FBN Holdings Plc.
Condensed Separate and Consolidated Interim Financial Statements
for the period ended 30 September 2021

FBN Holdings Plc.

Index to the condensed separate and consolidated interim financial statements

for the period ended 30 September 2021

FBN Holdings Plc.

DIRECTORS AND ADVISORS

DIRECTORS:

Mr. Remi Babalola	Non-Executive Director (Group Chairman) - with effect from April 29, 2021
U. K. Eke, MFR	Group Managing Director
Dr. Adesola Adeduntan	Non-Executive Director
Dr. Abiodun Oluwole Fatade	Non-Executive Director - with effect from April 29, 2021
Dr. Alimi Abdul-Razaq	Non-Executive Director - "
Sir Peter Aliogo	Non-Executive Director - "
Mr. Ahmed Modibbo	Non-Executive Director - "
Mrs. Kofo Dosekun	Non-Executive Director - "
Mr. Khalifa Imam	Non-Executive Director - "
Dr. Oba A. Otudeko , CFR	Non-Executive Director (Group Chairman) - until April 29, 2021
Oye Hassan-Odukale, MFR	Non-Executive Director - until April 29, 2021
Chidi Anya	Non-Executive Director - "
Hamza Sule Wuro Bokki, Ph.D	Non-Executive Director - "
Debola Osibogun	Non-Executive Director - "
Omatseyin Ayida	Non-Executive Director - "
Cecilia Akintomide, OON	Independent Non-Executive Director - "
Seni Adetu	Independent Non-Executive Director - "
Juliet Anammah	Independent Non-Executive Director - "
Otu Hughes	Non-Executive Director - "

COMPANY SECRETARY: Oluseye Kosoko

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:
First Registrars & Investor Services Limited
Plot 2, Abebe Village Road,
Iganmu, Lagos

BANKERS:
First Bank of Nigeria Limited
35 Marina,
Lagos

FBNQuest Merchant Bank Limited
10 Keffi Street, Ikoyi
Lagos

TAX IDENTIFICATION NUMBER: 15562790-0001

Directors' Report for the period ended September 30, 2021

The Directors present their report on the affairs of FBN Holdings Plc (“the Company”) together with the financial statements and auditors' report for the period ended September 30, 2021.

(a) Legal Form

The Company was incorporated as a private limited liability company in Nigeria in 2010 and was converted to a public company in September 2012, when it commenced operations. The Company’s shares were listed on the floor of the Nigerian Stock Exchange on November 26, 2012 after the shares of the erstwhile First Bank of Nigeria Plc were delisted on November 23, 2012.

(b) Principal Activity and Business Review

The principal activity of the Company is the raising and allocation of capital and resources. The Company is also responsible for coordinating group-wide financial reporting to shareholders and managing shareholder, investor and external relations to the Group and the task of developing and coordinating implementation of Group strategies.

The Company has six direct subsidiaries, namely: First Bank of Nigeria Limited, FBNQuest Merchant Bank Limited, FBNQuest Capital Limited, FBNQuest Trustees Limited, FBN Insurance Brokers Limited, Rainbow Town Development Limited; and indirect subsidiaries, namely: FBNBank (UK) Limited, FBNBank DR Congo Limited, FBNBank Ghana Limited, FBNBank Sierra Leone Limited, FBNBank Guinea Limited, FBNBank Gambia Limited, FBNBank Senegal Limited, First Pension Custodian Nigeria Limited, FBC Assets Limited, FBNQuest Asset Management Limited, FBNQuest Securities Limited, FBNQuest Funds Limited.

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

(c) Operating results

Highlights of the Group's results for the period are as follows:

	Group		Company	
	Sept. 2021	**Unaudited Sept. 2020**	**Sept. 2021**	**Unaudited Sept. 2020**
	N 'million	**N 'million**	**N 'million**	**N 'million**
Gross earnings	427,030	439,332	103	22,670
Profit before income tax	52,933	63,313	(2,035)	20,218
Income tax expense	(12,082)	(8,958)	(3)	(6)
Profit/(loss) for the period from continuing operatior	40,851	54,355	(2,038)	20,212
(Loss)/profit for the period from discontinuing operations	(60)	13,801	-	-
Profit/(loss) for the period	40,791	68,156	(2,038)	20,212
Profit attributable to:				
Non-controlling interests	663	1,161	-	-
Equity holders of the parent entity	40,128	66,995	(2,038)	20,212
Earnings per share (kobo):				
Basic	112	187	(6)	56
Diluted	112	187	(6)	56

(d) Changes to the Board

During the period ended September 30, 2021, the Central Bank of Nigeria (CBN) dissolved the erstwhile Board of FBN Holdings Plc and constituted a new Board effective from April 30, 2021.

(e) Directors' Shareholding

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the register of Directors' shareholding and/or as notified by the Directors for, the purposes of Sections 301 and 302 of the Companies and Allied Matters Act (CAMA) 2020 and the listing requirements of the Nigerian Stock Exchange, are noted as follows:

	Sept. 2021		**Dec. 2020**	
	Direct	**Indirect**	**Direct**	**Indirect**
Remi Babalola	106,949	195,468	106,949	4,195,468
U.K. Eke, *MFR*	102,374,309	-	85,268,414	-
Dr. Adesola Adeduntan	18,871,689	-	18,871,689	-
Dr. Abiodun Oluwole Fatade	20,301	-	20,301	-
Dr. Alimi Abdul-Razaq	-	-	-	-
Sir. Peter Aliogo	-	-	-	-
Ahmed Modibbo	55,428	-	55,428	-
Kofo Dosekun	-	-	-	-
Khalifa Imam	-	-	-	-

(f) Analysis of Shareholding

The analysis of the distribution of the shares of the Company as at September 30, 2021 is as follows:

Range			**No. of Holders**	**% Holders**	**Units**	**% Units**
1	-	1,000	293,158	24.47	212,953,885	0.59
1,001	-	5,000	491,291	41.01	1,181,055,876	3.29
5,001	-	10,000	169,914	14.18	1,168,254,718	3.25
10,001	-	50,000	202,521	16.90	4,109,153,906	11.45
50,001	-	100,000	20,482	1.71	1,426,314,791	3.97
100,001	-	500,000	16,684	1.39	3,302,976,235	9.20
500,001	-	1,000,000	2,009	0.17	1,404,075,953	3.91
1,000,001	-	5,000,000	1,617	0.13	3,072,090,708	8.56
5,000,001	-	10,000,000	201	0.02	1,445,325,229	4.03
10,000,001	-	50,000,000	169	0.01	3,644,832,469	10.15
50,000,001	-	100,000,000	28	0.00	2,002,541,152	5.58
100,000,001	-	35,895,292,791	42	0.00	12,925,717,869	36.01
			1,198,116	**100.00**	**35,895,292,791**	**100.00**

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

Range			No. of Holders	% Holders	Units	% Units
1	-	1,000	292,365	24.33	212,776,599	0.59
1,001	-	5,000	491,819	40.94	1,182,644,697	3.29
5,001	-	10,000	170,414	14.18	1,171,659,435	3.26
10,001	-	50,000	204,022	16.98	4,144,495,378	11.55
50,001	-	100,000	20,922	1.74	1,458,108,857	4.06
100,001	-	500,000	17,401	1.45	3,469,556,250	9.67
500,001	-	1,000,000	2,184	0.18	1,539,101,963	4.29
1,000,001	-	5,000,000	1,821	0.15	3,507,609,127	9.77
5,000,001	-	10,000,000	215	0.02	1,518,067,538	4.23
10,000,001	-	50,000,000	213	0.02	4,423,273,877	12.32
50,000,001	-	100,000,000	31	0.00	2,129,282,620	5.93
100,000,001	-	35,895,292,791	40	0.00	11,138,716,450	31.03
			1,201,447	**100.00**	**35,895,292,791**	**100.00**

According to the Register of Members as at September 30, 2021, no individual shareholder held more than 5% of the issued share capital of the Company.

(g) Directors' Interests in Contracts

For the purpose of section 303 of the Companies and Allied Matters Act (CAMA) 2020, none of the Directors had direct or indirect interest in contracts or proposed contracts with the Company during the period.

(h) Donation and charitable gifts

The Company, a non-operating financial holding company did not make any donation during the period ended September 30, 2021.
However, the subsidiaries of the company that are operating entities made donations to various worthy causes during the period.

(i) Property and equipment

Information relating to changes in property and equipment is given in Note 30 to the financial statements. In the Directors' opinion, the fair value of the Group's property and equipment is not less than the carrying value in the financial statements

(j) Events after the reporting date

There were no other events after the reporting date which could have a material effect on the financial position of the Group as at September 30, 2021 and profit attributable to equity holders on the date other than as disclosed in the financial statements.

(k) Human Resources

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

Employment of Physically Challenged Persons

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from physically challenged persons. All employees, whether or not physically challenged, are given equal opportunities to develop.

In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the Company continues and appropriate training arranged to ensure that they fit into the Company's working environment.

Employee Involvement and Training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their wellbeing, through various forums including Town Hall meetings. Towards this end, the Company provides opportunities for employees to deliberate upon issues affecting the Company and employees' interests, with a view to making inputs to decisions therein.

The Company places a high premium on the development of its workforce. Consequently, the Company sponsored its employees for various training courses in the period under review.

Health, Safety and Welfare at Work

The Company maintains business premises designed with a view to guaranteeing safety and healthy working conditions of its employees. Employees are adequately insured against occupational and other hazards.
In the wake of COVID-19 pandemic, emergency preparedness and response activities were strengthened under the steering of the Incident Management Team, a work from home program leveraging on technology was adopted along with a segmented work on site program.

The Company has a comprehensive health insurance scheme for staff, through which the medical needs of staff and their immediate family members are met.

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

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

Gender Analysis

The number and percentage of men and women employed as at 30 September 2021 vis-à-vis total workforce are as follows:

	Number		**Percentage (%)**	
	Male	**Female**	**Male**	**Female**
Employees	23	13	64	36

Gender analysis in terms of Board and Top Management as at September 30, 2021 is as follows:

	Number		**Percentage (%)**	
	Male	**Female**	**Male**	**Female**
Board	8	1	89	11
Management	7	2	78	22

(I) Auditors

The auditors, Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditor to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA) 2020, therefore, the auditor will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD

Seye Kosoko
Company Secretary
FRC/2013/NBA/00000002006
Lagos, Nigeria
03 December 2021

Shareholding Structure and Free Float Status

Company Name:	FBN Holdings Plc
Board Listed:	Premium Board
Year End:	December
Reporting Period:	Period Ended September 30, 2021
Share Price at end of reporting period:	N8.05 (30 September 2020: N5.20)

Description	**30 September 2021**		**30 September 2020**	
	Unit	**Percentage**	**Unit**	**Percentage**
Issued Share Capital	35,895,292,791	100%	35,895,292,791	100%
Substantial Shareholdings (5% and above):				
NIL	-	0%	-	0%
NIL	-	0%	-	0%
Total Substantial Shareholdings	**-**	**0%**	**-**	**0%**
Directors' shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Remi Babalola (Direct)	106,949	0.00%	106,949	0.00%
Mr. Remi Babalola (Indirect)	195,468	0.00%	4,195,468	0.01%
Mr. Urum Kalu Eke, MFR (Direct)	102,374,309	0.29%	85,268,414	0.24%
Mrs. Kofo Dosekun	-	0.00%	-	0.00%
Sir. Peter Aliogo	-	0.00%	-	0.00%
Mr. Ahmed Modibbo (Direct)	55,428	0.00%	55,428	0.00%
Mr. Khalifa Imam	-	0.00%	-	0.00%
Dr. Abiodun Oluwole Fatade (Direct)	20,301	0.00%	20,301	0.00%
Dr. Alimi Abdul-Razaq	-	0.00%	37,898	0.00%
Dr. Adesola Adeduntan (Direct)	18,871,689	0.05%	18,871,689	0.05%
Total Directors' Shareholdings	**121,624,144**	**0.34%**	**108,556,147**	**0.30%**
Other Influential Shareholdings:				
NIL	-	0%	-	0%
NIL	-	0%	-	0%
Total Other Influential Shareholdings	**-**	**0%**	**-**	**0%**
Free Floats in Units and Percentage	35,773,668,647	99.67%	35,786,736,644	99.70%
Free Floats in Value (N)	**287,978,032,608.35**		**186,091,030,548.80**	

Declaration:

FBN Holdings Plc with a free float value of N287,978,032,608.35 (99.67%) as at 30 September 2021 (30 September 2020: N186,091,030,548.80 (99.70%)) is compliant with the Nigerian Stock Exchange's free float requirements for companies listed on the Premium Board.

Seye Kosoko
Company Secretary
FRC/2013/NBA/00000002006
Lagos, Nigeria
03 December 2021

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

In line with the provision of S.405 of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the audited financial statements of the Group for the period ended September 30, 2021 and based on our knowledge confirm as follows:

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

ii. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of and for the period ended September 30, 2021.

iii. The Group's internal controls has been designed to ensure that all material information relating to the Group and its subsidiaries is received and provided to the Auditors in the course of the audit.

iv. The Group's internal controls were evaluated within 90 days of the financial reporting date and are effective as of September 30, 2021.

v. That we have disclosed to the Auditors and the Audit Committee the following information:

   (a) there are no significant deficiencies in the design or operation of the Group's internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data.

   (b) there is no fraud involving Management or other employees who have any significant role in the Group's internal control.

vi. There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

U. K. Eke, MFR
Group Managing Director
FRC/2013/ICAN/00000002352
3 December 2021

Oyewale Ariyibi
Chief Financial Officer
FRC/2013/ICAN/00000001251
3 December 2021

Responsibility for annual financial statements

The Companies and Allied Matters Act 2020 and the Banks and Other Financial Institutions Act 2020, require the directors to prepare financial statements for each financial period that gives a true and fair view of the state of financial affairs of the Group during the period and at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group:

i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act;

ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

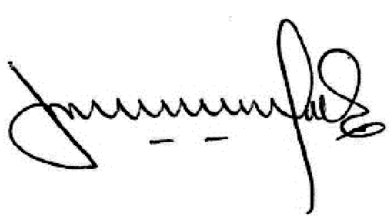
iii. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied.

The directors accept responsibility for the interim financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with:

- International Financial Reporting Standards (IFRS);
- Financial Reporting Council of Nigeria (FRC) Act;
- Guidelines for licensing and regulation of Financial Holding Companies in Nigeria;
- relevant circulars issued by the Central Bank of Nigeria;
- the requirements of the Banks and Other Financial Institutions Act; and
- the requirements of the Companies and Allied Matters Act.

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that FBN Holdings Plc. will not remain a going concern for at least twelve (12) months from the date of this statement.



U. K. Eke, MFR
Group Managing Director
FRC/2013/ICAN/00000002352
3 December 2021

FBN Holdings Plc.

Statement of Compliance with Nigerian Stock Exchange (NSE) Listing Rules on Securities Trading Policy

In line with Section 14.4 of the Nigerian Stock Exchange (NSE) Amendments to the Listing Rules (Rules), we wish to state that we have adopted a code of conduct regarding securities transactions by our directors and it is in line with the required standard set out in the Rules.

The FBN Holdings Plc.'s Securities Trading Policy (Policy) is embedded in the Board-approved Group Disclosure Policy and having made specific enquiry of all our directors regarding compliance with the Policy, we hereby confirm to the best of our knowledge that our Board of Directors are in compliance with our Securities Trading Policy and the provisions of the Rules on Securities Trading.

Mr. Remi Babalola
Group Chairman
FRC/2013/ICAN/00000003542
3 December 2021

Seye Kosoko
Company Secretary
FRC/2013/NBA/00000002006
3 December 2021

FBN Holdings Plc.

REPORT OF THE AUDIT COMMITTEE

In compliance with Section 359 (6) of the Companies and Allied Matters Act 2020, we have reviewed the Audit Report for the period ended September 30, 2021 and hereby state as follows:

1. The scope and planning of the audit were adequate in our opinion.

2. The accounting and reporting policies of the Company conformed to statutory requirements and agreed ethical practices.

3. The internal control was being constantly and effectively monitored.

4. The external auditors' management report received satisfactory response from Management.

5. The Committee reviewed the Audit Report on insider-related party transactions and is satisfied with their status as required by Central Bank of Nigeria (CBN).

Dated December 6, 2021

Mr. Okwuadigbo Nnamdi, FCA
Chairman, Audit Committee
FRC/2012/ICAN/00000000225

Members of the Committee
Mr. Fuad Farouk
Mr. Kashimawo Taiwo, FCA
Sir. Peter Aliogo
Mr. Khalifa Imam

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FBN Holdings Plc

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the condensed separate and consolidated interim financial statements of FBN Holdings Plc ("the Company") and its subsidiaries (together, "the group"), which comprise:

- the condensed separate and consolidated interim statements of financial position as at 30 September, 2021;
- the condensed separate and consolidated interim statements of profit or loss and other comprehensive income for the nine-month period ended 30 September 2021;
- the condensed separate and consolidated interim statements of changes in equity as at 30 September 2021;
- the condensed separate and consolidated interim statements of cash flows for the nine-month period then ended 30 September 2021; and
- the notes, comprising significant accounting policies and other explanatory information to the condensed separate and consolidated interim financial statements.

In our opinion, the accompanying condensed separate and consolidated interim financial statements give a true and fair view of the separate and consolidated financial position of the Company and its subsidiaries as at 30 September, 2021, and of its condensed separate and consolidated interim financial performance and its condensed separate and consolidated interim cash flows for the nine-month period then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

Basis for Opinion

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

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the condensed separate and consolidated interim financial statements of the current period. These matters were addressed in the context of our audit of the condensed separate and consolidated interim financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Expected Credit Loss (ECL) Allowance on Loans and advances to customers
The ECL allowance of loans and advances to customers is considered to be of most significance in the audit due to the level of subjectivity inherent in estimating the key assumptions that impact the recoverability of loan balances, including the impact of prevailing macroeconomic conditions in arriving at the level of impairment allowance required. The Group uses an Expected Credit Loss (ECL) model to determine the impairment allowance for loans and advances. The determination of impairment allowance using the ECL model is inherently a significant area for the Group and requires the application of certain judgements, assumptions and estimates of financial indices which relate to the expected outlook on Crude oil price, Gross Domestic Product (GDP), and Nigeria Stock Exchange (NSE) index; these indices are estimated from historical financial data obtained within and outside the Group. This forward-looking information is incorporated into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Group's ECL model includes certain judgements and assumptions in determining the impairment allowances of loan and advances comprising the:

- determination of the default;
- assessment of significant increase in credit risk (SICR);
- incorporation of forward-looking information based on the economic scenarios within the model;
- determination of the 12 month and lifetime probability of default (PD) used in the ECL model;
- determination of the Exposure at Default (EAD) based on the discounted future cash flows at the reporting date; and rate of recovery on the loans that are past due and in default;
- Credit conversion factor (CCF) applied in modelling the EAD for undrawn commitments;
- estimation of the Loss Given Default (LGD) based on collateral values and other cash flows.

Procedures
Our procedures included the following:

- we evaluated the design and implementation of the key controls over the impairment determination process such as the board credit committee review of ECL allowance on loans and advances and management review of relevant data used in the calculation of expected credit losses including evaluation of ECL impairment computation.
- we assessed Group's default definition and other qualitative default indicators by checking it to the requirements of the relevant accounting standards.
- we tested the appropriateness of the Group's determination of SICR, defaults and the resultant classification of loans into stages on a sample basis by reviewing customer files for the terms of the loans and account statements for due and unpaid obligations.
- assisted by our Financial Risk Management specialists, we checked the key data and assumptions for the data input into the ECL model used by the Group. Our procedures in this regard included the following:
    I. we challenged the appropriateness and reasonableness of the Group's ECL methodology by considering whether it reflects unbiased and probability weighted amounts that are determined by evaluating a range of possible outcomes, the time value of money,

reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

II. for forward looking assumptions comprising Crude oil price, Gross Domestic Product (GDP), and Nigeria Stock Exchange (NSE) index used by the Group's management in its ECL calculations, we corroborated the Group's assumptions using publicly available information from external sources;

III. we evaluated the appropriateness of the basis of determining Exposure at Default, including the contractual cash flows, outstanding loan balance, loan repayment type, loan tenor and effective interest rate by checking them to source documents and performing a recomputation;

IV. we checked the CCF applied in modelling the EAD for undrawn commitments by reviewing the client's computation to confirm that the computation is in line with portfolio segmentation;

V. for PD used in the ECL calculation, we validated the completeness and accuracy of the data used for default and non-default categories for corporate and retail loans by evaluating its reasonability;

VI. we checked the calculation of the LGD used by the Group in the ECL calculations, including the appropriateness of the use of collateral, by recomputing the LGD, cashflow validation and assessing the haircuts applied by management on the recoverability of collateral considering the current economic conditions. On a sample basis, we challenged the valuation of collaterals applied in the ECL computations by evaluating the competence of the valuers, and checking the market value of the collaterals to other independent publicly available information;

VII. we assessed how the Group has treated restructured loans based on changes to cashflow characteristic of customers and the related impact on staging and SICR, to confirm that they are consistent with the requirements of the standards;

VIII. we independently re-performed the calculation of impairment allowance for loans and advances using the Group's impairment model and validated key inputs.

The Group's accounting policy on impairment, related disclosures on credit risk and significant accounting judgements, estimates and assumptions are shown in notes 2.9.1, 3, and 5 respectively.

Other Matter

The condensed separate and consolidated statement of profit or loss, condensed separate and consolidated interim statement of comprehensive income, condensed separate and consolidated interim statement of financial posiiton, condensed separate and consolidated statement of changes in equity and condensed separate and consolidated statement of cash flows as at and for the nine-month period ended 30 September 2020 were neither audited nor reviewed.

Other Information

The Directors are responsible for the other information. The other information comprises; the Directors and advisors listing, Directors' report, Statement of Directors' Responsibilities, Statement of Corporate Responsibility, Statement of Compliance with Nigerian Stock Exchange (NSE) Listing Rules on Securities Trading Policy, Report of the Audit Committee, Other National Disclosures and Other Information included in the annual report, but does not include the condensed separate consolidated interim financial statements and our auditor's report thereon.

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

In connection with our audit of the condensed separate and consolidated interim financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the condensed separate and consolidated interim financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the condensed separate and consolidated Interim Financial Statements

The Directors are responsible for the preparation of condensed separate and consolidated interim financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars, and for such internal control as the directors determine is necessary to enable the preparation of condensed separate and consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the condensed separate and consolidated interim financial statements

Our objectives are to obtain reasonable assurance about whether the condensed separate and consolidated interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim financial statements.

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

- Identify and assess the risks of material misstatement of the condensed separate and consolidated interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed separate and consolidated interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
iii. The Company's condensed interim statement of financial position and condensed interim statement of profit or loss, condensed interim statement of comprehensive income, are in agreement with the books of account.

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

i. The Company and Group paid penalties in respect of contravention of the Banks and Other Financial Institutions Act, 2020 during the period ended 30 September 2021. Details of penalties paid are disclosed in note 46 to the condensed interim financial statements.
ii. Related party transactions and balances are disclosed in note 44 to the condensed interim financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Kabir O. Okunlola, FCA
FRC/2012/ICAN/00000000428 For:
KPMG Professional Services
Chartered Accountants
6 December 2021
Lagos, Nigeria

FBN Holdings Plc.

CONDENSED SEPARATE AND CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTH PERIOD ENDED

	Note	GROUP		COMPANY	
		30 September 2021 N 'million	Unaudited 30 September 2020 N 'million	30 September 2021 N 'million	Unaudited 30 September 2020 N 'million
Continuing operations					
Interest income	7	260,118	297,713	1,028	1,123
Interest expense	8	(97,157)	(104,976)	(1)	(10)
Net interest income		**162,961**	**192,737**	**1,027**	**1,113**
Impairment charge for losses	9	(29,619)	(46,675)	-	-
Net interest income after impairment charge for losses		**133,342**	**146,062**	**1,027**	**1,113**
Fee and commission income	10a	103,766	87,592	-	-
Fee and commission expense	10b	(17,867)	(14,604)	-	-
Net Fee and commission income		**85,899**	**72,988**	**-**	**-**
Foreign exchange income/(loss)	11	5,907	(624)	12	20
Net gains on sale of investment securities	12	21,466	41,182	71	-
Net gains/(losses) from financial instruments at FVTPL	13	29,615	7,719	(763)	(647)
Dividend income	14	3,547	3,634	(245)	2,273
Profit from disposal of investment in subsidiary	29	-	-	-	19,901
Other operating income	15	2,978	2,083	-	-
Personnel expenses	16	(79,321)	(74,175)	(551)	(508)
Depreciation of property and equipment	30	(14,745)	(13,477)	(153)	(167)
Amortisation of intangible assets	31	(5,820)	(5,085)	-	-
Other operating expenses	17	(129,568)	(117,027)	(1,433)	(1,767)
Operating profit/(loss)		**53,300**	**63,280**	**(2,035)**	**20,218**
Share of (loss)/profit of associates	27	(367)	33	-	-
Profit/(loss) before tax		**52,933**	**63,313**	**(2,035)**	**20,218**
Income tax expense	18a	(12,082)	(8,958)	(3)	(6)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**40,851**	**54,355**	**(2,038)**	**20,212**
Discontinued operations					
(Loss)/profit for the period from discontinued operations	29	(60)	13,801	-	-
PROFIT/(LOSS) FOR THE PERIOD		**40,791**	**68,156**	**(2,038)**	**20,212**
Profit/(loss) attributable to:					
Owners of the parent		40,128	66,995	(2,038)	20,212
Non-controlling interests		663	1,161	-	-
		40,791	**68,156**	**(2,038)**	**20,212**
Earnings per share for profit/(loss) attributable to owners of the parent					
Basic/diluted earnings per share (in Naira):	49				
From continuing operations		1.12	1.52	(0.06)	0.56
From discontinued operations		(0.00)	0.35	-	-
From profit/(loss) for the period		1.12	1.87	(0.06)	0.56

FBN Holdings Plc.

CONDENSED SEPARATE AND CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED

	Note	GROUP 30 September 2021 N 'million	GROUP Unaudited 30 September 2020 N 'million	COMPANY 30 September 2021 N 'million	COMPANY Unaudited 30 September 2020 N 'million
PROFIT/(LOSS) FOR THE PERIOD		**40,791**	**68,156**	**(2,038)**	**20,212**
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
Changes in fair value of debt instruments at fair value through other comprehensive income:					
-Net fair value (loss)/gain on debt instruments		(16,768)	1,449	(1,431)	147
-Net reclassification adjustments for realised net gains		5,183	-	-	-
Share of other comprehensive income of associates		211	-	-	-
Exchange difference on translation of foreign operations		2,034	3,301	-	-
Items that will not be reclassified to profit or loss					
Net fair value losses on equity instruments		(29,677)	(99)	-	-
Remeasurement of defined benefit pension scheme	37	2,753	-	-	-
Total Other comprehensive (loss)/income for the period		**(36,264)**	**4,651**	**(1,431)**	**147**
COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**4,527**	**72,807**	**(3,469)**	**20,359**
Comprehensive income/(loss) attributable to:					
Owners of the parent		4,527	71,489	(3,469)	20,359
Non-controlling interests		-	1,318	-	-
		4,527	**72,807**	**(3,469)**	**20,359**
Total comprehensive income/(loss) attributable to owners of the parent arises from :					
Continuing operations		4,561	58,871	(3,469)	20,359
Discontinued operations		(33)	12,618	-	-
		4,527	**71,489**	**(3,469)**	**20,359**

The above condensed separate and consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes

FBN Holdings Plc.

CONDENSED SEPARATE AND CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT

		GROUP		COMPANY	
	Note	30 September 2021 N 'million	31 December 2020 N 'million	30 September 2021 N 'million	31 December 2020 N 'million
ASSETS					
Cash and balances with central banks	19	1,640,122	1,631,730	-	-
Loans and advances to banks	21	972,275	1,016,823	13,317	11,240
Loans and advances to customers	22	2,766,981	2,217,268	37	61
Financial assets at fair value through profit or loss	23	161,853	126,354	1,353	2,116
Investment securities	24	1,726,038	1,549,290	4,271	9,863
Asset pledged as collateral	25	774,595	635,913	-	-
Other assets	26	263,662	315,501	255	14,360
Investments in associates accounted for using the equity method	27	1,007	1,163	-	-
Investment in subsidiaries	28	-	-	262,671	262,671
Property and equipment	30	115,580	114,034	560	312
Intangible assets	31	18,528	15,340	-	-
Deferred tax assets	32	26,723	27,619	-	-
		8,467,364	7,651,035	282,464	300,623
Assets held for sale	29	37,927	37,993	-	-
Total assets		**8,505,291**	**7,689,028**	**282,464**	**300,623**
LIABILITIES					
Deposits from banks	33	1,236,072	1,039,220	-	-
Deposits from customers	34	5,415,776	4,894,715	-	-
Derivative liabilities	23a	19,991	7,464	-	-
Current income tax liability	18b	14,038	11,247	5	214
Other liabilities	35	624,723	581,720	15,215	13,544
Borrowings	36	432,905	379,484	-	-
Retirement benefit obligations	37	6,046	7,527	-	-
Deferred tax liabilities	32	73	101	-	-
		7,749,624	6,921,478	15,220	13,758
Liabilities held for sale	29	2,122	2,379	-	-
Total liabilities		**7,751,746**	**6,923,857**	**15,220**	**13,758**
EQUITY					
Share capital	38	17,948	17,948	17,948	17,948
Share premium	39	233,392	233,392	233,392	233,392
Retained earnings	39	205,740	132,421	17,408	35,599
Statutory reserve	39	113,932	110,667	-	-
Capital reserve	39	1,223	1,223	10	10
Small scale investment reserve	39	6,076	6,076	-	-
Fair value reserve	39	80,597	171,696	(1,514)	(84)
Regulatory risk reserve	39	18,252	18,060	-	-
Foreign currency translation reserve	39	66,637	64,603	-	-
		743,797	756,086	267,244	286,865
Non-controlling interests	40	9,748	9,085	-	-
Total equity		**753,545**	**765,171**	**267,244**	**286,865**
Total equity and liabilities		**8,505,291**	**7,689,028**	**282,464**	**300,623**

The accompanying notes are an integral part of these condensed separate and consolidated interim financial statements.
The financial statements were approved by the Board of Directors on 3 December 2021 and signed on its behalf by:

Remi Babalola	**U. K. Eke, MFR**	**Oyewale Ariyibi**
Group Chairman	Group Managing Director	Chief Financial Officer
FRC/2013/ICAN/00000003542	FRC/2013/ICAN/00000002352	FRC/2013/ICAN/00000001251

FBN Holdings Plc.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
GROUP

	Attributable to equity holders of the parent												
	Share capital	Share premium	Retained earnings	Capital reserve	Statutory reserve	Small scale investments reserve	Fair value reserve	Contingency reserve	Regulatory risk reserve	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million
Balance at 1 January 2020	17,948	233,392	73,197	1,223	101,378	6,076	147,070	3,013	14,576	47,736	645,609	15,516	661,125
Profit for the period	-	-	66,995	-	-	-	-	-	-	-	66,995	1,161	68,156
Other comprehensive income													-
Foreign currency translation differences, net of tax	-	-	-	-	-	-	-	-	-	3,301	3,301	-	3,301
Fair value movements on financial assets	-	-	-	-	-	-	1,193	-	-	-	1,193	157	1,350
Total comprehensive income	-	-	66,995	-	-	-	1,193	-	-	3,301	71,489	1,318	72,807
Transactions with owners													
Dividends	-	-	(13,640)	-	-	-	-	-	-	-	(13,640)	(598)	(14,238)
Disposal of investment	-	-	-	-	-	-	-	-	-	-	-	(7,637)	(7,637)
Transfer between reserves	-	-	1,299	-	1,363	-	-	(3,013)	352	-	-	-	-
Total transactions with Owners	-	-	(12,341)	-	1,363	-	-	(3,013)	352	-	(13,640)	(8,235)	(21,875)
At 30 September 2020 (Unaudited)	17,948	233,392	127,851	1,223	102,741	6,076	148,263	-	14,928	51,037	703,459	8,599	712,058
Balance at 1 January 2021	17,948	233,392	132,421	1,223	110,667	6,076	171,696	-	18,060	64,603	756,086	9,085	765,171
Profit for the period	-	-	40,128	-	-	-	-	-	-	-	40,128	663	40,791
Other comprehensive income													
Foreign currency translation differences, net of tax	-	-	-	-	-	-	-	-	-	2,034	2,034	-	2,034
Fair value movements on financial assets	-	-	-	-	-	-	(41,262)	-	-	-	(41,262)	-	(41,262)
Remeasurement of defined benefit pension scheme	-	-	2,753	-	-	-	-	-	-	-	2,753	-	2,753
Share of other comprehensive income of associates	-	-	-	-	-	-	211	-	-	-	211	-	211
Total comprehensive income	-	-	42,881		-	-	(41,051)	-	-	2,034	3,864	663	4,527
Transactions with owners													
Dividends	-	-	(16,153)		-	-	-	-	-	-	(16,153)	-	(16,153)
Disposal of equity instrument at FVOCI			48,365				(48,365)						
Transfer between reserves	-	-	(1,774)	-	3,265	-	(1,683)	-	192	-	-	-	-
Total transactions with Owners	-	-	30,438	-	3,265	-	(50,048)	-	192	-	(16,153)	-	(16,153)
At 30 September 2021	17,948	233,392	205,740	1,223	113,932	6,076	80,597	-	18,252	66,637	743,797	9,748	753,545

FBN Holdings Plc.

SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY

COMPANY

	Attributable to equity holders of the parent					
	Share capital	Share premium	Retained earnings	Capital reserve	Available for sale fair value reserve	Total
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million
Balance at 1 January 2020	17,948	233,392	15,379	10	114	266,843
Profit for the period	-	-	20,212	-	-	20,212
Other comprehensive income						
Fair value movements on financial assets	-	-	-	-	147	147
Total comprehensive income	-	-	20,212	-	147	20,359
Transactions with owners						
Dividends	-	-	(13,640)	-	-	(13,640)
Total transactions with Owners	-	-	(13,640)	-	-	(13,640)
At 30 September 2020 (Unaudited)	17,948	233,392	21,951	10	261	273,562
Balance at 1 January 2021	17,948	233,392	35,599	10	(84)	286,865
Loss for the period	-	-	(2,038)	-	-	(2,038)
Other comprehensive income						
Fair value movements on financial assets	-	-	-	-	(1,431)	(1,431)
Total comprehensive loss	-	-	(2,038)	-	(1,431)	(3,469)
Transactions with owners						
Dividends	-	-	(16,153)	-	-	(16,153)
Total transactions with Owners	-	-	(16,153)	-	-	(16,153)
At 30 September 2021	17,948	233,392	17,408	10	(1,514)	267,244

FBN Holdings Plc.

CONDENSED SEPARATE AND CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED

	Note	GROUP 30 September 2021 N 'million	GROUP Unaudited 30 September 2020 N 'million	COMPANY 30 September 2021 N 'million	COMPANY Unaudited 30 September 2020 N 'million
Operating activities					
Cash flow (used in)/generated from operations	41	(206,035)	(469,994)	(374)	302
Income taxes paid	18b	(5,925)	(10,853)	(163)	-
Interest received		309,173	299,389	1,264	1,209
Interest paid	41b(xiii)	(78,193)	(111,961)	-	-
Net cash flow generated from/(used in) operating activities		19,020	(293,419)	727	1,511
Investing activities					
Purchase of investment securities		(1,072,576)	(649,110)	(1,301)	(5,256)
Proceeds from the sale of investment securities		1,094,680	878,660	5,018	6,452
Additional investment in subsidiaries	41b(xv)	-	-	-	(25,000)
Net proceeds from disposal of subsidiary	29.3	-	7,721	-	24,625
Dividends received	41b(xiv)	3,547	3,634	14,190	15,294
Purchase of property and equipment	30	(16,328)	(17,870)	(419)	(19)
Purchase of intangible assets	31	(8,896)	(1,199)	-	-
Proceeds on disposal of property and equipment	41b(xii)	477	746	3	-
Net cash flow generated from investing activities		905	222,583	17,491	16,096
Financing activities					
Dividend paid		(16,153)	(14,238)	(16,153)	(13,640)
Proceeds from new borrowings	36	131,852	139,402	-	-
Repayment of borrowings	36	(84,317)	(144,466)	-	-
Interest paid on borrowings	36	(25,070)	(6,530)	-	-
Principal element of lease payments	30	(2,004)	-	-	-
Net cash flow generated from/(used in) financing activities		4,308	(25,832)	(16,153)	(13,640)
Increase/(decrease) in cash and cash equivalents		24,232	(96,668)	2,065	3,967
Cash and cash equivalents at start of period	20	1,214,301	1,304,998	11,240	5,706
Effect of exchange rate fluctuations on cash held		9,753	5,971	12	20
Cash and cash equivalents at end of period	20	1,248,286	1,214,301	13,317	9,693

1 General information

These financial statements are the condensed separate and consolidated interim 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, investment banking services, and provision of other financial servises and corporate banking.

The condensed separate and consolidated interim financial statements for the period ended 30 September 2021 were approved and authorised for issue by the Board of Directors on 3 December 2021.

The condensed separate and consolidated statement of profit or loss, condensed separate and consolidated statement of changes in equity, condensed separate and consolidated statement of comprehensive income for the period ended 30 September 2020 were neither audited nor reviewed.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

These condensed separate and consolidated interim financial statements for the nine months ended 30 September 2021 have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed separate and consolidated interim financial statements should be read in conjunction with the Group's annual financial statements as and for the year ended 31 December 2020, which have been prepared in accordance with IFRSs. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Use of judgements and estimates

The preparation of the condensed separate and consolidated interim 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 separate and consolidated financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate and consolidated interim financial statements, are disclosed in Note 5.

2.1.1 Basis of measurement

The interim financial statements have been prepared on a historical cost basis, except for the following material items, which are measured on the following alternative basis for each of the reporting date.

- Derivative financial instruments which are measured at fair value.
- Financial assets measured at fair value through Profit or Loss
- Financial assets measured 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.
- Loans and receivables are measured at amortised cost.

2.2 Changes in accounting policy and disclosures

2.2.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

(i) **Interest rate benchmark reform - Phase 2**
Amendments to IAS 39, IFRS 9 and IFRS 7 (Interest Rate Benchmark Reform): This amendment seek to address uncertainties related to the market-wide reform of interbank offered rates (IBOR reform). The amendments provide targeted relief for financial instruments qualifying for hedge accounting under IAS 39 or IFRS 9. The impact on the interim financial statements is not significant.

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, had been issued by IASB which are not yet effective, and have not been applied in preparing these consolidated separate and consolidated interim financial statements.

The following new and amended standards are not expected to have a significant impact on the Group's separate and consolidated interim financial statements.

(i) Onerous contracts - Cost of Fulfiling a Contract (Amendments to IAS 37)
(ii) Covid-19 Related Rent Concessions (Amendment to IFRS 16)
(iii) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
(iv) Reference to Conceptual Framework (Amendments to IFRS 3)
(v) Classification of Liabilities as Current or Non-curent (Amendments to IAS 1)
(vi) Disclosure of accounting policies - (ammendments to IAS 1 and IFRS practice statement 2)
(vii) IFRS 17 - Insurance Contracts

2.3 Basis of consolidation

a. Business combinations
The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see 2.3b).

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and subtantive process and whether the acquired set has the abilitiy to produce outputs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquireid set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-exiting relationships. Such amounts are generally recognised in profit or loss.

Any contigent consideration is measured at fair value at the date of acquisiton. If an obligation to pay contigent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within the equity. Otherwise, other contigent consideration is remeasured at fair value ar each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

b. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it 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. The Group reassesses whether it has control if there are changes to one or more of the elements of controls. This includes circumstances in which protective rights held (e.g those resulting from a lending relatonship) become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statments from the date on which control commences until the date on which control ceases.

c. Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. 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.

e. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss or transferred directly to retained earnings, amounts recognised in OCI in relation to the subsidiary on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any interest retained in the former subsidiary is measured at fair value when control is lost.

f. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are elminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

g. 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.

h. Investment entities

Some of the entities within the Group are investment entities. Equity investments held by these entities in the investee companies are carried in the balance sheet at fair value through profit or loss even though the Group may have significant influence over those companies. This treatment is permitted by IAS 28, `Investment in associates', which allows investments that are held by Investment Entities to be recognised and measured as at fair value through profit or loss and accounted for in accordance with IFRS 9 and IFRS 13, with changes in fair value recognised in the income statement in the period of the change.

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 Group Executive Committee.

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 separate and consolidated interim 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 fair value through other comprehensive income (FVOCI) 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 FVOCI, 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 interim 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 are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

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.

c. Tax exposure

In determining the amount of current and deferred tax, the Group considers the impact of tax exposure, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expenses in the period in which such a determination is made.

2.8 Inventories

Stock of consumables

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 reliasble value is the estimated issuance price. When items of stock are issued to customers, their carrying amount is recgnised as an expense in the period in which the relevant revenue is recognised.

2.9 Repossessed collaterals

In certain cirumstances, property may be repossessed following the foreclosure on loans that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less cost to sell and reported within 'Other asset'.

2.10 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.

Initial Recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. 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.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, as described in note 3.1, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:
(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs or realized through settlement.

2.10.1 ***Financial assets***

Classification and measurement

The group classifies its debt financial assets in the following measurement categories:
● Fair Value through Other Comprehensive Income (FVOCI)
● Fair Value through Profit or Loss (FVTPL)
● Amortised Cost

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

Business Model Assessment

Business Model assessment involves determining whether financial assets are held to collect the contractual cashflows (rather than sell the instrument prior to its contractual maturity to realise its fair value changes).
The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.
The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:
• Investment strategy for holding or selling the assets
• Past experience on how cash flows for these assets were collected.
• How the asset’s performance is evaluated and reported to key management personnel
•The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
• How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
• The expected frequency, value and timing of sales are also important aspects of the Group’s assessment.

The business model for each portfolio of financial assets are to be categorized into one of the following models:

• **Hold-to-collect contractual cash flows:** Financial assets held with the sole objective to collect contractual cashflows;

• **Hold-to-collect contractual cash flows and sell:** Financial assets held with the objective to both collect contractual cashflows and sell;

• **Fair value through profit or loss (FVTPL) business model:** Financial assets held with neither of the objectives mentioned in the two categories above. They are basically financial assets held with the sole

Cash flow characteristics assessment

The assessment aims to identify whether the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding.
The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement.
The SPPI test is based on the premise that it is only when the variability in the contractual cash flows arises to maintain the holder’s return in line with a ‘basic lending arrangement’ that the application of the effective interest method provides useful information.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset due to repayments. Thus the principal is not the legal amount due under the contractual terms of an instrument. This definition allows assets acquired at a discount or premium pass the SPPI test.
The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.
In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

a. *Financial assets measured at amortised cost*

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Interest income'.

A financial asset qualifies for amortised cost measurement only if it meets both of the following conditions and is not designated as at FVTPL:
• The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
If a financial asset does not meet both of these conditions, then it is measured at fair value.

b. *Financial assets measured at FVOCI*

A debt instrument shall be measured at FVOCI if both of the following conditions are met and is not designated as at FVTPL:
• The asset is held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets;
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Gains and losses are recognised in OCI within a separate component of equity, except for the following items, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:
• interest revenue using the effective interest method;
• expected credit losses and reversals; and
• foreign exchange gains and losses.
When the debt instrument is disposed or derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other gains or (losses)".

c. Financial assets measured at FVTPL

A debt instrument that is not measured at amortised cost or at FVOCI must be measured at FVTPL. These would include debt instruments that are held for trading and those that have been designated as fair value through profit or loss at initial recognition. Gains and losses both on subsequent measurement and derecognition are recognised in profit or loss and reported as "Net gains or (losses)" in the period in which it arose.

The Group may irrevocably designate a debt instrument as measured at FVTPL on initial recognition only if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch'). Such mismatches would otherwise arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

d. *Equity Instruments*

Equity investments are measured at FVTPL. However on initial recognition, the Group can make an irrevocable election to measure an equity investment at FVOCI. This option only applies to instruments that are neither held for trading nor contingent consideration, recognised by an acquirer in a business combination to which IFRS 3 applies.

For equities measured at FVOCI, fair value gains and losses on the equity remeasurements are recognised in OCI. However, dividends are recognised in profit or loss unless they clearly represent a repayment of part of the cost of the investment.

The amounts recognised in OCI are never reclassified from equity to profit or loss.

e. *Impairment of Financial Assets*

The Group recognizes expected credit losses ("ECL") on forward-looking basis for its financial assets measured at amortized cost, lease receivables, debt instrument at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit or loss.

No impairment is recognised on equity investments. This is because the fair value changes would incorporate impairment gains or losses if any.

The measurement of ECL reflects:

• An unbiased and probability-weighted amount that is determined by a range of possible outcomes;

• The time value of money; and

• Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

f. *Modification and renegotiation of financial assets*

Where the terms of a financial asset are modified, the Group assesses whether the new terms are substantially different to the original terms. If the terms are substantially different, the Group derecognizes the original financial assets and recognizes a new asset at fair value and recalculates the effective interest rate.

Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss as 'gains and losses arising from the derecognition of financial assets measured at amortized cost'.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss as part of impairment charge for the

g. *Derecognition other than on a modification*

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either

(i) the Group transfers substantially all the risks and rewards of ownership, or

(ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

h. Reclassifications

Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which Group changes its business model for managing a financial assets, the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. The reclassification should be applied prospectively from the 'reclassification date', which is defined as, 'the first day of the first reporting period following the change in business model that results in the Group reclassifying financial assets'. Accordingly, any previously recognised gains, losses or interest should not be restated.

i. Derivative financial instruments

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.

j. 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.

2.10.2 Financial liabilities

Financial liabilities are classified into one of the following measurement categories:
• Fair value through profit or loss (FVTPL)
• Amortised cost

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

Financial liabilities are measured at FVTPL when they are designated as such on initial recognition using the fair value option or when they meet the definition of held for trading i.e.
• it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
• on initial recognition 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;
• or it is a derivative [except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

For financial liabilities designated as at FVTPL using the fair value option, the element of gains or losses attributable to changes in the Group’s own credit risk are recognised in OCI, with the remainder recognised in profit or loss. The movement in fair value attributable to changes in the Group’s own credit quality is calculated by determining the changes in credit spread above observable market interest rates. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.

However, if presentation of the fair value change in respect of the liability’s credit risk in OCI creates or enlarges an accounting mismatch in profit or loss, gains and losses must be entirely presented in profit or loss. To determine whether the treatment would create or enlarge an accounting mismatch, the Group assesses whether it expects the effect of the change in the liability’s credit risk to be offset in profit or loss by a change in fair value of another financial instrument, such as when the fair value of an asset is linked to the fair value of the liability. If such a mismatch does arise, the Group will be required to present all fair value changes of the liability in profit or loss.

b. Financial liabilities at amortised cost

Financial liabilities not held at FVTPL are subsequently measured at amortised cost using the effective interest method.

Financial liabilities measured at amortised costs are deposits from banks or customers, debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

c. Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2.10.3 **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 Stock Exchange (NSE)) 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 date 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 impact on other comprehensive income of financial instrument valuations reflecting non-market observable inputs (level 3 valuations) is disclosed in Note 3.1.1.

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.

The Group makes transfers between levels of fair value hierarchy when reliable market information becomes available (such as an active market or observable market input) to the Group. This transfer is done on the date in which the market information
becomes available.

2.10.4 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 assetinstead 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.

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).

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.

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.

Credit related fees: This includes advisory and commitment fees. These are fees charged for administration and advisory services to the customer up to the customer's acceptance of the offer letter. The advisory and commitment fees are earned at the point in time where the customer accepts the offer letter which is when the Group recognises its income. These fees are not integral to the loan, therefore, they are not considered in determining the effective interest rate.

Letter of credit and commission fees: This represents commission earned on Letter of credit contracts initiated at the request of customers. The nature of this income is such that the performance obligation is the execution of customer's instruction: a direct payment is made on behalf of our customers to the beneficiary (as stated by our customer) when goods/services are received; OR, a payment is made to the stated beneficiary only when our customer cannot fulfill its obligation. Income earned on letter of credit contracts is satisfied at a point in time. This is because revenue is recognised only when payments have been received by the intended beneficiary.

Electronic banking fees: Electronic banking fees relate to fees & commission charged by the banking subsidiaries on electronic transactions carried out by its customers e.g. USSD income, Agency banking commission. The nature of this income is such that the performance obligation of the group is the provision of the platform for the execution of the transactions. Income is earned when these transactions have been successfully executed on these platforms. Income from electronic banking is satisfied at a 'point in time.

Money transfer commission: This represents commission earned on local & foreign money transfers initiated by the Group's customers. The nature of this income is such that the performance obligation of the group is the delivery of transferred monies to the intended beneficiaries. Income on money transfers is satisfied at a "point in time". This is because commission is recognized only when the transferred sums have been delivered to their intended recipients.

Commission on Bonds and Guarantees: This represents commission earned on bond and guarantees contracts. It includes commissions earned on advanced payment guarantees, performance bonds, bid bonds etc. This fee is earned over the tenor of the bond and guarantee.

Funds transfer and intermediation fees: This is principally made of commission on collections. The group acts as a collecting agent for corporate bodies or government organisations; thus, earns commissions on these collection services. The Group's performance obligation is the collection of funds on behalf of the customer. Income from funds transfer and intermediation is satisfied at a point in time as the commissioned earned is deducted & recognized when remitting these funds to the respective customer.

Account maintenance fees: This represents the fee charged by banking subsidiaries within the Group on current accounts maintained by customers. This fee is charged with respect to customer induced debit transactions to third parties as well as debit transfers/lodgements to customer's account in another bank. This was introduced by the CBN to replace COT which was abolished by the regulator in 2016. The performance obligation required from the Group in the maintenance/safe keeping of the customers' fund.

Brokerage and intermediation fees: This represents fees charged by the group in order to execute transactions or provide specialized services as requested by customers. Such transaction/services include execution of primary & secondary market transaction on behalf of customers. Income from brokerage and intermediation services are satisfied at a point in time as they are earned and recognized when such services have been executed on behalf of customers.

Custodian fees: This represents commission earned by the group while rendering custodian services to its customers. This custodian services are to a large extent the safe keeping of financial assets. Income earned on custodian services are earned at a point in time.

c. **Dividend income:** Dividend income is recognised when the right to receive income is established. This income is earned at a point in time.

d. **Other operating income:** This largely comprises of income made from private banking services, profit on sale of plant and equipment and gain on sale of properties . These income are earned at a point in time

2.12 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.

2.13 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 aquired exlusively 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 year.

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.

Investment property classified as non-current asset held for sale are measured at fair value, gain or loss arising from a change in the fair value of investment property is recognised in income statement for the period in which it arises.

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.

2.15 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 1 January 2019

The Group primarily leases buildings for use as office spaces for branch operations, quick service points (QSPs) and residential use, land for use as car parks and off-site ATM locations, printers for office equipment.

Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. On renewal of a lease, the terms may be renegotiated and the lease terms range from 1 year to 25 years. The lease agreements do not impose any covenants - however, leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Group has elected to separate lease and non-lease components and treat them accordingly.

Until the 2018 financial year, leases of property (land, buildings) were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, 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.

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 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.

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.

b 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 over the lease term.

(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.

2.16 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 & buildings	2%
Motor Vehicles	25%
Office Equipment	20%
Computer Equipment	33.33%
Machinery	20%
Furniture, fittings & equipment	20%
Right-of-use Assets	Lower of lease term or the useful life for the specificed class of item

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 useful lives and residual values on an annual basis, 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.

Work in Progress represents costs incured on the assets that are not available for use. On becoming available for use, 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.

2.17 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.
Useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

2.18 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.

2.19 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, years 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.

2.20 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.

2.21 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 interim financial statements, as they are not assets of the Group.

2.22 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

2.23 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 year 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.

c. *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.

d. *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 attendants 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 statutory

2.24 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 guaranteee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guaranteee has become probable).

3. Financial risk management

The group's activities expose it to a variety of risks. The risks arising from financial instruments to which the Group is exposed are financial risks, which includes credit risk, liquidity risk and market risk.

The condensed separate and consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 December 2020. There have been no changes in the risk management structure since year end or in any risk management policies

3.1 Fair value of financial assets and liabilities

3.1.1 Financial instruments measured at fair value – Fair value hierarchy

The following table presents the group's assets and liabilities that are measured at fair value at reporting date. There was no transfer between levels during the period.

GROUP

	Level 1 N 'million	Level 2 N 'million	Level 3 N 'million	Total N 'million
30 September 2021				
Financial assets				
Financial assets at fair value through profit or loss				
Debt Securities	64,913	-	-	64,913
Equity	5,097	-	37,862	42,959
Derivatives	-	53,981	-	53,981
Assets pledged as collateral	366,547	-	-	366,547
FVOCI Investments				
Investment securities - debt	701,872	4,332	-	706,204
Investment securities - unlisted equity	-	84,726	28,825	113,551
Investment securities - listed equity	1,538	-	-	1,538
Assets pledged as collateral	334,992	-	-	334,992
Derivative liabilities				
Derivatives	-	19,991	-	19,991

	Level 1 N 'million	Level 2 N 'million	Level 3 N 'million	Total N 'million
31 December 2020				
Financial assets at fair value through profit or loss				
Debt Securities	15,418	-	-	15,418
Equity	3,698	-	35,004	38,702
Derivatives	4,194	68,040	-	72,234
Assets pledged as collateral	273,437			273,437
FVOCI Investments				
Investment securities - debt	286,822	612	-	287,434
Investment securities - unlisted debt	488	-	3,037	3,525
Investment securities - unlisted equity	-	82,153	108,140	190,293
Investment securities - listed equity	927	-	-	927
Assets pledged as collateral	240,335	0	-	240,335
Derivative liabilities				
Derivatives	-	7,464	-	7,464

COMPANY

	Level 1 N 'million	Level 2 N 'million	Level 3 N 'million	Total N 'million
30 September 2021				
Financial assets				
Financial assets at FVTPL				
Investment securities - unlisted equity	-	-	1,353	1,353
FVOCI Investments				
Investment securities - debt	4,271	-	-	4,271
31 December 2020				
Financial assets				
Financial assets at FVTPL				
Investment securities - unlisted equity	-	-	2,116	2,116
FVOCI Investments				
Investment securities - debt	9,863	-	-	9,863

3.1.2 Financial instruments measured at fair value continued

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily bonds and equity investments classified as trading securities or available for sale.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:
a) Quoted market prices or dealer quotes for similar instruments;
b) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
c) Other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity , are used to determine fair value for the remaining financial instruments.
Note that all of the resulting fair value estimates are included in Level 2 except for certain unquoted equities and equity derivatives explained below.

(c) Financial instruments in level 3

Inputs for the asset or liability in this fair value hierarchy are not based on observable market data (unobservable inputs). This level includes debt and equity investments with significant unobservable components.

Transfers in and out of level 3 instruments are recognised on the date of the event or change in circumstances that caused the transfer.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

GROUP	
At 1 January 2020	133,196
Acquisitions	7,057
Matured/redeemed	(7,774)
Total losses recognised through profit/loss	4,022
Total Gains recognised through OCI	9,680
Transfer into Level 2 due to change in observability of market data	-
At 31 December 2020	146,180
Acquisitions	6,861
Matured/redeemed/sales during the period	(87,972)
Total Gains recognised through profit/loss	(493)
Total Gains recognised through OCI	2,111
At 30 September 2021	66,687

COMPANY	
At 1 January 2020	3,057
Total gains recognised through profit/loss	(941)
At 31 December 2020	2,116
Total losses recognised through profit/loss	(763)
At 30 September 2021	**1,353**

Total gains or losses for the period included in profit or loss are presented in 'Net gains/(losses) from investment securities.

Information about the fair value measurements using significant unobservable Inputs (Level 3)

The equity sensitivity measures the impact of a +/- 250bps movements in the comparative companies. The sensitivity of the fair values of investment in unlisted equites to changes in the P/E multiples, EBITDA, cost of capital, illiquidity discount and transaction price as at 30 September 2021 is as shown in the below table:

Description	Valuation technique	Assumption	
NIBSS PLC	P/E multiples	Base	5,631
		Sensitivity of +2.5%	5,772
		Sensitivity of -2.5%	5,490
AFREXIM BANK LTD	P/B multiples	Base	2,368
		Sensitivity of +2.5%	2,427
		Sensitivity of -2.5%	2,309
CAPITAL ALLIANCE PROPERTY INVESTMENT COMPANY (CAPIC)	NET ASSET VALUATION	Base	1,353
		Sensitivity of +2.5%	1,387
		Sensitivity of -2.5%	1,319
TIDE AFRICAN FUND	TRANSACTION PRICE	Base	1,067
		Sensitivity of +2.5%	1,094
		Sensitivity of -2.5%	1,040
RESOURCERY PLC (Ordinary shares)	MARKET APPROACH	Base	189
		Sensitivity of +2.5%	193
		Sensitivity of -2.5%	184
VT LEASING LIMITED (Ordinary shares & Convertible notes)	EV/EBITDA, DCF	Base	91
		Sensitivity of +2.5%	93
		Sensitivity of -2.5%	89
AVERY ROW CAPITAL GP	NET ASSET VALUATION	Base	2,047
		Sensitivity of +2.5%	2,098
		Sensitivity of -2.5%	1,996
ECHO VC PAN AFRICA	NET ASSET VALUATION	Base	1,445
		Sensitivity of +2.5%	1,481
		Sensitivity of -2.5%	1,409
LEKKY BUDGET HOTEL	MARKET APPROACH	Base	240
		Sensitivity of +2.5%	246
		Sensitivity of -2.5%	234

EV/EBITDA, P/B valuation or P/E valuation multiple - the group determines appropriate comparable public company/ies based on industry, size, developmental stage, revenue generation and strategy. The group then calculates a trading multiple for each comparable company identified. The multiple is calculated by either dividing the enterprise value of the comparable company by its earning before interest, tax, depreciation and amortisation (EBITDA), or dividing the quoted price of the comparable company by its net income (P/E). The trading multiple is then adjusted for discounts/premiums with regards to such consideration as illiquidity and other differences, advantages and disadvantages between the group's investee company and the comparable public companies based on company-specific facts and circumstances.

Income approach (discounted cashflow) - the group determines the free cash flow of the investee company, and discounts these cashflows using the relevant cost of equity. The cost of equity is derived by adjusting the yield on the risk free securites (FGN Bonds) with the equity risk premium and company/sector specific premium. The present value derived from the calculation represents the investee company's enterprise value.

3.1.2 Group's valuation process

The Group's asset liability management (ALM) unit performs the valuation of financial assets required for financial reporting purposes. This team also engages external specialist valuers when the need arises, and reports directly to the Chief Risk Officer. Discussions on the valuation process and results are held between the ALM team and the Chief Risk Officer on a monthly basis in line with the group's management reporting dates.

3.1.3 Financial instruments not measured at fair value

(a) **The carrying value of the following financial assets and liabilities for both the company and group approximate their fair values:**
Cash and balances with Central banks
Loans and advances to banks
Other assets (excluding prepayments)
Deposits from banks
Deposits from customers
Liability on investment contracts
Other liabilities (excluding provisions and accruals)

(b) Table below shows the carrying value of other financial assets not measured at fair value.

GROUP

	Note	Level 1 N 'million	Level 2 N 'million	Level 3 N 'million	Total N 'million
30 September 2021					
Financial assets					
Loans and advances to Customers: Retail Portfolio					
- Overdrafts	22	-	-	22,078	22,078
- Term loans	22	-	-	150,790	150,790
- Credit cards	22	-	-	2,912	2,912
- Mortgage	22	-	-	42,078	42,078
Loans and advances to Customers: Corporate Portfolio					
- Overdrafts	22	-	-	456,371	456,371
- Term loans	22	-	-	1,772,634	1,772,634
- Project finance	22	-	-	320,118	320,118
Amortised cost investments	24.2	904,745	-	-	904,745
Asset pledged as collateral	25.2	73,056	-	-	73,056

	Level 1 N 'million	Level 2 N 'million	Level 3 N 'million	Total N 'million
30 September 2021				
Financial liabilities				
Borrowing	-	-	432,905	432,905

	Level 1 N 'million	Level 2 N 'million	Level 3 N 'million	Total N 'million
31 December 2020				
Financial assets				
Loans and advances to Customers: Retail Portfolio				
- Overdrafts	-	-	12,829	12,829
- Term loans	-	-	121,099	121,099
- Credit cards	-	-	1,922	1,922
- Mortgage	-	-	40,562	40,562
Loans and advances to Customers: Corporate Portfolio				
- Overdrafts	-	-	310,968	310,968
- Term loans	-	-	1,385,261	1,385,261
- Project finance	-	-	344,628	344,628
Amortised cost investments	1,032,955	-	13,061	1,046,016
Asset pledged as collateral	122,141	-	-	122,141

	Level 1 N 'million	Level 2 N 'million	Level 3 N 'million	Total N 'million
31 December 2020				
Financial liabilities				
Borrowing	-	-	379,484	379,484
COMPANY				
30 September 2021				
Financial assets				
Loans and advances to Customers: Retail Portfolio				
- Term loans	-	-	37	37
31 December 2020				
Financial assets				
Loans and advances to Customers: Retail Portfolio				
- Term loans	-	-	61	61

(c) The fair value of loans and advances to customers (including loan commitments) and investment securities are as follows:

	30 September 2021		31 December 2020	
	Carrying value N 'million	**Fair value N 'million**	**Carrying value N 'million**	**Fair value N 'million**
GROUP				
Financial assets				
Loans and advances to customers				
Fixed rate loans	10,430	10,430	109,111	109,111
Variable rate loans	2,756,551	2,756,551	2,108,157	2,097,728
Investment securities (Amortised cost)	904,745	908,073	599,464	908,073
Asset pledged as collateral	73,056	108,605	106,303	108,605
Loan commitments	200,862	200,862	87,263	87,263
Financial liability				
Borrowings	432,905	432,905	379,484	379,484

Investment securities have been fair valued using the market prices and is within level 1 of the fair value hierarchy.
Loans and advances to customers have been fair valued using average benchmarked lending rates which are adjusted to specific entity risks based on history of losses.
Borrowings which are listed on stock exchange are fair valued using market prices and are within level 1 of the fair value heirarchy while other borrowings are fair valued using valuation techniques and are within level 3 of the fair value heirarchy.

4. Capital management

The Group's objectives when managing capital are (i) to comply with the capital requirements set by the regulators (Central Bank of Nigeria, Securities and Exchange Commission, National Insurance Commission etc), (ii) to safeguard the Group's ability to continue as a going concern and (iii) to maintain a sufficient capital base to achieve the current regulatory capital requirement of FBN Holdings Plc. and its subsidiaries. The regulatory capital requirement for entities within the Group, as well as the internal target for capital management are as follows:

Name of Entity	Primary Regulator	Regulatory Requirement
FBN Holdings Plc.	Central Bank of Nigeria	Paid-up Capital in excess of aggregated minimum paid up capital of subsidiaries
First Bank of Nigeria Limited	Central Bank of Nigeria	N50billion Capital; and 15% Capital Adequacy Ratio
FBNQuest Merchant Bank Limited	Central Bank of Nigeria	N15billion Capital; and 10% Capital Adequacy Ratio
FBNQuest Capital Limited	Securities and Exchange Commission	Issuing House: N150million; Broker-Dealer: N300million; Underwriter: N200million; and Fund Manager: N150million
FBNQuest Trustees Limited	Securities and Exchange Commission	Trustee: N300million
FBN Insurance Brokers Limited	National Insurance Commission	N5million Capital

The Group’s capital management approach is driven by its strategy and organisational requirements, taking into account the regulatory and commercial environment in which it operates. It is the Group’s policy to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times.

Through its corporate governance processes, the Group maintains discipline over its investment decisions and where it allocates its capital, seeking to ensure that returns on investment are appropriate after taking account of capital costs.

The Group’s strategy is to allocate capital to businesses based on their economic profit generation and, within this process, regulatory and economic capital requirements and the cost of capital are key factors. The Group has an Internal Capital Adequacy Assessment Process which proactively evaluates capital needs vis-a-vis business growth and the operating environment. It also guides the capital allocation among the subsidiaries and the business units. The Group's internal capital adequacy assessment entails periodic review of risk management processes, monitoring of levels of risk and strategic business focus through a system of internal controls that provides assurance to those charged with governance on risk management models and processes.

The Group considers both equity and debt, subject to regulatory limits as capital.

The test of capital adequacy for FBN Holdings Plc. and its subsidiaries, in accordance with the requirements of paragraphs 7.1 and 7.3 of the Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria, as at 30 September 2021 and 31 December 2020 are as follows:

i. FBN Holdings Plc.

Subsidiary	**Proportion of shares held**		**FBN Holdings Plc.'s share of minimum paid up capital**	
	30 September 2021	**31 December 2020**	**30 September 2021**	**31 December 2020**
		(%)	**N 'million**	**N 'million**
First Bank of Nigeria Limited	100	100	50,000	50,000
FBNQuest Merchant Bank Limited	100	100	15,000	15,000
FBNQuest Capital Limited	100	100	800	800
FBNQuest Trustees Limited	100	100	300	300
FBN Insurance Brokers Limited	100	100	5	5
Rainbow Town Development Limited	55	55	-	-
Aggregated minimum paid up Capital of Subsidiaries			**66,105**	**66,105**
FBN Holdings Plc.'s Paid-up Capital			**251,340**	**251,340**

ii. First Bank of Nigeria Limited & FBNQuest Merchant Bank Limited

The Banks' capital is divided into two tiers:

• Tier 1 capital: core equity tier one capital including ordinary shares, statutory reserve, share premium and general reserve. Non-controlling interests arising on consolidation from interests in permanent shareholders’ equity. The book value of goodwill, unpublished losses and under provisions are deducted in arriving at qualifying Tier 1 capital; and

• Tier 2 capital: qualifying subordinated loan capital and unrealised gains arising from the fair valuation of financial instruments held as available for sale. Under the Basel II requirements as implemented in Nigeria, Tier 2 capital is restricted to Tier 1 capital based on CBN's guidelines.

The Central Bank of Nigeria prescribed the minimum limit of total qualifying capital/total risk weighted assets as a measure of capital adequacy of banks in Nigeria. Total qualifying capital consists of tier 1 and 2 capital less investments in subsidiaries and other regulatory adjustments.

The table below summarises the Basel II capital adequacy ratio for 30 September 2021 and 31 December 2020. It shows the composition of regulatory capital and ratios for the period/year. During those period/year, First Bank of Nigeria Limited and FBNQuest Merchant Bank complied with all the regulatory capital requirements to which they are subjected.

	FBNQUEST MERCHANT BANK LIMITED		FIRST BANK OF NIGERIA LIMITED		
			Adjusted Impact	Full Impact	Adjusted Impact
	30 September 2021	31 December 2020	30 September 2021	30 September 2021	31 December 2020
	N 'million	N 'million	N 'million	N 'million	N 'million
Tier 1 capital					
Share capital	4,302	4,302	17,948	17,948	17,948
Share premium	3,905	3,905	212,609	212,609	212,609
Statutory reserve	8,611	7,879	100,178	100,178	100,178
SMEEIS reserves	-	-	6,076	6,076	6,076
Retained earnings	12,695	11,261	166,859	166,859	98,272
IFRS 9 Transitional Adjustment	135.00	-	29,866	-	29,866
Less: Goodwill/Deferred Tax	(9,262)	(9,924)	(13,835)	(13,835)	(10,436)
Less: Investment in subsidiaries	(1,313)	(1,313)	(55,696)	(55,696)	(55,325)
Total qualifying for tier 1 capital	19,072	16,109	464,005	434,139	399,189
Tier 2 capital					
Fair value reserve	691	(316)	78,969	78,969	81,563
Other borrowings	13,227	-	48,231	48,231	78,078
Total tier 2 capital	13,918	(316)	127,200	127,200	159,641
Tier 2 Capital Restriction	6,357	(316)	127,200	127,200	151,505
Less: Investment in subsidiaries	-	-	(55,696)	(55,696)	(55,325)
Total qualifying for tier 2 capital	6,357	(316)	71,504	71,504	96,180
Total regulatory capital	25,429	15,793	535,509	505,643	495,368
Risk-weighted assets					
Credit Risk	98,466	68,329	2,768,372	2,727,542	2,390,059
Operational Risk	20,736	19,959	603,041	603,041	603,041
Market Risk	1,510	1,111	82,991	82,991	78,876
Total risk-weighted assets	120,712	89,400	3,454,404	3,413,574	3,071,976
Risk-weighted Capital Adequacy Ratio (CAR)	21.07%	17.67%	15.50%	14.81%	16.13%
Tier 1 CAR	15.80%	18.02%	13.43%	12.72%	12.99%

The Central Bank of Nigeria, in its circular on transitional arrangements on treatment of IFRS 9 expected credit loss for regulatory purposes by banks in Nigeria dated 18 October 2018, has recommended transitional arrangements to cushion the impact of IFRS 9 implementation on tier 1 regulatory capital. The regulator advised that the balance in regulatory risk reserve should be applied to retained earnings to reduce the additional ECL provisions on opening retained earnings. Where the additional ECL provision is higher than the regulatory risk reserve transfer, the excess shall be amortised in line with the transitional arrangements. The regulatory arrangement for amortization of the impact is as shown below:

Period	**Provisions to be written back**	**Amount**
Year 0 (January 1, 2018)	4/5 of Adjusted Day One Impact	119,465
Year 1 (December 31, 2018)	3/5 of Adjusted Day One Impact	89,599
Year 2 (December 31, 2019)	2/5 of Adjusted Day One Impact	59,733
Year 3 (December 31, 2020)	1/5 of Adjusted Day One Impact	29,866
Year 4 (December 31, 2021)	NIL	-

iii. Other Regulated Subsidiaries

		30 September 2021		31 December 2020	
	Regulatory Capital	Shareholders fund	Excess/ (Shortfall)	Shareholders fund	Excess/ (Shortfall)
	N 'million	N 'million	N 'million	N 'million	N 'million
FBNQuest Capital Limited	800	20,521	19,721	14,264	13,464
FBNQuest Trustees Limited	300	7,416	7,116	3,669	3,369
FBN Insurance Brokers Limited	5	416	411	213	208

All the regulated entities within the Group complied with all the regulatory capital requirements to which they were subjected.

5 Significant accounting judgements, estimates and assumptions

The Group's financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the consolidated interim financial statements. The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality.

a Impairment of financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and debt instruments measured at FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).
A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Generating the term structure of the probability of default;
- Determining whether credit risk has increased significantly;
- Incorporation of forward-looking information;
- Determination of definition of default
- Estimation of loss given default.

The detailed methodologies, areas of estimation and judgement applied in the calculation of the Group's impairment charge on financial assets are set out in the Financial risk management section of the annual report

b Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly arm'slength transaction between market participants in the principal market under current market conditions (i.e., the exit price). Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the valuation inputs (Level 1, 2 or 3). Fair value is based on unadjusted quoted prices in an active market for the same instrument, where available (Level 1). If active market prices or quotes are not available for an instrument, fair value is then based on valuation models in which the significant inputs are observable (Level 2) or in which one or more of the significant inputs are non-observable (Level 3). Estimating fair value requires the application of judgment. The type and level of judgment required is largely dependent on the amount of observable market information available. For instruments valued using internally developed models that use significant non-observable market inputs and are therefore classified within Level 3 of the hierarchy, the judgment used to estimate fair value is more significant than when estimating the fair value of instruments classified within Levels 1 and 2. To ensure that valuations are appropriate, a number of policies and controls are in place. Valuation inputs are verified to external sources such as exchange quotes, broker quotes or other management-approved independent pricing sources.

Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.
Changes in assumptions about these factors could affect the reported fair value of financial instruments. All fair values are on a recurring basis. Refer to Note 3.1 for additional sensitivity information for financial instruments.

5 Significant accounting judgements, estimates and assumptions continued

c Retirement benefit obligation

The Group recognises its obligations to its employees on the gratuity scheme at the period end, less the fair value of the plan assets after performing actuarial valuation of the obligation. The scheme's obligations are calculated using the projected unit credit method. Plan assets are stated at fair value as at the period end. Changes in pension scheme liabilities or assets (remeasurements) that do not arise from regular pension cost, net interest on net defined benefit liabilities or assets, past service costs, settlements or contributions to the scheme, are recognised in other comprehensive income. Remeasurements comprise experience adjustments (differences between previous actuarial assumptions and what has actually occurred), the effects of changes in actuarial assumptions, return on scheme assets (excluding amounts included in the interest on the assets) and any changes in the effect of the asset ceiling restriction (excluding amounts included in the interest on the restriction).

The measurement of the group's benefit obligation and net periodic pension cost/(income) requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. See note 37, "Retirement benefits obligation," for a description of the defined benefit pension plans. An actuarial valuation is performed by actuarial valuation experts on an annual basis to determine the retirement benefit obligation of the group.

d Impairment of Goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units (CGU) have been determined based on value-in-use calculations. These calculations require the use of significant amount of judgement and estimates of future cash flows. A number of factors affect the value of such cash flows, including discount rates, changes in the economic outlook, customer behavior and competition See note 31 for detailed information on impairment assessment performed on the CGU. There was no impairment charge during the period (2020: Nil)

e Determining the lease term : Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the Group.

f Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgement is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future taxable profits based on expected revenues for the next five years. Details of the Group's recognized and unrecognized deferred tax assets and liabilities are as disclosed in note 32.

6 Segment information

Following 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 reportable business groups of FBN Holdings Plc.
1. Commercial Banking Business Group
2. Merchant 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.

Merchant Banking and Asset Management Business Group (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, as well as merchant banking services.

Others
Others comprises of FBN Holdings Plc., the parent company, FBN Insurance Brokers Limited and Rainbow Town Development 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 Group Executive Committee for the reportable segments for the period ended 30 September 2021 is as follows:

	Commercial Banking Group	MBAM Group	Others	Total
	N 'million	N 'million	N 'million	N 'million
At 30 September 2021				
Total segment revenue	397,127	31,365	781	**429,273**
Inter-segment revenue	(2,127)	(49)	(68)	**(2,243)**
Revenue from external customers	395,000	31,316	713	**427,030**
Interest income	243,502	15,879	737	**260,118**
Interest expense	(85,843)	(11,313)	(1)	**(97,158)**
Profit/(loss) before tax	44,295	10,601	(1,963)	**52,933**
Income tax expense	(8,609)	(3,345)	(128)	**(12,082)**
Profit/(loss) for the period from continuing operations	35,686	7,256	(2,092)	**40,851**
Impairment charge for losses	(29,287)	(332)	-	**(29,619)**
Loss for the period from discontinued operations	-		(60)	**(60)**
Depreciation	(14,202)	(373)	(170)	**(14,745)**

6 Segment information continued

	Commercial Banking Group N 'million	MBAM Group N 'million	Others N 'million	Total N 'million
At 30 September 2021				
Total assets	8,089,236	362,704	53,351	**8,505,291**
Other measures of assets:				
Loans and advances to customers	2,696,900	70,013	67	**2,766,981**
Expenditure on non-current assets	112,947	1,696	937	**115,580**
Investment securities	1,580,963	140,804	4,271	**1,726,038**
Total liabilities	7,432,099	301,501	18,146	**7,751,746**
At 30 September 2020				
Total segment revenue	410,009	27,639	3,215	**440,863**
Inter-segment revenue	(245)	(125)	(1,160)	**(1,530)**
Revenue from external customers	409,764	27,514	2,055	**439,333**
Interest income	281,553	15,245	915	**297,713**
Interest expense	(96,340)	(8,626)	(10)	**(104,976)**
Profit/(loss) before tax	54,742	9,454	(883)	**63,313**
Income tax expense	(5,935)	(2,866)	(157)	**(8,958)**
Profit/(loss) for the period from continuing operations	48,807	6,588	(1,040)	**54,355**
Impairment charge for losses	(46,501)	(174)	-	**(46,675)**
Profit for the period from discontinued operations	-		13,801	**13,801**
Depreciation	(12,901)	(395)	(181)	**(13,477)**
At 31 December 2020				
Total assets	7,308,405	325,743	54,880	**7,689,028**
Other measures of assets:				
Loans and advances to customers	2,161,437	55,759	72	**2,217,268**
Expenditure on non-current assets	111,722	1,621	690	**114,033**
Investment securities	1,437,662	101,649	9,980	**1,549,291**
Total liabilities	6,630,775	276,204	16,878	**6,923,857**

Geographical information

Revenues

	30 Sep 2021 N 'million	30 Sep 2020 N 'million
Nigeria	342,363	374,062
Outside Nigeria	84,667	65,271
Total	**427,030**	**439,333**

Non current asset

Property and equipment

	30 Sep 2021 N 'million	31 Dec 2020 N 'million
Nigeria	95,344	94,356
Outside Nigeria	20,236	19,678
Total	**115,580**	**114,034**

7 Interest income

	GROUP		COMPANY	
		Unaudited		Unaudited
	30 September 2021 N 'million	30 September 2020 N 'million	30 September 2021 N 'million	30 September 2020 N 'million
Loans and advances to customers	184,199	190,493	4	5
Investment securities at FVOCI	19,002	70,583	425	824
Investment securities at amortized cost	32,915	29,568	-	-
Loans and advances to banks	23,984	6,750	599	294
Total interest income calculated using effective interest incme	260,100	297,394	1,028	1,123
Investment securities at Fair value through profit or loss	18	319	-	-
	260,118	297,713	1,028	1,123

Interest income on loans and advances to customers includes interest income of N4.2 billion on (2020: N6.1 billion) stage 3 loans, for which effective interest rate is applied to the net carrying amount of the asset after deduction of the loss allowance.

8 Interest expense

	GROUP		COMPANY	
		Unaudited		Unaudited
	30 September 2021 N 'million	30 September 2020 N 'million	30 September 2021 N 'million	30 September 2020 N 'million
Deposit from customers	54,363	73,525	-	-
Deposit from banks	23,830	24,601	-	-
Borrowings	18,489	6,681	-	-
Lease liability	475	169	1	10
	97,157	104,976	1	10

9 Impairment charge for losses

	GROUP	
		Unaudited
	30 September 2021 N 'million	30 September 2020 N 'million
Loans and advances to banks (refer note 21)		
12- month ECL	1,181	6
	1,181	6
Investment securities (refer to note 24)		
Stage 1 - 12- month ECL	73	6,499
	73	6,499
Loans and advances to customers (refer to note 22)		
Stage 1 - 12- month ECL	(237)	(5)
Stage 2 - Lifetime ECL	(4,495)	(82)
Stage 3 - Lifetime ECL	37,694	42,167
	32,962	42,080
Net recoveries on loans previously written off	(5,220)	(1,900)
Write-off of loans	-	-
Other assets (refer to note 26)		
Other Assets ECL	361	-
	361	-
Off balance sheet		
Impairment charge/(reversal)	262	(10)
Net impairment charge	29,619	46,675

10a Fee and commission income

	GROUP 30 September 2021 N 'million	GROUP Unaudited 30 September 2020 N 'million
Credit related fees	8,735	5,388
Letters of credit commissions and fees	12,573	8,405
Electronic banking fees	42,023	34,595
Money transfer commission	500	828
Commission on bonds and guarantees	1,335	498
Funds transfer and intermediation fees	9,314	5,333
Account maintenance	11,742	8,810
Brokerage and intermediations	4,028	1,846
Custodian fees	5,496	4,800
Financial advisory fees	301	1,620
Fund management fees	3,277	3,183
Trust fee income	1,098	908
Other fees and commissions	3,344	11,378
	103,766	87,592
Timing of revenue recognition		
At a point in time	76,380	69,416
Over time	27,386	18,176
	103,766	87,592

10b Fees and commission expense

	GROUP 30 September 2021 N 'million	GROUP 30 September 2020 N 'million
	17,867	14,604

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.

11 Foreign exchange income/(loss)

	GROUP 30 September 2021 N 'million	GROUP 30 September 2020 N 'million	COMPANY 30 September 2021 N 'million	COMPANY 30 September 2020 N 'million
Revaluation gain on foreign currency balances (unrealised)	3,457	813	12	20
Foreign exchange trading gain/(loss)	2,450	(1,437)	-	-
	5,907	(624)	12	20

12 Net gains on sale of investment securities

	GROUP 30 September 2021 N 'million	GROUP 30 September 2020 N 'million	COMPANY 30 September 2021 N 'million	COMPANY 30 September 2020 N 'million
Gain on sale of investment securities	21,466	41,182	71	-
	21,466	41,182	71	-

13 Net gains/(losses) from financial instruments at FVTPL

	GROUP 30 September 2021 N 'million	GROUP 30 September 2020 N 'million	COMPANY 30 September 2021 N 'million	COMPANY 30 September 2020 N 'million
Fair value gain/(loss) on derivatives	5,019	(1,571)	-	-
Fair value loss on equities	(763)	(687)	(763)	(647)
Fair value gain on debt securities	22,886	9,091	-	-
Fair value gain/(loss) on financial instruments at FVTPL	27,142	6,833	(763)	(647)
Trading income on debt securities	2,473	886	-	-
Net gains/(loss) from financial instruments at FVTPL	29,615	7,719	(763)	(647)

14 Dividend income

	GROUP		COMPANY	
	30 September 2021 N 'million	30 September 2020 N 'million	30 September 2021 N 'million	30 September 2020 N 'million
FBN Insurance Limited	-	-	-	2,584
Entities outside the group	3,547	3,634	-	-
Withholding tax on dividend	-	-	(245)	(311)
	3,547	3,634	(245)	2,273

15 Other operating income

	GROUP	
	30 September 2021 N 'million	30 September 2020 N 'million
(Loss)/profit on sale of property and equipment	(25)	41
Other income	3,003	2,042
	2,978	2,083

Other income largely comprises income made by the group from private banking services and other recoveries.

16 Personnel expenses

	GROUP		COMPANY	
	30 September 2021 N 'million	30 September 2020 N 'million	30 September 2021 N 'million	30 September 2020 N 'million
Wages and salaries	72,273	65,261	527	484
Pension costs:				
- Defined contribution plans	3,813	3,588	24	24
- Defined benefit cost (refer note 37)	115	78	-	-
Other staff benefits	3,120	5,248	-	-
	79,321	74,175	551	508

Staff received some loans at below the market interest rate. These loans are measured at fair value at initial recognition. The difference between the present value of cash flows discounted at the contractual rate and PV of cash flows discounted at market rate has been recognised as prepaid employee benefit (in prepayments - note 26) which is amortised to personnel expenses over the life of the loan.

The average number of persons employed by the Group during the period was as follows:

	GROUP		COMPANY	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
Executive directors	1	1	1	1
Management	292	768	7	7
Non-management	8,074	7,573	29	29
	8,367	8,342	37	37

The number of employees of the Group, other than directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

Below N2,000,000	269	282	4	4
N2,000,001 - N2,800,000	65	64	-	-
N2,800,001 - N3,500,000	36	59	-	-
N3,500,001 - N4,000,000	1,500	1,385	-	-
N4,000,001 - N5,500,000	120	112	4	4
N5,500,001 - N6,500,000	848	920	1	1
N6,500,001 - N7,800,000	1,651	1,984	2	2
N7,800,001 - N9,000,000	99	62	1	1
N9,000,001 and above	3,778	3,473	24	24
	8,366	8,341	36	36

17 Other operating expenses

	GROUP		COMPANY	
	30 September 2021 N 'million	30 September 2020 N 'million	30 September 2021 N 'million	30 September 2020 N 'million
Auditors' remuneration[1]	772	950	25	-
Directors' emoluments	1,940	1,583	511	420
Regulatory cost	45,899	33,777	-	-
Maintenance	24,948	20,790	90	100
Insurance premium	2,367	1,529	57	53
Rent and rates	3,144	7,237	-	-
Advert and corporate promotions	6,536	5,137	173	104
Legal and other professional fees	6,120	5,857	354	265
Donations & subscriptions	3,403	2,144	14	12
Stationery & printing	477	550	24	24
Communication, light and power	7,001	5,655	5	4
Cash handling charges	1,114	1,429	-	-
Operational and other losses	1,871	5,033	-	-
Passages and travels	2,787	2,498	65	82
Outsourced cost	12,720	13,435	19	20
Statutory fees	76	567	26	24
WHT on retained dividend	245	311	-	-
Other operating expenses	8,148	8,545	70	659
	129,568	117,027	1,433	1,767

[1]Auditors' remuneration for the group represents the aggregate of the fees paid by the various entities in the group to their respective auditors.

18 Taxation - Income tax expense and liability

	GROUP		COMPANY	
	30 September 2021 N 'million	30 September 2020 N 'million	30 September 2021 N 'million	30 September 2020 N 'million
a Income tax expense				
Corporate tax	9,642	8,080	3	6
Education tax	454	150	-	-
Technology tax	924	795	-	-
Police trust fund levy	3	-	-	-
Over provision in prior years	191	(599)	-	-
Current income tax - current period	11,214	8,426	3	6
Origination and reversal of temporary deferred tax differences (see note 32)	868	532	-	-
Income tax expense	**12,082**	**8,958**	**3**	**6**

GROUP	**2021**		**2020**	
Profit before income tax	52,933		63,313	
Tax calculated using the domestic corporation tax rate of 30% (2020: 30%)	15,880	30%	18,994	30%
Effect of tax rates in foreign jurisdictions	62	0%	(302)	0%
Tax exempt income	(26,712)	-50%	(51,675)	-82%
Non-deductible expenses	16,196	31%	34,866	55%
Effect of education tax levy	454	1%	147	0%
Effect of Information technology	924	2%	823	1%
Effect of capital gains tax	-	0%	(18)	0%
Effect of minimum tax	3	0%	2,406	4%
Effect of change in tax rate	(349)	-1%	(157)	0%
Effect of exchange rate	-	0%	(341)	-1%
Origination and reversal of temporary deferred tax differences	-	0%	(2)	0%
Tax incentives	-	0%	(134)	0%
Tax loss effect	5,430	10%	4,823	8%
Over/(under) provision in prior years	191	0%	(474)	-1%
Effect of police trust fund Levy	3	0%	2	0%
Total income tax expense in income statement	12,082	23%	8,958	14%
Income tax expense	12,082	23%	8,958	14%

COMPANY	2021		2020	
(Loss)/profit before income tax	(2,035)		20,218	
Tax calculated using the domestic corporation tax rate of 30% (2020: 30%)	(611)	30%	4,162	-205%
Tax exempt income	(149)	7%	(5,427)	267%
Non-deductible expenses	122	-6%	412	-20%
Effect of minimum tax	3	0%	11	-1%
Effect of change in tax rate	(15)	1%	-	0%
Tax loss effect	653	-32%	848	-42%
Total income tax expense in income statement	3	0%	6	0%
Income tax expense	3	0%	6	0%

	GROUP		COMPANY	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
b Current income tax liability	N 'million	N 'million	N 'million	N 'million
The movement in the current income tax liability is as follows:				
At start of the period	11,247	13,778	214	12
Tax paid	(5,925)	(8,297)	(163)	-
Withholding tax credit utilised	(852)	(1,199)	(49)	(11)
Prior period under provision	-	(99)	-	-
Income tax charge	11,214	9,221	3	213
Effect of discontinued operations	-	(2,473)	-	-
Effect of changes in exchange rate	(1,646)	316	-	-
At end of period	14,038	11,247	5	214
Current	14,038	11,247	5	214

19 Cash and balances with central banks

	GROUP	
	30 September 2021	31 December 2020
	N 'million	N 'million
Cash	144,918	122,602
Balances with central banks excluding mandatory reserve deposits	117,673	186,685
	262,591	309,287
Mandatory reserve deposits with Central Banks	1,377,531	1,322,443
	1,640,122	1,631,730

Restricted deposits with central banks are not available for use in Group's day to day operations. FBN Limited and FBNQuest Merchant Bank Limited had restricted balances of N1,328.71 billion and N37.49 billion respectively with Central Bank of Nigeria (CBN) as at 30 September 2021 (December 2020: N1,271.81 billion and N39.37 billion). This balance includes CBN cash reserve requirement and Special Intervention Reserve. FBN Bank Ghana and FBN Bank Guinea also had restricted balances of N4.70 billion and N4.67 billion (December 2020: N4.87 billion and N4.99 billion) respectively with their respective central banks.

20 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	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	N 'million	N 'million	N 'million	N 'million
Cash	144,918	177,775	-	-
Balances with central banks other than mandatory reserve deposits	117,673	19,689	-	-
Loans and advances to banks excluding long term placements	808,441	664,001	13,317	9,693
Treasury bills included in financial assets at FVTPL	891	8,461	-	-
Treasury bills and eligible bills excluding pledged treasury bills	176,363	344,375	-	-
	1,248,286	1,214,301	13,317	9,693

21 Loans and advances to banks

	GROUP		COMPANY	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	N 'million	N 'million	N 'million	N 'million
Current balances with banks within Nigeria	415,227	426,314	453	1,894
Current balances with banks outside Nigeria	360,417	315,377	-	-
Placements with banks and discount houses (short term)	32,797	102,227	12,864	9,346
	808,441	843,918	13,317	11,240
Long term placement/Cash collateral balance	167,601	175,491	-	-
Stage 1 : 12 month ECL on placements	(3,767)	(2,586)		
Carrying amount	972,275	1,016,823	13,317	11,240

Included in loans and advances to banks are long term (more than 3 months) placement/cash collateral balance of N167.67 billion balance for Group (31 December 2020: N175.4 billion) which do not qualify as cash and cash equivalent. Also included in the Group's Loans and advances to banks is the sum of N303.4 billion (2020: 199.74bn) in respect of trade finance and other short term financing advanced to banks on the back of their letters of credit/trade related transactions. All other loans to banks are due within 3 months.

Reconciliation of impairment account

	GROUP		COMPANY	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	N 'million	N 'million	N 'million	N 'million
At start of period	(2,586)	(729)	-	-
Impairment charge	(1,181)	(1,895)	-	-
Effect of discontinued operations	-	38	-	-
At end of period	(3,767)	(2,586)	-	-

22 Loans and advances to customers
GROUP

Corporate	Gross Amount	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total Impairment	Carrying Amount
	N 'million	N 'million	N 'million	N 'million	N 'million	N 'million
30 September 2021						
Overdrafts	477,036	(1,235)	(1,063)	(18,367)	(20,665)	456,371
Term loans	1,805,338	(3,162)	(4,843)	(24,699)	(32,704)	1,772,634
Project finance	345,254	(199)	2,605	(27,542)	(25,136)	320,118
	2,627,628	(4,596)	(3,301)	(70,608)	(78,505)	2,549,123

22 Loans and advances to customers continued

Retail	Gross Amount N 'million	Stage 1 12 months ECL N 'million	Stage 2 Lifetime ECL N 'million	Stage 3 Lifetime ECL N 'million	Total Impairment N 'million	Carrying Amount N 'million
30 September 2021						
Overdrafts	30,111	(3,504)	(145)	(4,384)	(8,033)	22,078
Term loans	155,476	(3,439)	(136)	(1,111)	(4,686)	150,790
Credit cards	2,923	-	-	(11)	(11)	2,912
Mortgage	42,651	(65)	(40)	(468)	(573)	42,078
	231,161	(7,008)	(321)	(5,974)	(13,303)	217,858
Total Loans and advances to customers	2,858,789	(11,604)	(3,622)	(76,582)	(91,808)	2,766,981

GROUP

Corporate	Gross Amount N 'million	Stage 1 12 months ECL N 'million	Stage 2 Lifetime ECL N 'million	Stage 3 Lifetime ECL N 'million	Total Impairment N 'million	Carrying Amount N 'million
31 December 2020						
Overdrafts	323,250	(713)	(548)	(11,021)	(12,282)	310,968
Term loans	1,419,545	(5,203)	(7,396)	(21,686)	(34,285)	1,385,260
Project finance	360,530	(205)	(44)	(15,653)	(15,902)	344,628
	2,103,325	(6,121)	(7,988)	(48,360)	(62,469)	2,040,856

Retail	Gross Amount N 'million	Stage 1 12 months ECL N 'million	Stage 2 Lifetime ECL N 'million	Stage 3 Lifetime ECL N 'million	Total Impairment N 'million	Carrying Amount N 'million
31 December 2020						
Overdrafts	19,915	(2,313)	(75)	(4,698)	(7,086)	12,829
Term loans	125,311	(3,013)	(50)	(1,149)	(4,212)	121,099
Credit cards	1,948	(15)	-	(11)	(26)	1,922
Mortgage	41,046	(71)	(11)	(402)	(484)	40,562
	188,220	(5,412)	(136)	(6,260)	(11,808)	176,412
Total Loans and advances to customers	2,291,545	(11,533)	(8,124)	(54,621)	(74,277)	2,217,268

COMPANY	Gross Amount N 'million	Stage 1 12 months ECL N 'million	Stage 2 Lifetime ECL N 'million	Stage 3 Lifetime ECL N 'million	Total Impairment N 'million	Carrying Amount N 'million
30 September 2021						
Term loans	37	-	-	-	-	37
	37	-	-	-	-	37

COMPANY	Gross Amount N 'million	Stage 1 12 months ECL N 'million	Stage 2 Lifetime ECL N 'million	Stage 3 Lifetime ECL N 'million	Total Impairment N 'million	Carrying Amount N 'million
31 December 2020						
Term loans	61	-	-	-	-	61
	61	-	-	-	-	61

	GROUP		COMPANY	
	30 September 2021 N 'million	31 December 2020 N 'million	30 September 2021 N 'million	31 December 2020 N 'million
Current	1,308,880	955,641	6	6
Non-current	1,458,101	1,261,627	31	55
	2,766,981	2,217,268	37	61

Reconciliation of impairment allowance on loans and advances to customers:
GROUP

	Corporate N 'million	Retail N 'million	Total N 'million
At 1 January 2021			
12 months ECL- Stage 1	6,121	5,412	11,533
Life time ECL not credit impaired - Stage 2	7,988	136	8,124
Life time ECL credit impaired - Stage 3	48,360	6,260	54,620
	62,469	11,808	74,277
Additional allowance			
12 months ECL- Stage 1	(1,838)	1,601	(237)
Life time ECL not credit impaired - Stage 2	(4,681)	186	(4,495)
Life time ECL credit impaired - Stage 3	35,317	2,377	37,694
	28,798	4,164	32,962
Exchange difference			
12 months ECL- Stage 1	1,459	(5)	1,454
Life time ECL not credit impaired - Stage 2	2,712	(1)	2,711
Life time ECL credit impaired - Stage 3	(4,005)	52	(3,953)
Loan write off			
Life time ECL credit impaired - Stage 3	(12,928)	(2,715)	(15,643)
At 30 September 2021	78,505	13,303	91,808
12 months ECL- Stage 1	5,742	7,008	12,750
Life time ECL not credit impaired - Stage 2	6,019	321	6,340
Life time ECL credit impaired - Stage 3	66,744	5,974	72,718
At 30 September 2021	78,505	13,303	91,808

Reconciliation of impairment allowance on loans and advances to customers:
GROUP

	Corporate N 'million	Retail N 'million	Total N 'million
At 1 January 2020			
12 months ECL- Stage 1	3,933	5,391	9,324
Life time ECL not credit impaired - Stage 2	6,137	51	6,188
Life time ECL credit impaired - Stage 3	57,731	5,667	63,398
	67,801	11,109	78,910
Additional allowance			
12 months ECL- Stage 1	627	27	654
Life time ECL not credit impaired - Stage 2	574	(4)	570
Life time ECL credit impaired - Stage 3	47,347	4,943	52,291
	48,549	4,966	53,515
Exchange difference			
12 months ECL- Stage 1	1,561	(6)	1,555
Life time ECL not credit impaired - Stage 2	1,275	89	1,364
Life time ECL credit impaired - Stage 3	(519)	(311)	(830)
Loan write off			
Life time ECL credit impaired - Stage 3	(56,199)	(4,039)	(60,238)
At 31 December 2020	62,469	11,808	74,277
12 months ECL- Stage 1	6,121	5,412	11,533
Life time ECL not credit impaired - Stage 2	7,988	136	8,124
Life time ECL credit impaired - Stage 3	48,360	6,260	54,621
At 31 December 2020	62,469	11,808	74,277

Nature of security in respect of loans and advances:

	GROUP		COMPANY	
	30 September 2021 N 'million	31 December 2020 N 'million	30 September 2021 N 'million	31 December 2020 N 'million
Legal Mortgage/Debenture On Business Premises, Factory Assets Or Real Estates	1,549,185	1,324,048	-	-
Guarantee/Receivables Of Investment Grade Banks & State Govt.	443,354	296,280	-	-
Domiciliation of receivables	392,419	293,712	-	-
Clean/Negative Pledge	297,039	228,147	-	-
Marketable Securities/Shares	845	25	-	-
Otherwise Secured	12,629	45,601	37	61
Cash/Government Securities	163,318	103,732	-	-
	2,858,789	2,291,545	37	61

The Group is not permitted to sell or repledge the collateral in the absence of default by the owner of the collateral.

23 Financial assets and liabilities at fair value through profit or loss

	GROUP		COMPANY	
	30 September 2021 N 'million	31 December 2020 N 'million	30 September 2021 N 'million	31 December 2020 N 'million
Treasury bills with maturity of less than 90 days	891	1,929	-	-
Treasury bills with maturity over 90 days	45,308	7,896	-	-
Bonds	18,714	5,593	-	-
Total debt securities	64,913	15,418	-	-
Listed equity securities	5,097	1,993	-	-
Unlisted equity securities	37,862	36,709	1,353	2,116
Total equity securities	42,959	38,702	1,353	2,116
Derivative assets (refer note 23a)	53,981	72,234	-	-
Total assets at fair value through profit or loss	161,853	126,354	1,353	2,116
Current	64,913	15,418	-	-
Non Current	96,940	110,936	1,353	2,116
	161,853	126,354	1,353	2,116

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as ‘held for trading’ for accounting purposes and are accounted for at fair value through profit or loss.

a Derivatives

	GROUP 30 September 2021		
	Notional contract amount	Fair values	
	N 'million	Asset N 'million	Liability N 'million
Foreign exchange derivatives			
Forward FX contract	214,718	7,552	(14,265)
FX Futures	144,363	858	(858)
Currency swap	460,859	35,938	(1,595)
Put options	131,210	9,632	(3,273)
	951,150	53,981	(19,991)
Current	953,730	53,981	(19,991)
Non Current	-	-	-
	953,730	53,981	(19,991)

	GROUP 31 December 2020		
	Notional contract amount	Fair values Asset	Fair values Liability
	N 'million	N 'million	N 'million
Foreign exchange derivatives			
Forward FX contract	439,947	13,099	(2,048)
FX Futures	200,880	5,283	(5,416)
Currency swap	330,553	49,658	-
Put options	-	4,194	-
	971,380	72,234	(7,464)
Current	971,380	72,234	(7,464)
Non Current	-	-	-
	971,380	72,234	(7,464)

24 Investment Securities

	GROUP		COMPANY	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	N 'million	N 'million	N 'million	N 'million
24.1 Investment securities at FVOCI				
Debt securities – at fair value:				
– Treasury bills with maturity of less than 90 days	27,378	178,295	-	-
– Treasury bills with maturity of more than 90 days	613,551	43,202	-	935
– Government bonds	54,965	44,675	4,271	8,928
– Other bonds	10,310	16,214		
Equity securities – at fair value:				
– Listed	1,538	927	-	-
– Unlisted	113,551	190,293	-	-
Total securities classified as FVOCI	821,293	473,606	4,271	9,863
Current	738,970	212,686	-	935
Non current	82,323	260,920	4,271	8,928
	821,293	473,606	4,271	9,863

Reconciliation of impairment on investment securities at FVOCI

	GROUP		COMPANY	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	N 'million	N 'million	N 'million	N 'million
At start of period	871	1,099	-	-
Increase in impairment	-	(90)	-	-
Effect of discontinued operations	-	(138)		
At end of period	871	871	-	-

	GROUP		COMPANY	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
24.2 Investment securities at amortised cost				
Debt securities – at amortised cost:				
– Treasury bills with maturity of less than 90 days	148,985	599,464	-	-
– Treasury bills with maturity of more than 90 days	287,679	89,769	-	-
– Bonds	393,258	375,515	-	-
– Unlisted debt	75,996	12,032		
Impairment on Amortised Cost securities				
- Stage 1: 12- month ECL	(1,173)	(1,096)	-	-
Total securities at amortised cost	904,745	1,075,684	-	-
Current	714,387	885,325	-	-
Non Current	190,358	190,359	-	-
	904,745	1,075,684	-	-
Total investment securities	1,726,038	1,549,290	4,271	9,863

Reconciliation of impairment on investment securities at amortised cost	**GROUP**		**COMPANY**	
	30 September 2021	**31 December 2020**	**30 September 2021**	**31 December 2020**
	N 'million	**N 'million**	**N 'million**	**N 'million**
At start of period	1,096	610	-	-
Increase of impairment	73	486	-	-
At end of period	1,173	1,096	-	-

25 Asset pledged as collateral

The assets pledged by the group are strictly for the purpose of providing collateral to the counterparty. 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	
	30 September 2021	**31 December 2020**
	N 'million	**N 'million**
Debt securities at FVOCI (note 25.1)	334,992	240,335
Debt securities at amortised cost (note 25.2)	73,056	122,141
Debt securities at FVTPL (note 25.3)	366,547	273,437
	774,595	635,913
25.1 Debt securities at FVOCI		
– Treasury bills	322,618	240,335
– Bonds	12,373	-
	334,992	240,335
25.2 Debt securities at amortized cost		
– Treasury bills	-	42,114
– Bonds	73,056	80,027
	73,056	122,141
25.3 Debt securities at FVTPL		
– Treasury bills	366,547	273,437
	366,547	273,437
The related liability for assets held as collateral include:		
Bank of Industry	16,438	19,373
Central Bank of Nigeria/Commercial Agriculture Credit Scheme Intervention fund	22,519	28,076
Due to Other Banks	384,400	344,284

The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above.
Also included in pledged assets are assets pledged as collateral or security deposits to clearing house and payment agencies of N57.7 billion for the Group in September 2021 (2020: N64.8 billion) for which there is no related liability.

Current	689,166	568,218
Non current	85,428	67,694
	774,595	635,913

All assets pledged as collateral are Stage 1 assets

26 Other assets

	GROUP		COMPANY	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	N 'million	N 'million	N 'million	N 'million
Financial assets:				
Premium debtors	-	68	-	-
Accounts receivable	174,873	240,273	43	14,214
	174,873	240,341	43	14,214
Impairment on other assets - Simplified Approach	(19,553)	(19,084)	-	-
	155,320	221,257	43	14,214
Non financial assets:				
Stock of consumables	8,643	2,485	-	6
Inventory- repossessed collateral	78,889	78,889	-	-
Prepayments	20,252	11,085	212	115
WHT receivable	1,226	2,561	-	25
Impairment on non financial other assets	(668)	(776)	-	-
	108,342	94,244	212	146
Net other assets balance	263,662	315,501	255	14,360

Inventory (repossessed collateral) of N78.89bn (2020: N78.89bn) comprises assets recovered from default loan customers.

Reconciliation of impairment account	GROUP		COMPANY	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	N 'million	N 'million	N 'million	N 'million
At start of period	19,860	20,692	-	-
Write off	-	(8,117)	-	-
Increase in impairment	635	7,285	-	-
At end of period	20,495	19,860	-	-

All other assets on the statement of financial position of the Group had a remaining period to contractual maturity of less than 12 months.

The information of the professional engaged by the entities within the Group for valuation of repossessed collateral are as follows:

Name of Professional Firm	FRC Number
Bode Adediji Partnership	FRC/2012/0000000000279
Udoetuk & Associates Estate Surveyors & Valuers	FRC/2013/NIESV/00000002389
Boye Komolafe & Co	FRC/2013/0000000000613
Jide Taiwo & Co	FRC/2012/0000000000254
Ubosi Eleh & Co	FRC/2014/NIESV/00000003997

27 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. The investment has been fully impaired.

ii. **FBN Balanced 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 Markets. The fund manager publishes daily unit price of the fund on the memorandum listing section of the Nigerian Stock Exchange. The unit price of the fund as at reporting date was N187.68 (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	
	30 September 2021	31 December 2020
	N 'million	N 'million
FBN Balanced Fund		
Balance at beginning of period	1,163	711
Share of (loss)/profit	(367)	482
Share of other comprehensive income	211	(30)
At end of period	1,007	1,163

28 Investment in subsidiaries

28.1 Principal subsidiary undertakings

	COMPANY	
	30 September 2021	31 December 2020
	N 'million	N 'million
DIRECT SUBSIDIAIRES OF FBN HOLDINGS PLC.		
First Bank of Nigeria Limited (Note 28 (i))	230,557	230,557
FBNQuest Capital Limited (Note 28 (ii))	5,812	5,812
FBN Insurance Limited (Note 28 (iii))	-	-
FBN Insurance Brokers Limited (Note 28 (iv))	25	25
New Villa Limited (Rainbow Town Development Limited) (Note 28 (v))	-	-
FBNQuest Merchant Bank Limited (Note 28 (vi))	17,206	17,206
FBNQuest Trustees Limited (Note 28 (vii))	4,521	4,521
	258,121	258,121
INDIRECT SUBSIDIAIRES OF FBN HOLDINGS PLC.		
FBNQuest Funds Limited (Note 28 (viii))	4,550	4,550
	4,550	4,550
	262,671	**262,671**

As at 30 September 2021, the recoverable amount of investment in Rainbow Town Development Limited was lower than the carrying amount. (Cost: N5billion; Total Impairment: N5billion).

All shares in subsidiary undertakings are ordinary shares. For the period ended 30 September 2021, the group owned the total issued shares in all its subsidiary undertakings except New Villa Limited (Rainbow Town Development Limited) in which it owned 55%. There are no significant restrictions on any of the subsidiaries. All subsidiary undertakings are included in the consolidation. 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. The total non-controlling interest as at the end of the period N9.09 billion (2020: N15.516 billion).

Subsidiary	Principal activity	Country of incorporation	shares held directly by the parent/group (%)	Statutory year end
First Bank of Nigeria Limited (Note 28 (i))	Banking	Nigeria	100	31 December
FBNQuest Capital Limited (Note 28 (ii))	Investment Banking & Funds Management	Nigeria	100	31 December
FBN Insurance Brokers Limited (Note 28 (iii))	Insurance Brokerage	Nigeria	100	31 December
New Villa Limited (Rainbow Town Development Limited) (Note 28 (iv))	Investment and General Trading	Nigeria	55	31 December
FBNQuest Merchant Bank Limited (Note 28 (v)	Merchant Banking & Asset Management	Nigeria	100	31 December
FBNQuest Trustees Limited (Note 28 (vi))	Trusteeship	Nigeria	100	31 December
FBNQuest Funds Limited (Note 28 (vii))	Investment Banking & Funds Management	Nigeria	100	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 became the parent company of the Group.

ii FBNQuest Capital Limited

FBNQuest Capital Limited (formerly FBN 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 financial advisory.

iii FBN Insurance Brokers Limited

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

iv New Villa Limited (Rainbow Town Development Limited)

New Villa Limited is a special purpose vehicle incorporated on 28 November 2008. Its principal activities include real estate investments and general trading.

v FBNQuest Merchant Bank Limited

FBNQuest Merchant Bank Limited (formerly FBN Merchant Bank Limited) was incorporated in Nigeria as a limited liability company on 14 February 1995 originally known as Kakawa Discount House Limited.
The Company was granted a licensed to carry on the business of a discount house and commenced operations on 16 November 1995. FBN Holdings Plc. acquired the shares of the Company and converted the business to a merchant bank having obtained the Central Bank of Nigeria for merchant banking operations in May 2015.

vi FBNQuest Trustees Limited

FBNQuest Trustees Limited (formerly FBN 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, and financial/ investment advisory services.

vii FBNQuest Funds Limited

FBNQuest Funds Limited (formerly FBN 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.

28.2 Condensed results of consolidated entities from continuing operations

30 September 2021	FBN Holdings Plc.	FBN Limited	FBNQuest Capital Limited	FBNQuest Trustees Limited	FBNQuest Merchant Bank Limited	FBN Insurance Brokers Limited	Rainbow Town Development Limited	Total	Adjustments	Group
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Summarized Income Statement										
Operating income	102	293,261	5,806	3,580	10,781	678	-	314,208	(1,835)	312,373
Operating expenses	(2,138)	(217,708)	(618)	(963)	(7,489)	(297)	-	(229,213)	(242)	(229,455)
Impairment charge for credit losses	-	(31,562)	-	-	(332)	-	-	(31,894)	2,275	(29,619)
Operating (loss)/profit	(2,035)	43,990	5,188	2,617	2,960	381	-	53,101	198	53,299
Associate	-	-	(367)	-	-	-	-	(367)	-	(367)
(Loss)/profit before tax	(2,035)	43,990	4,822	2,617	2,960	381	-	52,734	198	52,933
Tax	(3)	(8,609)	(1,712)	(838)	(795)	(126)	-	(12,082)	-	(12,082)
(Loss)/profit for the period from continuing operations	(2,038)	35,381	3,109	1,780	2,165	255	-	40,653	198	40,851
(Loss)/profit for the period from discontinued operations	-	-	-	-	-	-	-	-	(60)	(60)
Other comprehensive (loss)/income	(1,431)	(34,122)	209	217	(1,136)	(3)	-	(36,264)	-	(36,264)
Total comprehensive (loss)/income	(3,469)	1,259	3,319	1,997	1,029	252	-	4,389	138	4,527
Total comprehensive income allocated to non controlling interest	-	690	-	-	-	-	-	690	(27)	663
Summarized Financial Position										
Assets										
Cash and balances with central bank	-	1,599,656	-	-	40,465	-	-	1,640,122	-	1,640,122
Loans and advances to banks	13,317	944,931	14,541	2,108	7,632	881	-	983,411	(11,136)	972,275
Loans and advances to customers	37	2,756,019	31	24	69,959	30	-	2,826,100	(59,120)	2,766,981
Financial assets at fair value through profit or loss	1,353	110,283	47,495	-	2,631	90	-	161,853	-	161,853
Investment securities	4,271	1,580,963	78,701	5,836	56,267	-	-	1,726,038	-	1,726,038
Assets pledged as collateral	-	762,515	-	-	12,080	-	-	774,595	-	774,595
Other assets	256	246,043	10,063	1,625	5,760	5	-	263,752	(90)	263,662
Investment in associates accounted for using the equity method	-	-	1,151	-	-	-	-	1,151	(144)	1,007
Investment in subsidiaries	262,672	-	-	-	-	-	-	262,672	(262,672)	-
Property, plant and equipment	560	112,947	96	124	1,476	27	-	115,230	349	115,580
Intangible assets	-	18,307	21	15	184	0	-	18,528	-	18,528
Deferred tax assets	-	16,360	918	-	9,411	33	-	26,723	-	26,723
Assets held for sale	-	330	-	-	-	-	-	330	37,596	37,927
	282,466	8,148,355	153,017	9,731	205,867	1,067	-	8,800,504	(295,214)	8,505,291
Financed by										
Deposits from banks	-	1,221,899	-	-	14,173	-	-	1,236,072	-	1,236,072
Deposits from customers	-	5,201,884	106,510	-	118,527	-	-	5,426,920	(11,144)	5,415,776
Derivative liabilities	-	19,991	-	-	-	-	-	19,991	-	19,991
Current income tax liability	5	10,168	1,817	922	1,006	119	-	14,038	-	14,038
Other liabilities	15,215	548,878	24,170	1,321	34,528	533	-	624,644	79	624,723
Borrowings	-	432,905	-	-	-	-	-	432,905	-	432,905
Retirement benefit obligations	-	6,046	-	-	-	-	-	6,046	-	6,046
Deferred tax liabilities	-	-	-	73	-	-	-	73	-	73
Liabilities held for sale	-	-	-	-	-	-	-	-	2,122	2,122
	15,220	7,441,771	132,497	2,316	168,234	652	-	7,760,689	(8,943)	7,751,746
Equity and reserves	267,246	706,584	20,520	7,416	37,633	415	-	1,039,815	(286,270)	753,545
Summarized Cash Flows										
Operating activities										
Interest received	1,264	291,444	6,098	2,012	8,332	13	-	309,163	10	309,173
Interest paid	-	(67,037)	(6,509)	-	(7,761)	-	-	(81,307)	3,114	(78,193)
Income tax paid	(163)	(3,453)	(449)	(968)	(716)	(176)	-	(5,925)	0	(5,925)
Cash flow (used in)/generated from operations	(374)	(308,623)	13,505	(294)	(22,551)	505	(9)	(317,841)	111,806	(206,035)
Net cash generated from/(used in) operating activities	727	(87,669)	12,645	750	(22,696)	342	(9)	(95,910)	114,930	19,020
Net cash generated from/(used in) used in investing activities	17,491	(409,881)	(6,246)	227	13,909	3	-	(384,497)	385,402	905
Net cash (used in)/generated from financing activities	(16,153)	60,706	(1,050)	(1,266)	0	(61)	-	42,176	(37,868)	4,308
Increase/(decrease) in cash and cash equivalents	2,065	(436,844)	5,349	(288)	(8,787)	284	(9)	(438,230)	462,462	24,232
Cash and cash equivalents at start of period	9,693	1,701,612	28,465	1,227	24,246	1,199	201	1,766,644	(552,343)	1,214,301
Effect of exchange rate fluctuations on cash held	12	9,582	79	113	(33)	-	-	9,753	-	9,753
Cash and cash equivalents at end of period	13,317	1,274,350	33,893	1,052	15,426	1,483	192	1,339,713	(91,427)	1,248,286

28.2 Condensed results of consolidated entities from continuing operations

30 September 2020	FBN Holdings Plc. N'million	FBN Limited N'million	FBNQuest Capital Limited N'million	FBNQuest Trustees Limited N'million	FBNQuest Merchant Bank Limited N'million	FBN Insurance Limited N'million	FBN Insurance Brokers Limited N'million	Rainbow Town Development Limited N'million	Total N'million	Adjustments N'million	Group N'million
Summarized Income Statement											
Operating income	22,660	298,985	1,736	2,942	14,028	-	445	-	340,796	(21,076)	319,719
Operating expenses	(2,442)	(197,705)	(566)	(578)	(8,093)	-	(224)	-	(209,609)	(155)	(209,764)
Impairment charge for credit losses	-	(46,500)	-	-	(174)	-	-	-	(46,674)	(1)	(46,675)
Operating profit	20,218	54,780	1,170	2,364	5,761	-	220	-	84,513	(21,233)	63,280
Associate	-	-	33	-	-	-	-	-	33	-	33
Profit before tax	20,218	54,780	1,203	2,364	5,761	-	220	-	84,546	(21,233)	63,313
Tax	(6)	(5,935)	(258)	(804)	(1,804)	-	(151)	-	(8,958)	-	(8,958)
Profit for the period from continuing operations	20,212	48,845	945	1,560	3,957	-	69	-	75,588	(21,233)	54,355
Profit for the period from discontinued operations	-	-	288	-	-	3,381	-	(175)	3,494	10,307	13,801
Other comprehensive income	147	3,984	-	(28)	97	450	1	-	4,651	-	4,651
Total comprehensive income	20,359	52,829	1,233	1,532	4,054	3,831	70	(175)	83,733	(10,926)	72,807
Total comprehensive income allocated to non controlling interest	-	120	-	-	-	1,341	-	(79)	1,382	(64)	1,318
Dividends paid to non controlling interest	-	-	-	-	-	598	-	-	598	-	598
31 December 2020											
Summarized Financial Position											
Assets											
Cash and balances with central bank	-	1,588,039	-	-	43,691	-	-	-	1,631,730	-	1,631,730
Loans and advances to banks	11,240	970,335	36,769	2,036	25,718	-	661	-	1,046,760	(29,937)	1,016,823
Loans and advances to customers	61	2,220,497	44	26	55,689	-	11	-	2,276,328	(59,061)	2,217,268
Financial assets at fair value through profit or loss	2,116	81,292	40,618	-	2,328	-	-	-	126,354	-	126,354
Investment securities	9,863	1,437,662	59,852	5,171	36,625	-	117	-	1,549,290	-	1,549,290
Assets pledged as collateral	-	619,171	-	-	16,742	-	-	-	635,913	-	635,913
Other assets	14,360	306,025	2,652	636	6,629	-	81	-	330,383	(14,882)	315,501
Investment in associates accounted for using the equity method	-	-	1,308	-	-	-	-	-	1,308	(145)	1,163
Investment in subsidiaries	262,672	-	-	-	-	-	-	-	262,672	(262,672)	-
Property, plant and equipment	312	111,722	61	155	1,406	-	29	-	113,684	350	114,034
Intangible assets	-	15,114	2	4	219	-	1	-	15,340	-	15,340
Deferred tax assets	-	17,272	918	-	9,429	-	-	-	27,619	-	27,619
Assets held for sale	-	337	-	-	-	-	-	45,534	45,871	(7,878)	37,993
	300,623	7,367,465	142,225	8,028	198,476	-	899	45,534	8,063,251	(374,223)	7,689,028
Financed by											
Deposits from banks	-	1,017,077	-	-	28,476	-	-	-	1,045,553	-	1,039,220
Deposits from customers	-	4,715,026	103,165	-	100,137	-	-	-	4,918,327	(23,612)	4,894,715
Derivative liabilities	-	7,080	-	-	384	-	-	-	7,464	-	7,464
Current income tax liability	213	8,390	553	1,053	946	-	91	-	11,247	-	11,247
Other liabilities	13,542	527,558	21,304	1,483	31,904	-	663	-	596,454	(14,734)	581,720
Borrowings	-	379,484	-	-	-	-	-	-	379,484	-	379,484
Retirement benefit obligations	-	7,527	-	-	-	-	-	-	7,527	-	7,527
Deferred tax liabilities	-	-	0	73	-	-	28	-	101	-	101
Liabilities held for sale	-	-	-	-	-	-	-	67,025	67,025	(64,646)	2,379
	13,755	6,662,142	125,023	2,609	161,846	-	782	67,025	7,033,181	(109,324)	6,923,857
Equity and reserves	286,868	705,323	17,202	5,419	36,631	-	117	(21,491)	1,030,070	(264,899)	765,171
Summarized Cash Flows											
Operating activities											
Interest received	1,209	349,301	4,751	2,586	12,129	-	13	-	369,988	(70,599)	299,389
Interest paid	-	(117,599)	(6,509)	0	(6,681)	-	-	-	(130,789)	18,828	(111,961)
Income tax paid	-	(6,731)	(1,104)	(1,005)	(1,905)	-	(108)	-	(10,853)	-	(10,853)
Cash flow generated from/(used in) operations	302	(410,314)	13,505	(294)	(22,551)	-	505	(42)	(418,888)	534,236	115,348
Net cash generated from/(used in) operating activities	1,511	(248,379)	11,643	1,587	(17,808)	-	466	(42)	(251,022)	(42,397)	(293,419)
Net cash generated from/(used in) investing activities	16,096	73,523	(6,246)	227	13,909	-	3	-	97,512	125,071	222,583
Net cash used in financing activities	(13,640)	17,783	(1,050)	(1,266)	-	-	(61)	-	1,766	(27,598)	(25,832)
Increase/(decrease) in cash and cash equivalents	3,967	(157,073)	4,347	548	(3,899)	-	408	(42)	(151,744)	55,076	(96,668)
Cash and cash equivalents at start of period	5,706	1,280,243	23,640	123	27,199	11,415	791	243	1,349,360	(44,362)	1,304,998
Effect of exchange rate fluctuations on cash held	20	3,971	479	555	946	-	-	-	5,971	-	5,971
Cash and cash equivalents at end of period	9,693	1,127,141	28,465	1,227	24,246	11,415	1,199	201	1,203,587	10,714	1,214,301

29 Asset Held for Sale

Discontinued operations:

The assets classified as held for sale in 2021 is Rainbow Town Development Limited.

(i) FBN Insurance Limited

During the year ended December 31, 2020, the Group disposed its investment in FBN Insurance Limited in line with the earlier disclosure in the accounts and notification given to the market.

(ii) 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 FBN Holdings Plc. to dispose the Group's interest in RTDL. The carrying amount of the investment is expected to the recovered principally by a sale rather than through continuing use.

The operating results and net cash flows are separately presented in the income statement and statement of cash flows respectively because the disposal group represents a separate line of buisness within the Group, and as such meets the definition of discontinued operation.

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

	GROUP	
	30 September 2021	**31 December 2020**
	N 'million	**N 'million**
Assets classified as held for sale		
Other assets	1,250	1,367
Inventory	36,337	36,337
Property, plant and equipment	5	5
Intangible assets	5	5
	37,597	37,714
Liabilities classified as held for sale		
Company income tax liability	6	6
Other liabilities	2,116	2,373
	2,122	2,379
Net Asset	35,475	35,336

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

	GROUP	
	30 September 2021	**30 September 2020**
	N 'million	**N 'million**
Revenue	-	13,431
Expenses	(60)	(9,493)
Profit before tax from discontinuing operations	(60)	3,938
Income tax expense	-	(654)
Profit from discontinued operations after tax	(60)	3,284
Gain on disposal of investment in subsidiary (see note 29.3)	-	10,517
Profit from discontinued operations	(60)	13,801
Profit from discontinued operations is attributable to:		
Owners of the parent	(33)	12,652
Non-controlling interests	(27)	1,149
	(60)	13,801

29.3 The Group disposed its investment in FBN Insurance Limited on June 1, 2020 and also finalised the disposal of Twin Peaks Limited

	GROUP	COMPANY
	30 September 2020	**30 September 2020**
	N 'million	**N 'million**
FBN Insurance Limited		
Investment in subsidiary	-	4,724
Total assets	135,817	-
Total liabilities	(114,072)	-
Net assets	21,745	4,724
Non controlling interest disposed	(7,637)	-
Net assets and non-controlling interests disposed	14,108	4,724
Net sale proceeds on disposal	24,625	24,625
Carrying amount	(14,108)	(4,724)
Profit on sale of FBN Insurance Limited	10,517	19,901

29.4 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 is commited to the sale in line with the requirements of IFRS 5 and as such the sales is expected to be completed within the next 12 months.

	GROUP	
	30 September 2021	31 December 2020
	N 'million	N 'million
Property, plant and equipment	330	278
Total Assets classified as held for sale	37,927	37,993

30 Property and equipment

GROUP

	Improvement & buildings N million	Land N million	Motor vehicles N million	Office equipment N million	Computer equipment N million	Furniture & fittings N million	Machinery N million	Work in progress* N million	Right of Use Asset N million	Total N million
Cost										
At 1 January 2020	**49,604**	22,144	14,125	56,461	32,193	11,069	380	9,187	18,998	214,161
Additions	1,200	30	5,154	4,731	5,466	702	15	3,173	1,608	22,079
Reclassifications	284	-	-	2,351	22	9	-	(2,629)	(136)	(99)
Disposals	(26)	-	(1,481)	(1,080)	(14)	(22)	-	(2)	-	(2,625)
Write Offs	-	-	-	-	-	-	-	-	(86)	(86)
Transfers	(15)	(59)	(42)	(4)	(67)	84	-	(306)	-	(409)
Discontinued Operations	(845)	(941)	(1,208)	(185)	(215)	(170)	(86)	-	-	(3,651)
Exchange difference	(3,863)	3,069	7	99	(73)	191	(284)	(1)	871	15
At 31 December 2020	46,338	24,243	16,554	62,374	37,312	11,863	25	9,421	21,255	229,385
Accumulated depreciation										
At 1 January 2020	13,240	(0)	9,573	44,046	21,705	9,447	253	-	2,958	101,222
Charge for the year	1,057	2	2,206	5,110	6,635	632	5	-	2,987	18,634
Reclassifications	(235)	-	(0)	(13)	(67)	245	-	-	-	(70)
Disposals	(26)	-	(1,449)	(1,037)	(46)	(110)	-	-	-	(2,669)
Write Offs	-	-	-	-	-	-	-	-	(46)	(46)
Discontinued Operations	(144)	-	(627)	(104)	(167)	(67)	(82)	-	-	(1,191)
Exchange differences	(1,155)	469	(18)	83	(50)	165	(175)	-	152	(529)
At 31 December 2020	12,737	471	9,684	48,086	28,011	10,310	1	-	6,051	115,352
Net book amount at 31 December 2020	**33,601**	**23,772**	**6,870**	**14,289**	**9,301**	**1,553**	**24**	**9,421**	**15,205**	**114,034**
Cost										
At 1 January 2021	46,338	24,243	16,554	62,374	37,312	11,863	25	9,421	21,255	229,385
Additions	1,639	707	3,396	3,491	4,056	236	-	2,803	632	16,960
Reclassifications	105	(9)	125	4	160	5	-	(418)	-	(27)
Disposals	-	-	(3,214)	(16,336)	(5,729)	(2,866)	-	(44)	(176)	(28,364)
Write Offs	-	-	(108)	-	-	(0)	-	-	-	(108)
Transfers	-	-	-	1,731	-	-	-	(1,731)	-	-
Exchange difference	4,087	(581)	178	300	266	(239)	(0)	(2,920)	(353)	738
At 30 September 2021	52,169	24,359	16,932	51,564	36,065	8,999	25	7,112	21,359	218,584
Accumulated depreciation										
At 1 January 2021	12,737	471	9,684	48,086	28,011	10,310	1	-	6,051	115,352
Charge for the period	820	-	2,161	4,261	4,963	404	23	0	2,112	14,745
Reclassifications	7	-	(1)	-	-	(6)	-	-	-	(0)
Disposals	-	-	(2,762)	(16,336)	(5,723)	(2,866)	-	-	(248)	(27,934)
Write Offs	-	-	(108)	-	-	-	-	-	-	(108)
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Exchange differences	777	-	56	116	85	(91)	1	3	5	952
At 30 September 2021	14,341	471	9,029	36,127	27,336	7,752	25	3	7,920	103,006
Net book amount at 30 September 2021	**37,828**	**23,888**	**7,903**	**15,437**	**8,729**	**1,247**	**(0)**	**7,109**	**13,439**	**115,580**

* Work in progress refers to capital expenditures incurred on items of property and equipment which are however not ready for use and as such are not being depreciated.

No capitalised borrowing cost relates to the acquisition of property, plant and equipment during the year.

Exchange Difference on Property and Equipment

These exchange difference on property and equipment occurs as a result of translation of balances relating to the foreign entities of the group as at reporting date.

Right of Use Asset

See note 30b for additional disclosure on right of use assets

NOTES TO THE CONDENSED SEPARATE AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS
At 30 SEPTEMBER 2021

30 Property and equipment
COMPANY

	Improvement & buildings N million	Motor vehicles N million	Machinery N million	Office equipment N million	Computer equipment N million	Furniture & fittings N million	Right of Use Asset N million	Total N million
Cost								
At 1 January 2020	615	682	42	451	21	423	206	2,440
Additions	-	23	15	2	3	1	-	44
Reclassification			4			(4)		-
Disposal	-	(13)		-	-	-		(13)
At 31 December 2020	615	692	61	453	24	420	206	2,471
Accumulated depreciation								
At 1 January 2020	614	344	41	447	14	418	72	1,950
Charge for the year	-	140	5	1	4	1	72	223
Disposal	-	(13)		-		-	-	(13)
At 31 December 2020	614	471	46	448	18	419	144	2,160
Net book amount at 31 December 2020	**1**	**221**	**15**	**5**	**6**	**1**	**62**	**311**
Cost								
At 1 January 2021	615	692	61	453	24	420	206	2,471
Additions	-	402	-	2	14	1	-	419
Write offs		(108)	-			-		(108)
Disposal	-	(14)		-	-	-	(50)	(64)
At 30 September 2021	615	972	61	455	38	420	156	2,719
Accumulated depreciation								
At 1 January 2021	614	471	46	448	18	419	144	2,160
Charge for the period	-	117	3	1	4	0	27	153
Write offs		(108)						(108)
Disposal	-	(11)	-	-	-	-	(35)	(46)
At 30 September 2021	614	469	49	449	22	419	135	2,158
Net book amount at 30 September 2021	**1**	**503**	**12**	**6**	**17**	**0**	**21**	**560**

Right of Use Asset
See note 30b for additional disclosure on right of use assets

30 b) Leases

This note provides information for leases where the Group is a lessee.

(i) *Right-of-use assets*

	GROUP			COMPANY	
	Buildings N'million	**Land N'million**	**Total N'million**	**Buildings N'million**	**Total N'million**
Opening balance at 1 January 2021	20,966	289	21,255	206	206
Additions for the period	632	-	632	-	-
Derecognition	(176)	-	(176)	(50)	(50)
Exchange difference	(353)	-	(353)	-	-
Closing balance as at 30 September 2021	21,070	289	21,358	156	156
Depreciation					
Opening balance at 1 January 2021	5,975	76	6,051	144	144
Charge for the period	2,112	-	2,112	27	27
Exchange difference	5	-	5	-	-
Derecognition	(248)	-	(248)	(35)	(35)
Closing balance as at 30 September 2021	7,844	76	7,920	135	135
Net book value as at 30 September 2021	13,225	213	13,439	21	21

	GROUP			COMPANY	
	Buildings N'million	**Land N'million**	**Total N'million**	**Buildings N'million**	**Total N'million**
Opening balance at 1 January 2020	18,746	252	18,998	206	206
Additions for the year	1,571	37	1,608	-	-
Derecognition	(222)	-	(222)	-	-
Exchange difference	871	-	871	-	-
Closing balance as at 31 December 2020	20,966	289	21,255	206	206
Depreciation					
Opening balance at 1 January 2020	2,907	51	2,958	72	72
Charge for the year	2,962	25	2,987	72	72
Exchange difference	152	-	152	-	-
Derecognition	(46)	-	(46)	-	-
Closing balance as at 31 December 2020	5,975	76	6,051	144	144
Net book value as at 31 December 2020	14,991	213	15,204	62	62

(ii) *Lease liabilities*

	GROUP N'million	**COMPANY N'million**
Opening balance at 1 January 2021	12,106	90
Additions	406	-
Interest expense	475	1
Payments made during the period	(2,004)	-
Reversals	(41)	(16)
Exchange difference	(61)	-
Closing balance as at 30 September 2021	10,881	75
Current lease liabilities	1,621	75
Non-current lease liabilities	9,260	-
	10,881	75

	N'million	N'million
Opening balance at 1 January 2020	12,013	137
Additions	1,128	-
Interest expense	707	13
Payments made during the year	(1,777)	(60)
Exchange difference	35	
Closing balance as at 31 December 2020	12,106	90
Current lease liabilities	1,910	90
Non-current lease liabilities	10,196	-
	12,106	90

(iii) *Amounts recognised in the statement of profit or loss*

	GROUP	COMPANY
30 September 2021	**N'million**	**N'million**
Depreciation charge of right-of-use assets	2,112	27
Interest expense	475	1
Lease expense (short term)	11	
30 September 2020	**N'million**	**N'million**
Depreciation charge of right-of-use assets	2,958	72
Interest expense	169	10

(iv) *Amounts recognised in the statement of cashflow*

	GROUP	COMPANY
30 September 2021	**N'million**	**N'million**
Total cash outflow for leases	2,004	-
31 December 2021	**N'million**	**N'million**
Total cash outflow for leases	1,777	60

Liquidity risk (maturity analysis of lease liabilities)
GROUP

30 September 2021	**0-30 days**	**31-90 days**	**91-180 days**	**181-365 days**	**Over 1 year but less than 5 years**	**Over 5 years**	**Total**
Lease liability	231	548	373	1,648	5,446	3,004	11,250

31 December 2020	**0-30 days**	**31-90 days**	**91-180 days**	**181-365 days**	**Over 1 year but less than 5 years**	**Over 5 years**	**Total**
Lease liability	256	845	418	1,459	3,380	5,712	12,070

COMPANY

30 September 2021	**0-30 days**	**31-90 days**	**91-180 days**	**181-365 days**	**Over 1 year but less than 5 years**	**Over 5 years**	**Total**
Lease liability	75	-	-	-	-	-	75

31 December 2020	**0-30 days**	**31-90 days**	**91-180 days**	**181-365 days**	**Over 1 year but less than 5 years**	**Over 5 years**	**Total**
Lease liability	75	15	-	-	-	-	90

31 Intangible assets

	GROUP			
	Goodwill	Computer Software	Work in Progress	Total
Cost				
At 1 January 2020	6,228	34,657	2,780	43,665
Additions	-	1,979	1,618	3,597
Reclassification	-	3,162	(3,162)	-
Write off	-	29	-	29
Disposals		(23)		(23)
Transfers	-	58	(45)	13
Discontinued operations	(262)	(395)	-	(657)
Exchange difference	153	280	-	434
At 31 December 2020	**6,119**	**39,747**	**1,191**	**47,058**
Additions	-	6,408	2,488	8,896
Reclassification	-	(105)	-	(105)
Transfers	-	1,668	(1,826)	(158)
Disposals		(23)	(2)	(25)
Exchange difference	(406)	80	-	(326)
At 30 September 2021	**5,713**	**47,776**	**1,851**	**55,340**
Amortisation and impairment				
At 1 January 2020	1,925	22,779	-	24,704
Amortisation charge	-	7,238	-	7,238
Transfers	-	(47)	-	(47)
Discontinued operations	-	(325)	-	(325)
Exchange difference	-	148	-	148
At 31 December 2020	**1,925**	**29,793**	**-**	**31,718**
Amortisation charge	-	5,820	-	5,820
Write off	-	(181)	-	(181)
Disposals	-	(78)	-	(78)
Exchange difference	(573)	105	-	(468)
At 30 September 2021	**1,352**	**35,460**	**-**	**36,812**
Net book value				
At 30 September 2021	4,361	12,316	1,851	18,528
At 31 December 2020	4,194	9,954	1,191	15,340

The amortisation charge for the period is included in the income statement.

The software is not internally generated.

32 Deferred tax assets and liabilities

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2020: 30%).

In recognising the deferred tax asset of N26.7 billion (2020: N27.6billion) for the Group , the Group has assumed that the it would have sufficient assessible profit in the nearest future to enable utilization of recognised deferred tax assets

	Total deferred tax assets N 'millions	Recognised deferred tax assets N 'millions	Unrecognised deferred tax assets N 'millions
Group	111,205	26,723	27,619
Company	7,561	-	7,561

Analysis of Unrecognised Deferred Tax Asset

Company	Gross Amount N 'millions	Tax effect N 'millions	Recognised N 'millions	Unrecognised N 'millions
Property and equipment	(200)	(60)	-	(60)
Tax losses	24,257	7,277	-	7,277
Effect of changes in exchange rate	(57)	(17)	-	(17)
Other assets	1,203	361	-	361
	25,203	7,561	-	7,561

Group	Gross Amount N 'millions	Tax effect N 'millions	Recognised N 'millions	Unrecognised N 'millions
Property and equipment	42,188	12,656	41	12,616
Tax losses	243,047	72,914	19,598	53,316
Defined benefit obligations	10,186	3,260	488	2,771
Other assets	1,614	516	259	258
Other liabilities	5,857	1,874	624	1,250
Effect of changes in exchange rate	670	214	763	(549)
ECL allowance	61,780	19,770	4,950	14,819
	365,342	111,205	26,723	84,483

	GROUP	
	30 September 2021	31 December 2020
	N 'million	N 'million
Deferred income tax assets and liabilities are attributable to the following items:		
Deferred tax assets		
Property and equipment	41	(16)
Allowance for loan losses	4,950	5,545
Tax losses carried forward	19,598	19,845
Other assets	259	260
Other liabilities	624	624
Defined benefit obligation	488	488
Effect of changes in exchange rate	763	873
	26,723	27,619
Deferred tax liabilities		
Property and equipment	34	62
Other assets	39	39
	73	101
Deferred tax assets		
- Deferred tax asset to be recovered after more than 12 months	26,723	27,619
- Deferred tax asset to be recovered within 12 months	-	-
	26,723	27,619
Deferred tax liabilities		
- Deferred tax liability to be recovered after more than 12 months	73	101
- Deferred tax liability to be recovered within 12 months	-	-
	73	101

Group	1 January 2021	Recognised in P&L	Recognised in OCI	30 September 2021
	N 'million	N 'million	N 'million	N 'million
Movements in Deferred tax assets during the period:				
Property and equipment	(16)	56		41
Allowance for loan losses	5,545	(595)		4,950
Tax losses carried forward	19,845	(247)		19,598
Other assets	259	-		259
Other liabilities	624	-		624
Defined benefit obligation	488	-	-	488
Effect of changes in exchange rate	873	(111)		763
	27,619	(896)	-	26,723

Group	1 January 2020	Recognised in P&L	Recognised in OCI	31 December 2020
	N 'million	N 'million	N 'million	N 'million
Movements in Deferred tax assets during the period:				
Property and equipment	67	(83)		(16)
Allowance for loan losses	5,604	(59)		5,545
Tax losses carried forward	18,716	1,129		19,845
Other assets	271	(12)		259
Other liabilities	277	347		624
Defined benefit obligation	488	(1,413)	1,413	488
Effect of changes in exchange rate	(415)	1,288		873
	25,009	1,197	1,413	27,619

	1 January 2021	Recognised in P&L	30 September 2021
	N 'million	N 'million	N 'million
Movements in Deferred tax liabilities during the period:			
Property and equipment	62	(28)	34
Other assets	39	-	39
	101	(28)	73

	1 January 2020	Recognised in P&L	Effect of discontinued operations	31 December 2020
	N 'million	N 'million	N 'million	N 'million
Movements in Deferred tax liabilities during the period:				
Property and equipment	211	87	(236)	62
Other assets	39	-	-	39
	250	87	(236)	101

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profit is probable. The Group and Company did not recognise deferred income tax assets of N84.48billion and N7.56 billion respectively. (2020: Group (N77.20 billion); Company (N1.22 billion)

Temporary difference relating to the Group's investment in subsidiaries is N154.33billion (2020: N123.4 billion). As the Group exercises control over the subsidiaries, it has power to control the timing of the reversals of the temporary difference arising from its investments in them. The Group has determined that the subsidiaries will not be disposed of. Hence, the deferred tax arising from temporary differences above will not be recognised.

The group has assessed that based on the group's profit forecast, it is probable that there will be future taxable profits against which the tax losses, from which deferred tax asset has been recognised, can be utilised.

33 Deposits from banks

	GROUP	
	30 September 2021	31 December 2020
	N 'million	N 'million
Due to banks within Nigeria	837,874	587,104
Due to banks outside Nigeria	398,198	452,116
	1,236,072	1,039,220
Current	1,045,553	1,039,220
Non-current	190,519	-
	1,236,072	1,039,220

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

34 Deposits from customers

	GROUP	
	30 September 2021	31 December 2020
	N 'million	N 'million
Current	1,833,160	1,507,398
Savings	1,802,570	1,791,203
Term	1,017,349	938,916
Domiciliary	749,009	644,615
Electronic purse	13,688	12,583
	5,415,776	4,894,715
Current	4,736,005	4,713,848
Non-current	679,771	180,867
	5,415,776	4,894,715

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

35 Other liabilities

	GROUP		COMPANY	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	N 'million	N 'million	N 'million	N 'million
Financial liabilities:				
Customer deposits for letters of credit	326,753	233,872	-	-
Accounts payable	136,047	178,550	-	-
Lease liability	10,881	12,106	75	90
Creditors	32,157	49,173	319	295
Bank cheques	20,528	23,544	-	-
Collection on behalf of third parties	17,235	14,683	-	-
Unclaimed dividend	11,931	9,618	11,931	9,618
Accruals	4,596	7,516	2,890	3,541
	560,128	529,062	15,215	13,544
Non financial liabilities:				
Allowance for credit losses on off-balance sheet items	3,748	3,486	-	-
Provisions	36,660	28,445	-	-
Other credit balance	24,187	20,727	-	-
	64,595	52,658	-	-
Other liabilities balance	624,723	581,720	15,215	13,544

Other Credit balances include transactional taxes and unearned income.

Current	614,184	571,978	15,215	13,544
Non-current	10,539	9,742	-	-
	624,723	581,720	15,215	13,544

The unclaimed dividend balance represents the aggregate amounts of dividends that remained unclaimed after 15months or more which the Registrars returned to the Company in line with current regulations. In 2021, an additional sum of N1.213billion was returned to FBN Holdings Plc. by the Registrars.

The provision for litigations is recognised in income statement within 'other operating expenses'. In the directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 30 September 2021.

Reconciliation of impairment on Off Balance Sheet account

	GROUP	
	30 September 2021	**31 December 2020**
	N 'million	**N 'million**
Balance at start of period	3,486	4,820
Impairment (writeback)/charge	262	(1,334)
Balance at end of period	3,748	3,486

The movement in provision during the period is as follows:

	GROUP	
	30 September 2021	**31 December 2020**
	N 'million	**N 'million**
Balance at start of period	28,445	2,817
Additional provisions	8,215	25,628
Balance at end of period	36,660	28,445
Analysis of total provisions:		
Current	410	410
Non Current	36,250	28,035
	36,660	28,445

In the directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 30 September 2021. The expected timing of the cashflows arising from the legal claim provision is within 1 year.

36 Borrowings

	GROUP	
	30 September 2021	**31 December 2020**
	N 'million	**N 'million**
Long term borrowing comprise:		
FBN EuroBond (i)	147,066	139,170
Subordinated Debt (ii)	82,062	78,078
Proparco (iii)	12,673	14,115
International Finance Corporation (iv)	51,567	49,682
On-lending facilities from financial institutions (v)	48,598	57,322
Borrowing from correspondence banks (vi)	90,939	41,117
	432,905	379,484
Current	155,179	94,268
Non-current	277,726	285,216
	432,905	379,484
At start of the period	379,484	250,596
Proceeds of new borrowings	131,852	262,782
Finance cost	21,351	13,981
Foreign exchange losses	9,605	11,068
Repayment of borrowings	(84,317)	(145,620)
Interest paid	(25,070)	(13,324)
At end of period	432,905	379,484

(i) FBN Eurobond:
Facilities represent Senior Note Participation Notes due 2025 issued by FBN Finance Company B.V, Netherlands on 27 October 2020 for a period of 5 years. The notes has interest at 8.625% per annum with coupon payable every six month. This facility is unsecured.

(ii) Surbodinated debt:
The amount of N82.06 billion (US $194.5 million) relates to subordinated debt of $194.5 million from several counterparties. Interest is payable at the rate of 9% (Fixed) per annum. The tenor of the debt is for a period of 5 years to mature in December 2024. Interest on the Subordinated debt is payable semiannually. This facility is unsecured.

(iii) Proparco:
Facility represents the outstanding balance of the credit facility of US $65 million granted by Promotion et Participation pour la Coopération économique (PROPARCO) in February 2016. The facility is priced at 5.78% (Fixed) per annum and will mature in May 2024. Interest on this facility is payable semi-annually and there is 2 year moratorium on principal repayment. This facility is unsecured.

(iv) International Finance Corporation:
The amount of N51.6bn (USD124m) represents the outstanding balance of the credit facility of USD125 million granted by International Finance Corporation (IFC) in December 2020. Interest is payable bi-annually at the rate of LIBOR +4.5% per annum and will mature December 2021. This facility is unsecured.

(v) On-lending Facilities:
Included in on-lending facilities from financial institutions are disbursements from other banks and Financial Institutions which are guaranteed by First Bank of Nigeria Limited for specific customers. These facilities include the BOI funds and CACS intervention funds. See further notes below.

a. CBN/BOI facilities
The Central Bank of Nigeria (CBN), in a bid to unlock the credit market, approved the investment of N200 billion debenture stock to be issued by the Bank of Industry (BOI), which would be applied to the re-financing/restructuring of bank's loans to the manufacturing sector. During the period, there was no additional disbursement (2020: N102 million) to First Bank of Nigeria Limited.

b. CBN/CACS Intervention funds
The Central Bank of Nigeria (CBN) in collaboration with the Federal Government of Nigeria (FGN) represented by the Federal Ministry of Agriculture and Water Resources (FMA & WR) established the Commercial Agricultural Credit Scheme (CACS). During the year, First Bank Nigeria Limited did not receive any addtional funds (2020: N12.6 billion) for on-lending to customers as specified by the guidelines. Loans granted under the scheme are for a seven year period at an interest rate of 9% p.a.

During the year, the CBN extended the moratorium and reduction in interest rate earlier granted on intervention funds by a further 12 months. This was in response to the continued impact of Covid-19 on businesses. The extension is set to run until February 2022.

(vi) Borrowings from correspondence banks:
Borrowings from correspondence banks include loans from foreign banks utilised in funding letters of credits for international trade.

(vii) Compliance with covenants
The Group had a loan with a carrying amount of N12.4 billion at 30 September 2021 (31 Dec 2020: N14.1 billion) which was obtained in 2016 and repayable in May 2024. The credit facility agreement ("Agreement") contains seven financial covenants that, among other things, require the Group to maintain ratios within defined thresholds. These covenants relate to capital adequacy, open assets exposure ratio, aggregate large exposures ratio, related party lending ratio, liquidity coverage ratio, individual and aggregate unhedged open foreign currency. During the period, there were no defaults on principal, interest or redemption terms of loan payable

As at 30 September 2021, the Bank was in breach of one of the seven financial covenants comprising the open asset exposure ratio [Actual of 16.4%: Threshold of 15%] (31 December 2020: 18%). Consequently, the loan has been reclassified as a current liability

37 Retirement benefit obligations

	GROUP	
	30 September 2021	**31 December 2020**
	N 'million	**N 'million**
Defined Benefits Plan		
Defined Benefits - Pension (i)	5,209	6,164
Gratuity Scheme (ii)	837	1,363
	6,046	7,527

Plan liabilities are based upon independent actuarial valuation performed by Ernst & Young using the projected unit credit basis. This valuation was carried out as at 30 September 2021 and 31 December 2020.

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 years of service subject to a maximum of 9 years.

37 Retirement benefit obligations continued

The movement in the defined benefit pension (i) over the period is as follows:

	GROUP		
	Present value of the obligation N 'million	**Fair value of plan assets N 'million**	**Net N 'million**
Defined benefit pension obligations at 1 January 2020	9,543	(7,130)	2,413
Interest expense/(income)	1,247	(1,025)	222
Return on plan asset excluding interest income	-	(183)	(183)
Past service cost	-	-	-
Acturial (Gains)/Losses due to change in:			0
- Financial Assumptions	3,718	-	3,718
- Experience Adjustment	(6)	-	(6)
Payments:			0
- Benefit payment	(1,072)	1,072	-
Defined benefit pension obligations at 31 December 2020	**13,430**	**(7,266)**	**6,164**
Interest expense/(income)	653	(538)	115
Return on plan asset excluding interest income	-	995	995
Acturial (Gains)/Losses due to change in:			
- Financial Assumptions	(3,007)	-	(3,007)
- Experience Adjustment	388	-	388
- Demographic assumptions	554	-	554
Payments:			
- Benefit payment	(814)	814	-
Defined benefit pension obligations at 30 September 2021	**11,205**	**(5,995)**	**5,209**

The actual return on plan assets was N995 million (2020: N183 billion)

Composition of Plan assets	GROUP					
		2021			**2020**	
	N 'million	**N 'million**	**N 'million**	**N 'million**	**N 'million**	**N 'million**
	Quoted	**Unquoted**	**Total**	**Quoted**	**Unquoted**	**Total**
Equity Instruments						
Banking	641	-	641	656	-	656
Oil Service	-	-	-	-	-	-
Real Estate	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-
Debt Instruments						
Government	955	-	955	4,456	-	4,456
Corporate Bond	338	-	338	342	-	342
Money market investments	4,055	-	4,055	929	-	929
Money on call	86	-	86	940	-	940
Others	(79)	-	(79)	(55)	-	- 55
Total	**5,996**	**-**	**5,996**	**7,268**	**-**	**7,268**

The fair value of plan assets is calculated with reference to quoted prices and are within level 1 and 2 of the fair value hierachy

<u>Gratuity scheme (ii)</u>

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

FBNBank 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 periods spent in service of the Bank. FBNBank Guinea and FBNBank Sierra Leone each have a graduated gratuity scheme for staff on separation where staff receives a lump sum based on their qualifying basic salaries on the number of year spent.

37 Retirement benefit obligations continued

The movement in the defined benefit Gratuity Scheme (ii) over the year is as follows:

	GROUP		
	Present value of the obligation N 'million	**Fair value of plan assets N 'million**	**Net N 'million**
Defined benefit pension obligations at 1 January 2020	961	(22)	939
Foreign exchange difference	230	2	232
Interest expense/(income)	110	0	110
Service cost	148		148
Remeasurement:			
- Return on plan asset not included in net interest cost on pension scheme	-	(4)	(4)
Net actuarial gain or loss	46	(4)	42
Contributions:			
- Employer	0	103	103
Payments:			
- Benefit payment	(104)	(104)	(208)
Defined benefit pension obligations at 31 December 2020	**1,391**	**(29)**	**1,362**
Foreign exchange difference	(631)	9	(622)
Interest expense/(income)	92	-	92
Service cost	128		128
Remeasurement:			
- Return on plan asset not included in net interest cost on pension scheme	-	(3)	(3)
Net actuarial gain or loss	(62)	0	(62)
Contributions:			
- Employer	-	50	50
Payments:			
- Benefit payment	(54)	(54)	(108)
Defined benefit pension obligations at 30 September 2021	**864**	**(27)**	**837**

Arising from the defined benefit pension plan, the group is exposed to a number of risk, the most significant of which are detailed below:

Asset Volatility: The plan liabilities are calculated using a discount rate set with reference to Federal Government Bond yields. If the plan assets underperform this yield, this will create a deficit. As the plans mature, the group intends to reduce the level of investment risk by investing more in asset such that changes in the value of the assets closely match the movement in the fund's liabilities. There remains the residual risk that the selected portfolio does not match the liabilities closely enough or that as it matures there is a risk of not being able to reinvest the assets at the assumed rates. The scheme's trustees review the structure of the portfolio on a regular basis to minimize these risks.

Changes In Bond Yields : A decrease in Federal bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. The rate used to discount post-employment benefit obligations is determined with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds are used. The Group is of the opinion that there is no deep market in Corporate Bonds in Nigeria and as such assumptions underlying the determination of discount rate are referenced to the yield on Nigerian Government bonds of medium duration, as compiled by the Debt Management Organisation.

Inflation Risk: The plan benefit obligations are linked to inflation, and higher inflation lead to higher liabilities. However, majority of the plan assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life Expectancy : The majority of the plans' obligations are to provide benefits for the members, so increases in the life expectancy will result in an increase in the plan's liabilities. This risk is significantly curtailed by the weighted average liability duration of the plan which is currently 6.09 years and retirement age of 60 years.

Under the funded plan, the Legacy scheme, the groups ensures that the investment positions are managed within the Asset-liability matching (ALM) framework that has been developed to achieve long-term investment that are in line with the obligations under the pension schemes. Within this ALM framework, the objective is to match assets to the pension obligation by investing in long term fixed interest securities with maturities that match the benefit payments as they fall due. The group actively monitors how the duration and the expected yield of the investment are matching the expected cash outflows arising from the pension obligation. There is no regulatory framework guiding the operation of the plan assets.

	30 Sep 2021 N 'million	**31 Dec 2020 N 'million**
The principal actuarial assumptions were as follows:		
Discount rate on pension plan	12.0%	7.5%
Inflation rate	12%	12%
Life expectancy	20yrs	20yrs

37 Retirement benefit obligations continued

The sensitivity of the pension liability to changes in the weighted principal assumptions is shown in table below:

	Assumption	Defined Benefit Obligation N'm	Impact on Liability
	12%	11,223	0.0%
Inflation rate	13%	10,665	-5.0%
	11%	11,865	5.7%
	Base	11,223	0.0%
Mortality experience	Improved by 1 year	11,398	1.6%
	Decreased by 1 year	11,043	-1.6%

The above sensitivity analysis is for First Bank of Nigeria Limited and deemed to be representative of the Group. It is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The below table shows the maturity profile of the defined obligation.

Maturity Profile on Defined Benefit Obligation

Years	Amount (N'000
2022	1,545,241
2023	1,512,000
2024	1,476,810
2025	1,439,584
2026	1,401,012
2027 - 2030	6,373,407

Defined benefit cost, charged to income statement (refer note 16)	GROUP 30 Sep 2021 N 'million	GROUP 31 Dec 2020 N 'million
Defined Benefits - Pension (i)	115	222
Defined benefit cost, charged to other comprehensive income		
Defined Benefits - Pension (i)	(2,065)	3,712
Gratuity Scheme (ii)	(1,538)	(48)
Long service award	849	1,697
	(2,753)	5,360

The information of the professional engaged by the entities within the Group for valuation of their respective Retirement Benefit Obligations are as follows:

Entity:	FBN Limited
Name of the professional:	O. O. Okpaise
Name of the professional firm/ entity:	Ernst & Young
FRC registration number of the professional:	FRC/2012/NAS/00000000738

38 Share capital

Authorised	**30 September 2021**	**31 December 2020**
50 billion ordinary shares of 50k each (2020: 50 billion)	25,000	25,000

Issued and fully paid

Movements during the period:	**Number of shares In millions**	**Ordinary shares N 'million**
At 31 December 2020	35,895	17,948
At 30 September 2021	35,895	17,948

39 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 years, 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(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 from the fair value measurement of financial instruments elected to be presented in other comprehensive income on initial recognition after deduction of deferred taxes. No gains or losses are recognised in the consolidated income statement.

Small Scale 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 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory. The small and medium-scale industries equity investment scheme reserves are 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.

40 Non-controlling interests

The movement in non-controlling interest for the period is shown below.

	30 September 2021 N 'millions	31 December 2020 N 'millions
Opening balance	9,085	15,516
Share of profit	663	1,744
Share of other comprehensive income	-	247
Non-controlling interests disposed	-	(7,824)
Dividends	-	(598)
	9,748	9,085

41 Cashflow workings

a Reconciliation of profit before tax to cash generated from operations

	Notes	GROUP 30 September 2021 N 'million	GROUP 30 September 2020 N 'million	COMPANY 30 September 2021 N 'million	COMPANY 30 September 2020 N 'million
Profit/(loss) before tax from continuing operations		52,933	63,313	(2,035)	20,218
(Loss)/profit before tax from discontinued operations	29.2	(60)	3,938	-	-
Profit/(loss) before tax including discontinued operations		52,873	67,251	(2,035)	20,218
Adjustments for:					
– Depreciation	30	14,745	13,477	153	167
– Amortisation	31	5,820	5,085	-	-
– Profit from disposal of investment in subsidiary	29.3	-	(10,517)	-	(19,901)
– (Loss)/profit from disposal of property and equipment	15	25	(41)	-	-
– Foreign exchange gains	11	(3,457)	(813)	(12)	(20)
– Profit from investment securities	12	(21,466)	(41,182)	(71)	-
– Net (gains)/losses from financial assets at fair value through profit or loss	13	(27,142)	(6,833)	763	647
– Impairment on loans and advances to customers	9	32,962	42,080	-	-
– Impairment on other financial assets	9	1,253	6,505	-	-
– Impairment on other assets	9	361	-	-	-
– Impairment on off balance sheet	9	262	(10)		
– Change in retirement benefit obligations	37	(115)	46	-	-
– Share of loss/(profit) from associates	27	367	(33)	-	-
– Dividend income	14	(3,547)	(3,634)	245	(2,273)
– Interest income	7	(260,118)	(297,713)	(1,028)	(1,123)
– Interest expense	8	97,157	104,976	1	10
(Increase)/decrease in operating assets:					
– Cash and balances with the Central Bank (restricted cash)	(i)	(55,088)	(711,065)	-	-
– Loans and advances to banks	(ii)	7,890	(21,643)	-	-
– Loans and advances to customers	(iii)	(687,390)	(354,386)	24	10
– Financial assets at fair value through profit or loss	(iv)	(35,499)	(17,072)	-	-
– Other assets	(v)	51,839	43,166	(85)	(485)
– Asset pledged as collateral	(vi)	(138,682)	(224,001)	-	-
Increase/(decrease) in operating liabilities:					
– Deposits from banks	(vii)	196,852	255,187	-	-
– Deposits from customers	(viii)	521,061	610,238	-	-
– Liability on investment contract	(ix)	-	(24,676)		
– Liability on insurance contract	(x)	-	(63,748)		
– Other liabilities	(xi)	43,003	159,362	1,671	3,052
Cash flow (used in)/generated from operations		(206,035)	(469,994)	(374)	302

b Cashflow workings

	Note	GROUP 30 September 2021 N 'million	GROUP Unaudited 30 September 2020 N 'million	COMPANY 30 September 2021 N 'million	COMPANY Unaudited 30 September 2020 N 'million
(i) Cash and balances with the Central Bank (restricted cash)					
Opening balance		1,322,443	843,436	-	-
Net movement during the period		55,088	711,065	-	-
Closing balance	19	1,377,531	1,554,501	-	-
(ii) Loans and advances to banks (Long term placement)					
Opening balance		175,491	129,959	-	-
Net movement during the period		(7,890)	21,643	-	-
Closing balance	21	167,601	151,602	-	-
(iii) Loans and advances to customers					
Opening balance	22	2,217,268	1,852,411	61	110
ECL allowance on loan and advances to customers	22	91,808	88,476	-	-
Interest income	7	184,199	190,493	4	5
Interest received		(413,909)	(437,338)	(4)	(5)
Foreign exchange difference		224	5,837		
Movement during the period		687,390	354,386	(24)	(26)
Closing balance	22	2,766,981	2,054,265	37	84

		Note	GROUP 30 September 2021 N 'million	GROUP Unaudited 30 September 2020 N 'million	COMPANY 30 September 2021 N 'million	COMPANY Unaudited 30 September 2020 N 'million
(iv)	**Financial assets at fair value through profit or loss**					
	Opening balance		126,354	282,660	2,116	3,057
	Interest income	7	18	319	-	-
	Interest received		(27,160)	(7,152)	-	-
	Fair value changes at FVTPL	13	27,142	6,833	(763)	(647)
	Movement during the period		35,499	17,072	-	-
	Closing balance	23	161,853	299,732	1,353	2,410
(v)	**Other assets**					
	Opening balance	26	315,501	212,092	14,360	15,922
	Dividend receivable - current period	(xiv)	-	-	-	-
	Dividend receivable - prior year	(xiv)	-	-	(14,190)	(12,810)
	Reclassification (to)/from investment subsidiary		-	-	-	(2,881)
	Movement during the period		(51,839)	(43,166)	85	1,883
	Closing balance	26	263,662	168,926	255	2,114
(vi)	**Asset pledged as collateral**					
	Opening balance	25	635,913	464,922	-	-
	Movement during the period		138,682	224,001	-	-
	Closing balance	25	774,595	688,923	-	-
(vii)	**Deposit from banks**					
	Opening balance	33	1,039,220	860,486	-	-
	Interest expense	8	23,830	24,601	-	-
	Interest paid		(23,830)	(24,601)	-	-
	Movement during the period		196,852	255,187	-	-
	Closing balance	33	1,236,072	1,115,673	-	-
(viii)	**Deposit from customers**					
	Opening balance		4,894,715	4,019,836	-	-
	Interest expense	8	54,363	73,525	-	-
	Interest paid		(54,363)	(73,525)	-	-
	Movement during the period		521,061	610,238	-	-
	Closing balance	34	5,415,776	4,630,074	-	-
(ix)	**Liability on investment contracts**					
	Opening balance		-	24,676	-	-
	Movement during the period		-	(24,676)	-	-
	Closing balance		-	-	-	-
(x)	**Liability on insurance contracts**					
	Opening balance		-	63,748	-	-
	Movement during the period		-	(63,748)	-	-
	Closing balance		-	-	-	-
(xi)	**Other liabilities**					
	Opening balance	35	581,720	297,140	13,544	8,034
	Provisions	35	36,660	28,445	-	-
	Other credit balances	35	24,187	20,727	-	-
	Allowance for off balance sheet items	35	3,748	3,486	-	-
	Movement during the period		43,003	159,362	1,671	4,349
	Closing balance	35	624,723	509,160	15,215	12,383
(xii)	**Disposal of property and equipment**					
	Cost	30	28,188	2,628	14	13
	Accumulated depreciation	30	(27,686)	(1,923)	(11)	(13)
	Net book value of disposed properties		502	705	3	-
	Gain or loss on disposed properties	15	(25)	41	-	-
	Sales proceed		477	746	3	-
(xiii)	**Interest paid**					
	Interest paid on deposit from customers	(viii)	54,363	73,525	-	-
	Interest paid on deposit from banks	(vii)	23,830	24,601	-	-
			78,193	98,126	-	-
	Interest paid on borrowings	36	25,070	13,324	-	-
			103,263	111,450	-	-

	Note	GROUP 30 September 2021 N 'million	GROUP Unaudited 30 September 2020 N 'million	COMPANY 30 September 2021 N 'million	COMPANY Unaudited 30 September 2020 N 'million
(xiv) Dividend received					
Opening dividend receivable		-	-	14,190	12,810
Dividend income	14	3,547	3,983	(245)	2,273
WHT on dividend retained	14	-	-	245	311
Dividend received		(3,547)	(3,983)	(14,190)	(15,394)
Closing dividend receivable		-	-	-	-
(xv) Additional investment in subsidiary					
Opening balance	28	-	-	262,671	239,514
Additional investment		-	-	-	25,000
Disposal	29.3			-	(4,724)
Reclassification from/(to) accounts receivable		-	-	-	2,881
Closing dividend receivable	28	-	-	262,671	262,671

42 Commitments and Contingencies

42.1 Capital commitments

The Group's capital commitment in respect of authorized and contracted capital projects are disclosed below.

	GROUP 30 September 2021 N 'million	GROUP 31 December 2020 N 'million
Authorised and contracted		
Property and Equipment	1,037	1,510
Intangible Assets	903	2,074
	1,940	3,584

42.2 Legal proceedings

The Group is a party to a number of legal actions arising out of its normal business operations

The directors having sought the advice of the professional legal counsel are of the opinion that no significant liability will crystalise from these cases beyond the provision made in the financial statements

	GROUP 30 September 2021 N 'millions	GROUP 31 December 2020 N 'millions
At start of the period	25,974	376
Provisions	(25,598)	25,598
At end of period	376	25,974

42.3 Other contingent commitments

In the normal course of business the group is a party to financial instruments which carry off-balance sheet risk. These instruments are issued to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments are:

	GROUP 30 September 2021 N 'million	GROUP 31 December 2020 N 'million
Performance bonds and guarantees	389,617	345,199
Letters of credit	774,385	489,314
	1,164,003	834,513

42.4 Loan Commitments

	GROUP 31 December 2020 N 'million	GROUP 31 December 2019 N 'million
Undrawn irrevocable loan commitments	200,862	87,263
	200,862	87,263

The total outstanding contractual amount of undrawn credit lines, letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded.
The group cannot separately identify the expected credit loss on the undrawn commitment. Thus, the expected credit loss on the undrawn commitments have been recognised together with the loss allowance for the loan. See Note 22 on expected credit loss on Loans and advances to customers.

43 Offsetting Financial Assets and Financial Liabilities

The information shown below relates to First Bank of Nigeria Limited, as no other entity within the Group has an offsetting arrangement.

Financial instruments subject to offsetting, enforceable master netting and similar arrangement are as follows:

	GROUP					
	Gross amount before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amounts after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		Net amounts of exposure
				Financial instruments	Cash collaterals received	
	(a)	(b)	(c) = (a) - (b)	(d)	(e)	(f) = (c)-(d)-(e)
30 September 2021	**N'million**	**N'million**	**N'million**	**N'million**	**N'million**	**N'million**
ASSETS						
Financial assets at fair value through profit or loss	45,894	-	45,894	-	10,865	35,029
Total Assets subject to offsetting, master netting and similar arrangements	45,894	-	45,894	-	10,865	35,029
LIABILITIES						
Financial derivatives	(9,641)	-	(9,641)	-	-	(9,641)
Total Liabilities subject to offsetting, master netting and similar arrangements	(9,641)	-	(9,641)	-	-	(9,641)

	GROUP					
	Gross amount before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amounts after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		Net amounts of exposure
				Financial instruments	Cash collaterals received	
	(a)	(b)	(c) = (a) - (b)	(d)	(e)	(f) = (c)-(d)-(e)
31 December 2020	**N'million**	**N'million**	**N'million**	**N'million**	**N'million**	**N'million**
ASSETS						
Financial assets at fair value through profit or loss	56,863	-	56,863	-	1,509	55,354
Total Assets subject to offsetting, master netting and similar arrangements	56,863	-	56,863	-	1,509	55,354
LIABILITIES						
Financial derivatives	(7,080)	-	(7,080)	-	-	(7,080)
Total Liabilities subject to offsetting, master netting and similar arrangements	(7,080)	-	(7,080)	-	-	(7,080)

The amount set off in the statement of financial position reported in column (b) is the lower of (i) the gross amount before offsetting reported in column (a) and (ii) the amount of the related instrument that is eligible for offsetting. Similarly, the amounts in columns (d) and (e) are limited to the exposure reported in column (c) for each individual instrument in order not to understate the ultimate net exposure.

The Group has master netting arrangements with counterparty banks, which are enforceable in case of default. In addition, applicable legislation allows an entity to unilaterally set off trade receivables and payables that are due for payment, denominated in the same currency and outstanding with the same counterparty. These fall in the scope of the disclosure. The Group received and provided margin deposits as collateral for outstanding derivative positions. The Group or the counterparty may set off the Group's asset or liabilities with the margin deposit in case of default.

The disclosure does not apply to loans and advances to customers and related customer deposits unless they are set off in the statement of financial position.

44 Related party transactions

The Group is controlled by FBN Holdings Plc. which is the parent company, whose shares are widely held. FBN Holdings Plc, is a non-operating financial holding company licensed by the Central Bank of Nigeria. (See note 28 for the list of all subsidiaries of the Group).

A number of transactions are entered into with related parties in the normal course of business. The volumes of related-party transactions, outstanding balances at the year-end, and related expense and income for the period are as follows:

44.1 Transactions with related parties

Name of entity	Nature of relationship	Nature of transactions	30 September 2021 N 'million	31 December 2020 N 'million
First Bank of Nigeria Limited	Subsidiary	Placement	4,900	2,500
First Bank of Nigeria Limited	Subsidiary	Current account balance	409	2,156
First Bank of Nigeria Limited	Subsidiary	Bank charges	49	11
First Bank of Nigeria Limited	Subsidiary	Interest Income	157	211
FBNQuest Merchant Bank Limited	Subsidiary	Current account balance	3	1
FBNQuest Merchant Bank Limited	Subsidiary	Placement	-	2,941
FBNQuest Merchant Bank Limited	Subsidiary	Interest Income	157	43

Placements with related parties have maturities ranging from 30 days to 90 days and interest rates from 0.25% to 3%. Current account balances are balances in transactional operating accounts with related parties as at 30 September 2021.

44.2 Key management compensation

Key management includes Executive Directors and members of the Management Committee. The compensation paid or payable to key management for employee services is shown below:

	GROUP		COMPANY	
	30 September 2021 N 'million	30 September 2020 N 'million	30 September 2021 N 'million	30 September 2020 N 'million
Salaries and other short-term employee benefits	1,472	1,475	324	316
	1,472	1,475	324	316

44.3 Insider related credits

In compliance with the Central Bank of Nigeria Circular BSD/1/2004 on insider related credits, the company had no insider related credits during the period. Insider related credits relating to the banking subsidiaries have been appropriately disclosed in the component financial statements.

45 Directors' emoluments

Remuneration paid to the directors was:

	30 September 2021 N 'million	30 September 2020 N 'million
Fees	366	289
Sitting allowances	18	12
Executive compensation	109	100
Other directors' costs and expenses	19	19
	511	420
Included in the fees above are amounts paid to:		
Chairman	28	49
Highest paid director	109	100

The number of directors who received fees and other emoluments in the following ranges was:

	Number	
	30 September 2021	30 September 2020
N10,000,000 - N20,000,000	4	2
N20,000,001 - N30,000,000	14	-
N30,000,001 and above	1	8
	19	10

46 Compliance with regulations

During the period, the entities within the group were penalised by their respective regulators as follows:

Description	Amount
(a) First Bank of Nigeria Limited	
A penalty was paid in March 2021 for contravention of Extent Foreign (FX) Regulations on 14 transactions processed between 2013 and 2020	140
A penalty was paid in August 2021 for contravention of CBN Circular Ref: FPR/DIR/GEN/CIR/06/004 dated Sept 28, 2016. The referenced circular requires that Banks should have an Executive Compliance Officer (ECO).	2
A penalty was paid in July 2021 over a case of unauthorized transactions and unjustified charges against a customer.	2
A penalty was paid in July 2021 in respect of misappropriation of 75m Treasury Bill Investment at Keffi Branch on behalf of a customer.	2
A penalty was paid in August 2021 by the Bank for delay in implementing CBN directives in prior years' Consumer Protection Compliance Examinations regarding disclosures in Loan Contracts and issuance of Loan Discharge Letters.	2
CBN penalty was paid in August 2021 for failure to comply with extant regulation as per circular BSD/DIR/GEN/LAB/09/028 regarding issuance of Dud Cheques by customers.	2

(b) FBNQuest Merchant Bank Limited	
The bank paid a penalty of N2 million to Central Bank of Nigeria on approval of recruitment of new employees.	2
A penalty of N1 million was paid to Securities & Exchange Commission on N25bn Coronation MB funding SPV bond	1

47 Events after statement of financial position date

The Company has no events after the financial position date that will materially affect the financial position shown in these financial statements.

48 Dividends per share

A cash dividend of N16.15 billion at N0.45 per share (2020: N13.64 billion) that relates to the period to 31 December 2020 was paid in May 2021.

49 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	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Profit from continuing operations attributable to owners of the parent (N'million)	40,188	54,377	(2,038)	20,212
Profit from discontinued operations attributable to owners of the parent (N'million)	(60)	12,618	-	-
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)				
- from continuing operations	1.12	1.52	(0.06)	0.56
- from discontinued operations	(0.00)	0.35	-	-
	1.12	1.87	(0.06)	0.56

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the number of basic weighted average number of shares.

Other National Disclosures and Other Information

EVALUATION OF THE IMPACT OF COVID-19

In 2020, the COVID-19 pandemic caused disruptions to global economic and social activities as countries and businesses were forced to shut down and restrict movement of persons, goods and services in a bit to contain the spread of the pandemic.
In 2021, the global economy witnessed significant efforts at combatting the pandemic which led to the increased administration of the vaccines across the globe. Most economies have also been largely re-opened, thereby leading to improved economic conditions; these have led to the recovery of most global markets. The Nigerian economy witnessed decent growth in Q1 and Q2, 2021 following the easing of the pandemic restrictions, oil prices recovered, and the implementation of various policies, by fiscal and monetary authorities, that countered the economic shock.

During the period ended 30 September 2021, the Incident Management Team across the Group continued to intensify efforts to monitor, report and deal with any occurrence including but not limited to the rollout of staff awareness campaign and strict adherence to the COVID-19 protocols. Other key actions and initiatives currently ongoing to effectively contain the impact of the pandemic include the following:

(a) Strengthening enterprise resilience and capabilities to withstand external shocks, protect its critical assets and ensure high availability of systems, continuity of business;
(b) Acceleration of the implementation of digitalization through Artificial Intelligence (AI) and Robotic Process Automation (RPA);
(c) Implementation and enforcement of the Group's anti-COVID Policy;
(d) Review of regulatory directives on the pandemic, tracking new regulatory changes, assessing impact and ensure regulatory compliance were sustained;
(e) Third party/supply chain risk management continues through enhanced due diligence process for onboarding and effective monitoring to mitigate business continuity risks from vendors and other strategic partners;
(f) Continuous monitoring and evaluation of lead time and volatility to manage re-order levels;
(g) Regular Horizon Scanning/External Events Analysis and providing insights and lessons learned from emerging risks bordering on Cyber Security Incidents, frauds, breach of regulatory directives.

The significant doubt associated with the current uncertainties related to the pandemic did not result in a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern in the foreseeable future. The Group has also assessed on a line-by-line basis the impact of the pandemic on the amount presented on the statement of financial position and concluded that no further adjustment will be required in the financial statement. Notwithstanding, the Group will continue to closely monitor the emerging impact of the pandemic to ensure that they are appropriately mitigated.

Credit Considerations
Risks remain elevated, but business and consumer sentiments are currently not as bleak as they were in March / April 2020 (beginning of the crisis). As earlier stated, it is premature to conclude on the long-run effect of the COVID-19 pandemic.
As at the end of September 2021, total loans & advances to customers (net) increased by 24.8% to ₦2.77trn (Dec 2020: ₦2.22trn) as the Group continues to create strong risk asset portfolio towards a robust balance sheet despite the COVID-19 pandemic. Non-performing loan ratio decreased to 7.33% in September 2021 (Dec 2020: 7.72%) due to write-offs, positive recovery, loan restructure and creation of quality risk assets.

Globally, there have been adverse impacts on specific sectors such as airlines, entertainment, education, and transportation. In Nigeria, there has been a decline in revenue for government, oil sector operators, hospitality, airlines, tourism, etc. with significant implications for international trade, the value of the naira and economic growth. The positive improvement in oil price in Q2 2021 and in Q3 2021 has improved operating environment, although currency adjustment has impacts on loan portfolio with respect to loan growth, credit quality ratio and cost of risk.

Considering the improving macroeconomic environment, improved crude oil price and foreign currency outlook for the economy, we do not expect major migration of accounts into non-performing loans (NPL) bracket given the proactive restructuring in line with customers' cashflow capacity, and the palliatives from the government available to support businesses. We still expect NPL ratio to ultimately drop below 5% by 2022 in line with the Group's Strategic Plan for 2020-2022FY.

Funding / Liquidity Considerations

The Group prioritizes the efficient management of liquidity with a view to retaining the confidence of the financial markets and maintaining business stability. The liquidity and funding risk management framework across the Group are designed to ensure adequate liquidity is maintained to meet expected and unexpected obligations and to withstand very severe liquidity stress situations. The Group's liquidity risk policy comprises a mixture of continuing business management tools to control and monitor all liquidity exposures under both business-as-usual and stress conditions

The Group also monitors its obligations and commitments by estimating the cash flows emanating from all assets and liabilities for different maturity tenors and determining the net surplus or funding requirement. In addition, the Group maintains a liquidity contingency funding plan which outlines how a liquidity crisis would be managed and the recovery plans that set out a range of suitable actions, which could practicably be examined in a stress environment to recover the position.

In response to COVID-19, the Group increased the frequency of monitoring of the liquidity metrics i.e. liquidity gap (FCY and LCY), liquidity coverage ratio. As at the end of September 2021, the Group's local currency mix remained impressive with current and savings constituting 78% of the total local currency deposits. Low cost deposits accounted for 81.22% of total deposits, whilst loans to deposit ratio remained low at 53%. All effectively boosting the Group's liquidity and ability to respond to liquidity shock at industry leading levels.

Liquidity ratio at both FirstBank Nigeria Limited and FBNQuest Merchant Bank Limited remains above regulatory requirements, as we continue to benefit from flight to safety throughout this period of pandemic.

Capital Considerations

The Group is comfortable with its capital base even as all the operating entities continue to recover from the impact of the COVID-19 pandemic; all the entities within the Group are well capitalized above regulatory capital requirements.
As at 30 September 2021, capital adequacy ratio (CAR) was 21.07% and 15.50% for FBNQuest Merchant Bank Limited and FirstBank Nigeria Limited respectively.

FBN Holdings Plc.

OTHER NATIONAL DISCLOSURES
At 30 September 2021
Statement of Value Added - Group

	30 September 2021 N'million	%	30 September 2020 N'million	%
Gross income	**427,030**		439,333	
Interest and fee expense	**(115,024)**		(119,580)	
	312,006		**319,753**	
Administrative overheads	**(129,569)**		(117,027)	
Value added	**182,438**	**100**	**202,727**	100
Distribution				
Employees				
- Salaries and benefits	**79,321**	**43**	74,175	37
Government				
- Taxation	**12,082**	**7**	8,958	4
The future				
- Asset replacement (depreciation)	**14,745**	**8**	13,477	7
- Asset replacement (amortisation)	**5,820**	**3**	5,085	3
- Asset replacement (provision for losses)	**29,619**	**16**	46,675	23
- Expansion (transfers to reserves)	**40,851**	**22**	54,355	27
	182,439	**100**	**202,726**	100

OTHER NATIONAL DISCLOSURES
At 30 September 2021
Statement of Value Added - Company

	30 September 2021 N'million	%	30 September 2020 N'million	%
Gross income	**103**		18,396	
Interest and fee expense	**(1)**		(14)	
	101		**18,382**	
Administrative overheads	**(1,433)**		(2,988)	
Value added	**(1,332)**	**100**	**15,394**	100
Distribution				
Employees				
- Salaries and benefits	**551**	**- 41**	1,201	8
Government				
- Company income tax	**3**	**- 0**	12	0
The future				
- Asset replacement (depreciation)	**153**	**- 11**	319	2
- Asset replacement (amortisation)	**-**	**-**	-	-
- Asset replacement (provision for losses)	**-**	**-**	-	-
- Expansion (transfers to reserves)	**(2,038)**	**152**	13,862	90
	(1,332)	**100**	**15,393**	100

FBN Holdings Plc.

OTHER NATIONAL DISCLOSURES
FIVE YEAR FINANCIAL SUMMARY - GROUP
STATEMENT OF FINANCIAL POSITION

	30 September 2021 N'million	31 December 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million
Assets:					
Cash and balances with central bank	1,640,122	1,631,730	653,335	641,881	690,165
Loans and advances to banks	972,275	1,016,823	863,435	742,929	444,871
Loans and advances to customers	2,766,981	2,217,268	1,670,476	2,001,223	2,083,894
Financial assets at fair value through profit or loss	161,853	126,354	109,162	83,713	46,711
Investment securities	1,726,038	1,549,290	1,663,821	1,248,608	1,050,588
Assets pledged as collateral	774,595	635,913	309,051	208,925	197,420
Other assets	263,662	315,501	126,292	132,731	47,786
Investment in associates	1,007	1,163	625	1,357	1,114
Investment properties	-	-	515	1,993	3,003
Property, plant and equipment	115,580	114,034	91,515	88,263	88,315
Intangible assets	18,528	15,340	16,134	16,211	15,328
Deferred tax	26,723	27,619	25,558	18,554	17,278
Assets held for sale	37,927	37,993	38,990	50,149	50,332
	8,505,291	7,689,028	5,568,909	5,236,537	4,736,806
Financed by:					
Share capital	17,948	17,948	17,948	17,948	17,948
Share premium	233,392	233,392	233,392	233,392	233,392
Reserves	492,458	504,746	265,314	427,874	331,783
Non controlling interest	9,748	9,085	12,289	(5,494)	(548)
Deposits from banks	1,236,072	1,039,220	749,315	665,366	416,078
Deposits from customers	5,415,776	4,894,715	3,486,691	3,143,338	3,104,221
Derivative liabilities	19,991	7,464	15,791	9,404	37,137
Liabilities on investment contracts	-	-	19,766	13,399	9,440
Liabilities on insurance contracts	-	-	34,192	21,734	10,287
Borrowings	432,905	379,484	338,214	420,919	316,792
Retirement benefit obligations	6,046	7,527	1,940	2,203	2,662
Current income tax	14,038	11,247	15,656	10,194	8,897
Other liabilities	624,723	581,720	375,642	266,198	235,388
Deferred income tax liabilities	73	101	266	606	813
Liabilities held for sale	2,122	2,379	2,493	9,457	12,515
	8,505,291	7,689,028	5,568,908	5,236,539	4,736,805

FBN Holdings Plc.

OTHER NATIONAL DISCLOSURES
FIVE YEAR FINANCIAL SUMMARY - GROUP
INCOME STATEMENT

	9 months ended 30 Sep 2021 N'million	9 months ended 30 Sep 2020 N'million	9 months ended 30 Sep 2019 N'million	9 months ended 30 Sep 2018 N'million	9 months ended 30 Sep 2017 N'million
Gross Earnings	427,030	439,332	439,871	441,487	439,184
Net operating income	312,373	319,719	310,207	314,727	328,110
Insurance claims	-	-	(6,574)	(2,704)	(2,531)
Operating expenses	(229,454)	(209,764)	(215,161)	(184,531)	(172,814)
Group's share of associate's results	(367)	33	17	33	256
Impairment charge for credit losses	(29,619)	(46,675)	(28,460)	(76,185)	(97,588)
Profit before taxation	52,933	63,313	60,029	51,340	55,433
Taxation	(12,082)	(8,958)	(8,193)	(6,393)	(9,594)
Profit from continuing operations	40,851	54,355	51,836	44,947	45,839
(Loss)/profit from discontinuing operations	(60)	13,801	(89)	(50)	(837)
Profit for the period	40,791	68,156	51,747	44,897	45,002
Profit attributable to:					
Owners of the parent	40,128	66,995	49,594	43,627	44,157
Non controlling interest	663	1,161	2,153	1,270	845
	40,791	68,156	51,747	44,897	45,002
Earnings per share in kobo (basic/diluted)	112	187	138	122	122

FBN Holdings Plc.

OTHER NATIONAL DISCLOSURES
FINANCIAL SUMMARY - COMPANY
STATEMENT OF FINANCIAL POSITION

	30 September 2021 N'million	31 December 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million
Assets:					
Loans and advances to banks	13,317	11,240	16,639	7,585	4,792
Loans and advances to customers	37	61	110	108	63
Financial assets at fair value through profit	1,353	2,116	3,427	-	-
Investment securities	4,271	9,863	7,079	9,842	7,019
Investment in associates	-	-	-	-	1,500
Investment in subsidiaries	262,671	262,671	242,395	242,395	263,595
Other assets	255	14,360	292	9,011	4,670
Property, plant and equipment	560	312	382	680	1,192
	282,464	300,623	270,324	269,621	282,831
Financed by:					
Share capital	17,948	17,948	17,948	17,948	17,948
Share premium	233,392	233,392	233,392	233,392	252,892
Reserves	15,904	35,525	10,848	10,624	6,242
Current income tax	5	214	102	104	-
Other liabilities	15,215	13,544	8,034	7,553	5,751
	282,464	300,623	270,324	269,619	282,833

FBN Holdings Plc.

OTHER NATIONAL DISCLOSURES
FINANCIAL SUMMARY - COMPANY
INCOME STATEMENT

	9 months ended 30 Sep 2021 N'million	9 months ended 30 Sep 2020 N'million	9 months ended 30 Sep 2019 N'million	9 months ended 30 Sep 2018 N'million	9 months ended 30 Sep 2017 N'million
Gross Earnings	103	22,670	1,969	1,775	1,733
Net operating income	101	2,759	1,949	1,775	1,733
Gain from disposal of subsidiary	-	19,901	-	-	-
Operating expenses	(2,137)	(2,442)	(2,753)	(2,598)	(2,513)
(Loss)/profit before taxation	(2,035)	20,218	(804)	(823)	(780)
Taxation	(3)	(6)	(50)	(38)	(40)
Profit after taxation	(2,038)	20,212	(854)	(861)	(820)
Earnings per share in kobo (basic)	(6)	56	2	2	2