of operations

Total revenue in the segment represents: Interest income, fee and commission income, foreign exchange income, net gains/losses on sale of investment securities, net gains/losses from financial instruments at fair value through profit/loss, dividend income, other operating income and share of profit/loss of associates.

The segment information provided to the Board of Directors for the reportable segments for the year ended December 31, 2024 is as follows:

	Commercial Banking Group	Investment Banking and Asset Management Group	Others	Total
	N 'million	N 'million	N 'million	N 'million
For the year ended December 31, 2024				
Total segment revenue	3,224,918	100,548	85,577	3,411,043
Inter-segment revenue	(1,736)	-	(77,895)	(79,631)
Revenue from external customers	3,223,182	100,548	7,682	3,331,412
Interest income	2,382,558	33,160	4,702	2,420,420
Interest expense	(1,008,653)	(20,017)	(8)	(1,028,678)
Profit before tax	806,230	57,393	(1,232)	862,391
Income tax expense	(105,758)	(17,323)	(2,576)	(125,657)
Profit for the year from continuing operations	700,472	40,070	(3,808)	736,734
Profit for the year from discontinued operations	-	-	2,123	2,123
Impairment charge on losses	(402,739)	(8,068)	(3)	(410,810)
Depreciation	(42,918)	(330)	(420)	(43,668)
Amortisation	(16,872)	(244)	(10)	(17,126)

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3 Segment information continued

	Commercial Banking Group	Investment Banking and Asset Management Group	Others	Total
	N 'million	N 'million	N 'million	N 'million
December 31, 2024				
Total assets	25,932,809	510,435	98,232	26,541,476
Other measures of assets:				
Loans and advances to customers	8,953,044	409	187	8,953,640
Expenditure on non-current assets (PP&E)	210,306	1,475	954	212,735
Investment securities	6,105,333	348,933	14,504	6,468,770
Total liabilities	23,558,994	415,453	28,380	24,002,827

	Commercial Banking Group	Investment Banking and Asset Management Group	Others	Total
	N 'million	N 'million	N 'million	N 'million
For the year ended December 31, 2023				
Total segment revenue	1,493,270	64,141	22,985	1,580,396
Inter-segment revenue	(451)	(250)	(17,922)	(18,623)
Revenue from external customers	1,492,819	63,891	5,063	1,561,773
Interest income	918,163	15,362	3,157	936,682
Interest expense	(377,916)	(12,472)	(6)	(390,394)
Profit before tax	324,233	33,707	(1,792)	356,148
Income tax expense	(38,082)	(9,264)	(369)	(47,715)
Profit for the year from continuing operations	286,151	24,443	(2,161)	308,433
Profit for the year from discontinued operations	-	-	1,937	1,937
Impairment charge for losses	(218,144)	(6,804)	-	(224,948)
Depreciation	(28,522)	(159)	(372)	(29,053)
Amortisation	(13,797)	(18)	(10)	(13,825)

At 31 December 31, 2023

Total assets	16,230,843	655,347	51,494	16,937,684
Other measures of assets:				
Loans and advances to customers	6,252,975	106,031	288	6,359,294
Expenditure on non-current assets	156,879	3,408	1,390	161,677
Investment securities	2,537,342	253,319	6,959	2,797,620
Total liabilities	14,594,803	573,870	21,990	15,190,663

Geographical information

Revenues	31 Dec. 2024 N 'million	31 Dec. 2023 N 'million
Nigeria	2,464,983	1,294,537
Outside Nigeria	866,429	267,236
Total	3,331,412	1,561,773
Non current asset	31 Dec. 2024 N 'million	31 Dec. 2023 N 'million
Nigeria	135,648	111,384
Outside Nigeria	77,087	50,293
Total	212,735	161,677

4 Interest income

	GROUP			COMPANY		
	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million
Investment securities	311,064	849,660	278,536	562	1,912	368
Loans and advances to banks	27,355	206,417	48,331	1,095	4,053	2,980
Loans and advances to customer	448,991	1,364,343	609,815	32	44	31
	<u>787,410</u>	<u>2,420,420</u>	<u>936,682</u>	<u>1,689</u>	<u>6,009</u>	<u>3,379</u>

5 Interest expense

	GROUP			COMPANY		
	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million
Deposit from customer	169,413	591,859	251,663	-	-	-
Deposit from banks	41,630	275,836	52,305	-	-	-
Borrowings and others	58,564	160,983	86,426	5	8	6
	<u>269,607</u>	<u>1,028,678</u>	<u>390,394</u>	<u>5</u>	<u>8</u>	<u>6</u>

6 Impairment charge for losses

	GROUP			COMPANY		
	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million
Loans and advances to banks						
12 - month ECL	3,794	(3,012)	36,105	-	-	-
Investment securities						
12 - month ECL	1,861	4,390	8,950	-	-	-
Loans and advances to customers						
Increase in impairment loss	194,425	362,767	174,668	-	-	-
Other assets						
Increase in impairment	28,591	35,869	5,903	-	3	-
Off balance sheet						
Increase/(Decrease) in impairment	10,752	10,796	(678)	-	-	-
	<u>239,423</u>	<u>410,810</u>	<u>224,948</u>	<u>-</u>	<u>3</u>	<u>-</u>

7a Fee and commission income

	GROUP		
	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023
	N 'million	N 'million	N 'million
Credit related fees	22,508	46,668	17,485
Letters of credit commissions and fees	14,803	46,054	59,863
Electronic banking fees	21,298	76,779	66,343
Commission on bonds and guarantees	2,256	6,253	3,539
Funds transfer & intermediation fees	15,737	42,553	20,286
Account Maintenance	9,588	36,956	22,322
Brokerage and intermediations	1,570	6,620	4,273
Custodian fees	3,641	15,561	11,828
Fund management fees	2,524	11,544	8,074
Other fees and commissions	3,537	13,801	6,315
	<u>97,574</u>	<u>302,901</u>	<u>220,328</u>

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7b Fees and commission expense

	GROUP		
	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Year to date 31 Dec. 2023 N 'million
Fees and commission expense	29,734	63,717	33,256

Fee and commission expense primarily relates to charges raised by switching platforms on holders of First Bank Limited ATM cards, who make use of the other banks' machines while transacting business, and SMS alert related expenses.

8 Foreign exchange income/ (loss)

	GROUP			COMPANY		
	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Year to date 31 Dec. 2023 N 'million	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Year to date 31 Dec. 2023 N 'million
Foreign exchange trading (loss)/income	(134,091)	(96,431)	8,605	-	-	-
Foreign exchange revaluation gain/(loss)	298,221	33,833	(342,835)	(679)	1,164	787
	164,130	(62,598)	(334,230)	(679)	1,164	787

9 Net gains on sale of investment securities

	GROUP			COMPANY		
	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Year to date 31 Dec. 2023 N 'million	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Year to date 31 Dec. 2023 N 'million
(Loss)/Gains on sale of investment securities	(50,834)	(40,293)	34,848	-	21	(50)
	(50,834)	(40,293)	34,848	-	21	(50)

10 Net gains from financial instruments at fair value through profit or loss

	GROUP			COMPANY		
	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Year to date 31 Dec. 2023 N 'million	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Year to date 31 Dec. 2023 N 'million
Trading gains/(losses) on debt securities	5,680	19,192	(3,119)	-	-	-
Fair value gains/(losses)	84,430	622,678	681,551	-	4	(379)
	90,110	641,870	678,432	-	4	(379)

11 Dividend income

	GROUP			COMPANY		
	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Year to date 31 Dec. 2023 N 'million	Q4 ended 31 Dec. 2024 N 'million	Year to date 31 Dec. 2024 N 'million	Year to date 31 Dec. 2023 N 'million
First Bank of Nigeria Limited	-	-	-	12,500	12,500	12,500
FBNQuest Merchant Bank Limited	-	-	-	-	-	1,012
FirstCap Limited	-	-	-	5,000	5,000	2,000
First Trustees Limited	-	-	-	5,294	5,294	1,437
FirstInsurance Brokers Limited	-	-	-	600	600	450
First Asset Management Limited	-	-	-	4,000	4,000	-
Others*	124	9,864	5,742	-	-	-
Withholding tax on dividend **	-	-	-	(304)	(304)	(239)
	124	9,864	5,742	27,090	27,090	17,160

*This represents dividend income earned from other equity investments held by subsidiaries of FBN Holdings Plc

**This represents the withholding tax paid by the company during the period on the portion of dividend received from subsidiaries which was retained by the company.

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12 Other operating income

	GROUP			COMPANY		
	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million
(Loss)/gain on sale of property and equipment	(101)	53	7	(117)	(130)	7
Recoveries	784	10,388	9,217	-	-	-
Sundry (losses)/income	(9,932)	48,390	9,927	-	36	116
	(9,249)	58,831	19,151	(117)	(94)	123

13 Operating expenses

	GROUP			COMPANY		
	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million
Directors' emoluments	1,286	5,115	3,486	271	926	1,035
AMCON levy	1,233	80,029	51,121	-	-	-
Deposit insurance premium	10,345	41,269	28,086	-	-	-
Maintenance	43,072	131,148	70,816	32	150	88
Insurance premium	1,780	6,589	3,762	51	196	130
Rent and rates	3,123	9,397	3,207	-	-	-
Advert and corporate promotions	30,777	75,343	32,249	(80)	90	401
Professional fees	13,238	37,588	19,517	748	1,160	589
Donations and subscriptions	955	2,722	1,643	16	83	32
Stationery and printing	765	4,591	3,042	12	28	11
Communication, light and power	12,363	43,799	23,185	15	22	16
Cash handling charges	2,199	6,682	3,259	-	-	-
Fines and penalties	-	8	32	-	8	14
Operational and other losses	7,974	42,015	40,916	-	-	-
Passages and travels	11,081	28,748	10,789	721	1,098	647
Outsourced cost	11,731	37,435	22,558	7	20	17
Other operating expenses	11,551	32,316	20,580	111	808	322
	163,473	584,794	338,248	1,904	4,589	3,302

14 Taxation - Income tax expense

	GROUP			COMPANY		
	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023	Q4 ended 31 Dec. 2024	Year to date 31 Dec. 2024	Year to date 31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million
Current income tax	31,148	125,924	68,045	2,027	2,049	22
Origination of temporary deferred tax differences	9,927	(267)	(20,330)	-	-	-
Income tax expense	41,075	125,657	47,715	2,027	2,049	22

15 Cash and balances with central banks

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Cash	322,392	159,505
Balances with central banks excluding mandatory reserve deposits	529,117	304,387
	851,509	463,892
Mandatory reserve deposits with Central Banks	3,632,416	2,108,471
	4,483,925	2,572,363

Mandatory reserve deposits with Central Banks represents a percentage of customers' deposits (prescribed from time to time by the Central Banks) which are not available for daily use. For the purposes of the Statement of cashflow, this balance is excluded from cash and cash equivalents.

16 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months.

	GROUP		COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million
Cash	322,392	169,653	-	-
Balances with central banks other than mandatory reserve deposits	529,117	304,387	-	-
Loans and advances to banks excluding long term placements	3,149,301	1,826,733	23,269	16,523
Treasury bills included in financial assets at FVTPL	1,843	4,202	-	-
Treasury bills and eligible bills excluding pledged treasury bills	1,282,959	377,611	-	-
	5,285,612	2,682,586	23,269	16,523

17 Loans and advances to banks

	GROUP		COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million
Current balances with banks within Nigeria	524,629	754,630	2,067	2,060
Current balances with banks outside Nigeria	1,506,467	805,817	-	-
Placements with banks and discount houses	1,118,205	235,123	21,202	14,463
	3,149,301	1,795,570	23,269	16,523
Long term placement/Cash collateral balance	416,502	257,660	-	-
Carrying amount	3,565,803	2,053,230	23,269	16,523

18 Loans and advances to customers

	GROUP		COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million
Overdrafts	2,072,562	866,013	-	-
Term loans	7,354,134	5,300,195	178	269
Project finance	4,390	467,625	-	-
	9,431,086	6,633,833	178	269
Less impairment allowance:				
- Stage 1	(41,178)	(15,428)	-	-
- Stage 2	(230,844)	(133,084)	-	-
- Stage 3	(205,424)	(126,027)	-	-
	8,953,640	6,359,294	178	269

19 Financial assets at fair value through profit or loss

	GROUP		COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million
Treasury bills with maturity of less than 90 days	1,843	4,202	-	-
Treasury bills with maturity over 90 days	126,870	28,094	-	-
Bonds	58,459	16,335	-	-
Total debt securities	187,172	48,631	-	-
Listed equity securities	11,403	12,511	-	-
Unlisted securities	102,624	67,140	-	504
Total equity securities	114,027	79,651	-	504
Derivative assets	226,007	620,503	-	-
Total assets at fair value through profit or loss	527,206	748,785	-	504

20 Investment Securities

	GROUP		COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million
20.1 Securities at fair value through other comprehensive income (FVOCI)				
Debt securities – at fair value:				
– Treasury bills with maturity of less than 90 days	1,155,205	233,707	-	-
– Treasury bills with maturity of more than 90 days	1,536,872	312,207	8,412	3,864
– Bonds	1,277,083	480,971	6,092	3,095
Equity securities – at fair value:				
– Listed	1,101	705	-	-
– Unlisted	371,651	302,571	-	-
Total investment securities at FVOCI	4,341,912	1,330,161	14,504	6,959
20.2 Securities held at amortised cost				
Debt securities – at amortised cost:				
– Treasury bills with maturity of less than 90 days	127,754	143,904	-	-
– Treasury bills with maturity of more than 90 days	421,276	382,575	-	-
– Bonds	1,577,828	940,980	-	-
Total securities classified as amortised cost	2,126,858	1,467,459	-	-
	6,468,770	2,797,620	14,504	6,959

21 Asset pledged as collateral

The assets pledged by the Group are strictly for the purpose of providing collateral to the counterparties. To the extent that the counterparty is not permitted to sell and/or repledge the assets in the absence of default, they are classified in the statement of financial position as pledged assets. These transactions are conducted under terms that are usual and customary to standard securities borrowing and lending activities.

The nature and carrying amounts of the assets pledged as collaterals are as follows:

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Treasury bills	400,655	976,879
Bonds	660,452	542,215
	1,061,107	1,519,094

22 Other assets

	GROUP		COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million
Financial assets:				
Accounts receivable	1,037,246	488,822	53,119	17,144
	1,037,246	488,822	53,119	17,144
Impairment on financial other asset	(53,006)	(17,252)	-	-
	984,240	471,570	53,119	17,144
Non Financial assets:				
Inventory (i)	96,503	91,398	41	20
Prepayments	36,952	24,849	77	186
Others	18,237	13,110	1,111	311
	151,692	129,357	1,229	517
	1,135,932	600,927	54,348	17,661

(i) Inventory: This is made up of repossessed collateral and stock of consumables.

23 Investment in associates (equity method)

- i. Seawolf Oilfield Services Limited (SOSL)
FBN Holdings Plc. holds 42% shareholding in Seawolf Oilfields Services Limited (SOSL). SOSL is a company incorporated in Nigeria and is involved in the oil and gas sector. SOSL has share capital consisting only of ordinary share capital which are held directly by the group; the country of incorporation or registration is also their principal place of business. SOSL is not publicly traded and there is no published price information.

In 2014, Asset Mananagement Corporation of Nigeria (AMCON), a major creditor of SOSL, appointed a receiver manager to take over the business. Hence, the investment has been fully impaired since then.

ii. **FBN Balanced Fund (Formerly FBN Heritage Fund)**

FBN Balanced Fund (Formerly FBN Heritage Fund) is an open-ended Securities and Exchange Commission (SEC) registered mutual fund that invests in stocks, bonds, money market instruments, real estate and other securities in the Nigerian Capital Market. The fund manager publishes daily unit price of the fund on the memorandum listing section of the Nigerian Exchange. The unit price of the fund as at reporting date was N322.58 (Cost: N100). FBN Balanced Fund's principal place of business is Nigeria while the its principal activity is Fund management. The Group's ownership interest in the Fund is 28.23%.

	GROUP		COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million
SOSL				
Cost	10,375	10,375	10,375	10,375
Impairment loss/accumulated share of loss	(10,375)	(10,375)	(10,375)	(10,375)
	-	-	-	-
FBN Balanced Fund				
Balance at beginning of year	2,005	1,185	-	-
Share of profit	417	820	-	-
At end of year	2,422	2,005	-	-

24 Investment in subsidiaries**(a) Principal subsidiary undertakings**

	COMPANY	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
DIRECT SUBSIDIARIES OF FBN HOLDINGS PLC		
First Bank of Nigeria Limited (Note 23 (i))	230,557	230,557
FirstCap Limited (Note 23 (ii))	5,812	5,812
FirstInsurance Brokers Limited (Note 23 (iii))	25	25
FBNQuest Merchant Bank Limited (Note 23 (iv))	-	17,206
First Trustees Limited (Note 23 (v))	4,521	4,521
FBNQuest Securities Limited (Note 23 (vi))	1,228	-
First Asset Management Limited (Note 23 (vii))	289	-
	242,432	258,121
INDIRECT SUBSIDIARIES OF FBN HOLDINGS PLC		
FBNQuest Funds Limited (Note 23 (viii))	4,550	4,550
	4,550	4,550
	246,982	262,671

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT DECEMBER 31, 2024

All shares in subsidiary undertakings are ordinary shares. For all periods shown, the Group owns the total issued shares in all its subsidiary undertakings except Rainbow Town Development Limited in which it owns 55% (through New Villa Limited). There are no significant restrictions on any of the subsidiaries. All subsidiary undertakings are included in the consolidation except as otherwise stated. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company and the Group do not differ from the proportion of ordinary shares held.

Subsidiary	Principal activity	Country of incorporation	Proportion of shares held directly by parent (%)	Proportion of shares held directly by the Group (%)	Statutory period end
First Bank of Nigeria Limited (Note 23 (i))	Commercial Banking	Nigeria	100	100	31 December
FirstCap Limited (Note 23 (ii))	Investment Banking	Nigeria	100	100	31 December
First Insurance Brokers Limited (Note 23 (iii))	Insurance Brokerage	Nigeria	100	100	31 December
FBNQuest Merchant Bank Limited (Note 23 (iv))	Merchant Banking & Asset Management	Nigeria	0	0	31 December
First Trustees Limited (Note 23 (v))	Trusteeship	Nigeria	100	100	31 December
FBNQuest Securities Limited (Note 23 (vi))	Equity and Brokerage Services	Nigeria	100	100	31 December
First Asset Management Limited (Note 23 (vii))	Asset Management Services	Nigeria	100	100	31 December
FBNQuest Funds Limited (Note 23 (viii))	Funds Management	Nigeria	100	100	31 December
New Villa Limited (Rainbow Town Development Limited) (Note 23 (ix))	Investment and General Trading	Nigeria	55	55	31 December

i First Bank of Nigeria Limited

The bank commenced operations in Nigeria in 1894 as a branch of Bank of British West Africa (BBWA), and was incorporated as a private limited liability company in Nigeria in 1969. The Bank was the parent company of the Group until 30 November 2012, when a business restructuring was effected in accordance with the directives of the Central Bank of Nigeria and FBN Holdings Plc (FBNH) became the parent company of the Group.

ii FirstCap Limited

FirstCap Limited (FBNQuest Capital Limited) is a private limited liability company incorporated in Nigeria and commenced operations on 1 April 2005. It is registered with the Securities and Exchange Commission (SEC) to undertake issuing house business. It is also involved in the business of asset management and financial advisory.

iii FirstInsurance Brokers Limited

The company was incorporated under the Companies and Allied Matters Act, as a limited liability company on March 31, 1994 with the name 'Trust Link Insurance Brokers Limited'. The company prepared financial statements up to March 31, 1998 after which it became dormant. The company was resuscitated on April 1, 2000 as FBN Insurance Brokers Limited. The principal activity of the company is insurance brokerage business.

iv FBNQuest Merchant Bank Limited

The Company was incorporated in Nigeria as a limited liability company on 14 February 1995 and was granted a license to carry on the business of a discount house and commenced operations on 16 November 1995. In 2015, the Company was transformed into a merchant bank. The Central Bank of Nigeria (CBN) license for merchant banking was obtained in May 2015 and while merchant banking operations commenced on 2 November, 2015.

Following the decision and resolution of the Board of Directors to divest from FBNQuest Merchant Bank, the sale of the subsidiary was concluded on 31 December 2024 and has been accounted as such in this financial statements.

v First Trustees Limited

First Trustees Limited (FBNQuest Trustees Limited) was incorporated in Nigeria as a limited liability company on 8 August 1979 and commenced business on 3 September 1979. The company was established to engage in the business of trusteeship as well as portfolio management, financial/ investment advisory services.

vi FBNQuest Securities Limited

FBNQuest Securities Limited was incorporated as a private limited liability company on 23 July, 1991 as Premium Securities Limited and engaged in the business of stock brokerage. It changed its name to FBN Securities Limited on 25 February, 2008 and approval obtained from the Corporate Affairs Commission (CAC) on 26 March, 2008. Furthermore, the CAC approval was equally granted on 25 October, 2017 to change the name to FBNQuest Securities Limited.

The Boards of Directors of FBN Holdings Plc and FBNQuest Merchant Bank Limited passed resolutions to transfer FBNQuest Securities Limited to FBN Holdings Plc as a direct subsidiary in a business reorganisation exercise. The regulatory approval of the Central Bank of Nigeria was obtained for the business reorganisation.

vii First Asset Management Limited

The Company was incorporated on 8 September 2011 and commenced operations on 1 January, 2013. It is registered with the Securities and Exchange Commission to undertake asset management business.

The Boards of Directors of FBN Holdings Plc and FBNQuest Merchant Bank Limited passed resolutions to transfer First Asset Management Limited (FBNQuest Asset Management Limited) to FBN Holdings Plc as a direct subsidiary in a business reorganisation exercise. The regulatory approval of the Central Bank of Nigeria was obtained for the business reorganisation.

viii FBNQuest Funds Limited

FBNQuest Funds Limited was incorporated on 14 November 2002. It commenced operations on 1 April 2003. Its principal activities are to carry on venture capital and private equity business.

ix New Villa Limited (Rainbow Town Development Limited)

This is a special purpose vehicle incorporated on 28 November 2008. Its principal activities include real estate investments and general trading. The investment was fully impaired in December 2016. This subsidiary is reclassified as discontinued operations.

24 (b) Condensed results of consolidated entities

	FBN Holdings Plc. N'million	First Bank Limited N'million	FirstCap Limited N'million	First Trustees Limited N'million	First Asset Management Limited N'million	FBNQuest Securities Limited N'million	FirstInsurance Brokers Limited N'million	FBNQuest Merchant Bank Limited N'million	Rainbow Town Development Limited N'million	Total N'million	Adjustments N'million	Group N'million
Summarized Income Statement for the period ended December 31, 2024												
Operating income	34,186	2,152,031	38,922	16,546	22,071	1,560	2,905	-	-	2,268,221	(29,621)	2,238,600
Operating expenses	(7,897)	(942,541)	(2,193)	(5,213)	(6,655)	(801)	(1,309)	-	-	(966,609)	793	(965,816)
Impairment charge for losses	-	(425,685)	(8,012)	-	-	(56)	-	-	-	(433,753)	22,943	(410,810)
Operating profit	26,289	783,805	28,717	11,333	15,416	703	1,596	-	-	867,859	(5,885)	861,974
Share of profit of associates	-	-	417	-	-	-	-	-	-	417	-	417
Profit before tax	26,289	783,805	29,134	11,333	15,416	703	1,596	-	-	868,276	(5,885)	862,391
Income tax expense	(2,049)	(105,758)	(8,906)	(3,854)	(4,625)	(169)	(527)	-	-	(125,888)	231	(125,657)
Profit for the period	24,240	678,047	20,228	7,479	10,791	534	1,069	-	-	742,388	(5,654)	736,734
Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	2,510	(387)	2,123	-	2,123
Other comprehensive (loss)/income	(635)	59,644	6,238	(23)	-	46	-	342	-	65,612	1,517	67,129
Total comprehensive income/(loss)	23,605	737,691	26,466	7,456	10,791	580	1,069	2,852	(387)	810,123	(4,137)	805,986
Summarized Financial Position as at December 31, 2024												
Assets												
Cash and balances with central banks	-	4,483,914	-	1	10	-	-	-	-	4,483,925	-	4,483,925
Loans and advances to banks	23,269	3,513,969	19,844	4,095	7,147	4,003	1,906	-	-	3,574,233	(8,430)	3,565,803
Loans and advances to customers	178	8,953,044	97	39	158	115	9	-	-	8,953,640	-	8,953,640
Financial assets at fair value through profit or loss	-	416,117	103,799	-	7,114	176	-	-	-	527,206	-	527,206
Investment securities	14,504	6,105,333	321,019	20,222	6,927	765	-	-	-	6,468,770	-	6,468,770
Assets pledged as collateral	-	1,061,107	-	-	-	-	-	-	-	1,061,107	-	1,061,107
Other assets	54,348	1,092,518	2,877	2,805	5,892	258	21	-	-	1,158,719	(22,787)	1,135,932
Investment in associates accounted for using the equity method	-	-	2,566	-	-	-	-	-	-	2,566	(144)	2,422
Investment in subsidiaries	246,982	-	-	-	-	-	-	-	-	246,982	(246,982)	-
Property and equipment	545	210,306	419	642	360	54	60	-	-	212,386	349	212,735
Intangible assets	-	40,290	16	210	481	3	14	-	-	41,014	-	41,014
Deferred tax assets	-	55,283	-	-	-	342	-	-	-	55,625	-	55,625
Assets held for sale	-	1,310	-	-	-	-	-	-	31,987	33,297	-	33,297
	339,826	25,933,191	450,637	28,014	28,089	5,716	2,010	-	31,987	26,819,470	(277,994)	26,541,476
Financed by												
Deposits from banks	-	2,968,273	-	-	-	-	-	-	-	2,968,273	-	2,968,273
Deposits from customers	-	17,294,708	(93)	-	-	1,474	-	-	-	17,296,089	(8,432)	17,287,657
Derivative liabilities	-	48,958	-	-	-	-	-	-	-	48,958	-	48,958
Current income tax liabilities	2,060	111,016	9,356	3,867	4,625	169	568	-	-	131,661	-	131,661
Other liabilities	23,652	1,395,124	90,742	7,152	6,625	2,237	493	-	-	1,526,025	(10,129)	1,515,896
Borrowings	-	1,263,907	295,738	-	-	-	-	-	-	1,559,645	-	1,559,645
Retirement benefit obligations	-	9,459	(1)	(3)	-	-	-	-	-	9,455	-	9,455
Deferred tax liabilities	-	249	2,320	1,543	821	-	54	-	-	4,987	-	4,987
Liabilities held for sale	-	-	-	-	-	-	-	-	1,783	1,783	-	1,783
	25,712	23,091,694	398,062	12,559	12,071	3,880	1,115	-	1,783	23,546,876	455,951	24,002,827
Equity and reserves	314,114	2,841,497	52,575	15,455	16,018	1,836	895	-	30,204	3,272,594	(733,945)	2,538,649

25 Property and equipment

	GROUP		COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Cost	421,432	328,105	2,885	3,211
Accumulated Depreciation	(208,697)	(166,428)	(2,340)	(2,263)
Net Book Value	<u>212,735</u>	<u>161,677</u>	<u>545</u>	<u>948</u>

26 Intangible assets

	GROUP	
	31 Dec. 2024 N 'million	31 Dec. 2023 N 'million
Goodwill	6,802	5,919
Software - Cost	114,984	90,561
Software - Accumulated Amortisation	(80,772)	(62,923)
	<u>41,014</u>	<u>33,557</u>

27 Deferred tax assets and liabilities

	GROUP	
	31 Dec. 2024 N 'million	31 Dec. 2023 N 'million
Deferred tax assets	55,625	55,895
Deferred tax liabilities	4,987	5,524

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2023: 30%).

28 Asset Held for Sale**28.1 Discontinued operations:**

The assets classified as held for sale in 2024 includes Rainbow Town Development Limited and FBNQuest Merchant Bank Limited.

(i) Rainbow Town Development Limited

The assets and liabilities of Rainbow Town Development Limited (RTDL) were classified as held for sale following the decision and resolution of the Board of Directors of First HoldCo. Plc. to dispose the Group's interest in RTDL. The carrying amount of the investment is expected to be recovered principally by a sale rather than through continuing use.

(ii) FBNQuest Merchant Bank Limited

Following the decision and resolution of the Board of Directors of FBN Holdings Plc, the Group disposed its investment in FBNQuest Merchant Bank Limited in line with earlier disclosures in the accounts and notification given to the market.

The disposal was concluded on 31 December 2024.

The operating results are separately presented in the income statement because the disposal group represents a separate line of business within the Group, and as such meets the definition of discontinued operations.

28.2 Non current asset held for sale

FBN Senegal has classified a building from its Property and Equipment as asset held for sale. This is following management's decision to dispose the asset. The Board of Directors demonstrated commitment to the sale in line with the requirements of IFRS 5 and as such the sale is expected to be completed within the next 12 months.

28.3 The carrying amount of the assets and liabilities of the disposal group classified as held for sale are as listed below.

	GROUP	
	31 Dec. 2024 N 'million	31 Dec. 2023 N 'million
Assets classified as held for sale		
Loans and advances to banks	96	-
Inventory	31,882	32,371
Property and equipment	4	5
Intangible assets	5	5
	<u>31,987</u>	<u>32,381</u>

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Liabilities classified as held for sale		
Current income tax liabilities	6	6
Other liabilities	1,777	1,777
	<u>1,783</u>	<u>1,783</u>
Net Assets	<u>30,204</u>	<u>30,598</u>

28.4 The operating results of the discontinued operations are as follows.

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Interest income	49,433	23,646
Interest expense	(38,168)	(21,021)
Net interest income	11,265	2,625
Impairment charge for losses	545	(2,470)
Net interest income after impairment charge for losses	11,810	155
Fee and commission income	7,708	6,126
Net fee and commission income	7,708	6,126
Foreign exchange income/(loss)	5,746	1,443
Net loss from financial instruments	(2,917)	2,188
Other operating income	880	79
Operating expenses	(12,530)	(7,376)
Profit before tax from discontinuing operations	10,697	2,615
Income tax expense	(2,216)	(678)
Profit from discontinued operations after tax	8,481	1,937
Loss on sale of investment in subsidiary (Note 28.5)	(6,358)	-
Profit from discontinued operations	2,123	1,937
Profit from discontinued operations is attributable to:		
Owners of the parent	2,297	1,987
Non-controlling interests	(174)	(50)
	<u>2,123</u>	<u>1,937</u>

28.5 The Group finalised the disposal of its investment in FBNQuest Merchant Bank Limited on December 31, 2024

	Group	Company
	31 Dec. 2024	31 Dec. 2024
	N 'million	N 'million
FBNQuest Merchant Bank Limited		
Investment in Subsidiary	-	17,206
Total assets	504,462	-
Total liabilities	(462,493)	-
Net assets	41,969	17,206
Non-controlling interests disposed	-	-
Net assets and non-controlling interests disposed	<u>41,969</u>	<u>17,206</u>
Net sale proceeds on disposal	35,611	35,611
Carrying amount	(41,969)	(17,206)
(loss)/ profit on sale of FBNQuest Merchant Bank Limited	(6,358)	18,405

28.6 The carrying amount of assets held for sale is listed below:

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Carrying amount of assets of the disposal group (note 28.3)	31,987	32,381
Property and equipment (i)	1,310	856
Total Assets classified as held for sale	<u>33,297</u>	<u>33,237</u>

(i) FBNBank Senegal has classified a building from its property and equipment as asset held for sale following management's decision to dispose the asset.

29 Deposits from banks

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Due to banks within Nigeria	2,541,974	802,683
Due to banks outside Nigeria	426,299	1,000,499
	<u>2,968,273</u>	<u>1,803,182</u>

Deposits from banks only include financial instruments classified as liabilities at amortised cost.

30 Deposits from customers

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Current	4,962,679	3,011,852
Savings	3,828,876	2,856,490
Term	3,178,116	2,003,205
Domiciliary	5,252,780	2,754,415
Electronic purse	65,206	37,384
	<u>17,287,657</u>	<u>10,663,346</u>

Deposits from customers only include financial instruments classified as liabilities at amortised cost.

31 Financial liabilities at fair value through profit or loss

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Derivative liabilities	34,329	92,608
Debt Securities	14,629	50,862
	<u>48,958</u>	<u>143,470</u>

32 Financial liabilities at amortized cost

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Debt Securities	474,512	-
	<u>474,512</u>	<u>-</u>

33 Current income tax liabilities

	GROUP	COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2023
	N 'million	N 'million	N 'million
Current income tax liabilities	131,661	52,662	29
	<u>131,661</u>	<u>52,662</u>	<u>29</u>

34 Other liabilities

	GROUP	COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2023
	N 'million	N 'million	N 'million
Financial Liabilities:			
Customer deposits for letters of credit	480,611	591,984	-
Accounts payable	499,553	351,788	-
Creditors	46,121	27,659	2,141
Bank cheques	48,038	40,259	-
Collection on behalf of third parties	54,599	38,300	-
Unclaimed dividend	18,437	16,627	18,437
Lease liabilities	18,786	14,379	88
Accruals and other credit balances	349,751	180,837	2,986
	<u>1,515,896</u>	<u>1,261,833</u>	<u>23,652</u>
			<u>19,041</u>

Other Credit balances include transactional taxes and other accrued expenses.

35 Borrowings

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Long Term Loans (i)	1,053,812	745,870
On-Lending Facilities (ii)	171,657	32,795
Clean line Liabilities (iii)	38,438	252,868
Subordinated unsecured debt (iv)	263,717	202,332
Other secured borrowing (v)	32,021	16,962
	1,559,645	1,250,827

- (i) This represents FBN Eurobond issuance and other long term facilities from Development Finance Institutions.
- (ii) Included in on-lending facilities from financial institutions are disbursements from other banks and Financial Institutions which are guaranteed by the Bank for specific customers. These facilities include the Bank of Industry funds and Commercial Agriculture Credit Scheme (CACS)
- (iii) Borrowings from correspondent banks include loans from foreign banks utilised in funding letters of credits for international trade.
- (iv) Subordinated unsecured debt
This represents the amortised cost of the Group's unsecured Commercial Papers (CP) which were still in issue as at December 31, 2024, under the Commercial Paper Issuance Programme. Subject to any purchase and cancellation or early redemption, the commercial papers shall be redeemed on redemption date at 100% of their nominal amount.
- (v) Other secured borrowing
The represents secured on-lending facility from Goldman Sachs renewable upon maturity. Interest is payable at Secured overnight Financing Rate (SoFR) plus 2.15%. The tenor of the debt is for a period of 6 months.

36 Retirement benefit obligations

	GROUP	
	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million
Defined Benefits Plan		
Defined benefits - Pension (i)	5,837	6,595
Gratuity Scheme (ii)	3,618	1,441
	9,455	8,036

Defined benefit - Pension (i)

First Bank of Nigeria Limited has an old Defined Benefit scheme, discontinued in March 2001. The funds are placed with fund managers and the Bank is under obligation to fund the deficit.

In addition, First Pensions Custodian Nigeria Limited (FPCNL), a direct subsidiary of First Bank of Nigeria Limited, has a non-contributory defined gratuity scheme for directors. Directors are paid a sum based on an approved scale and the number of periods in service subject to a maximum of 9 years.

Gratuity scheme (ii)

This relates to the schemes operated by the subsidiaries of First Bank of Nigeria Limited as follows:

FirstBank Congo (DRC) has a scheme whereby on separation, staff who have spent a minimum of 3 years are paid a sum based on their qualifying emoluments and the number of years spent in service of the Bank.

FirstBank Guinea and FirstBank Sierra Leone each have a graduated gratuity scheme for staff on separation where staff receives a lump sum based on their qualifying basic salaries and the number of years spent.

37 Share capital

	31 Dec. 2024	31 Dec. 2023
Authorised		
35,895 billion ordinary shares of 50k each (2023: 35.895 billion)	17,948	17,948

At the Annual General Meeting (AGM) of the company held on August 15, 2023, the Shareholders approved the creation of additional shares to be issued to existing Shareholders of the Company via a Rights Issue. During the year, a Rights Issue of one share for every six shares held was offered to existing shareholders which amounted to 5.983 billion shares. The offer closed on December 30, 2024. The allotment process is yet to be concluded.

Issued and fully paid**Movements during the period:**

	Number of shares In million	Share capital N 'million
At 31 December 2024	35,895	17,948
At 31 December 2023	35,895	17,948

38 Share premium and reserves

The nature and purpose of the reserves in equity are as follows:

Share premium: Premiums (i.e. excess over nominal value) from the issue of shares are reported in share premium.

Retained earnings: Retained earnings comprise the undistributed profits from previous periods, which have not been reclassified to the other reserves noted below.

Statutory reserve: Nigerian banking regulations require banks to make an annual appropriation to a statutory reserve. As stipulated by S16(1) of the Bank and Other Financial Institutions Act of 2020 (as amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than the paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital.

Capital reserve: Reserve arising from business restructuring.

Fair value reserve: The fair value reserve shows the effects of the fair value measurement of financial instruments classified as fair value through other comprehensive income. No gains or losses are recognised in the consolidated income statement.

Small and Medium Enterprises (SME) investment reserve: This reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investments in qualifying small and medium-scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first five periods but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory.

The small and medium enterprises investment reserves is non-distributable.

Regulatory Risk reserve: The Group determines its loan loss provisions based on the requirements of IFRS. The difference between the loan loss provision as determined under IFRS and the provision as determined under Nigerian Prudential guideline (as prescribed by the Central Bank of Nigeria) is recorded in this reserve. This reserve is non distributable.

Foreign currency translation reserve (FCTR): Records exchange movements on the Group's net investment in foreign subsidiaries.

39 Reconciliation of profit before tax to cash generated from operations

	GROUP		COMPANY	
	31 Dec. 2024 N 'million	31 Dec. 2023 N 'million	31 Dec. 2024 N 'million	31 Dec. 2023 N 'million
Operating profit/(loss) before tax from continuing operations	861,974	355,328	44,691	15,192
Profit before tax from discontinued operations	4,339	2,615	-	-
Profit before tax from including discontinued operations	866,313	357,943	44,691	15,192
Adjustments for:				
– Depreciation and amortisation	60,794	42,878	370	326
– (Profit)/Loss from disposal of property and equipment	(53)	(7)	130	(7)
– Profit from disposal of investment subsidiaries	(4,725)	-	(18,405)	-
– Foreign exchange losses/(gains)	62,598	334,230	(1,164)	(787)
– Net gains from sale of investment securities	40,293	(34,848)	(21)	50
– Net (gains)/ loss from financial assets at fair value through profit or loss	(622,678)	(681,551)	(4)	379
– Impairment on loans and advances	359,755	210,773	-	-
– Impairment on other financial assets	35,869	5,903	-	-
– Impairment on financial assets	4,390	8,950	-	-
– Impairment on off balance sheet	10,796	(678)	-	-
– Dividend income	(9,864)	(5,742)	(27,090)	(17,160)
– Interest income	(2,420,420)	(936,682)	(6,009)	(3,379)
– Interest expense	1,028,678	390,394	8	6
(Increase)/decrease in operating assets:				
– Cash and balances with the Central Bank (restricted cash)	(1,597,898)	(550,208)	-	-
– Loans and advances to banks	(192,386)	1,045,702	-	-
– Loans and advances to customers	(3,062,914)	(2,744,796)	91	(230)
– Financial assets at fair value through profit or loss	(2,807,743)	237,626	508	718
– Other assets	(552,331)	(26,150)	(1,138)	(271)
– Pledged assets	417,387	(923,923)	-	-
– Assets held for sale	(60)	(284)	-	-

40 Reconciliation of profit before tax to cash generated from operations (Cont'd)

	GROUP		COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	N 'million	N 'million	N 'million	N 'million
Increase/(decrease) in operating liabilities:				
– Deposits from banks	1,215,123	(719,914)	-	-
– Financial liabilities at fair value through profit or loss	(94,512)	105,086	-	-
– Deposits from customers	6,740,004	4,267,509	-	-
– Financial liabilities	474,512	-	-	-
– Other liabilities	262,282	(132,860)	2,714	1,766
– Change in retirement benefit obligations	3,110	1,194	-	-
Cash flow used in operations	216,320	250,546	(5,319)	(3,397)

40 Compliance with regulations

During the period ended December 31, 2024, the Company paid penalties of N8.1 million to NGX Regulation Limited for the late submissions of 2023FY audited financial statements and Q1 2024 unaudited financial statements.

41 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the members of the Group and held as treasury shares.

The Company does not have potential ordinary shares with convertible options and therefore there is no dilutive impact on the profit attributable to the equity holders of the parent.

	GROUP		COMPANY	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Profit from continuing operations attributable to owners of the parent (N'million)	730,116	306,216	42,642	15,170
Weighted average number of ordinary shares in issue (in million)	35,895	35,895	35,895	35,895
Basic/diluted earnings per share (expressed in naira per share)	20.34	8.53	1.19	0.42
Profit from discontinued operations attributable to owners of the parent (N'million)	2,297	1,987	-	-
Weighted average number of ordinary shares in issue (in million)	35,895	35,895	35,895	35,895
Basic/diluted earnings per share (expressed in naira per share)	0.06	0.06	-	-
Profit for the period attributable to owners of the parent (N'million)	732,413	308,203	42,642	15,170
Weighted average number of ordinary shares in issue (in million)	35,895	35,895	35,895	35,895
Basic/diluted earnings per share (expressed in naira per share)	20.40	8.59	1.19	0.42

OTHER DISCLOSURES

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), FBN Holdings Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

UNAUDITED