



FIDELITY BANK PLC

**CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

Statement Of Directors' Responsibilities In Relation To The Preparation Of The Financial Statements
For the period ended 30 September 2025

In accordance with the provisions of Sections 377 and 378 of the Companies and Allied Matters Act (CAMA) 2020, Banks and Other Financial Institutions Act (BOFIA) 2020, and the Financial Reporting Council of Nigeria (Amendment) Act 2023, the Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Bank, and of the financial performance for the period. The responsibilities include ensuring that:

- (a) Appropriate internal controls are established both to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.
- (b) The Bank keeps accounting records which disclose with reasonable accuracy the financial position of the Bank and which ensure that the financial statements comply with requirements of International Financial Reporting Standards and the Companies and Allied Matters Act (CAMA) 2020, Banks and Other Financial Institutions Act (BOFIA) 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023, Revised Prudential Guidelines and relevant circulars issued by the Central Bank of Nigeria.
- (c) The Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- (d) It is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the Bank will not continue in business.

The Directors accept responsibility for the 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, the requirements of the Companies and Allied Matters Act, CAP C20 (CAMA) 2020 , Banks and Other Financial Institutions Act (BOFIA) 2020 , the Financial Reporting Council of Nigeria (Amendment) Act 2023, Revised Prudential Guidelines, and relevant circulars issued by the Central Bank of Nigeria.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and its financial performance for the period under review

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

Nothing has come to the attention of the Directors to indicate that the Bank and its subsidiary will not remain a going concern from the date of this statement.

Signed on behalf of the Directors by:

Date: 23rd October, 2025



Kevin Ugwuoke
Executive Director
FRC/2020/003/00000022290



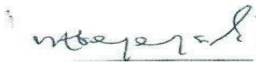
Nneka Onyeali-Ikpe
Managing Director/ Chief Executive Officer
FRC/2017/NBA/00000016998

Statement Of Corporate Responsibility For The Preparation Of The Financial Statements
For the period ended 30 September 2025

In line with the provision of Section 405 of CAMA 2020, the Chief Executive Officer and Chief Financial officer of Fidelity Bank Plc have reviewed the Financial Statements of the bank for the period ended September **30 2025** and accept responsibility for the financial and other information within the report based on the following:

- i The financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statement misleading.
- ii The financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and result of operation of the bank as of and for the period ended September 30, 2025.
- iii The bank's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 30 September, 2025
- iv The bank's internal Controls has been designed to ensure that all material information relating to the bank has been provided.
- v That we have disclosed to the bank's Auditor and the Audit Committee that there are no significant deficiencies in the design or operation of the bank's internal controls which could adversely affect the bank's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the course of the Audit; And that there is no fraud involving management or other employees which could have any significant role in the bank's internal control.
- vi There is 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.

Signed on behalf of the Directors by:
Date: 23rd October 2025



Victor Abejegah
Chief Financial Officer
FRC/2013/ICAN/00000001733



Nneka Onyeali-Ikpe
Managing Director/Chief Executive Officer
FRC/2017/NBA/00000016998

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income
for the period ended 30 September 2025

		Group				Bank			
	Notes	Q3 2025 N'million	Q3 2024 N'million	30 September 2025 N'million	30 September 2024 N'million	Q3 2025 N'million	Q3 2024 N'million	30 September 2025 N'million	30 September 2024 N'million
Gross Earnings		366,116	338,861	1,114,824	772,465	354,687	249,556	1,087,692	754,815
Interest and similar income calculated using effective interest rate method	6	285,562	214,695	843,476	583,451	277,284	210,349	821,816	568,205
Other interest and similar income	12.1	34,207	12,988	135,979	122,265	34,207	12,988	135,979	122,265
Interest and similar expense calculated using effective interest rate method	7	(174,933)	(84,026)	(414,201)	(235,226)	(170,884)	(83,795)	(405,562)	(230,682)
Net interest income		144,836	143,657	565,254	470,490	140,606	139,542	552,233	459,789
Credit loss expense	8	(900)	(32,754)	(14,556)	(48,250)	(823)	(12,130)	(14,731)	(47,767)
Net interest income after credit loss expense		143,936	110,903	550,698	422,239	139,783	127,412	537,502	412,021
Fee and commission income	9	31,126	21,139	84,479	56,281	30,569	20,787	82,211	54,589
Fee and commission expense	9	(5,862)	(1,262)	(12,181)	(5,135)	(5,862)	(1,491)	(12,181)	(5,135)
Net Gain / (loss) on derecognition on financial assets measured at a	10	-	-	693	-	-	83	693	-
Other operating income	11	1,128	447	3,149	10,468	521	131	2,251	1,191
Foreign Currency Revaluation Gains	11.1	14,093	89,592	47,742	-	12,107	5,301	45,435	8,565
Net Gain / (loss) from financial assets at fair value through profit or loss	12	(2,650)	203	(2,314)	34,990	(2,650)	300	(2,314)	778
Derivative (Loss) / Gains	12.2	0	34,212	(59,776)	-	0	0	(59,776)	34,212
Personnel expenses	13	(18,081)	(16,516)	(59,010)	(43,599)	(13,827)	(13,149)	(48,238)	(35,113)
Depreciation, amortisation and Impairment	14	(8,857)	(2,703)	(18,056)	(7,380)	(7,505)	(2,475)	(16,289)	(6,750)
Other operating expenses	15	(67,163)	(57,896)	(267,226)	(186,449)	(65,832)	(55,393)	(260,811)	(180,214)
Profit before income and windfall taxes		87,671	178,119	268,198	281,414	87,304	81,505	268,484	284,143
Income tax expense	16	(16,502)	(51,615)	(53,637)	(56,812)	(8,254)	(17,753)	(58,917)	(61,825)
Windfall tax		-	-	(2,834)	-	-	-	(2,834)	-
Profit for the period		71,169	126,505	211,727	224,603	79,051	63,752	206,733	222,318
Other comprehensive income:									
Items that will not be reclassified subsequently to profit or loss									
Fair value gain/loss on equity instruments at fair value through other comprehensive income	24.4	(19)	3,857	13,977	23,664	(19)	-	13,977	23,664
Total items that will not be reclassified subsequently to profit or loss		(19)	3,857	13,977	23,664	(19)	-	13,977	23,664
Items that will be reclassified subsequently to profit or loss									
- Exchange differences on translation of foreign operations		(2,314)	49,503	(6,691)	45,359	-	-	-	-
- Net change in fair value during the period in FVOCI debt financial Instrument		532	(12,988)	(904)	(10,690)	514	(4,891)	(887)	(10,741)
- Changes in allowance for expected credit losses of FVOCI debt financial Instrument		(12)	47	79	171	0	(16)	79	171
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	17	0	(6,876)	(68)	(6,876)	0	(7,389)	(68)	(6,876)
Total items that will be reclassified subsequently to profit or loss		(1,793)	29,686	(7,583)	27,963	514	(12,296)	(876)	(17,446)
Other comprehensive (loss)/income for the period, net of tax		(1,813)	33,543	6,394	51,627	495	(12,296)	13,101	6,218
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD.		69,356	160,048	218,121	276,230	79,546	51,456	219,834	228,536
Earnings per share									
Basic and diluted (in kobo)	18	142	252	422	447	157	127	412	443

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

Consolidated and Separate Statement of Changes in Equity
for the period ended 30 September 2025

Group	Share capital	Share premium	Retained earnings	Statutory reserve	Small scale investment reserve	Non-distributable regulatory reserve	Translation reserve	Fair value reserve	AGSMEIS reserve	Total equity
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Balance at 1 January 2025	25,100	280,455	185,256	108,699	764	155,665	44,194	69,176	28,565	897,874
Profit for the period	-	-	211,727	-	-	-	-	-	-	211,727
Other comprehensive income										
- Net change in fair value during the period in FVOCI debt financial Instrument	-	-	-	-	-	-	-	(904)	-	(904)
Fair value gain/loss on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	13,977	-	13,977
- Changes in allowance for expected credit losses of FVOCI debt financial Instrument	-	-	-	-	-	-	-	79	-	79
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	(6,691)	-	-	(6,691)
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	-	-	-	-	-	-	-	(68)	-	(68)
Proceed from Issue of Shares	-	-	211,727	-	-	-	(6,691)	13,084	-	218,120
Dividends paid	-	-	-	-	-	-	-	-	-	-
Transfers between reserves (Note 35) & (Note 43)	-	-	(62,750)	-	-	-	-	-	-	(62,750)
	-	-	(303,475)	-	-	303,475	-	-	-	-
At 30 September 2025	25,100	280,455	30,757	108,699	764	459,140	37,504	82,260	28,565	1,053,245

Group	Share capital	Share premium	Retained earnings	Statutory reserve	Small scale investment reserve	Non-distributable regulatory reserve	Translation reserve	Fair value reserve	AGSMEIS reserve	Total equity
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Balance at 1 January 2024	16,000	113,705	65,508	66,270	764	100,279	6,050	54,310	14,421	437,307
Profit for the period	-	-	224,603	-	-	-	-	-	-	224,603
Other comprehensive income										
- Net change in fair value during the period in FVOCI debt financial Instrument	-	-	-	-	-	-	-	10,690	-	10,690
Fair value gains on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	171	-	171
- Changes in allowance for expected credit losses of FVOCI debt financial Instrument	-	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	39,309	-	-	39,309
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	-	-	-	-	-	-	-	(6,876)	-	(6,876)
Proceed from Issue of Shares	-	-	224,603	-	-	-	39,309	6,268	-	270,180
Dividends paid	-	-	-	-	-	-	-	-	-	-
Transfers between reserves (Note 35) & (Note 43)	-	-	(19,200)	-	-	-	-	-	-	(19,200)
At 30 September 2024	16,000	113,705	270,911	66,270	764	100,279	45,359	60,578	14,421	688,287

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

Fidelity Bank Plc
Reports and Financial Statements
For the period ended 30 September 2025

Consolidated and Separate Statement of Financial Position
as at 30 September 2025

	Note	Group		Bank	
		September 2025 N'million	31 December 2024 N'million	September 2025 N'million	31 December 2024 N'million
ASSETS					
Cash and Cash equivalents	19	1,303,560	707,450	1,051,426	505,331
Restricted balances with central bank	20	1,648,289	1,586,350	1,648,289	1,586,350
Loans and advances to customers	22	4,845,700	4,387,108	4,727,510	4,346,049
Derivative financial assets	23	20,878	50,293	20,878	50,292
Investment securities:					
Financial assets at fair value through profit or loss	24.1	73,498	5,113	73,498	5,113
Debt instruments at fair value through other comprehensive income	24.2	193,429	186,571	137,058	112,925
Debt instrument at amortised cost	24.3	1,871,126	1,552,347	1,844,045	1,552,347
Equity instruments at fair value through other comprehensive income	24.4	83,631	69,635	86,465	69,635
Other assets	29	276,767	158,116	272,977	154,713
Investment in Subsidiary:	24.4iii	-	-	68,591	68,591
Property, plant and equipment	25	153,710	77,876	153,648	77,785
Right of Use Assets	26	3,707	3,750	2,207	1,736
Goodwill	21	11,236	11,443	-	-
Intangible assets	27	47,719	20,380	45,529	14,371
Deferred tax Assets	28.1	17,260	5,305	11,979	-
TOTAL ASSETS		10,550,510	8,821,737	10,144,100	8,545,237
LIABILITIES					
Deposits from customers	30	6,935,449	5,937,064	6,562,555	5,660,315
Derivative financial liabilities	23	30,482	-	30,362	-
Current income tax payable	16	83,631	113,910	83,482	113,910
Other liabilities	31	1,276,573	938,776	1,281,023	978,435
Provision	32	37,295	3,791	37,295	3,791
Debts issued and other borrowed funds	33	1,133,836	929,595	1,133,836	929,595
Deferred tax liabilities	28.1	-	727	-	727
TOTAL LIABILITIES		9,497,266	7,923,863	9,128,553	7,686,773
EQUITY					
Share capital	34	25,100	25,100	25,100	25,100
Share premium	35	280,455	280,455	280,455	280,455
Retained earnings	35	30,757	185,256	30,581	190,073
Other equity reserves:					
Statutory reserve	35	108,699	108,699	108,711	108,711
Small scale investment reserve (SSI)	35	764	764	764	764
Non-distributable regulatory reserve (NDR)	35	459,140	155,665	459,140	155,665
Translation reserve	35	37,504	44,194	-	-
Fair value reserve	35	82,260	69,176	82,232	69,131
AGSMEIS reserve	35	28,565	28,565	28,565	28,565
Total equity		1,053,245	897,874	1,015,548	858,464
TOTAL LIABILITIES AND EQUITY		10,550,510	8,821,737	10,144,100	8,545,237

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

The financial statements were approved by the Board of Directors on 23 October 2025 and signed on its behalf by:


Mustafa Chike-Obi
Chairman
FRC/2013/IODN/0000004048


Victor Abejegah
Chief Financial Officer
FRC/2013/ICAN/0000001733


Nneka Onyeali-Ikpe
Managing Director/ Chief Executive Officer
FRC/2017/NBA/00000016998

Consolidated and Separate Statement of Changes in Equity
for the period ended 30 September 2025

Bank	Share capital	Share premium	Retained earnings	Statutory reserve	Small scale investment reserve	Non-distributable regulatory reserve	Fair value reserve	AGSMEIS reserve	Total equity
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Balance at 1 January 2025	25,100	280,455	190,073	108,711	764	155,665	69,131	28,565	858,464
Profit for the period	-	-	206,733	-	-	-	-	-	206,733
Other comprehensive income									
- Net change in fair value during the period in FVOCI debt financial Instrument	-	-	-	-	-	-	(887)	-	887
Fair value gain/loss on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	13,977	-	13,977
- Changes in allowance for expected credit losses of FVOCI debt financial Instrument	-	-	-	-	-	-	79	-	79
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	-	-	-	-	-	-	(68)	-	(68)
Total comprehensive income for the period	-	-	206,733	-	-	-	13,101	-	219,834
Proceed from Issue of Shares	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	(62,750)	-	-	-	-	-	(62,750)
Transfers between reserves (Note 35) & (Note 43)	-	-	(303,475)	-	-	303,475	-	-	-
At 30 September 2025	25,100	280,455	30,581	108,711	764	459,140	82,232	28,565	1,015,547

Bank	Share capital	Share premium	Retained earnings	Statutory reserve	Small scale investment reserve	Non-distributable regulatory reserve	Fair value reserve	AGSMEIS reserve	Total equity
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Balance at 1 January 2024	16,000	113,705	65,573	66,282	764	100,279	54,310	14,421	431,334
Profit for the period	-	-	222,318	-	-	-	-	-	222,318
Other comprehensive income									
- Net change in fair value during the period in FVOCI debt financial Instrument	-	-	-	-	-	-	10,741	-	10,741
Fair value gain/loss on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	23,664	-	23,664
- Changes in allowance for expected credit losses of FVOCI debt financial Instrument	-	-	-	-	-	-	171	-	171
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	-	-	-	-	-	-	(6,876)	-	(6,876)
Total comprehensive income for the period	-	-	222,318	-	-	-	6,218	-	228,536
Proceed from Issue of Shares	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	(19,200)	-	-	-	-	-	(19,200)
Transfers between reserves (Note 35) & (Note 43)	-	-	-	-	-	-	-	-	-
At 30 September 2024	16,000	113,705	268,692	66,282	764	100,279	60,528	14,421	640,670

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

Consolidated and Separate Statement of Cash Flows
for the period ended 30 September

	Note	Group		Bank	
		30 September 2025 N'million	30 September 2024 N'million	30 September 2025 N'million	30 September 2024 N'million
Operating Activities					
Cash flows from operations	36	567,468	1,935,045	526,073	1,728,227
Interest received	36b	893,738	520,200	872,078	504,954
Interest paid	36c	(405,976)	(331,947)	(397,337)	(247,133)
Income tax paid	16c	(108,182)	(17,520)	(108,182)	(22,533)
Net cash flows from operating activities		947,049	2,105,779	892,632	1,963,515
Investing activities					
Purchase of property, plant and equipment	25	(87,214)	(26,550)	(87,211)	(26,521)
Proceeds from sale of property plant and equipment	25	339	2,334	340	2,334
Purchase of intangible assets	27	(36,130)	(7,628)	(36,097)	(3,024)
Purchase of debt Instruments at FVOCI	36.d	(144,392)	(123,382)	(88,017)	(51,729)
Purchase of debt Instruments at amortised cost	36.e	(1,254,807)	(1,419,227)	(1,254,807)	(1,648,926)
Redemption of financial assets at amortised cost	36.e	1,012,498	175,815	1,040,175	175,815
Redemption of debt financial assets at FVOCI	36.d	115,244	88,317	41,594	88,317
Purchase of equity instruments at FVOCI	36f	-	-	-	-
Acquisition of a subsidiary	36g	-	-	-	-
Dividend received	11	935	741	935	741
Net cash flows used in investing activities		(393,526)	(1,309,580)	(383,088)	(1,462,993)
Financing activities					
Dividends paid	SCE	(62,750)	(19,200)	(62,750)	(19,200)
Lease Payment on Right of Use (ROU) Assets	26	(757)	(750)	(757)	(728)
Proceeds of debts issued and other borrowed funds	33	474,704	207,198	474,704	207,198
Payment of interest portion of debts issued and other borrowed funds	33	(38,607)	(38,639)	(38,607)	(38,639)
Repayment of principal portion of debts issued and other borrowed funds	33	(298,154)	(158,109)	(298,154)	(158,109)
Net cash flows used in financing activities		74,437	(9,499)	74,437	(9,477)
Net increase in cash and cash equivalents		627,959	786,699	583,980	491,044
Net foreign exchange difference on cash and cash equivalents	11	(47,742)	8,961	(36,871)	8,565
Cash and cash equivalents as at 1 January	19	707,450	364,177	505,331	376,595
Cash and cash equivalents as at 30 September	19	1,287,667	1,159,837	1,052,441	876,204

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

Notes To The Financial Statements

1. Corporate Information

These financial statements are for Fidelity Bank Plc (the "Bank"), a company incorporated in Nigeria on 19 November 1987. The registered office address of the Bank is at Fidelity Place, 1 Fidelity Bank Close Off Kofo Abayomi Street, Victoria-Island, Lagos, Nigeria.

The Bank completed its acquisition of its subsidiary, Fidelity Bank UK Limited (former Union Bank UK Plc) on 26 July 2023. The financial result of the subsidiary has been consolidated into these financial statements.

The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Fidelity Bank Group provides a full range of financial services including investment, commercial and retail banking.

2. Summary of material accounting policies

2.1 Introduction to summary of accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

2.1.1 Basis of Preparation

The Group's financial statements for the period ended 30 September 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council Act of Nigeria, Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria Circulars. Additional information required by national regulations is included where appropriate.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, statement of cashflows, significant accounting policies and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets and financial liabilities measured at fair value and amortised cost as applicable.

The financial statements are presented in Naira, which is the Group's presentation currency. The figures shown in the financial statements are stated in Naira millions.

2.1.2 Changes in accounting policies and disclosures

New standards, amendments and interpretations adopted.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB) and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, the Banks and other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars. The same accounting policies and methods of computation are followed in the financial statements as compared with the most recent annual financial statements.

Notes To The Financial Statements

2.1.1.1 Basis of Preparation- continued

a •IAS 1 (Amendments): Classification of liabilities as current or non-current

The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The amendments also clarify that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are expected to be effective for annual periods beginning on or after 1 January 2024 with early adoption permitted.

bi IFRS 7 Investments in equity instruments designated at FVTOCI

The disclosures requirements in IFRS 7 in respect of investments in equity instruments designated at FVTOCI are amended. In particular, an entity is required to disclose the fair value gain or loss presented in OCI during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period. If an entity derecognises investments in equity instruments measured at FVTOCI during the reporting period, it is now required, under the amendments, to disclose any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

An entity is no longer required to disclose the reporting date fair value of each equity instruments designated at FVTOCI; this information can be provided by class of instruments.

Contractual terms that could change the timing or amount of contractual cash flows

The amendments introduce disclosure requirements for financial instruments that include contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs (such as the time value of money or credit risk). Disclosures include a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows as well as the gross carrying amount of financial assets and the amortised cost of financial liabilities subject to those contractual terms. The entity is required to make these disclosures by class of financial assets measured at amortised cost or FVTOCI and by class of financial liabilities measured at amortised cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
- apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

c IFRS 9 Derecognition of a financial liability settled through electronic transfer.

The application guidance in IFRS 9 is amended to clarify the date of initial recognition or derecognition of financial assets and financial liabilities.

The existing application guidance states that a financial liability is derecognised at its settlement date, being the date on which the liability is extinguished because the obligation specified in the contract is discharged, cancelled or expires, or the liability otherwise qualifies for derecognition.

As an alternative to this requirement, the amendments permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if, and only if, the entity has initiated a payment instruction that has resulted in:

- the entity having no practical ability to withdraw, stop or cancel the payment instruction
- the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction
- the settlement risk associated with the electronic payment system being insignificant.

An entity that elects to apply the derecognition alternative for financial liabilities is required to apply it to all settlements made through the same electronic payment system.

d IAS 12 Income Taxes - Deferred Tax (Pillar Two Model Rules)

IAS 12 clarifies that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement, the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Notes To The Financial Statements

2.1.1 Basis of Preparation- continued

e IFRS 16 - Leases : Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Notes To The Financial Statements

2.1.2 Basis of consolidation

i Business Combination

The accounting policies set out below have been consistently applied to all periods presented in these consolidated and separate financial statements. Business combinations are accounted for using the acquisition method as at the acquisition date, that is, when control is transferred to the Group. 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 recognized in profit or loss immediately. Transaction costs are expensed as incurred.

The Consideration transferred does not include amounts related to the settlement of any relationships or transaction. Such amounts are generally recognized in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Other contingent consideration is measured at fair value at each reporting date and subsequent changes in fair value of the contingent consideration are recognized in profit or loss.

ii Non-controlling interest

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The Bank acquired 100% Of its United Kingdom Subsidiary.

iii Subsidiaries

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

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 investee entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control and if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences; and until the date when control ceases

iv Fund management

The entities within the group manage and administer assets and other investment vehicles on behalf of investors. The financial statements of these entities are not included in these consolidated financial statements except when the Group controls the entity.

Notes To The Financial Statements

2.1.2 Basis of consolidation- continued

v Loss of control

The Group assesses whether there is loss of control in a variety of ways which includes:

- sale of all or part of its ownership interest in its subsidiary.
- expiry of a contractual agreement that gave control of the subsidiary to the Group;
- issue of shares to third parties by the subsidiary, thereby reducing the Group's ownership interest in the subsidiary so that it no longer has control of the subsidiary.
- distribution of its ownership interest in the subsidiary by the Group;
- when the subsidiary becomes subject to the control of a government, court, administrator or regulator.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and the other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The amount recognised in profit or loss on the loss of control of a subsidiary is measured as the difference between:

- (i) The sum of: - the fair value of the consideration received, if any;
- the recognized amount of the distribution of shares, if applicable;
- the fair value of any retained non-controlling investment (NCI); and
- the carrying amount of the NCI in the former subsidiary, including the accumulated balance of each class of other comprehensive income (OCI) attributable to the NCI .
- (ii) The carrying amount of the former subsidiary's net assets, together with any profit or loss reclassifications.

From the Group's perspective, any loss of control of a subsidiary results in derecognition of the individual assets and liabilities of the subsidiary. On disposal, components of OCI related to the subsidiary's assets and liabilities are accounted for on the same basis as would be required if the individual assets and liabilities had been disposed of directly. As a result, amounts from the exercise are reclassified to profit or loss: (- exchange differences that were recognised in OCI; - changes in the fair value of financial assets at Fair value through other comprehensive income previously recognised in OCI; and - the effective portion of gains and losses on hedging instruments in a cash flow hedge previously recognised in OCI).

vi Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of Group entities at the spot exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated using the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in the foreign currency translated at the spot exchange rate at the end of the reporting period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation of monetary items are generally recognised in profit or loss. However, foreign currency differences arising from the translation of FVTOCI financial assets and monetary assets are recognised in Other Comprehensive Income (OCI).

vii Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into naira at spot exchange rates at the reporting date. The income and expenses and other comprehensive income of foreign operations are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at spot exchange rates on the dates of the transactions).

Foreign exchange differences on translation of foreign operations are recognized in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation differences is allocated to non-controlling interests.

When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income and presented in the translation reserve in equity.

Notes To The Financial Statements

viii Determination of Goodwill

Fidelity Bank Plc completed the acquisition of the United Kingdom component on the 26th of July 2023 the Union bank plc (A Nigerian Parent) at a value of \$50,000,000.00 with provision for Net Asset Value adjustment between the Completion net assets value and the Planned net asset value on the Purchase consideration which has now been completed in the sum of \$1,800,000.00 based on the Sales Purchase Agreement. The purchase price is allocated to the various identified intangible assets acquired and the accounting has now been completed resulting N7,469m recognised in intangibles with Amortization recognized periodically. This is reallocated from the previously recognised goodwill and comparatives was adjusted accordingly. The Bank acquired 100% of the United Kingdom Subsidiary. Prior to the acquisition , the United Kingdom component did not and still do not have any legal suit that required settlement .

Core deposits

Relates to a stable deposit base that provides a low-cost source of funding (versus the alternative next funding in the market).

Valuation Methodology : Cost Savings Method

Customer relationships

Relates to existing beneficial customer relationships (i.e., fees and commission customers which provide benefits from interest and fees expected to be earned above the amount reflected in the balance sheet as loans/advances and others). **Valuation Methodology :** Multi period excess earnings method.

Computer software

Relates to operational and financial software databases and payment systems. **Valuation Methodology :** Replacement cost method.

Calculation of resulting Goodwill post purchase price allocation is presented below :-

	USD'000	USD'000	Exchange rate	NGN'000
Purchase consideration:				
Cash	50,000			
Deferred consideration	-			
Contingent consideration	-			
Accruals and deferred income	(3,127)			
Total liabilities		46,873		
Net asset acquired				
Assets at June 30, 2023				
Cash and cash equivalents	5,286			
Loans and advances to banks	73,321			
Loans and advances to customers	35,133			
Financial assets measured at FVOCI	32,032			
Intangible assets	514			
Property and equipment	37			
Right-of-Use-of-Asset	1,863			
Other Assets	1,395			
Prepayments	-			
Total Assets	149,581			
Liabilities at June 30, 2023				
Deposits by banks	69,324			
Customer accounts	44,323			
Lease liabilities -				
Other Liabilities	3,127			
Accruals and deferred income	-			
Total liabilities	116,774			
Total Net assets at Acquisition	32,807			
Goodwill and other intangibles	15,392		951.79	14,649,952
UBUK's identified intangible valuation result:				
Core deposits	1,973			
Customer relationships	3,046			
UBUK's FV as at 31 December 2024	5,019		1,549	7,774,431
Resulting Goodwill	10,373		1,532	15,891,436
Impairment DEC 2024	(1,572)		1,497	(2,353,144)
Uk DT on PPA	(1,466)		1,532	(2,246,494)
Exchange difference				(55,773)
Goodwill at period end - September 30, 2025	7,334		1,532	11,236,025

Notes To The Financial Statements

*** Details of Goodwill impairment testing result is presented in note 21

Notes To The Financial Statements

2.2 Income Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in arriving at profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

i Current Income Tax

The current income tax charge is calculated on the basis of the applicable tax laws enacted or substantively enacted at the reporting date in the respective jurisdiction.

ii Deferred Income Tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxables entities where there is an intention to settle the balance on a net basis.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised and reviewed at each reporting date, reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Group has applied caution by not recognising additional deferred tax assets which is not considered capable of recovery.

2.3 Accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosures, as well as the disclosure of contingent liability about these assumptions and estimates that could result in outcome that requires a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Management discusses with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

Notes To The Financial Statements

2.3 Accounting judgements, estimates and assumptions- continued

Going Concern

Business continues to function well and largely uninterrupted. The Group continues to provide access to its products and services for modern life which it has proven to be doing responsibly and efficiently in even challenging circumstances.

Uncertainties remain with doubts about the status of Russian- Ukrain and Isreal - Hamas War. However, the financial situation of the group remains healthy and it does not believe that the impact of the Isreal - Hamas war or Russian-Ukrain War will have any material adverse effect on our financial condition or liquidity. Therefore, based on the Group's liquidity and expected yearly cash outflow, the Group expects that it will be able to meet its financial obligations and therefore continues to adopt a going concern assumption as the basis for preparing its financial statements.

Allowances for credit losses

Measurement of the expected credit loss allowance

The measurement of the Expected Credit Loss (ECL) allowance for financial assets measured at amortised cost and 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). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3, which also sets out key sensitivities of the ECL to changes in these elements.

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;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The uncertainties caused by the volatility in macro economic variables required the Group to update the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 30 September 2025. No further update was done in the current period .

Determination of Collateral Value

Management monitors market value of collateral on a regular basis. Management uses its experienced judgement on independent opinion to adjust the fair value to reflect the current circumstances. The amount and collateral required depend on the assessment of credit risk of the counterpart.

In determining the collateral value, the Bank has considered potential impacts of the economic volatility as a result of Russian/Ukrain war, the impact of Isreal - Hamas war and its attendant impact across various jurisdictions in the middle east .

The Directors believe that the underlying assumptions are appropriate and that the Bank's 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 financial statements, are disclosed in the notes.

Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 3.5 for further disclosures.

The Group has considered potential impacts of the current economic volatility in determination of the reported fair value of the financial instruments and these are considered to represent management's best assessment based on observable information. Markets , however , remain volatile and the recorded amounts remain sensitive to market fluctuations.

Notes To The Financial Statements

2.3.1 Standards Issued, Amendments But Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Bank intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

a Amendments to IAS 21 – Lack of exchangeability In August 2023, the Board issued Lack of exchangeability amendments to IAS 21.

The amendments specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate a company can use:

- ☐ an observable exchange rate without adjustment; or
- ☐ another estimation technique.

The amendment becomes effective from 1 January 2025

b IFRS 18 Presentation and Disclosure in Financial Statements:

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. The standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss, provide disclosures on management-defined performance measures (MPMs) and improve aggregation & disaggregation. The standard also made some minor amendments to IAS 7 and IAS 33.

All entities are required to follow the same classification requirements. However, there are reporting modifications for entities that invest in assets as a main business activity (such as investment entities, investment property entities and insurers) and entities that provide financing to customers as a main business activity (such as banks).

IFRS 18 requires an entity to classify income and expenses included in profit or loss into one of the following categories:

i. Operating Category: This comprises all income and expenses included in the statement of profit or loss that are not classified in the investing, financing, income taxes or discontinued operations categories. It is the default category that includes, but not limited to, income and expenses from an entity's main business activities.

Income and expenses from other business activities, such as income and expenses from additional activities, are also classified in the operating category if those income and expenses do not meet the requirements to be classified in any of the other categories.

ii. Investing Category: This comprises income and expenses from:

- investments in associates, joint ventures, and unconsolidated subsidiaries
- cash and cash equivalents.
- other assets that generate a return individually and largely independently of the entity's other resources

Income and expenses' classified in the investing category comprises:

- income generated by the assets
- income and expenses that arise from the initial and subsequent measurement of the assets, including on derecognition of the assets
- incremental expenses directly attributable to the acquisition and disposal of the assets (e.g. transaction costs and costs to sell the assets)

iii. Financing category: This includes income and expenses from liabilities arising from transactions that involve the raising of finance, whether the transaction involves only the raising of finance or not.

iv. Income taxes category: The income taxes category comprises:

- tax expense or tax income included in profit or loss applying IAS 12 Income Taxes
- any related foreign exchange differences.

v. Discontinued operations category: The discontinued operations category comprises income and expenses from discontinued operations as defined in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Notes To The Financial Statements

2.3.1 Standards Issued, Amendments But Not Yet Effective- continued

c IFRS 18 causes amendments to IAS 7 Statement of Cashflows as follows.

Require all entities to use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities.

Remove the presentation alternatives for cash flows related to interest and dividends paid and received as follows

– for entities with no specified main business activities:

o Interest and dividends received will always be classified as cash flows from investing activities

o Interest and dividends paid will always be classified as cash flows from financing activities.

– for entities that invest in assets or provide financing to customers as a main business activity, the entity is required to:

o determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how , applying IFRS 18 - it classifies dividend income, interest income and interest expenses in the statement of profit or loss

o classify the total of each of these cash flows in a single category in the statement of cash flows (that is, either as operating, investing or financing activities)

o classify dividends paid as cash flows from financing activities.

d IFRS 18 causes amendments to IAS 33 Earnings Per Share.

In addition to reporting basic and diluted earnings per share (EPS), entities are permitted by IAS 33 to disclose (in the notes only) additional EPS calculated based on any component of the statement of comprehensive income.

The amendments to IAS 33 permit an entity to disclose these additional EPS only if the numerator is either a total or subtotal identified in IFRS 18 or is an MPM.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. If an entity applies IFRS 18 for an earlier period, it is required to disclose that fact in the notes. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18.

e Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

Right to Defer Settlement

The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Management Expectations

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

2.3.3 Foreign currency translation and transaction

(a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The financial statements are presented in Naira, which is the Group's presentation currency.

(a) Functional and presentation currency

(b) Transactions and balances

Foreign currency transactions (i.e. transactions denominated, or that require settlement, in a currency other than the functional currency) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Notes To The Financial Statements

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Notes To The Financial Statements

2.3.3 Foreign currency translation and transaction-continued

In the case of changes in the fair value of monetary assets denominated in foreign currency classified as fair value through other comprehensive income (FVOCI), a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as FVOCI financial assets, are included in other comprehensive income.

2.4 Financial assets and liabilities (Policy applicable for financial instruments)

2.4.1 Initial recognition

The Group initially recognises loans and advances, deposits and debt securities issued on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, (for an item not at fair value through profit or loss), transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in Net gains/(losses) from financial instruments. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Amortised cost and gross carrying amount

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

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Notes To The Financial Statements

2.4 Financial assets and liabilities (Policy applicable for financial instruments)- continued

2.4.1 Initial recognition- continued

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 Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

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

Interest income

Interest income and expenses are recognised 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 instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired financial assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

a) Debt Instruments

The classification and subsequent measurement of debt instruments depend on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Based on these factors, the Group classifies its debt instruments into one of the following measurement categories:

Amortised Cost: Financial assets that are held within a business model whose objective is collection of contractual cash flows and where such cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss due to impairment or upon derecognition of a debt investment that is subsequently measured at amortised cost is recognised in profit or loss. Interest income from these financial assets using the effective interest rate method is included in "Interest and similar income using the effective interest rate method" .

Fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is achieved both by collection of contractual cash flows and by selling the assets, where those cash flows represent solely payments of principal and interest, and are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other operating income". Interest income from these financial assets using the effective interest rate method is included in "Interest and similar income using the effective interest rate method".

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the profit or loss statement within "Net gains/(losses) from financial instruments classified as held for trading" in the period in which it arises. Interest income from these financial assets is included in "Other Interest and similar income".

Notes To The Financial Statements

2.4.2 Financial Assets - Subsequent Measurement

Business Model Assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing financial assets is achieved and how cash flows are realized.

Solely Payments of Principal and Interest (SPPI) Assessment

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

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

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Reclassifications

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Modifications

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised 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 recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses.

Notes To The Financial Statements

2.4.2 Financial Assets - Subsequent Measurement- continued

b) Equity Instruments

The Group subsequently measures all Quoted and Unquoted equity investments at fair value through other comprehensive income. Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established. These investments are held for strategic purposes rather than for trading purposes. See note 24.3

c) Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value.

The Group uses widely recognised valuation models for determining the fair value of common and simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable markets prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

d) Non-derivative financial assets

The Group revised its internal treasury and risk management systems to support the transition to SOFR. During the course of this transition, the Group's IBOR Transition team established policies for amending the interbank offered rates on existing floating-rate loan portfolio indexed to IBORs. Loan products are amended in a uniform way, while syndicated products, are amended in bilateral negotiations with syndicated loan partners.

e) Non-derivative financial Liabilities

The Bank has floating-rate liabilities indexed to USD LIBOR. The IBOR Transition team and the treasury team discussed with the counterparties of our financial liabilities and amended the contractual terms in response to IBOR reform.

2.4.3 Impairment of Financial Assets

Overview of the ECL principles

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, 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. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12 months ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering if it is 30 days past due. Based on the above process, it groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

Notes To The Financial Statements

2.4.3 Impairment of Financial Assets -continued

- Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 months expected credit losses (12m ECLs). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime expected credit losses (LTECLs). Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: These are loans considered as credit-impaired. The group records an allowance for the LTECLs.

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses

The calculation of ECLs

The Bank calculates ECLs based on a multiple scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PDs is further explained in Note 3.2.4.

EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The EAD is further explained in Note 3.2.4 (c).

LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 3.2.4 (c).

When estimating the ECLs, the Group considers multiple scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. When relevant, the assessment also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier, with the exception of revolving facilities which could extend beyond the contractual life.

Provisions for ECLs for undrawn loan commitments are assessed as set out in Note 2.20. The calculation of ECLs (including the ECLs related to the undrawn element) for revolving facilities is explained in Note 3.2.4 (c).

The mechanics of the ECL method are summarised below:

Notes To The Financial Statements

2.4.3 Impairment of Financial Assets -continued

Stage 1

- The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.
- These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2

- When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

- For financial instruments considered credit-impaired (as defined in Note 3), the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

POCI

- POCI assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial recognition, discounted by the credit-adjusted EIR.

Loan Commitments and Letters of Credit

- When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

- For revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within Provisions.

Financial Guarantee Contracts

- The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the profit or loss, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to financial guarantee contracts are recognised within Provisions.

Bank Overdraft and Other Revolving Facilities

The Group's product offering includes a variety of corporate and retail overdraft and credit cards facilities, in which the Group has the right to cancel and/or reduce the facilities with one day's notice. The Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

Restructured Financial Assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL is measured as follows:

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset.
- if the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Notes To The Financial Statements

2.4.3 Impairment of Financial Assets -continued

Credit-Impaired Financial Assets

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

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

- there is significant financial difficulty of a customer/issuer/obligor (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Group would not otherwise consider.
- it becomes probable that a counterparty/borrower may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties; or
- observable data indicates that there is a measurable decrease in the estimated future cash flows from a group of financial assets.
- the financial asset is 90 days past due

A loan that has been renegotiated due to a deterioration in the borrower's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The Group's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same as it was under IAS 39. Collateral, unless repossessed, is not recorded on the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily. Details of the impact of the Group's various credit enhancements are disclosed in Note 3.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

Collateral Repossessed

The Group's accounting policy under IFRS 9 remains the same as it was under IAS 39. The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the statement of financial position.

2.4.4 Presentation of Allowance for ECL

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

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

Write-Off

The Group writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity and where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write-off financial assets that are still subject to enforcement activity.

Notes To The Financial Statements

2.4.4 Presentation of Allowance for ECL - Continued

Initial and Subsequent Measurement

Financial liabilities are initially measured at their fair value, except in the case of financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. The Group classifies financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading liabilities are recorded and measured in the statement of financial position at fair value.

In both the current and prior period, all financial liabilities are classified and subsequently measured at amortised cost.

Derecognition

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, is 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.

Financial Guarantee Contracts and Loan Commitments

Financial guarantee contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of the debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of the amount of loss allowance and the premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

Notes To The Financial Statements

2.5 Revenue Recognition

Interest income and expense

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

Fees and Commission Income

Fees and commissions are generally recognised on an accrual basis when the service has been provided in line with the requirement of IFRS 15 - Revenue from Contracts with Customers. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Group has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party, are recognised on completion of the underlying transaction.

Income From Bonds or Guarantees and Letters of Credit

Income from bonds or guarantees and letters of credit are recognised on a straight line basis over the life of the bond or guarantee in accordance with the requirement of IFRS 15.

Dividend Income

Dividends are recognised in profit or loss when the entity's right to receive payment is established.

2.6 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, intangible assets that have an indefinite useful life and are not subject to amortisation 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 purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The impairment test may also 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 indication 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.

2.7 Statement of Cash Flows

The Statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities. Cash and cash equivalents include highly liquid investments.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

The Group's assignment of the cash flows to operating, investing and financing category depends on the Group's business model (management approach). Interest received and interest paid are classified as operating cash flows, while dividends received and dividends paid are included in investing and financing activities respectively.

Notes To The Financial Statements

2.8 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 include cash, due from banks and non-restricted balances with central bank.

2.9 Leases

a The Bank is the lessee

i Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

ii Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its **short-term leases** (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of **low-value assets recognition exemption to leases** (i.e., below N1,532,500). Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b The Bank 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. Lease incentives are recognised as a reduction of rental income 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 (before tax), which reflects a constant periodic rate of return.

2.10 Property, Plant and Equipment

Land and buildings comprise mainly branches and offices. All property and equipment used by the Group is stated at historical cost less accumulated depreciation and accumulated impairment losses.

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 included in leasehold land and buildings 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:

- Building: 50 years
- Leasehold Improvements: the lower of useful life and lease period.
- Motor vehicles: 4 years
- Furniture and fittings: 5 years
- Computer equipment: 5 years
- Office equipment: 5 years

Notes To The Financial Statements

2.10 Property, Plant and Equipment- continued

The assets' residual values, depreciation method and useful lives are reviewed annually, and adjusted if appropriate. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in 'Other operating expenses' in profit or loss.

Construction cost and improvements in respect of offices is carried at cost as capital work in progress. On completion of construction or improvements, the related amounts are transferred to the appropriate category of property and equipment. Payments in advance for items of property and equipment are included as Prepayments in "Other Assets" and upon delivery are reclassified as additions in the appropriate category of property, plant and equipment.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.11 Intangible Assets

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:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available;
- and
- 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 costs recognised as intangible assets are amortised on the straight-line basis over the life of the intangible asset and are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.12 Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The Group recognises no provisions for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes To The Financial Statements

2.13 Retirement Obligations and Employee Benefits

The Group operates the following contribution and benefit schemes for its employees:

2.13.1 Defined Contribution Pension Scheme

The Group operates a defined contributory pension scheme for eligible employees. Bank contributes 10% of the employees' Basic, Housing and Transport allowances in line with the provisions of the Pension Reform Act 2014 while employee contributes 8% summing to 18% annual contribution . The Group pays the contributions to a pension fund administrator. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits 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 Group has no further obligation beyond the its 10% contribution at the terminal date or disengagement .

2.13.2 Short-Term Benefits

Wages, salaries, annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses in the statement of profit or loss and paid in arrears when the associated services are rendered by the employees of the Group.

2.14 Termination Benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed , without realistic possibility of withdrawal , to a formal detailed plan to either terminate employment before the normal retirement date , or to provide termination benefits as a result of an offer made to encourage voluntary redundancy . Termination benefits for voluntary redundancies are recognized in the statement of other comprehensive income if the company has made an offer for voluntary redundancy ,it is probable that the offer will be accepted , and the number of acceptances can be estimated reliably.

2.15 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 Group's shareholders.

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

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

2.16 Fair Value Measurement

The Group measures some financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

* In the principal market for the asset or liability

* In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes To The Financial Statements

2.16 Fair Value Measurement- continued

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.17 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

2.18 Segment Reporting

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. The Group has determined the (Executive Committee) as its chief operating decision maker.

An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the types of business activities in which it engages and the economic environments in which it operates. Following the management approach, operating segments are reported in accordance with the internal reports provided to the Group's Managing Director (the chief operating decision maker). The following summary describes each of the Group's reportable segments.

Retail Banking

The retail banking segment offers a comprehensive range of retail, personal and commercial services to individuals, small and medium business customers including a variety of E-Business products to serve the retail banking segment.

Corporate Banking

The corporate banking segment offers a comprehensive range of commercial and corporate banking services to the corporate business customers including other medium and large business customers. The segment covers Power and infrastructure, Oil and Gas Upstream and Downstream, Real Estate, Agro-Allied and other industries.

Investment Banking

The Group's investment banking segment is involved in the funding and management of the Group's securities, trading and investment decisions on asset management with a view of maximising the Group's shareholders returns.

Notes To The Financial Statements

3. Financial risk management and fair value measurement and disclosure

3.1 Introduction and overview

IFRS 7 : An entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. Set out below is the information about the nature and extent of risks arising from the financial instruments to which the group is exposed at the end of the reporting period.

Enterprise Risk Management

The Group runs an Enterprise-wide Risk Management system which is governed by the following key principles:

- i) Comprehensive and well defined policies and procedures designed to identify, assess, measure, monitor and report significant risk exposures of the entity. These policies are clearly communicated throughout the Group and are reviewed annually.
- ii) Clearly defined governance structure.
- iii) Clear segregation of duties within the Risk Management Division, and also between them and the business groups.
- iv) Management of all classes of banking risk broadly categorized into credit, market, liquidity, operational risk independently but in a co-ordinated manner at all relevant levels within the system.
- v) Incorporate the volatility in macro economic variables caused by war and/or pandemic in the inputs and assumptions used for the determination of expected credit losses ("ECLs")

Risk Management Governance Structure

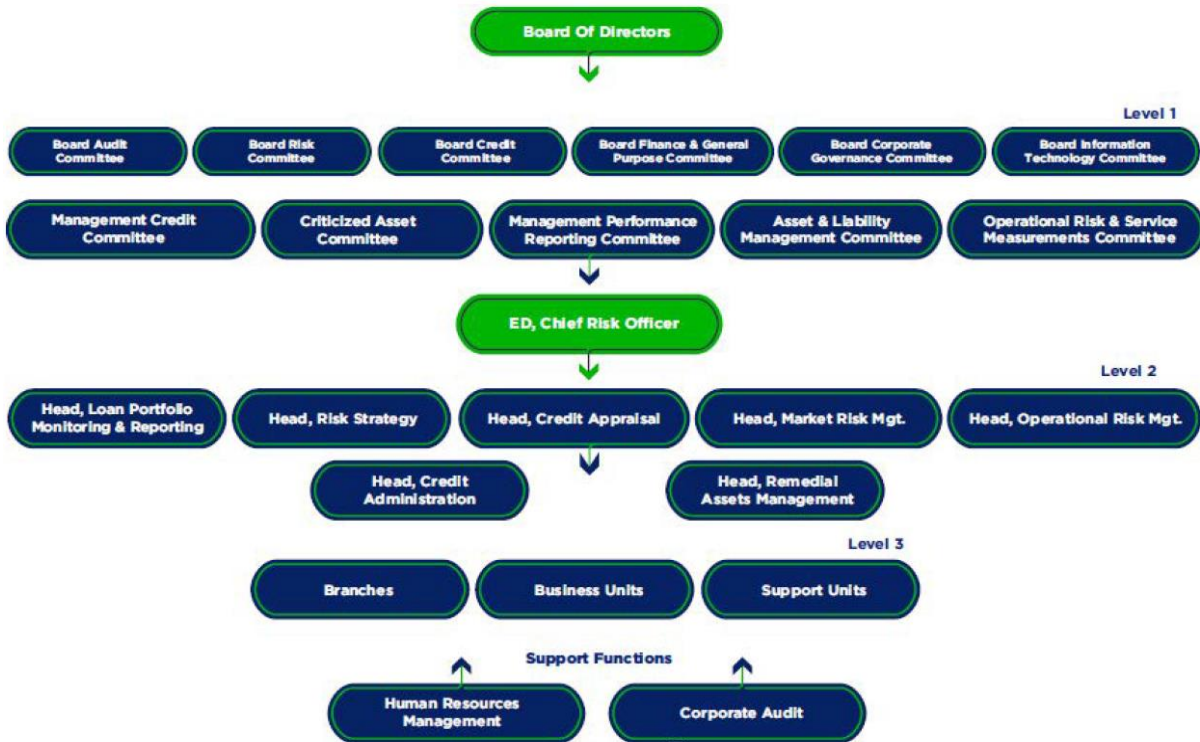
Enterprise-wide risk management roles and responsibilities are assigned to stakeholders in the Group at three levels as follows:

Level 1 - Board/Executive Management oversight is performed by the Board of Directors, Board Audit Committee, Board Risk Management Committee, Board Credit Committee (BCC), Board Finance & General Purpose Committee, Board Information Technology Committee and Executive Management Committee (EXCO).

Level 2 - Senior Management function is performed by the Management Credit Committee (MCC), Criticised Assets Committee (CAC), Asset and Liability Management Committee (ALCO), Operational Risk & Service Measurements Committee (ORSMC), Management Performance Reporting Committee (MPR), The Chief Risk Officer (CRO) and Heads of Enterprise Risk Management, Loan Monitoring and Portfolio Reporting, Credit Appraisal, Credit Administration and Sustainable Banking, Remedial Assets Management, Market Risk Management and Information Technology and Operational Risk Management.

Level 3 - This is performed by all enterprise-wide Business and Support Units. Business and Support Units are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

The Group's Corporate Audit Division assists the Board Risk Committee by providing independent appraisal of the Group's risk framework for internal risk assurance. The Division assesses compliance with established controls and enterprise-wide risk management methodologies. Significant risk related infractions and recommendations for improvement in processes are escalated to relevant Management and Board committees.



Enterprise Risk Management- continued

Enterprise Risk Philosophy

Fidelity Enterprise Risk Mission

Risk Culture

The Group's risk culture proactively anticipates and curtails losses that may arise from its banking risk underwriting. This culture evolved out of the understanding that the Group is in a growth phase which requires strong risk management. By design therefore, the Group operates a managed risk culture, which places emphasis on a mixture of growth and risk control to achieve corporate goals without compromising asset or service quality.

Risk Appetite

The risk appetite describes the quantum of risk that we would assume in pursuit of the Group's business objectives at any point in time. For the Group, it is the core instrument used in aligning the Group's overall corporate strategy, the Group's capital allocation and risks.

The Group defines the Group's Risk Appetite quantitatively at two levels: Enterprise level and Business/Support Unit level.

To give effect to the above, the Board of Directors of the Group sets target Key Performance Indicators (KPIs) at both enterprise and business/support unit levels based on recommendations from the Executive Management Committee (EXCO).

At the Business and Support unit level, the enterprise KPIs are cascaded to the extent that the contribution of each Business/Support Unit to risk losses serves as input for assessing the performance of the Business/Support Unit.

3.2 Credit Risk

3.2.1 Management of credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is the single largest risk for the Group's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors and head of each business unit.

The Group measures and manage credit risk following the principles below:

- Consistent standards as documented in the Group's credit policies and procedures manual are applied to all credit applications and credit approval decisions.
- Credit facilities are approved for counter-parties only if underlying requests meet the Group's standard risk acceptance criteria.
- Every extension of credit or material change to a credit facility (such as its tenor, collateral structure or major covenants) to any counter-party requires approval at the appropriate authority level. The approval limits are as follows:

Individual Approval Limit		
Approving Authority	Tenor	Limit
Business-Facing Executive Director	All tenors	N100m
Managing Director/Chief Executive	All tenors	N200m

Committee Approval Limit					
	MCC			BCC	Board
Obligor Risk Rating	Up to 2yrs	3 – 5yrs	>5yrs	All Tenors	All Tenors
AAA - A	N3bn	N2bn	N1bn	N7.5bn	Above BCC limit up to Single Obligor Limit (SOL)
BBB – B	N2bn	N1.50bn	N1.0bn	N5bn	
CCC	N0.5bn	N0.3bn	Nil	N2bn	

Enterprise Risk Management- continued

- The Group assigns credit approval authorities to individuals according to their qualifications, experience, training and quality of previous credit decisions. These are also reviewed by the Group periodically.
- The Group measures and consolidates all the Group's credit exposures to each obligor on a global basis. The Group's definition of an "obligor" include a group of individual borrowers that are linked to one another by any of a number of criteria the Group have established, including capital ownership, voting rights, demonstrable control, other indication of group affiliation; or are jointly and severally liable for all or significant portions of the credit the Group have extended.
- The Group's respective business units are required to implement credit policies and procedures while processing credit approvals including those granted by Management and Board Committees.
- Each business unit is responsible for the quality, performance and collection of its credit portfolio including those approved by the Management and Board Committees.

3.2.2 Credit Risk Ratings

A primary element of the Group's credit approval process is a detailed risk assessment of every credit associated with a counter-party. The Group's risk assessment procedures consider both the credit worthiness of the counter-party and the risks related to the specific type of credit facility or exposure. This risk assessment not only affects the structuring of the transaction and the outcome of the credit decision, but also influences the level of decision-making authority required to extend or materially change the credit and the monitoring procedures we apply to the on-going exposure.

The Group has its own in-house assessment methodologies and rating scale for evaluating the creditworthiness of its counter-parties. The Group's programmed 9-grade rating model was developed in collaboration with Agosto & Company, a foremost rating agency in Nigeria, to enable comparism between the Group's internal ratings and the common market practice, which ensures comparability between different portfolios of the Group.

Group rating	Applicable score band	Agusto & Co. Limited	Description of the grade
			<i>Investment grade</i>
AAA	90% - 100%	AAA	Exceptionally strong business fundamentals and overwhelming capacity to meet obligations in a timely manner.
			<i>Standard Monitoring</i>
AA	80% - 89%	AA	Very good business fundamentals and very strong capacity to meet obligations
A	70% - 79%	A	Good business fundamentals and strong capacity to meet obligations
BBB	60% - 69%	BBB	Satisfactory business fundamentals and adequate capacity to meet obligations
BB	50% - 59%	BB	Satisfactory business fundamentals but ability to repay may be contingent upon refinancing.
B	40% - 49%	B	Weak business fundamentals and capacity to repay is contingent upon refinancing.
CCC	30% - 39%	CCC	Very weak business fundamentals and capacity to repay is contingent upon refinancing.
CC	20% - 29%	CC	Very weak business fundamentals and capacity to repay in a timely manner may be in doubt.
			<i>Default</i>
C	0% - 19%	C	Imminent Insolvency

Enterprise Risk Management- continued

3.2.2 Credit Risk Ratings- continued

We generally rate all the Group's credit exposures individually. The rating scale and its mapping to the Standard and Poors agency rating scale is as follows:

Internal Rating Categories	Interpretation	Mapping to External Rating (S&P)
AAA	Impeccable financial condition and overwhelming capacity to meet obligations in a timely manner	AAA
AA	Very good financial condition and very low likelihood of default	AA
A	Good financial condition and low likelihood of default	A
BBB to BB	Satisfactory financial condition and adequate capacity to meet obligations	BBB to BB
B to D	Weak financial condition and capacity to repay is in doubt and may be contingent upon refinancing	B to D

3.2.3 Credit Limits

Portfolio concentration limits are set by the Group to specify maximum credit exposures we are willing to assume over given periods. The limits reflect the Group's credit risk appetite. The parameters on which portfolio limits are based include limits per obligor, products, sector, industry, rating grade, geographical location, type of collateral, facility structure and conditions of the exposure.

Monitoring Default Risk

The Group's credit exposures are monitored on a continuing basis using the risk management tools described above. The Group has also put procedures in place to identify at an early stage credit exposures for which there may be an increased risk of loss. Counter-parties that on the basis of the application of the Group's risk management tools, demonstrate the likelihood of problems, are identified well in advance so that the Group can effectively manage the credit exposure and maximize the recovery. The objective of this early warning system is to address potential problems while adequate alternatives for action are still available. This early risk detection is a tenet of the Group's credit culture and is intended to ensure that greater attention is paid to such exposures. In instances where the Group has identified counter-parties where problems might arise, the respective exposure is placed on a watch-list.

3.2.4 Expected Credit Loss Measurement

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
Initial recognition	Significant increase in credit risk since initial recognition	Credit-impaired assets
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

(a) Significant Increase In Credit Risk

At initial recognition, the Group allocates each exposure to a credit risk grade based on available information about the borrower that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined and calibrated such that the risk of default occurring increases as the credit risk deteriorates.

The Group monitors its loans and debt portfolios to determine when there is a significant increase in credit risk in order to transition from stage 1 to stage 2. In assessing significant increase in credit risk, management considers credit rating, prudential classification and backstop (30 days past due presumption) indicators. Financial assets that have been granted forbearance could be considered to have significantly increased in credit risk.

Enterprise Risk Management- continued

Backstop Indicators

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

For assessing increase in credit risk, the Group sets the origination date of revolving and non-revolving facilities as the last re-price date i.e. the last time the lending was re-priced at a market rate.

(b) Definition of Default

The Group considers a financial asset to be in default, which is fully aligned with the credit-impaired, when it meet the following criteria:

Quantitative criteria

- Internal credit rating - Downgrade from Performing to Non-performing (rating grids C and below)
- Days past due (Dpd) observation – DPDs of 90 days and above
- Prudential classification of sub-standard, doubtful or lost

(c) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per “Definition of default and credit-impaired” above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Group’s expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is derived by using historical data to develop specific lifetime PD models for all asset classes. The long term span of historical data is then used to directly model the PD across the life of a exposure. For debt instruments that are not internally rated, the Group obtains the issuer ratings of such instruments and matches them to its internal rating framework to determine the equivalent rating. The lifetime PD curves developed for that rating band will then be used.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a regular basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

(d) Forward-Looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the “base economic scenario”) are provided by the Group’s strategy team on a quarterly basis. The specific macro-economic model applied is a Markov multi-state model of transitions in continuous time with macroeconomic co-variates. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis. This helps to understand the impact these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group’s strategy team also provides other possible scenarios along with scenario weightings. The number of other scenarios used is based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are re-assessed at each reporting date. At 1 January 2025 and 30 September 2025, the Group concluded that the scenarios appropriately captured non-linearities for all its portfolios.

Enterprise Risk Management- continued

(d) Forward-Looking information incorporated in the ECL models- continued

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Economic Variable Assumptions

The most significant period-end assumptions used for the ECL estimate as at 31 December 2024 are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

	6M	2026	2027	2028
Foreign exchange rate (N)				
Base Case	1,678.760	1,790.910	2,059.030	2,363.450
Best Case	1,422.170	1,349.730	1,342.990	1,384.462
Worse Case	1,981.630	2,376.300	3,156.850	4,034.717
Inflation rate				
Base Case	24.19%	19.40%	21.86%	21.26%
Best Case	17.03%	12.22%	13.58%	13.14%
Worse Case	34.85%	30.79%	35.16%	34.41%
Crude Oil (\$)				
Base Case	50.08	52.96	54.30	55.50
Best Case	77.86	76.52	79.38	82.33
Worse Case	28.77	27.27	26.97	27.31
Foreign Reserves (\$ Bn)				
Base Case	50.65	54.24	56.48	60.75
Best Case	48.62	50.36	51.72	53.12
Worse Case	30.69	32.11	32.23	34.37
USD Index				
Base Case	100.81	103.96	108.91	111.21
Best Case	96.14	98.64	102.89	104.05
Worse Case	105.71	109.57	115.27	118.86
GDP				
Base Case	2.63	2.68	2.52	2.48
Best Case	6.84	6.99	6.63	6.53
Worse Case	1.01	1.03	0.96	0.94
MPR				
Base Case	25.50%	21.50%	18.00%	15.00%
Best Case	20.40%	19.35%	16.20%	13.50%
Worse Case	30.60%	25.80%	21.60%	18.00%
Money Supply				
Base Case	4.50	4.52	4.88	5.34
Best Case	5.57	5.63	6.08	6.66
Worse Case	3.64	3.63	3.91	4.28
Baltic Dry				
Base Case	2.06	2.25	2.38	2.50
Best Case	2.92	3.26	3.47	3.68
Worse Case	1.06	1.16	1.24	1.31

(e) Grouping Financial Instruments For Collective Assessment

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics used to determine groupings include instrument type, credit risk ratings and industry.

The aggregation of financial instruments may change over time as new information becomes available.

3.2.5 Maximum Exposure to credit risk before collateral held or other credit enhancements

The Bank's maximum exposure to credit risk as at 30 September, 2025 and 31 December, 2024 is represented by the gross carrying amounts of the financial assets set out below:

Group	Maximum exposure	Collateral held	Surplus collateral	Net exposure
	N'million	N'million	N'million	N'million
30 September 2025				
Financial Assets				
Balances with central bank	11,110	-	-	11,110
Restricted balances with central bank	1,648,289	-	-	1,648,289
Due from banks	1,262,104	-	-	1,262,104
Loans and advances to customers	5,054,213	65,404,366	60,350,153	-
Derivative financial assets	20,878	-	-	20,878
Investments:				
Financial assets at fair value through profit or loss	73,498	-	-	73,498
				-
Debt instruments at fair value through other comprehensive income	193,429	-	-	193,429
				-
Equity instruments at fair value through other comprehensive income	83,631	-	-	83,631
Debt instruments at amortised cost	1,873,224	-	-	1,873,224
Other assets	239,270	-	-	239,270
	10,459,645	65,404,366	60,350,153	5,405,433

Financial Guarantee contracts:				
Performance bonds and guarantees	1,908,991	-	-	1,908,991
Letters of credit	681,491	-	-	681,491
Undrawn portion of overdraft	285,734	-	-	285,734
	2,876,216	-	-	2,876,216

Group	Maximum exposure	Fair value of Collateral held	Surplus collateral	Net exposure
	N'million	N'million	N'million	N'million
31 December 2024				
Financial Assets				
Balances with central bank	75,892	-	-	75,892
Restricted balances with central bank	1,586,350	-	-	1,586,350
Due from banks	597,866	79,395	-	505,251
Loans and advances to customers	4,582,711	32,328,199	27,701,426	-
Derivative financial assets	50,292	-	-	50,292
Investments:				
Financial assets at fair value through profit or loss	5,113	-	-	5,113
				-
Debt instruments at fair value through other comprehensive income	186,571	-	-	186,571
				-
Equity instruments at fair value through other comprehensive income	69,635	-	-	69,635
Debt instruments at amortised cost	1,553,765	-	-	1,553,765
Other assets	143,483	-	-	143,483
	8,851,677	32,407,594	27,701,426	4,176,351

Financial Guarantee contracts:				
Performance bonds and guarantees	1,012,354	-	-	1,012,354
Letters of credit	759,058	3,075	-	755,983
Undrawn portion of overdraft	240,213	-	-	235,336
	2,011,624	3,075	-	2,003,673

*Excluding equity instruments

3.2.5 Maximum Exposure to credit risk before collateral held or other credit enhancements- continued

The Bank's maximum exposure to credit risk as at 30 September, 2025 and 31 December 2024 is represented by the gross carrying amounts of the financial assets set out below:

Bank	Maximum exposure	Collateral held	Surplus collateral	Net exposure
30 September 2025				
Financial Assets	N'million	N'million	N'million	N'million
Balances with central bank	11,110	-	-	11,110
Restricted balances with central bank	1,648,289	-	-	1,648,289
Due from banks	1,009,655	-	-	1,009,655
Loans and advances to customers	4,935,595	65,303,399	60,367,804	-
Derivative financial assets	20,878	-	-	20,878
Investments:				
Financial assets at fair value through profit or loss	73,498	-	-	73,498
				-
Debt instruments at fair value through other comprehensive income	137,058	-	-	137,058
Equity instruments at fair value through other comprehensive income	83,631	-	-	83,631
Debt instruments at amortised cost	1,851,014	-	-	1,851,014
Other assets	238,996	-	-	238,996
	10,009,722	65,303,399	60,367,804	5,074,128

Financial Guarantee contracts:				-
Performance bonds and guarantees	1,908,991	-	-	1,908,991
Letters of credit	681,491	-	-	681,491
Undrawn portion of overdraft	285,734	-	-	285,734
	2,876,216	-	-	2,876,216

Bank	Maximum exposure	Fair value of Collateral held	Surplus collateral	Net exposure
31 December 2024				
Financial Assets	N'million	N'million	N'million	N'million
Balances with central bank	75,892	-	-	75,892
Restricted balances with central bank	1,586,350	-	-	1,586,350
Due from banks	395,192	-	-	395,192
Loans and advances to customers	4,541,322	32,239,119	27,697,797	-
Derivative financial assets	50,292	-	-	50,292
Investments:				
Financial assets at fair value through profit or loss	5,113	-	-	5,113
				-
Debt instruments at fair value through other comprehensive income	112,925	-	-	112,925
				-
Equity instruments at fair value through other comprehensive income	69,635	-	-	69,635
Debt instruments at amortised cost	1,553,765	-	-	1,553,765
Other assets	143,154	-	-	143,154
	8,533,640	32,239,119	27,697,797	3,992,317

Financial Guarantee contracts:				-
Performance bonds and guarantees	1,012,354	-	-	1,012,354
Letters of credit	737,355	-	-	737,355
Undrawn portion of overdraft	235,336	-	-	235,336
	1,985,045	-	-	1,985,045

*Excluding equity instruments

Enterprise Risk Management- continued

3.2.7 Credit Quality

A Maximum Exposure to Credit Risk – Financial instruments subject to impairment

The credit risk model is applied as per homogeneous group of risk assets which can be a portfolio or a rating model (e. g. Master Rating). The bank set up 6 portfolios, three of which are a mix of Corporate and Commercial Accounts segregated on the basis of related economic sectors. The other three portfolios are made up of retails accounts segregated on the basis of similarity of risk characteristics. Details of the portfolios are shown below:

Code	Description
Portfolio 1	Agriculture, Energy, Manufacturing, Construction & Real Estate
Portfolio 2	Government, Public Sector & NBFIs
Portfolio 3	Transport, Communication, Commerce & General
Portfolio 4	Automobile, Equipment & Mortgage Loans
Portfolio 5	Medium and Small Scale Enterprises
Portfolio 6	Personal & Employee Loans

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Bank's maximum exposure to credit risk on these assets.

a) Agriculture, Energy, Manufacturing, Construction & Real Estate Portfolio

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	228,648	101,444	-	330,093
Standard monitoring	1,913,911	1,142,229	-	3,056,140
Default	-	-	39,104	39,104
Gross carrying amount	2,142,560	1,243,673	39,104	3,425,337
Loss allowance	(29,770)	(104,978)	(20,090)	(154,838)
Carrying amount	2,112,790	1,138,695	19,014	3,270,499
	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	258,384	-	-	258,384
Standard monitoring	1,853,778	874,686	-	2,728,464
Default	-	-	48,387	48,387
Gross carrying amount	2,112,162	874,686	48,387	3,035,235
Loss allowance	(8,361)	(81,361)	(31,187)	(120,909)
Carrying amount	2,103,801	793,325	17,200	2,914,326
Bank	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	168,375	101,444	-	269,819
Standard monitoring	1,913,911	1,141,330	-	3,055,241
Default	-	-	39,104	39,104
Gross carrying amount	2,082,286	1,242,774	39,104	3,364,164
Loss allowance	(29,588)	(104,978)	(20,090)	(154,656)
Carrying amount	2,052,698	1,137,796	19,014	3,209,508
	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	258,384	-	-	258,384
Standard monitoring	1,889,370	874,686	-	2,764,056
Default	-	-	47,601	47,601
Gross carrying amount	2,147,754	874,686	47,601	3,070,041
Loss allowance	(8,103)	(81,361)	(31,187)	(120,651)
Carrying amount	2,139,652	793,325	16,413	2,949,390

Enterprise Risk Management- continued

b) Government, Public Sector & NBFIs portfolio

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	13,646	-	-	13,646
Standard monitoring	104,517	120,095	-	224,612
Default	-	-	2,070	2,070
Gross carrying amount	118,164	120,095	2,070	240,329
Loss allowance	(350)	(5,019)	(1,669)	(7,038)
Carrying amount	117,813	115,076	402	233,291

Group	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	71,071	-	-	71,071
Standard monitoring	124,672	92,826	-	217,499
Default	-	-	11,071	11,071
Gross carrying amount	195,744	92,826	11,071	299,641
Loss allowance	(199)	(212)	(4,469)	(4,880)
Carrying amount	195,545	92,614	6,602	294,762

Bank	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	13,646	-	-	13,646
Standard monitoring	87,354	120,095	-	207,449
Default	-	-	2,070	2,070
Gross carrying amount	101,001	120,095	2,070	223,166
Loss allowance	(214)	(5,019)	(1,669)	(6,901)
Carrying amount	100,787	115,076	402	216,265

Bank	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	15,698	-	-	15,698
Standard monitoring	124,672	92,826	-	217,499
Default	-	-	11,071	11,071
Gross carrying amount	140,370	92,826	11,071	244,268
Loss allowance	(196)	(212)	(4,469)	(4,877)
Carrying amount	140,174	92,614	6,602	239,390

c) Transport, Communication, Commerce & General portfolio

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	1,051,569	26,688	-	1,078,257
Default	-	-	43,354	43,354
Gross carrying amount	1,051,569	26,688	43,354	1,121,611
Loss allowance	(5,358)	(147)	(26,783)	(32,288)
Carrying amount	1,046,211	26,541	16,571	1,089,323

Transport, Communication, Commerce & General portfolio- continued

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	819,562	152,708	-	972,270
Default	-	-	46,197	46,197
Gross carrying amount	819,562	152,708	46,197	1,018,467
Loss allowance	(4,024)	(11,248)	(33,453)	(48,725)
Carrying amount	815,538	141,460	12,744	969,742

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	1,043,607	26,688	-	1,070,295
Default	-	-	43,354	43,354
Gross carrying amount	1,043,607	26,688	43,354	1,113,649
Loss allowance	(5,335)	(147)	(26,783)	(32,265)
Carrying amount	1,038,272	26,541	16,571	1,081,384

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	816,990	152,708	-	969,697
Default	-	-	46,197	46,197
Gross carrying amount	816,990	152,708	46,197	1,015,894
Loss allowance	(4,023)	(11,248)	(33,453)	(48,724)
Carrying amount	812,966	141,460	12,744	967,170

d) Automobile, Equipment & Mortgage Loans portfolio

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	86,697	2,964	-	89,660
Default	-	-	4,573	4,573
Gross carrying amount	86,697	2,964	4,573	94,233
Loss allowance	(117)	(497)	(2,888)	(3,502)
Carrying amount	86,580	2,467	1,685	90,731

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	104,932	1,559	-	106,491
Default	-	-	3,876	3,876
Gross carrying amount	104,932	1,559	3,876	110,366
Loss allowance	(40)	-	(2,241)	(2,280)
Carrying amount	104,892	1,559	1,635	108,086

e) Medium and Small Scale Enterprises portfolio

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	78,162	3,193	-	81,356
Default	-	-	261	261
Gross carrying amount	78,162	3,193	261	81,616
Loss allowance	(1,266)	(7)	(82)	(1,355)
Carrying amount	76,896	3,186	179	80,262

Enterprise Risk Management- continued

e) Medium and Small Scale Enterprises portfolio- continued

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	29,063	423	-	29,485
Default	-	-	2,863	2,863
Gross carrying amount	29,063	423	2,863	32,348
Loss allowance	(54)	(11)	(1,291)	(1,357)
Carrying amount	29,008	411	1,571	30,991

f) Personal & Employee Loans portfolio

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	66,601	1,266	4	67,871
Default	-	-	23,216	23,216
Gross carrying amount	66,601	1,266	23,219	91,087
Loss allowance	(493)	(53)	(8,946)	(9,492)
Carrying amount	66,108	1,213	14,273	81,595

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	56,368	1,336	-	57,704
Default	-	-	28,948	28,948
Gross carrying amount	56,368	1,336	28,948	86,653
Loss allowance	(898)	(23)	(16,566)	(17,487)
Carrying amount	55,470	1,313	12,382	69,165

Bank	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	35,319	491	4	35,813
Default	-	-	22,953	22,953
Gross carrying amount	35,319	491	22,957	58,766
Loss allowance	(429)	(45)	(8,932)	(9,406)
Carrying amount	34,890	446	14,024	49,360

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	39,480	217	-	39,698
Default	-	-	28,707	28,707
Gross carrying amount	39,480	217	28,707	68,404
Loss allowance	(874)	(23)	(16,487)	(17,384)
Carrying amount	38,607	194	12,219	51,020

Enterprise Risk Management- continued

3.2.7 Credit Quality

B Reconciliation of Allowance for Impairment by portfolio

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
At 1 January	(13,561)	(92,855)	(89,205)	(195,621)
Agric, Energy, Manufactur'g, Const'n & Real Estate Portfolio	(22,671)	(23,623)	12,954	(33,340)
Government, Public Sector & NBFIs portfolio	(154)	(4,806)	2,800	(2,160)
Transport, Comm, Commerce & General portfolio	(1,334)	11,101	6,670	16,437
Automobile, Equipment & Mortgage Loans portfolio	(77)	(497)	(647)	(1,221)
Medium and Small Scale Enterprises portfolio	39	9	(646)	(598)
Personal & Employee Loans portfolio	404	(30)	7,617	7,991
At 30 September	(37,354)	(110,701)	(60,458)	(208,513)

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
At 1 January	(21,453)	(71,408)	(51,273)	(144,134)
Agric, Energy, Manufactur'g, Const'n & Real Estate Portfolio	8,399	(25,276)	(17,745)	(34,622)
Government, Public Sector & NBFIs portfolio	761	9,215	2,177	12,153
Transport, Comm, Commerce & General portfolio	(1,164)	(5,390)	(23,335)	(29,889)
Automobile, Equipment & Mortgage Loans portfolio	316	4	(2,239)	(1,919)
Medium and Small Scale Enterprises portfolio	131	(11)	2,594	2,714
Personal & Employee Loans portfolio	(506)	(16)	613	92
At 31 December	(13,515)	(92,882)	(89,208)	(195,605)

Bank	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
At 1 January	(13,290)	(92,855)	(89,128)	(195,273)
Agric, Energy, Manufactur'g, Const'n & Real Estate Portfolio	(22,735)	(23,623)	12,954	(33,405)
Government, Public Sector & NBFIs portfolio	(18)	(4,806)	2,800	(2,024)
Transport, Comm, Commerce & General portfolio	(1,312)	11,101	6,670	16,459
Automobile, Equipment & Mortgage Loans portfolio	(77)	(497)	(647)	(1,221)
Medium and Small Scale Enterprises portfolio	39	9	(646)	(598)
Personal & Employee Loans portfolio	445	(22)	7,555	7,978
At 30 September	(36,948)	(110,692)	(60,443)	(208,084)

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
At 1 January	(21,277)	(71,377)	(51,273)	(143,927)
Agric, Energy, Manufactur'g, Const'n & Real Estate Portfolio	8,565	(25,276)	(17,745)	(34,456)
Government, Public Sector & NBFIs portfolio	760	9,215	2,177	12,152
Transport, Comm, Commerce & General portfolio	(1,301)	(5,393)	(23,335)	(30,029)
Automobile, Equipment & Mortgage Loans portfolio	316	4	(2,239)	(1,919)
Medium and Small Scale Enterprises portfolio	131	(11)	2,594	2,714
Personal & Employee Loans portfolio	(483)	(17)	692	192
At 31 December	(13,290)	(92,855)	(89,128)	(195,273)

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Enterprise Risk Management- continued

Group

	30 September 2025				
	Cash and	Due from	Loans and	Debt	Other
	balance with	banks	advances to	securities	assets
	Central bank	customers	customers	customers	customers
	N'million	N'million	N'million	N'million	N'million
Not Due & Not impaired	1,859,314	1,262,104	3,442,678	2,145,155	238,996
Past due and not impaired (0-30 days)	-	-	102,749	-	-
Past due and not impaired (31-90 days)	-	-	1,396,210	-	-
Past due and impaired (aged above 90 days)	-	-	#REF!	-	-
Gross	1,859,314	1,262,104	#REF!	2,145,155	238,996
Impairment allowance	(36)	(1,793)	(208,512)	(2,339)	(1,347)
Net	1,859,279	1,260,311	#REF!	2,142,816	237,648

	31 December 2024				
	Cash and	Due from	Loans and	Debt	Other assets
	balance with	banks	advances to	securities	assets
	Central bank	customers	customers	customers	customers
	N'million	N'million	N'million	N'million	N'million
Not Due & Not impaired	1,839,208	497,650	3,425,624	1,745,457	143,154
Past due and not impaired (0-30 days)	-	-	86,487	-	-
Past due and not impaired (31-90 days)	-	-	973,682	-	-
Past due and impaired (aged above 90 days)	-	-	141,342	-	-
Gross	1,839,208	497,650	4,627,136	1,745,457	143,154
Impairment allowance	(22)	(1,684)	(195,636)	(1,584)	(7,857)
Net	1,839,187	495,967	4,431,499	1,743,873	135,297

Bank

	30 September 2025				
	Cash and	Due from	Loans and	Debt	Other
	balance with	banks	advances to	securities	assets
	Central bank	customers	customers	customers	customers
	N'million	N'million	N'million	N'million	N'million
Not Due & Not impaired	1,691,539	1,009,655	3,332,308	2,061,570	238,996
Past due and not impaired (0-30 days)	-	-	94,683	-	-
Past due and not impaired (31-90 days)	-	-	1,396,204	-	-
Gross	1,691,539	1,009,655	4,823,276	2,061,570	238,996
Impairment allowance	-	(1,478)	(208,084)	(2,206)	(1,347)
Net	1,691,539	1,008,177	4,615,192	2,059,363	237,648

	31 December 2024				
	Cash and	Due from	Loans and	Debt	Other assets
	balance with	banks	advances to	securities	assets
	Central bank	customers	customers	customers	customers
	N'million	N'million	N'million	N'million	N'million
Not Due & Not impaired	1,697,639	395,192	3,340,861	1,671,803	143,154
Past due and not impaired (0-30 days)	-	-	86,465	-	-
Past due and not impaired (31-90 days)	-	-	973,682	-	-
Past due and impaired (aged above 90 days)	-	-	140,313	-	-
Gross	1,697,639	395,192	4,541,322	1,671,803	143,154
Impairment allowance	-	(1,150)	(195,273)	(1,576)	(7,857)
Net	1,697,639	394,042	4,346,049	1,670,226	135,297

(a) Financial assets collectively impaired (Stage 1 and Stage 2)

The credit rating of the portfolio of financial assets that were collectively impaired can be assessed by reference to the internal rating system adopted by the Bank.

Group	Due from					Total Loan	Other assets
	Banks	Overdrafts	Term loans	Finance lease	N'million		
30 September 2025	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Grades:							
1. AAA to AA	282,415	220,001	104,383	-	196,821	-	-
2. A+ to A-	255,266	22,228	253,498	-	278,397	-	-
3. BBB+ to BB-	398,697	490,941	3,371,560	2,885	4,102,745	239,270	-
4. Below BB-	129,976	3,242	371,388	-	364,682	-	-
5. Unrated	28,010	50	101,456	-	457	-	-
	1,094,364	736,462	4,202,284	2,885	4,943,102	239,270	239,270
Collective Impairment	(1,793)	(41,124)	(106,922)	(8)	(150,740)	(1,347)	(1,347)
Net amount	1,092,571	695,338	4,095,362	2,876	4,792,363	237,923	237,923

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31 December 2024	N'million	N'million	N'million	N'million	N'million	N'million
Grades:						
1. AAA to AA	233,395	4,573	278,068	-	282,641	-
2. A+ to A-	97,671	10,042	249,511	-	259,553	-
3. BBB+ to BB-	56,127	374,835	3,154,884	4,091	3,533,810	143,154
4. Below BB-	103,927	121,873	342,995	108	560,904	-
5. Unrated	6,530	6	85,122	-	91,658	-
	497,650	511,329	4,110,580	4,199	4,728,566	143,154
Collective Impairment	(1,684)	(84,367)	(111,147)	(43)	(196,091)	(7,857)
Net amount	495,967	426,962	3,999,433	4,155	4,532,474	135,297

Bank	Due from					
	Banks	Overdrafts	Term loans	Finance lease	Total Loan	Other assets
30 September 2025	N'million	N'million	N'million	N'million	N'million	N'million
Grades:						
1. AAA to AA	282,415	220,001	104,383	-	196,821	-
2. A+ to A-	255,266	22,228	253,498	-	278,397	-
3. BBB+ to BB-	398,697	490,941	3,371,560	2,885	4,102,745	238,996
4. Below BB-	73,277	3,242	354,225	-	364,682	-
5. Unrated	-	48	266	-	457	-
	1,009,655	736,460	4,083,931	2,885	4,943,102	238,996
Collective Impairment	(1,478)	(41,124)	(106,508)	(8)	(150,740)	(1,347)
Net amount	1,008,177	695,336	3,977,424	2,876	4,792,363	237,648

31 December 2024	N'million	N'million	N'million	N'million	N'million	N'million
Grades:						
1. AAA to AA	233,395	4,573	278,068	-	282,641	-
2. A+ to A-	97,671	10,042	249,511	-	259,553	-
3. BBB+ to BB-	56,127	374,835	3,154,884	4,091	3,533,810	143,154
4. Below BB-	7,999	121,873	342,975	108	464,956	-
5. Unrated	-	3	360	-	362	-
	395,192	511,325	4,025,798	4,199	4,541,322	143,154
Collective Impairment	(1,150)	(84,367)	(110,863)	(43)	(195,273)	(7,857)
Net amount	394,042	426,958	3,914,935	4,155	4,346,049	135,297

b Maximum Exposure To Credit Risk – Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment i.e. fair value through profit or loss (FVTPL):

Group	Maximum exposure to credit risk			
	Group		Bank	
	2025	2024	2025	2024
	N'million	N'million	N'million	N'million
Financial assets designated at fair value through profit or loss				
• Debt securities				
Federal Government bonds	10,968	331	10,968	331
Treasury bills	17,484	4,782	17,484	4,782
Placements	-	-	-	-
	28,452	5,113	28,452	5,113
Derivative financial assets	21,473	50,295	37,153	230,087
Bank				
Maximum exposure to credit risk				
Group		Bank		
2025	2024	2025	2024	
N'million	N'million	N'million	N'million	
Financial assets designated at fair value through profit or loss				
• Debt securities				
Federal Government bonds	10,968	331	10,968	331
Treasury bills	17,484	4,782	17,484	4,782
Placements	-	-	-	-
	28,452	5,113	28,452	5,113
Derivative financial assets	21,176	50,293	20,878	50,292

The credit rating of cash and cash equivalents, short-term investments and investments in government and corporate securities that were neither past due nor impaired can be assessed by reference to the bank's internal ratings as at 30 September 2025 and 31 December 2024:

Enterprise Risk Management- continued

Group

	Investments in Government and other Securities					Total
	Cash & cash equivalents	Treasury bills	Federal Govt bonds	State bonds	Corporate bonds	
	N'million	N'million	N'million	N'million	N'million	N'million
30 September 2025						
AAA to AA	325,664	1,546,164	542,925	-	-	2,414,753
A+ to A-	255,266	-	-	8,733	20,123	284,123
BBB+ to BB-	398,697	-	-	-	-	398,697
Below BB-	-	-	27,210	-	-	27,210
Unrated	-	-	-	-	-	-
	979,627	1,546,164	570,135	8,733	20,123	3,124,782

	Investments in Government and other Securities					Total
	Cash & cash equivalents	Treasury bills	Federal Govt bonds	State bonds	Corporate bonds	
	N'million	N'million	N'million	N'million	N'million	N'million
31 December 2024						-
AAA to AA	344,684	1,204,461	515,703	-	-	2,064,849
A+ to A-	97,671	-	-	10,027	15,265	122,963
BBB+ to BB-	56,127	-	-	-	-	56,127
Below BB-	-	-	-	-	-	-
Unrated	-	-	-	-	-	-
	498,483	1,204,461	515,703	10,027	15,265	2,243,939

Loss allowance

Bank

	Investments in Government and other Securities					Total
	Cash & cash equivalents	Treasury bills	Federal Govt bonds	State bonds	Corporate bonds	
	N'million	N'million	N'million	N'million	N'million	N'million
30 September 2025						
AAA to AA	325,664	1,489,788	542,925	-	-	2,358,377
A+ to A-	255,266	-	-	8,733	20,123	284,123
BBB+ to BB-	398,697	-	-	-	-	398,697
Below BB-	73,277	-	-	-	-	73,277
Unrated	-	-	-	-	-	-
	1,052,904	1,489,788	542,925	8,733	20,123	3,114,474

	Investments in Government Securities					Total
	Cash & cash equivalents	Treasury bills	Federal Govt bonds	State bonds	Corporate bonds	
	N'million	N'million	N'million	N'million	N'million	N'million
31 December 2024						-
AAA to AA	344,684	1,130,807	515,703	-	-	1,991,195
A+ to A-	97,671	-	-	10,027	15,265	122,963
BBB+ to BB-	56,127	-	-	-	-	56,127
Below BB-	7,999	-	-	-	-	7,999
Unrated	-	-	-	-	-	-
	506,481	1,130,807	515,703	10,027	15,265	2,178,284

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Additional allowances for new financial instruments recognised during the period as well as releases for financial instruments derecognised in the
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis; and
- Foreign exchange re-translations for assets denominated in foreign currencies and other movements.

3.2.8 Enterprise Risk Management- continued
Description of Collateral Held

Potential credit losses from any given exposure are mitigated using a range of tools including collateral securities, insurance bonds and policies as well as different forms of guarantees. The Group assesses the degree of reliance that can be placed on these credit risk mitigants carefully in the light of issues such as legal enforceability, market valuation, correlation with exposure and the counterparty risk of the guarantor.

(a) Key Collateral Management Policies

The Group's risk mitigation policies determine the eligibility of collateral types. Eligible collateral types for credit risk mitigation include: cash; residential, commercial and industrial property in acceptable locations; fixed assets such as motor vehicles, plant and machinery; marketable securities; bank guarantees; confirmed domiciliation of payments; credit and insurance bonds, warehouse warrants, lien on shipping documents; back-to-back letters of credit; etc. The Bank also enters into collateralised reverse repurchase agreements where appropriate. For certain types of lending, typically mortgages and asset financing, the right to take charge over physical assets is a significant consideration in determining appropriate pricing and recoverability in the event of default.

The Group reports collateral values in accordance with the Group's risk mitigation policy, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Depending on the nature of the collateral, frequent or periodic evaluations are carried out to determine the adequacy of collateral margins. Services of independent professional appraisers are used where the Group lacks adequate internal valuation capability or where dictated by industry practice or legal requirements. Where appropriate, collateral values are adjusted to reflect current market conditions, the probability of recovery and the period of time to realise the collateral in the event of repossession.

The Group will only grant unsecured loans where clean lending is a market feature and insistence on security would compromise Bank's market share. In such an instance, the Group ensures that the borrower has proven record of sound financial condition and ability to repay the loan from internal sources in the ordinary course of business. In addition, we ensure that total outstanding borrowings of the obligor do not exceed 70% of estimated asset value.

The Group believes that the requirement for collateral is not a substitute for the ability to pay, which is a primary consideration in the Bank's lending decisions. Although the Group will usually collateralise its credit exposure to a customer, such an obligor is expected to repay the loan in the ordinary course of business without forcing the Group to look to the collateral for ultimate repayment. Therefore, if while reviewing a loan request, there is the possibility that the collateral will need to be relied upon to repay the loan, the Group will not grant the facility.

Where guarantees are used for credit risk mitigation, the creditworthiness of the guarantor is assessed and established using the credit approval process in addition to that of the obligor or main counterparty.

Management of secured credits requires periodic inspections of the collateral to ensure its existence and adequacy for the bank's exposure. These inspections include examination of security agreements to determine enforceability of liens, verification of adequate insurance protection, proper legal registration and adequacy of overall safeguards.

When obligations are secured by marketable securities, predetermined maintenance margins are established and the securities are liquidated if the value falls to this limit except if additional and satisfactory security is provided. In all cases, only valuations done at the instance of the Group can be considered acceptable for the purposes of credit risk mitigation. The Group ensures that all properties and chattels pledged as collateral are properly and adequately insured with the Group's interest duly noted as first loss beneficiary. Only insurance policies obtained from an insurance firm in the Group's pre-approved list of Insurance Companies are acceptable as eligible collateral.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior year.

The following table indicates the Bank's credit exposures by class and value of collaterals:

Group	30 September 2025		31 December 2024	
	Exposure	Collateral Value	Exposure	Collateral Value
	N'million	N'million	N'million	N'million
Secured against real estate	815,010	1,238,624	111,632	397,269
Secured by shares of quoted companies	3,920	3,920	3,949	7,598
Secured by others	4,192,934	64,151,212	4,231,585	31,828,631
Unsecured	42,348	-	235,545	-
Gross Loans and Advances to Customers	5,054,213	65,393,757	4,582,711	32,233,498

Enterprise Risk Management- continued

Bank	30 September 2025		31 December 2024	
	Exposure	Collateral Value	Exposure	Collateral Value
	N'million	N'million	N'million	N'million
Secured against real estate	753,335	1,153,007	75,185	336,233
Secured by shares of quoted companies	3,920	3,920	3,949	7,598
Secured by others	4,153,643	64,146,471	4,227,102	31,806,207
Unsecured	24,697	-	235,087	
Gross Loans and Advances to Customers	4,935,595	65,303,399	4,541,322	32,150,039

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses.

3.3 Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lenders.

3.3.1 Management of Liquidity Risk

The Group's principal liquidity objective is to ensure that the Group holds sufficient liquid reserve to enable it meet all probable cashflow obligations, without incurring undue transaction costs under normal conditions. Liquidity management safeguards the ability of the group to meet all payment obligations as they fall due. The Group's liquidity risk management framework has been an important factor in maintaining adequate liquidity and a healthy funding profile during the period and is structured to identify, measure and manage the Group's liquidity risk at all times. The Board approved liquidity policy guides the management of liquidity risk strategically through the Board Risk Management Committee (BRMC) as well as Asset and Liability Committee (ALCO) and daily by the Market Risk Division. The liquidity management framework is designed to identify, measure and manage the Group's liquidity risk position at all times. Underlying Assets and Liabilities Management policies and procedures are reviewed and approved regularly by the Assets and Liability Management Committee (ALCO).

The Group has established liquidity and concentration limits and ratios, tolerance levels as well as triggers, through which it identifies liquidity risk. It also uses gap analysis to identify short, medium and long term mismatches, deploying gapping strategies to appropriately manage them. Periodic monitoring is carried out to trigger immediate reaction to deviations from set limits.

Short-Term Liquidity

The Group's reporting system tracks cash flows on a daily basis. This system allows management to assess the Group's short-term liquidity position in each location by currency and products. The system captures all of the Group's cash flows from transactions on the Group's Statement of financial position, as well as liquidity risks resulting from off-balance sheet transactions. We take account of products that have no specific contractual maturities by extrapolating from their historical behaviour of cash flows.

Asset Liquidity

The asset liquidity component tracks the volume and booking location of the Group's inventory of unencumbered liquid assets, which we can use to raise liquidity in times of need. The liquidity of these assets is an important element in protecting us against short-term liquidity squeezes. We keep a portfolio of highly liquid securities in major currencies to supply collateral for cash needs associated with clearing activities.

Funding Diversification

Diversification of the Group's funding profile in terms of investor types, regions, products and instruments is also an important element of the Group's liquidity risk management practices. In addition, the group invests in liquid assets to facilitate quick conversion to cash, should the need arise.

Stress Testing

As a result of volatilities which take place in the Group's operating environment, the Group conducts stress tests to evaluate the size of potential losses related to rate movements under extreme market conditions. These are conducted on elements of its trading portfolio and the balance sheet in response to the economic and market outlook. Consideration is given to historical events, prospective events and regulatory guidelines. The Group, after ALCO's authorization, responds to the result of this activity, by modifying the portfolio and taking other specific steps to reduce the expected impact in the event that these risks materialize.

Enterprise Risk Management- continued

3.3.2 Maturity Analysis

The table below analyses financial assets and liabilities of the Group into relevant maturity bands based on the remaining period at reporting date to the contractual maturity date. The table includes both principal and interest cash flows.

Group	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
30 September 2025	N'million	N'million	N'million	N'million	N'million	N'million
Non-derivative assets						
Restricted balances with central bank	-	-	-	1,648,289	-	1,648,289
Cash and Cash equivalents	1,303,560	-	-	-	-	1,303,560
Loans and advances to customers	1,340,114	599,252	928,073	1,911,407	3,670,171	8,449,017
Derivative financial assets	-	-	20,878	-	-	20,878
Investment securities	-	-	-	-	-	-
- Financial instrument at FVTPL	206	31,620	21,849	15,987	6,017	75,679
- Debt instruments at amortised	149,504	342,975	1,019,883	295,680	900,553	2,708,595
- Debt instruments at FVOCI	62,402	19,405	40,080	182,427	52,426	356,740
Other Assets	23,900	119,498	97,224	-	-	240,621
Total financial assets	2,879,687	1,112,749	2,127,986	4,053,791	4,629,168	14,803,380
Derivative assets						
Trading :						
Gross settled		20,878		-	-	20,878
Net settled						
	-	20,878	-	-	-	20,878
Total financial assets	2,879,687	1,133,627	2,127,986	4,053,791	4,629,168	14,824,258
Financial liabilities						
Non-derivative liabilities						
Customer deposits	774,741	662,571	1,126,324	2,501,223	2,647,787	7,712,645
Other liabilities	271,287	313,454	369,240	299,041	33,090	1,286,112
Debt issued and other borrowed funds	16,125	299,547	97,426	739,844	216,680	1,369,622
	1,062,152	1,275,573	1,592,990	3,540,108	2,897,556	10,368,379
Derivative Liabilities						
Trading :						
Gross settled	-	-	-	-	-	-
Net settled						
	-	-	-	-	-	-
Total financial liabilities	1,062,152	1,275,573	1,592,990	3,540,108	2,897,556	10,368,379
Gap (assets-liabilities)	1,817,534	(141,946)	534,997	513,683	1,731,611	
Cumulative liquidity gap	1,817,534	1,675,588	2,210,584	2,724,267	4,455,878	
Financial Guarantee Contracts:						
Performance bonds and guarantees	53,954	91,712	1,071,409	360,340	331,576	1,649,298
Letters of credit	90,759	102,298	462,253	42,315	-	1,067,196
	144,713	194,010	1,533,663	402,655	331,576	2,716,494

Enterprise Risk Management- continued

3.3.2 Maturity Analysis - continued

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
31 December 2024	N'million	N'million	N'million	N'million	N'million	N'million
Restricted balances with central bank	-	-	-	1,222,184	-	1,222,184
Cash and Cash equivalents	707,450	-	-	-	-	707,450
Loans and advances to customers	1,057,774	754,381	863,579	1,607,632	3,394,620	7,677,987
Derivative financial assets	50,293	-	-	-	-	50,293
Investment securities	-	-	-	-	-	-
- Financial instrument at FVTPL	473	1,312	7,505	758	1	10,050
- Debt instruments at amortised	47,504	24,253	920,150	331,537	939,419	2,262,863
- Debt instruments at FVOCI	30,771	49,481	81,615	184,174	64,609	410,649
Other Assets	14,315	71,577	57,262	6,075	-	149,229
Total financial assets	1,908,580	901,005	1,930,111	3,352,360	4,398,650	12,490,705
Derivative assets						
Trading :						
Gross settled		50,293		-	-	50,293
Net settled						
	-	50,293	-	-	-	50,293
Total financial assets	1,908,580	951,298	1,930,111	3,352,360	4,398,650	12,540,999
Financial liabilities						
Non-derivative liabilities						
Customer deposits	693,572	544,988	944,385	2,011,368	2,103,268	6,297,581
Other liabilities	149,707	161,252	180,218	147,039	401,977	1,040,193
Debt issued and other borrowed funds	291	80,149	120,223	776,358	128,297	1,105,319
	843,571	786,389	1,244,826	2,934,765	2,633,542	8,443,093
Derivative Liabilities						
Trading :						
Gross settled	-	-	-	-	-	-
Net settled						
	-	-	-	-	-	-
Total financial liabilities	843,571	786,389	1,244,826	2,934,765	2,633,542	8,443,093
Gap (assets-liabilities)	1,065,009	164,909	685,284	417,595	1,765,108	
Cumulative liquidity gap	1,065,009	1,229,918	1,915,202	2,332,797	4,097,905	
Financial Guarantee Contracts:						
Performance bonds and guarantees	56,194	61,865	304,845	406,985	182,463	1,012,354
Letters of credit	252,570	292,634	218,731	-	-	763,934
Total	308,764	354,499	523,576	406,985	182,463	1,776,288

Enterprise Risk Management- continued

3.3.2 Maturity Analysis - continued

Bank

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
	N'million	N'million	N'million	N'million	N'million	N'million
30 September 2025						
Non-derivative assets						
Restricted balances with central bank	-	-	-	1,648,289	-	1,648,289
Cash and Cash equivalents	1,140,345	74,621	91,920	-	-	1,306,886
Loans and advances to customers	1,226,098	596,573	918,534	1,875,378	3,629,850	8,246,432
Derivative financial assets	-	-	20,878	-	-	20,878
Investment securities	-	-	-	-	-	-
- Financial instrument at FVTPL	206	31,620	21,849	15,987	6,017	75,679
- Debt instruments at amortised	134,428	342,975	1,019,883	291,387	892,841	2,681,514
- Debt instruments at FVOCI	6,031	19,405	40,080	182,427	52,426	300,368
Other Assets	23,900	119,498	91,433	-	-	234,830
Total financial assets	2,531,008	1,184,690	2,204,576	4,013,469	4,581,134	14,514,877
Derivative assets						
Trading :						
Gross settled	-	20,878	-	-	-	20,878
Net settled	-	-	-	-	-	-
	-	20,878	-	-	-	20,878
Total financial assets	2,531,008	1,205,568	2,204,576	4,013,469	4,581,134	14,535,754
Financial liabilities						
Non-derivative liabilities						
Customer deposits	573,806	594,858	1,025,433	2,497,868	2,647,787	7,339,752
Other liabilities	271,287	313,454	365,307	299,041	33,090	1,282,179
Debt issued and other borrowed funds	16,125	299,547	97,426	739,844	132,526	1,285,469
	861,218	1,207,859	1,488,166	3,536,753	2,813,403	9,907,399
Derivative Liabilities						
Trading :						
Gross settled	-	-	-	-	-	-
Net settled	-	-	-	-	-	-
	-	-	-	-	-	-
Total financial liabilities	861,218	1,207,859	1,488,166	3,536,753	2,813,403	9,907,399
Gap (assets-liabilities)	1,669,790	(2,291)	716,409	476,716	1,767,731	
Cumulative liquidity gap	1,669,790	1,667,498	2,383,908	2,860,624	4,628,355	
Financial Guarantee Contracts:						
Performance bonds and guarantees	53,954	91,712	1,071,409	360,340	331,576	1,649,298
Letters of credit	74,624	102,298	462,253	42,315	-	1,040,617
	128,578	194,010	1,533,663	402,655	331,576	2,689,915

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31 December 2024	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
	N'million	N'million	N'million	N'million	N'million	N'million
Restricted balances with central bank	-	-	-	1,586,350	-	1,586,350
Cash and Cash equivalents	506,580	-	-	-	-	506,580
Loans and advances to customers	826,365	720,468	850,047	1,575,936	3,376,248	7,349,064
Derivative financial assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
- Financial instrument at FVTPL	473	1,312	7,505	758	1	10,050
- Debt instruments at amortised	47,504	24,253	920,150	331,537	939,419	2,262,863
- Debt instruments at FVOCI	1	6,604	81,615	184,174	64,609	337,003
Other Assets	14,315	71,577	57,262	-	-	143,154
Total financial assets	1,395,238	824,215	1,916,578	3,678,755	4,380,278	12,195,064
Derivative assets						
Trading :						
Gross settled		50,292		-	-	50,292
Net settled						
	-	50,292	-	-	-	50,292
Total financial assets	1,395,238	874,507	1,916,578	3,678,755	4,380,278	12,245,356
Financial liabilities						
Non-derivative liabilities						
Customer deposits	516,144	485,881	862,192	1,998,773	2,103,268	5,966,258
Other liabilities	148,926	161,252	176,267	147,039	401,977	1,035,461
Debt issued and other borrowed funds	291	80,149	120,223	776,358	128,297	1,105,319
	665,362	727,281	1,158,683	2,922,170	2,633,542	8,107,038
Derivative Liabilities						
Trading :						
Gross settled	-	-	-	-	-	-
Net settled						
	-	-	-	-	-	-
Total financial liabilities	665,362	727,281	1,158,683	2,922,170	2,633,542	8,107,038
Gap (assets-liabilities)	729,877	147,226	757,896	756,584	1,746,735	
Cumulative liquidity gap	729,877	877,102	1,634,998	2,391,583	4,138,318	
Financial Guarantee Contracts:						
Performance bonds and guarantees	56,194	61,865	304,845	406,985	182,463	1,012,354
Letters of credit	225,990	292,634	218,731	-	-	737,355
Total	282,185	354,499	523,576	406,985	182,463	1,749,709

Enterprise Risk Management- continued

3.4 Market Risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will be adversely affected by changes in market prices such as interest rates, foreign exchange rates, equity prices and commodity prices.

3.4.1 Management of Market Risk

Essentially, the banking business is subject to the risk that financial market prices and rates will move and result in profits or losses for us. Market risk arises from the probability of adverse movements in financial market prices and rates. The Group's definition of financial market prices in this regard refer to interest rates, equity prices, foreign exchange rates, commodity prices, the correlations among them and their levels of volatility. Interest rate and equity price risks consist of two components each: general risk, which describes value changes due to general market movements, and specific risk which has issuer-related causes.

The Group assumes market risk in both the Group's trading and non-trading activities. The Group underwrite market risks by making markets and taking proprietary positions in the inter-bank, bonds, foreign exchange and other security markets. The Group separates its market risk exposures between the trading and the banking books. Overall authority and management of market risk in the Group is invested on the Assets and Liability Management Committee (ALCO).

The Board approves the Group's Market Risk Management policy and performs its oversight management role through the Board Risk Management Committee (BRMC). The Group's trading strategy evolves from its business strategy, and is in line with its risk appetite. The Group's Market Risk division manages the Group's market risk in line with established risk limits, which are measured, monitored and reported periodically. Established risk limits, which are monitored on a daily basis by the Group's Market Risk group, include intraday, daily devaluation for currency positions, net open position, dealers', deposit placement, stop loss, duration and management action trigger limits. Daily positions of the Group's trading books are marked-to-market to enable it obtain an accurate view of its trading portfolio exposures. Financial market prices used in the mark-to-market exercise are independently verified by the Market Risk division with regular reports prepared at different levels to reflect volatility of the Groups earnings

3.6 Operational Risk Management

Operational risk is the potential for loss arising from inadequate or failed internal processes, people and systems or from external events. This definition includes legal and regulatory risk, but excludes strategic and reputational risk.

The scope of operational risk management in the Group covers risk exposures that may lead to unavailability of service, information deficiency, financial loss, increased costs, loss of professional reputation, failure to keep or increase market share, risks which result in the imposition of sanctions on the Group by regulators or legal proceedings against the Group by third parties.

- The event of Covid-19, escalating awareness on cyber security threats made the Group put additional focus on several operational risk aspects, such as:
 - Business continuity plans to support our employees, customers and overall businesses.
 - Potential increase of cyber risk due to new conditions in business management and remote working. Our cyber security programme continued to be improved by strengthening detection, response and protection mechanisms.
 - Increase in technological support in order to ensure adequate customer service and correct performance of our services, especially in online banking and call centres.

Organizational Set-up

Operational Risk Management is an independent risk management function within Fidelity Bank group. The Operational Risk & Service Measurements Committee is the main decision-making committee for all operational risk management matters and approves the Group's standards for identification, measurement, assessment, reporting and monitoring of operational risk. Operational Risk Management is responsible for defining the operational risk framework and related policies while the responsibility for implementing the framework day-to-day operational risk management lies with the Group's business and support units. Based on this business partnership model, the Group ensures close monitoring and high awareness of operational risk.

Operational Risk Framework

As is common with all businesses, operational risk is inherent in all operations and activities of the Group. We therefore carefully manage operational risk based on a consistent framework that enables us to determine the Group's operational risk profile in comparison to the Groups risk appetite and to define risk mitigating measures and priorities. We apply a number of techniques to efficiently manage operational risk in the Group's business, for example: as part of the Group's strategy for making enterprise risk management the Group's discriminating competence, the Group has redefined business requirements across all networks and branches using the following tools:

3.6 Operational Risk Management- continued

Loss Data Collection

The Group implements an event driven Loss Data Collection (LDC) system designed to facilitate collection of internal loss data triggered at the occurrence of a loss event anywhere within the divisions of the Group. The LDC system captures data elements, which discriminate between boundary events related to credit, market and operational risk. The system facilitates collection of loss data arising from actual losses, potential losses and near misses. Work-flow capabilities built within the Group's predefined Event Escalation Matrix enable risk incidents to be reported to designated Event Identifiers, Event Managers, Event Approvers and Action Owners that manage each risk incident from point of occurrence to closure.

Risk and Control Self Assessments (RCSA)

The Group implement a quantitative methodology for the its Risk and Control Self Assessments, which supports collection of quantitative frequency and severity estimates. Facilitated top-down RCSA workshops are used by the Group to identify key risks and related controls at business unit levels. During these workshops business experts and senior management identify and discuss key risks, controls and required remedial actions for each respective business unit and the results captured within the operational risk database for action tracking.

Key Risk Indicators (KRIs)

The Group measures quantifiable risk statistics or metrics that provide warning signals of risk hotspots within the entity. The Group has established key risk indicators with tolerance limits for core operational groups of the entity. The Group's KPI database integrates with the Loss Data Collection and Risk & Control Self Assessment models and systems to provide red flags that typically inform initiatives for risk response actions in the Group.

Business Continuity Management (BCM)

The Group recognises that adverse incidences such as technology failure, natural and man-made disasters could occur and may affect the Group's critical resources leading to significant business disruption. To manage this risk, our BCM plans assist in building resilience for effective response to catastrophic events. In broad categories, the plans which are tested periodically, cover disaster recovery, business resumption, contingency planning and crisis management.

4. Capital Management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

- a. To comply with the capital requirements set by the regulators of the banking markets where the entities within the Bank operate;
- b. To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other
- c. To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Central Bank of Nigeria (CBN), for supervisory purposes. The required information is filed with the CBN on a monthly basis.

The CBN requires each bank to: (a) hold the minimum level of the regulatory capital of N25 billion and (b) maintain a ratio of total regulatory capital to the risk-weighted asset at or above the minimum of 15% for an international licensed Bank.

In 2016, the Central Bank of Nigeria issued circular BSD/DIR/CIR/GEN/LAB/06/03 to all Banks and discount houses on the implementation of Basel II/III issued 10 December 2013 and guidance notes to the regulatory capital measurement and management for the Nigerian Banking System for the implementation of Basel II/III in Nigeria. The capital adequacy ratio for the period ended 30 June 2025 and the comparative year 31 December 2024 is in line with the new circular. The computations are consistent with the requirements of Pillar I of Basel II Accord (Interrenal Convergence of capital measurement and Capital Standards. Although the guidelines comply with the requirement of the Basel II accord certain sections were adjusted to reflect the peculiarities of the Nigerian environment.

The Bank's regulatory capital as managed by its Financial Control and Treasury Units is made up of Tier 1 and Tier 2 capital as follows:

Tier 1 capital: This includes only permanent shareholders' equity (Fully paid ordinary shares/common stock and perpetual non-cumulative preference shares) and disclosed reserves (created or increased by appropriations of retained earnings or other surpluses). There is no limit on the inclusion of Tier 1 capital for the purpose of calculating regulatory capital.

Tier 2 capital: This includes revaluation reserves, general provisions/general loan loss reserves, Hybrid (debt/equity), capital instruments and subordinated debt. Tier 2 capital is limited to a maximum of 33.3% of the total of Tier 1 capital.

The CBN excluded the following reserves in the computation of total qualifying capital:

- i The Regulatory Risk Reserve created pursuant to Section 12.4 (a) of the Prudential Guidelines which was effective on 1 July 2010 is excluded from regulatory capital for the purposes of capital adequacy assessment;
- ii Collective impairment on loans and receivables and other financial assets no longer forms part of Tier 2 capital; and
- iii Other Comprehensive Income (OCI) Reserves is recognized as part of Tier 2 capital subject to the limits on the Calculation of Regulatory Capital.

Notes To The Financial Statements:

6 Interest and similar income using effective interest rate method

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	30 September		30 September		30 September		30 September	
	Q3 2025 N'million	Q3 2024 N'million	2025 N'million	2024 N'million	Q3 2025 N'million	Q3 2024 N'million	2025 N'million	2024 N'million
Loans and advances to customers	210,873	161,697	614,337	449,990	205,564	159,851	600,935	441,944
Advances under finance lease	275	423	764	1,366	275	423	764	1,366
Treasury bills and other investment securities:								
-Fair value through other comprehensive income	15,792	(546)	73,353	9,708	15,018	(546)	71,103	9,708
-Amortised cost	42,004	49,657	132,418	113,547	42,004	48,870	132,418	111,215
Placements and short term funds	16,618	3,465	22,604	8,840	14,423	1,751	16,596	3,972
	285,562	214,695	843,476	583,451	277,284	210,349	821,816	568,205

Interest and similar income represents interest income on financial assets measured at amortised cost and Fair value through other comprehensive income.

Interest income accrued on impaired financial assets amount to N5,834.93 million (30 June 2024: N2,781.05 million) which is part of interest income recognized in the financial Statement .

7 Interest expense calculated using the effective interest rate method

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	30 September		30 September		30 September		30 September	
	Q3 2025 N'million	Q3 2024 N'million	2025 N'million	2024 N'million	Q3 2025 N'million	Q3 2024 N'million	2025 N'million	2024 N'million
Term deposits	54,723	44,151	185,857	121,593	52,348	43,347	181,827	119,970
Debts issued and other borrowed funds	96,019	24,791	157,333	64,455	95,973	26,659	157,197	64,355
Savings deposits	14,262	11,411	40,672	29,217	14,240	11,407	40,632	29,202
Current accounts	8,160	4,482	24,756	11,333	8,159	4,480	24,751	11,327
Inter-bank takings	1,619	1,299	4,707	3,662	15	8	280	862
Intervention loan	150	(2,107)	875	4,966	150	(2,107)	875	4,966
	174,933	84,026	414,201	235,226	170,884	83,795	405,562	230,682

Total interest expense is calculated using the effective interest rate method as reported above and does not include interest expense on financial liabilities carried at fair value through profit or loss.

8 Credit loss reversal/(expense)

The table below shows the ECL charges on financial instruments for the period ended 30 September 2025 recorded in profit or loss:

Note	Group			Total N'million
	Stage 1 Collective	Stage 2 Individual	Stage 3	
	N'million	N'million	N'million	
Due from banks (Note 19)	317	(175)	-	141
Loans and advances to customers (Note 22)	23,798	17,846	(28,749)	12,895
Debt instruments measured at FVOCI (24.6.1)	76	-	-	76
Debt instruments measured at amortised costs (24.6.2)	685	-	-	685
Financial guarantees (Note 32.3.1)	267	-	-	267
Letters of credit (Note 32.3.2)	491	-	-	491
	25,634	17,671	(28,749)	14,556
Other assets (Note 29)	-	-	-	-
	25,634	17,671	(28,749)	14,556

Notes To The Financial Statements:

The table below shows the ECL charges on financial instruments for the period ended 30 September 2024 recorded in profit or loss:

Note	Group			Total
	Stage 1 Collective	Stage 2 Individual	Stage 3	
	N'million	N'million	N'million	
Due from banks (Note 19)	798	-	-	798
Loans and advances to customers (Note 22)	(5,045)	39,991	9,451	44,397
Debt instruments measured at FVOCI (24.6.1)	195	-	-	195
Debt instruments measured at amortised costs (24.6.2)	(537)	-	-	(537)
Financial guarantees (Note 32.3.1)	340	-	-	340
Letters of credit (Note 32.3.2)	(242)	-	-	(242)
	(4,491)	39,991	9,451	44,951
Other assets (Note 29)	3,299	-	-	3,299
	(1,192)	39,991	9,451	48,250

The table below shows the ECL charges on financial instruments for the period ended 30 September 2025 recorded in profit or loss:

Note	Bank			Total
	Stage 1 Collective	Stage 2 Collective	Stage 3	
	N'million	N'million	N'million	
Due from banks (Note 19)	328	-	-	328
Loans and advances to customers (Note 22)	23,658	17,837	(28,685)	12,811
Debt instruments measured at FVOCI (24.6.1)	79	-	-	79
Debt instruments measured at amortised costs (24.6.2)	551	-	-	551
Financial guarantees (Note 32.3.1)	267	-	-	267
Letters of credit (Note 32.3.2)	695	-	-	695
	25,578	17,837	(28,685)	14,731
Other assets (Note 29)	-	-	-	-
	25,578	17,837	(28,685)	14,731

The table below shows the ECL charges on financial instruments for the period ended 30 September 2024 recorded in profit or loss:

Note	Bank			Total
	Stage 1 Collective	Stage 2 Individual	Stage 3	
	N'million	N'million	N'million	
Due from banks (Note 19)	111	-	-	111
Loans and advances to customers (Note 22)	488	12,676	-	29,331
Debt instruments measured at FVOCI (24.6.1)	232	-	-	232
Debt instruments measured at amortised costs (24.6.2)	778	-	-	778
Financial guarantees (Note 32.3.1)	80	-	-	80
Letters of credit (Note 32.3.2)	376	-	-	376
	2,065	12,676	-	30,907
Other assets (Note 29)	1,275	1,275	-	2,550
	3,340	13,951	-	33,457

Notes To The Financial Statements:

9 Net fee and commission income

Fee and commission income is disaggregated below and includes a total fees in scope of IFRS 15 Revenues from Contracts with Customers except for Credit related fee in line with IFRS 9.

	Group		Group		Bank		Bank	
	30 September		30 September		30 September		30 September	
	Q3 2025	Q3 2024	2025	2024	Q3 2025	Q3 2024	2025	2024
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Fee and commission type:								
ATM charges	5,493	2,389	10,863	6,916	5,493	2,389	10,863	6,916
Accounts maintenance charge	3,390	3,268	10,150	9,160	3,390	3,175	10,150	8,927
Commission on E-banking activities	1,146	1,064	2,888	3,178	1,146	1,064	2,888	3,178
Commission on travellers cheque and foreign bills	4,138	3,667	13,208	8,934	4,138	3,667	13,208	8,934
Commission on fidelity connect	1,140	1,704	3,454	3,543	1,140	1,704	3,454	3,543
Letters of credit commissions and fees	7,865	4,531	18,562	12,174	8,138	4,300	17,205	10,744
Commissions on off balance sheet transactions	2,513	2,181	8,691	4,423	2,513	2,181	8,691	4,423
Other fees and commissions	1,105	310	1,682	761	275	282	771	733
Commission and fees on banking services	422	440	1,468	1,118	422	440	1,468	1,118
Commission and fees on NXP	54	40	160	105	54	40	160	105
Collection fees	89	93	278	272	89	93	278	272
Telex fees	683	546	1,913	1,578	683	546	1,913	1,578
Cheque issue fees	14	15	42	46	14	15	42	46
Remittance fees	0	3	40	118	0	3	40	118
Total revenue from contracts with customers	28,054	20,250	73,397	52,325	27,497	19,899	71,130	50,634
Other non-contract fee income:								
Credit related fees	3,072	888	11,081	3,956	3,072	888	11,081	3,956
Total fees and commission income	31,126	21,139	84,479	56,281	30,569	20,787	82,211	54,589
Fee and commission expense	(5,862)	(1,262)	(12,181)	(5,135)	(5,862)	(1,491)	(12,181)	(5,135)
Net fee and commission income	25,264	19,876	72,298	51,145	24,707	19,296	70,030	49,454

The fees and commission income reported above excludes amount included in determining effective interest rates on financial assets that are not carried at fair value through profit or loss.

Notes To The Financial Statements:

10 Derecognition gain/(loss) on financial asset

The table below shows the modification charge on financial instruments recorded in profit or loss :

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
			30 September	30 September			30 September	30 September
	Q3 2025	Q3 2024	2025	2024	Q3 2025	Q3 2024	2025	2024
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Modified Loan Assets (Carrying Amount)	-	-	45,387	382,382	-	(382,382)	45,387	-
Specific allowances for impairment	-	-	2,024	(29,650)	-	29,650	(2,024)	-
	-	-	43,363	352,732	-	(352,732)	43,363	-
Derecognition loss	-	-	693	(83)	-	83	693	-
	-	-	693	(83)	-	83	693	-

In line with IFRSs, derecognition is carried out when the cash flows of the modified assets are substantially different from the contractual cash flows of the original financial assets. Based on this, a modification was carried out on affected customers' loans, the cash flows of the original financial assets were deemed to have expired and therefore modified to reflect a new financial assets at fair value. The gross carrying amount of the loan before modification was N43.36 billion (June 2024 is N352.7 billion).

11 Other operating income

	Group	Group	Group	Group	Group	Group	Bank	Bank
			30 September	30 September			30 September	30 September
	Q3 2025	Q3 2024	2025	2024	Q3 2025	Q3 2024	2025	2024
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Dividend income	609	119	1,436	741	108	119	935	741
Profit / (Loss) on disposal of property, plant and equipment	(12)	(51)	75	51	(12)	(51)	75	51
Loan Recoveries	406	47	878	276	406	47	878	276
Other income	125	333	760	440	18	16	362	123
	1,128	447	3,149	1,508	521	131	2,251	1,191

11a Dividend income represent dividend received from the Bank's investment in equity instruments held for strategic purposes and for which the Bank has elected to present the fair value and loss in other comprehensive income. See note 2.4.2.b

11b Loan recoveries represents amount recovered for previously written-off facilities. The amount is recognised on a cash basis only.

11c Other income relates to other miscellaneous income made during the financial year

11.1 Foreign Currency Revaluation Gains

	Group	Group	Group	Group	Group	Group	Bank	Bank
			30 September	30 September			30 September	30 September
	Q3 2025	Q3 2024	2025	2024	Q3 2025	Q3 2024	2025	2024
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Net foreign exchange gains	14,093	89,592	47,742	-	12,107	5,301	45,435	8,565
	14,093	89,592	47,742	-	12,107	5,301	45,435	8,565

11.1a Net foreign exchange gain represent unrealised gains from the revaluation of foreign currency-denominated assets and Liabilities held in the non-trading books.

12 Net gains / (Losses) from financial instruments classified as fair value through profit or loss and recycling gain / (Losses) from Other Comprehensive income Instruments.

	Group	Group	Group	Group	Group	Group	Bank	Bank
			30 September	30 September			30 September	30 September
	Q3 2025	Q3 2024	2025	2024	Q3 2025	Q3 2024	2025	2024
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Net gains/(losses) arising from:								
- Bonds	(77)	87	108	605	(77)	87	108	605
- Treasury bills	(2,573)	213	(2,422)	173	(2,573)	213	(2,422)	173
- Placements/Foreign exchange	0	(97)	0	-	-	-	-	-
	(2,650)	203	(2,314)	778	(2,650)	300	(2,314)	778

Amounts reclassified on debt instruments financial assets reclassified from the bank's other comprehensive income amount to a loss of N21 million (30 September 2024: N6,876 million gain). No additional amounts arose in the group.

Notes To The Financial Statements:

12.1	Other interest and similar income measured at FVTPL	34,207	12,988	135,979	109,277	34,207	12,988	135,979	122,265
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Other interest and similar income on financial assets measured at FVTPL have been presented separately in the statement of profit or loss and other comprehensive income.

12.2 Derivative (Loss) / Gains

	Group		Group		Group		Group		Bank
	30 September		30 September		30 September		30 September		
	Q3 2025	Q3 2024	2025	2024	Q3 2025	Q3 2024	2025	2024	
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Net losses from financial instruments classified as held for trading									
- Derivatives - (Realized)	0	34,212	-	34,212	-	-	-	34,212	
- Derivatives - (Unrealized)	0		(59,776)	-	0	0	(59,776)	-	
	0	34,212	(59,776)	34,212	0	0	(59,776)	34,212	

Notes To The Financial Statements:

13 Personnel expenses

	Group Q3 2025	Group Q3 2024	Group 30 September 2025	Group 30 September 2024	Bank Q3 2025	Bank Q3 2024	Bank 30 September 2025	Bank 30 September 2024
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Wages and salaries	18,643	23,504	57,758	42,428	14,657	20,462	47,796	34,698
End of the year bonus (see note 31)	(978)	(7,456)	-	-	(978)	(7,456)	-	-
Pension contribution	415	467	1,252	1,171	147	143	441	415
	18,081	16,516	59,010	43,599	13,827	13,149	48,238	35,113

13a Wages and Salaries include staff activities and Employee benefits , Industrial Training Fund (TF) contribution , Staff medical expenses ,Staff estacode , Relocation expense and NSITF contribution during the period.

13b The bank paid a total of N607.94 million as contribution to the Industrial Training Fund, (Annual contribution).

14 Depreciation, Amortisation and Impairment.

	Group Q3 2025	Group Q3 2024	Group 30 September 2025	Group 30 September 2024	Bank Q3 2025	Bank Q3 2024	Bank 30 September 2025	Bank 30 September 2024
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Property, plant and equipment (Note 25)	5,676	1,804	11,854	4,818	4,510	1,792	10,668	4,786
Computer software (Note 27)	2,800	545	5,081	-	2,757	-	4,939	-
Goodwill impairment (Note 21)	0	-	-	1,562	-	492	-	1,416
Depreciation of ROU asset (Note 26)	381	355	1,118	1,001	238	192	682	549
	8,857	2,703	18,054	7,380	7,505	2,475	16,289	6,750

15 Other operating expenses

	Group Q3 2025	Group Q3 2024	Group 30 September 2025	Group 30 September 2024	Bank Q3 2025	Bank Q3 2024	Bank 30 September 2025	Bank 30 September 2024
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Marketing, communication & entertainment	15,681	10,627	44,583	24,717	15,558	10,619	44,305	24,692
Banking sector resolution cost	0	0	50,986	35,809	0	0	50,986	35,809
Outsourced cost	3,491	2,619	10,227	6,966	3,487	2,619	10,217	6,966
Deposit insurance premium	6,711	4,289	19,478	11,531	6,711	4,289	19,478	11,531
Repairs and maintenance	2,808	3,884	8,462	10,388	2,781	3,879	8,400	10,371
Other expenses	2,607	2,668	8,533	7,263	3,550	2,119	8,533	6,530
Computer expenses	13,307	14,061	40,400	36,838	12,472	13,499	38,033	35,440
Lease expense (Finance Cost)	0	(0.50)	27	22	0	(0.50)	27	22
Security expenses	2,032	764	5,709	2,154	2,032	764	5,709	2,154
Rent and rates	423	631	1,159	1,155	278	505	693	861
Cash movement expenses	510	545	1,389	1,527	436	284	1,264	844
Training expenses	493	81	1,092	537	473	64	1,048	496
Travelling and accommodation	3,966	1,591	7,499	4,568	3,873	1,587	7,377	4,477
Consultancy expenses	8,129	4,887	16,264	11,552	7,928	4,769	15,814	11,163
Corporate finance expenses	3,406	6,493	8,615	18,398	3,406	6,493	8,615	18,398
Legal expenses	850	559	30,903	1,266	734	537	30,543	1,148
Electricity	403	329	1,263	805	396	309	1,241	762
Office expenses	160	211	504	604	160	142	504	415
Directors' emoluments	517	481	1,253	1,777	401	353	903	1,335
Insurance expenses	516	207	986	663	404	124	627	375
Stationery expenses	440	449	1,368	1,246	438	445	1,362	1,231
Bank charges	428	2,144	3,689	4,477	306	2,099	3,273	4,378
Auditors' remuneration	340	402	1,174	1,182	121	81	363	242
Donation	(347)	(219)	834	483	(347)	(314)	834	221
Telephone expenses	155	120	407	325	96	56	235	159
Postage and courier expenses	138	74	426	196	138	74	426	196
Loss on disposal of property, plant and equipment	0	(1)	0	0	0	(1)	0	-
	67,163	57,896	267,226	186,449	65,832	55,393	260,811	180,214

15a Banking sector resolution cost represents AMCON statutory levy chargeable annually on every Bank's total assets in Nigeria. This is applicable on total balance sheet size of the Bank. The current applicable rate in Nigeria based on AMCON Act of 2021 is 0.5% of total assets (inclusive of off-balance sheet)

15b The Bank paid external auditors' professional fees for the provision of non-audit services. The total amount of non-audit services provided to the external auditors during the period was N48.45million. These non-audit services were for Common Reporting Standard (CRS) Reporting (N22.84 million), Corporate Tax Reporting (N13.10 million), Technical And Functional Competency Assessment (N8.21million), TP services (N4.30million)These services in the Bank's opinion, did not impair the independence and objectivity of the external auditors as adequate safeguards were put in place .

Notes To The Financial Statements:

16 Taxation

	Group		Bank	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	N'million	N'million	N'million	N'million
a Income tax expense				
Current taxes on income for the period (Minimum tax)	65177	52,627	65,177	52,627
Tertiary education tax (note 16g)	9221	5,589	9,221	5,589
Police Trust Fund (note 16e)	0	14	-	14
National Agency for science and engineering infrastructure 0.25%	671	706	671	706
Capital gains tax	0	-	-	-
Information Technology levy (note 16f)	2,685	2,843	2,685	2,843
Current income tax expense	77,754	61,779	77,754	61,779
Deferred tax expense	(24,117)	(5,013)	(18,837)	46
	53,637	56,766	58,917	61,825

	2025		2024	
	N'million	N'million	N'million	N'million
b Total income tax expense in profit or loss				
Profit before income tax	268,198	284,143	268,484	284,143
Income tax using the domestic corporation tax rate of 33% Education Tax inclusive (Dec 2024 : 33%)	80,459	85,243	80,545	85,243
Non-deductible expenses	12,547	37,509	12,547	37,509
Tax exempt income	(26,838)	(34,157)	(21,558)	(34,157)
Utilization of previously unrecognised tax losses	-	-	-	-
Balancing Charge	-	281	-	281
Income Tax expense	65,177	52,627	65,177	52,627
Effect of concessions (research and development and other allowances)	-	-	-	-
Tertiary education tax (note 16g)	9,221	5,589	9,221	5,589
Capital allowance	9,826	(3,633)	(9,826)	(3,633)
Police Trust Fund (note 16e)	-	14	-	14
National Agency for science and engineering infrastructure 0.25%	671	706	671	706
Information Technology levy (note 16f)	2,685	2,843	2,685	2,843
Deferred Tax expense	-	(5,013)	-	46
	53,637	56,766	58,917	61,825

Effective tax rate

The effective income tax rate is 29.63% (30 September 2024: 21.75%).

	2025		2024	
	N'million	N'million	N'million	N'million
c The movement in the current income tax payable is as follows:				
At 1 January	97,894	26,863	100,579	26,835
Income tax paid	(94,851)	(22,635)	(94,851)	(22,580)
WHT recovered	-	(112)	-	(112)
Current income tax expense	77,754	93,777	77,754	96,435
At 30 September / 31 December	80,797	97,894	83,482	100,579
d Windfall tax				
At 1 January	13,331	-	13,331	-
Windfall Tax paid	(13,331)	-	(13,331)	-
Current Windfall tax	2,834	13,331	2,834	13,331
At 30 September / 31 December	2,834	13,331	2,834	13,331

Federal Government of Nigeria Amended the Finance Act (Amendment) 2024 which imposes WINDFALL LEVY on Financial Institutions for the first time in Nigeria tax system. The Act imposes 70% levy in retrospect for 2023 financial period , 2024 and 2025 on Foreign exchange gains from impact of foreign exchange on financial instruments as a result of currency floating by the apex Bank (CBN). The sum of N5,713 million of the N13,331million relate to gains realized in 2023 financial year.

e The Companies Income Tax Act 2004 and as amended, stipulates that Companies be assessed at 30% of taxable income.

f The Nigerian Police Trust Fund Act (PTFA) 2019, stipulates that operating business in Nigeria to contribute 0.005% of their net profit to Police Trust Fund. In line with the Act, the Bank has provided for Police Trust Fund at the specified rate and recognised it as part of income tax for the year

Notes To The Financial Statements:

17 Taxation- continued

g The National Information Technology Agency Act (NITDA) 2007, stipulates that specified companies contribute 1% of their profit before tax to National Information Development Agency. In line with the Act, the Bank has provided for information technology levy at the specified rate and recognised it as part of income tax for the period

h Tertiary Education Tax (TET) as amended by Finance Act 2022, stipulates that 3% of assessable profit of bank shall be contributed to funding of tertiary educational institutions in Nigeria. The specified rate has been provided for as Tertiary Education Tax and recognized as part of income tax for the period by the Bank

i National Agency for Science and Engineering Infrastructure Act (NASENI) stipulates that 0.25% of bank profit before tax should be contributed to funding the agency. The Bank has provided for the specified rate for NASENI fund and recognised it as part of the income tax for the period.

17 Net reclassification adjustments for realised net gains

The net reclassification adjustments for realised net gains from other comprehensive income to profit or loss are in respect of debt instruments measured at fair value through other comprehensive income which matured during the year. See Other Comprehensive Income.

18 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Bank by the number of ordinary shares in issue during the period. The diluted earnings per share is the same as basic EPS because there are no potential ordinary shares outstanding during the reporting period.

	Group 30 September 2025	Group 30 September 2024	Bank 30 September 2025	Bank 30 September 2024
	N'million	N'million	N'million	N'million
Profit attributable to equity holders of the Bank (N'million)	206,733	224,603	206,733	222,318
Number of ordinary shares in issue (N'million)	50,200	32,000	50,200	32,000
Basic & diluted earnings per share (expressed in kobo per share)	412	702	412	496

a Basic and diluted earnings per share are the same, as the Bank has no potentially dilutive ordinary shares.

19 Cash and Cash equivalents

	Group 30 September 2025	31 December 2024	Bank 30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
Cash	32,140	35,397	32,140	35,397
Balances with central bank other than mandatory reserve deposits	11,110	75,892	11,110	75,892
Due from banks	1,260,311	596,161	1,008,177	394,042
Total cash and cash equivalents	1,303,561	707,450	1,051,426	505,331

19.1 Due from Banks

	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
Current accounts with foreign banks	757,509	392,838	589,769	379,618
Placements with other banks and discount houses	504,595	205,027	419,886	15,574
Sub-total	1,262,104	597,866	1,009,655	395,192
Less: Allowance for impairment losses	(1,793)	(1,705)	(1,478)	(1,150)
	1,260,311	596,161	1,008,177	394,042

19.2 Movement in allowance for impairment losses

At 1 Jan	1,705	23	1,150	225
Profit or Loss	88	1,682	328	925
At 30 Sept	1,793	1,705	1,478	1,150

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash on hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities of less than three months. See Note 44

Notes To The Financial Statements:

19 Impairment Allowance for Due from Banks

The table below shows the credit quality and the maximum exposure to credit risk based on the external credit rating system and reporting period stage classification. The amounts presented are gross of impairment allowances. Details of the external rating system are explained in Note 3.2.2 and policies about whether ECL allowances are calculated on an individual or collective basis are set out in Note 3.2.1.

Group	30 September 2025			
	Stage 1 individual N'million	Stage 2 Individual N'million	Stage 3 N'million	Total N'million
External rating grade				
Performing				
High grade	537,680	-	-	537,680
Standard grade	520,343	-	-	520,343
Sub-standard grade	24,755	11,586	-	36,341
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	1,082,778	11,586	-	1,094,364
	31 December 2024			
	Stage 1 individual N'million	Stage 2 Individual N'million	Stage 3 N'million	Total N'million
External rating grade				
Performing				
High grade	452,749	-	-	452,749
Standard grade	92,679	15,610	15,610	123,898
Sub-standard grade	7,999	-	-	7,999
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	553,426	15,610	15,610	584,646
Bank	30 September 2025			
	Stage 1 individual N'million	Stage 2 Individual N'million	Stage 3 N'million	Total N'million
External rating grade				
Performing				
High grade	537,680	-	-	537,680
Standard grade	453,138	-	-	453,138
Sub-standard grade	18,836	-	-	18,836
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	1,009,655	-	-	1,009,655
	31 December 2024			
	Stage 1 individual N'million	Stage 2 Individual N'million	Stage 3 N'million	Total N'million
External rating grade				
Performing				
High grade	331,066	-	-	331,066
Standard grade	56,127	-	-	56,127
Sub-standard grade	7,999	-	-	7,999
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	395,192	-	-	395,192

Notes To The Financial Statements:

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	individual N'million	Individual N'million	N'million	N'million
Gross carrying amount as at 1 January 2025	569,036	15,610	-	584,646
New assets originated or purchased	729,968	11,586	-	741,553
Assets derecognised or repaid (excluding write offs)	(100,383)	(30,347)	-	(130,730)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting	-	-	-	-
Amounts written off	-	-	-	-
Accrued Interest	-	-	-	-
Foreign exchange adjustments	(26,394)	-	-	(26,394)
At 30 September 2025	1,172,227	(3,152)	-	1,169,075

Group	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	individual N'million	Individual N'million	N'million	N'million
Gross carrying amount as at 1 January 2024	434,357	14,954	-	449,311
New assets originated or purchased	216,318	15,610	-	231,928
Assets derecognised or repaid (excluding write offs)	(227,695)	(14,954)	-	(242,649)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting	-	-	-	-
Amounts written off	-	-	-	-
Accrued Interest	-	-	-	-
Foreign exchange adjustments	146,056	-	-	146,056
At 31 December 2024	569,036	15,610	-	584,646

Notes To The Financial Statements:

Bank	30 September 2025			
	Stage 1 individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2025	395,192	-	-	395,192
New assets originated or purchased	656,844	-	-	656,844
Assets derecognised or repaid (excluding write offs)	(15,988)	-	-	(15,988)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting	-	-	-	-
Amounts written off	-	-	-	-
Accrued Interest	-	-	-	-
Foreign exchange adjustments	(26,394)	-	-	(26,394)
At 30 September 2025	1,009,655	-	-	1,009,655

Bank	31 December 2024			
	Stage 1 individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2024	239,804	-	-	239,804
New assets originated or purchased	42,476	-	-	42,476
Assets derecognised or repaid (excluding write offs)	(33,143)	-	-	(33,143)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting	-	-	-	-
Amounts written off	-	-	-	-
Accrued Interest	-	-	-	-
Foreign exchange adjustments	146,056	-	-	146,056
At 31 December 2024	395,192	-	-	395,192

Notes To The Financial Statements:

Group

	30 September 2025			
	Stage 1 individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2025	1,266	439	-	1,705
New assets originated or purchased	260	255	-	515
Assets derecognised or repaid (excluding write offs)	123	(862)	-	(739)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on period end ECL of exposures transferred between stages	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting	-	-	-	-
Changes to models and inputs used for ECL calculations	(42)	-	-	(42)
Changes in PD/LGD/EAD and Accrued Interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(60)	-	-	(60)
At 30 September 2025	1,548	(169)	-	1,379

	31 December 2024			
	Stage 1 individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2024	363	32	-	395
New assets originated or purchased	938	443	-	1,382
Assets derecognised or repaid (excluding write offs)	(247)	32	-	(215)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on period end ECL of exposures transferred between stages	0	-	-	0
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting	-	-	-	-
Changes to models and inputs used for ECL calculations	0	0	-	0
Changes in PD/LGD/EAD and Accrued Interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	207	-	-	207
At 31 December 2024	1,262	443	-	1,705

Bank

	30 September 2025			
	Stage 1 individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2025	1,150	-	-	1,150
New assets originated or purchased	200	-	-	200
Assets derecognised or repaid (excluding write offs)	188	-	-	188
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on period end ECL of exposures transferred between stages	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Changes in PD/LGD/EAD and Accrued Interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(60)	-	-	(60)
At 30 September 2025	1,478	-	-	1,478

Notes To The Financial Statements:

31 December 2024				
	Stage 1 individual N'million	Stage 2 individual N'million	Stage 3 N'million	Total N'million
ECL allowance as at 1 January 2024	225	-	-	225
New assets originated or purchased	826	-	-	826
Assets derecognised or repaid (excluding write offs)	(108)	-	-	(108)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on Year end ECL of exposures transferred between stages	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	207	-	-	207
At 31 December 2024	1,150	-	-	1,150

Contractual amounts outstanding in relation to Due from banks that were still subject to enforcement activity, but otherwise had already been written off, were nil both at 30 September 2025 and at 31 December 2024.

20 Restricted balances with central bank

	30 September 2025 N'million	31 December 2024 N'million	30 September 2025 N'million	31 December 2024 N'million
Mandatory reserve deposits with central bank (see note 20.1 below)	1,447,717	1,364,987	1,447,717	1,364,987
Special cash reserve (see note 20.2 below)	200,572	221,362	200,572	221,362
Carrying amount	1,648,289	1,586,350	1,648,289	1,586,350

20.1 Mandatory reserve deposits are not available for use in the Bank's day-to-day operations. It represents a percentage of the Customers' deposits and are non interest-bearing. The amount, which is based on qualified assets, is determined by the Central Bank of Nigeria from time to time. For the purpose of statement of cash flows, these balances are excluded from the cash and cash equivalents.

20.2 Special cash reserve represents special Intervention funds held with Central Bank of Nigeria as a regulatory requirement.

20.3 Cash and Bank Balances was seperated into Cash and Cash Equivalent ,and Balances with Central Bank to reflect best practice . See Note 44

Notes To The Financial Statements:

21 Goodwill

	30 September 2025	31 December 2024
	N'million	N'million
At 1 January	11,443	8,656
Intangible Assets		(2,271)
Impairment of goodwill		(2,353)
Foreign currency translation	(207)	2,787
At 30 September / 31 December	11,236	11,443

21.1 Goodwill is the cost of acquired company in excess of the fair value of net assets, including identifiable intangible assets, at the acquisition date.

The quantitative test requires a comparison of the fair value of the reporting unit to its carrying value, including goodwill. If the fair value of the reporting unit is in excess of the carrying value, the related goodwill is considered not impaired. If the carrying value of the reporting unit exceeds the fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

21.2 Goodwill impairment testing

Goodwill is reviewed annually or more frequently for impairment when there are objective indicators that impairment may have occurred by comparing the carrying value to its recoverable amount.

The Group performed its goodwill impairment test as of June 30, 2025, by applying Price to Book value multiples of comparable companies to determine the value of Fidbank Uk to arrive at a price of \$1.35 per unit, with a discount rate of 10% applied (Marketability discount of 10% was applied by management based on expert judgement and knowledge of similar transactions) which resulted to nil impairment of the reporting units' goodwill. The valuation is a level 3 fair value. In the prior year, the recoverable amount was determined using similar approach which leveraged the initial acquisition accounting. The fair value approach reflects the approach to value banks in the market. See Note 21.3 below;

21.3 The table below shows the impairment testing result of Reporting Unit (Fid Bank Uk)

Fidelity Bank UK Limited	
Impairment testing as at 30 September 2025	
USD'000	
Recoverable Amount	66,741
Carrying Amount	63,731
Headroom/ (Impairment)	3,009
Decision :	Not Impaired

21.4 Performance Indicators.

For Half year ended June 30 2025, the Group generated higher net revenues, net of provision for credit losses and increased book value per share, as well as increased overall performance compared with 2024 . This Increase reflected the group's continued execution of its strategic focus, which had a positive impact on net earnings. Within the reporting units with goodwill, there continued to be solid fundamentals underlying the business, where the group continued to maintain strong positions and also deepening its strategic goals with positive outlook .

21.5 Macroeconomic Indicators.

Despite broad macroeconomic and geopolitical concerns, the global economy continued to grow in 2025.

Firm and Industry Events.

There were no events, entity specific or otherwise, that would have had a more than recognized negative impact on the valuation of the firm's reporting units as goodwill Impairment.

Notes To The Financial Statements:

Fair Value Indicators.

Changes in the fair value indicators in the market did not have any negative impact (Impairment) on the valuation of the goodwill .

22 Loans and Advances to Customers

	Group 30 September 2025 N'million	Group 31 December 2024 N'million	Bank 30 September 2025 N'million	Bank 31 December 2024 N'million
Loans to corporate and other organisations	4,963,126	4,496,059	4,876,828	4,472,918
Loans to individuals	91,087	86,652	58,766	68,404
	5,054,213	4,582,711	4,935,595	4,541,322
Less: Allowance for ECL/impairment losses	(208,512)	(195,605)	(208,084)	(195,273)
	4,845,700	4,387,106	4,727,510	4,346,049

	Group 30 September 2025 N'million	Group 31 December 2024 N'million	Bank 30 September 2025 N'million	Bank 31 December 2024 N'million
Loans to corporate entities and other organisations				
Overdrafts	812,087	487,128	812,087	487,128
Term loans	4,148,559	4,005,403	4,062,262	3,982,251
Advance under finance lease	2,480	3,538	2,480	3,538
	4,963,126	4,496,070	4,876,828	4,472,918
Less: Allowance for ECL/impairment losses	199,020	(178,117)	(198,678)	(177,889)
	4,764,106	4,317,953	4,678,150	4,295,029
Loans to individuals				
Overdrafts	21,506	24,230	21,502	24,197
Term loans	69,105	61,762	36,788	43,547
Advance under finance lease	476	660	476	661
	91,087	86,652	58,766	68,404
Less: Allowance for ECL/impairment losses	(9,492)	(17,488)	(9,406)	(17,384)
	81,595	69,165	49,360	51,020

Net loans and advances include

	4,845,700	4,387,117	4,727,510	4,346,049
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Notes To The Financial Statements:

22.1 Impairment allowance for loans and advances to customers

22.1.1 Corporate and Other Organisations

The table below shows the credit rating of corporate obligors and the maximum exposure to credit risk based on the Bank's internal credit rating system and reporting period stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 3.2.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 3.2.1.

Group	30 September 2025					Total N'million
	Stage 1 Individual N'million	Stage 2 Individual N'million	Stage 3 N'million	POCI N'million		
Internal rating grade						
Performing						
High grade (AAA - A)	433,836	169,745	-	-	-	603,581
Standard grade (BBB - B)	3,035,230	1,226,868	-	-	-	4,262,098
Sub-standard grade (CCC -	8,085	-	-	-	-	8,085
Past due but not impaired	-	-	-	-	-	-
Non-performing:	-	-	-	-	-	-
Individually impaired	-	-	89,362	-	-	89,362
Total	3,477,151	1,396,613	89,362	-	-	4,963,126
	31 December 2024					
	Stage 1 Individual N'million	Stage 2 Individual N'million	Stage 3 N'million	POCI N'million	Total N'million	
Internal rating grade						
Performing						
High grade (AAA - A)	278,274	267,588	-	-	-	545,863
Standard grade (BBB - B)	2,983,935	854,614	-	-	-	3,838,549
Sub-standard grade (CCC -	41	-	-	-	-	41
Past due but not impaired	-	-	-	-	-	-
Non-performing:	-	-	-	-	-	-
Individually impaired	-	-	111,607	-	-	111,607
Total	3,262,250	1,122,202	111,607	-	-	4,496,059
	30 September 2025					
	Stage 1 Individual N'million	Stage 2 Individual N'million	Stage 3 N'million	POCI N'million	Total N'million	
Internal rating grade						
Performing						
High grade (AAA - A)	430,365	169,745	-	-	-	600,110
Standard grade (BBB - B)	2,961,365	1,225,969	-	-	-	4,187,333
Sub-standard grade (CCC -	23	-	-	-	-	23
Past due but not impaired	-	-	-	-	-	-
Non-performing:	-	-	-	-	-	-
Individually impaired	-	-	89,362	-	-	89,362
Total	3,391,753	1,395,714	89,362	-	-	4,876,828
	31 December 2024					
	Stage 1 Individual N'million	Stage 2 Individual N'million	Stage 3 N'million	POCI N'million	Total N'million	
Internal rating grade						
Performing						
High grade (AAA - A)	274,605	267,588	-	-	-	542,194
Standard grade (BBB - B)	2,964,475	854,614	-	-	-	3,819,089
Sub-standard grade (CCC -	28	-	-	-	-	28
Past due but not impaired (C)	-	-	-	-	-	-
Non-performing:	-	-	-	-	-	-
Individually impaired	-	-	111,607	-	-	111,607
Total	3,239,109	1,122,202	111,607	-	-	4,472,918

Notes To The Financial Statements:

22 Loans and Advances to Customers - continued

22.1 Impairment allowance for loans and advances to customers- continued

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Corporate lending is, as follows:

Group	30 September 2025					
	Stage 1	Stage 2	Stage 3	POCI	Total	
	Individual	Individual				
	N'million	N'million	N'million	N'million	N'million	
Gross carrying amount as at						
1 January 2025	3,262,261	1,122,202	111,607	-	-	4,496,070
New assets originated or purchased	916,844	899	-	-	-	917,743
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-
Transfers to Stage 1	(467,895)	(50,505)	(4,012)	-	-	(522,412)
Transfers to Stage 2	89,902	(75,994)	(13,908)	-	-	-
Transfers to Stage 3	(328,343)	357,340	(28,996)	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(79,607)	(1,941)	81,548	-	-	-
Unwind of discount	-	-	-	-	-	-
Amounts written off	693	-	-	-	-	693
Changes in PD/LGD/EAD Including Accrued Interest	58,979	37,220	4,344	-	-	100,543
Foreign exchange adjustments	-	-	(62,883)	-	-	(62,883)
	41,298	17,989	1,729	-	-	61,016
	(16,981)	(10,597)	(66)	-	-	(27,644)
At 30 September 2025	3,477,151	1,396,613	71961	-	-	4,963,126

Group	31 December 2024					
	Stage 1	Stage 2	Stage 3	POCI	Total	
	Individual	Individual				
	N'million	N'million	N'million	N'million	N'million	
Gross carrying amount as at						
1 January 2024	1,878,553	1,072,655	85,847	-	-	3,037,055
New assets originated or purchased	719,088	-	-	-	-	719,088
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-
Transfers to Stage 1	(208,944)	(149,346)	(12,050)	-	-	(370,341)
Transfers to Stage 2	545,092	(487,487)	(57,604)	-	-	0
Transfers to Stage 3	(240,106)	249,762	(9,655)	-	-	0
Changes to contractual cash flows due to modifications not resulting in derecognition	(1,681)	(92,487)	94,168	-	-	-
Unwind of discount	-	-	-	-	-	-
Amounts written off	-	(185)	-	-	-	(185)
Changes in PD/LGD/EAD Including Accrued Interest	117,680	49,555	744	-	-	167,979
Foreign exchange adjustments	-	-	(12,375)	-	-	(12,375)
	79,604	34,705	6,587	-	-	120,897
	372,976	445,030	15,946	-	-	833,952
At 31 December 2024	3,262,261	1,122,202	111,607	-	-	4,496,070

Group	30 September 2025					
	Stage 1	Stage 2	Stage 3	POCI	Total	
	Collectively	Collectively				
	N'million	N'million	N'million	N'million	N'million	
ECL allowance as at 1 January 2025 under IFRS 9	12,643	92,832	72,642	-	-	178,117
New assets originated or purchased	22,840	0	0	-	-	22,840
Assets derecognised or repaid (excluding write offs)	#REF!	#REF!	#REF!	-	-	#REF!
Transfers to Stage 1	8,862	(8,196)	(666)	-	-	-
Transfers to Stage 2	(5,904)	6,829	(925)	-	-	-
Transfers to Stage 3	(26,513)	0	26,513	-	-	-
Unwind of discount	21,811	3,802	7,717	-	-	33,331
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-
Changes in PD/LGD/EAD Including Accrued Interest	8,203	20,914	9,333	-	-	38,450
Changes to models and inputs used for ECL	-	-	-	-	-	-
Amounts written off	-	-	(62,883)	-	-	(62,883)
Foreign exchange adjustments	(186)	(992)	(62)	-	-	(1,240)
At 30 September 2025	#REF!	#REF!	#REF!	-	-	#REF!

Notes To The Financial Statements:

31 December 2024					
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million	Total N'million
ECL allowance as at 1 January					
2024 under IFRS 9	20,928	71,371	34,094	-	126,393
New assets originated or purchased	20,550	-	-	-	20,550
Assets derecognised or repaid (excluding write offs)	(21,593)	(281)	(3,315)	-	(25,189)
Transfers to Stage 1	4,978	(4,958)	(20)	-	-
Transfers to Stage 2	(18,471)	18,499	(28)	-	-
Transfers to Stage 3	(6,035)	(27,218)	33,253	-	(0)
Unwind of discount	2,616	15,307	6,315	-	24,239
Changes in PD/LGD/EAD Including Accrued	686	3,282	7,744	-	11,712
Changes to models and inputs used for ECL	-	-	-	-	-
Amounts written off	-	-	(12,375)	-	(12,375)
Foreign exchange adjustments	8,984	16,830	6,974	-	32,787
At 31 December 2024	12,643	92,832	72,642	-	178,117

30 September 2025					
	Stage 1 Individual N'million	Stage 2 Individual N'million	Stage 3 N'million	POCI N'million	Total N'million
Gross carrying amount as at 1 January 2025	3,239,109	1,122,202	111,607	-	4,472,918
New assets originated or purchased	861,204	-	-	-	861,204
Assets derecognised or repaid (excluding write offs)	(481,679)	(50,505)	(4,012)	-	(536,196)
Transfers to Stage 1	89,902	(75,994)	(13,908)	-	-
Transfers to Stage 2	(328,343)	357,340	(28,996)	-	-
Transfers to Stage 3	(79,607)	(1,941)	81,548	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	693	-	-	-	693
Unwind of discount	58,979	37,220	4,344	-	100,543
Amounts written off	-	-	(62,883)	-	(62,883)
Changes in PD/LGD/EAD Including Accrued Interest	48,308	17,989	1,729	-	68,026
Foreign exchange adjustments	(16,812)	(10,597)	(66)	-	(27,476)
At 30 September 2025	3,391,753	1,395,714	89,362	-	4,876,828

31 December 2024					
	Stage 1 Individual N'million	Stage 2 Individual N'million	Stage 3 N'million	POCI N'million	Total N'million
Gross carrying amount as at 1 January 2024	1,871,772	1,072,655	85,847	-	3,030,274
New assets originated or purchased	651,522	-	-	-	651,522
Assets derecognised or repaid (excluding write offs)	(157,750)	(149,346)	(12,050)	-	(319,146)
Transfers to Stage 1	545,092	(487,487)	(57,604)	-	0
Transfers to Stage 2	(240,106)	249,762	(9,655)	-	0
Transfers to Stage 3	(1,681)	(92,487)	94,168	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	(185)	-	-	(185)
Unwind of discount	117,680	49,555	744	-	167,979
Amounts written off	-	-	(12,375)	-	(12,375)
Changes in PD/LGD/EAD	79,604	34,705	6,587	-	120,897
Foreign exchange adjustments	372,976	445,030	15,946	-	833,952
At 31 December 2024	3,239,109	1,122,202	111,607	-	4,472,918

Notes To The Financial Statements:

22 Loans and Advances to Customers - continued

22.1 Impairment allowance for loans and advances to customers- continued

Bank	30 September 2025					
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million		Total N'million
ECL allowance as at 1 January 2024	44,740	24,932	14,042	-	-	83,714
New assets originated or purchased (write offs)	22,383	-	-	-	-	22,383
Transfers to Stage 1	8,862	(8,196)	666	-	-	-
Transfers to Stage 2	(5,904)	6,829	925	-	-	-
Transfers to Stage 3	(26,513)	0	26,513	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-
Unwind of discount	21,811	3,802	7,717	-	-	33,331
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-
Changes in PD/LGD/EAD Including Accrued	8,535	20,914	9,333	-	-	38,782
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-
Amounts written off	-	-	62,883	-	-	(62,883)
Foreign exchange adjustments	(186)	(992)	62	-	-	(1,240)
At 30 September 2025	41,405	115,189	51,668	-	-	208,262

	31 December 2024					
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million		Total N'million
ECL allowance as at 1 January 2024	20,886	71,371	34,094	-	-	126,351
New assets originated or purchased	20,291	-	-	-	-	20,291
Assets derecognised or repaid (excluding write offs)	(21,519)	(281)	3,315	-	-	(25,115)
Transfers to Stage 1	4,978	(4,958)	20	-	-	-
Transfers to Stage 2	(18,471)	18,499	28	-	-	-
Transfers to Stage 3	(6,035)	(27,218)	33,253	-	-	(0)
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-
Unwind of discount	2,616	15,307	6,315	-	-	24,239
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-
Changes in PD/LGD/EAD Including Accrued	686	3,282	7,744	-	-	11,712
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-
Amounts written off	-	-	12,375	-	-	(12,375)
Foreign exchange adjustments	8,984	16,830	6,973	-	-	32,787
At 31 December 2024	12,416	92,832	72,642	-	-	177,889

Notes To The Financial Statements:

22 Loans and Advances to Customers - continued

22.1 Impairment allowance for loans and advances to customers- continued

The contractual amount outstanding on loans that have been written off, but were still subject to enforcement activity was nil at 30 September 2025 (31 December 2024: nil).

The increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increase in credit risk and changes in economic conditions. Further analysis of economic factors is outlined in Note 3.

22.1.2 Loans to individuals

The table below shows the credit rating of loans to individuals and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 3.2.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 3.2.1.

Group	30 September 2025					Total N'million
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million		
Internal rating grade						
Performing	-	-	-	-	-	-
High grade (AAA - A)	21,370	-	-	-	-	21,370
Standard grade (BBB - B)	44,342	1,251	-	-	-	45,593
Sub-standard grade (CCC -	889	12	-	-	-	901
Past due but not impaired	-	4	325	-	-	329
Non- performing	-	-	-	-	-	-
Individually impaired	-	-	22,894	-	-	22,894
Total	66,601	1,266	23,219	-	-	91,087
	31 December 2024					
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million		Total N'million
Internal rating grade						
Performing	-	-	-	-	-	-
High grade (AAA - A)	13,194	-	-	-	-	13,194
Standard grade (BBB - B)	42,008	1,339	-	-	-	43,347
Sub-standard grade (CCC -	366	0	-	-	-	366
Past due but not impaired	10	-	-	-	-	10
Non- performing	-	-	-	-	-	-
Individually impaired	-	-	29,735	-	-	29,735
Total	55,579	1,339	29,735	-	-	86,653
Bank	30 September 2025					
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million		Total N'million
Internal rating grade						
Performing	-	-	-	-	-	-
High grade (AAA - A)	-	-	-	-	-	-
Standard grade (BBB - B)	33,984	214	-	-	-	34,198
Sub-standard grade (CCC -	889	12	-	-	-	901
Past due but not impaired (C)	-	-	-	-	-	-
Non- performing	-	-	-	-	-	-
Individually impaired	-	-	22,894	-	-	22,894
Total	34,873	226	22,894	-	-	57,993
	31 December 2024					
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million		Total N'million
Internal rating grade						
Performing	-	-	-	-	-	-
High grade (AAA - A)	-	-	-	-	-	-
Standard grade (BBB - B)	35,019	491	-	-	-	35,510
Sub-standard grade (CCC -	300	-	-	-	-	300
Past due but not impaired (C)	-	-	-	-	-	-
Non- performing	-	-	-	-	-	-
Individually impaired	-	-	22,957	-	-	22,957
Total	35,319	491	22,957	-	-	58,766

Notes To The Financial Statements:

31 December 2024					
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million	Total N'million
Gross carrying amount as at					
1 January 2024	54,376	1,309	26,936	-	82,622
New assets originated or purchased	20,830	-	-	-	20,830
Assets derecognised or repaid (excluding write offs)	(13,835)	(1,891)	5,040	-	(20,765)
Transfers to Stage 1	3,103	(480)	2,623	-	-
Transfers to Stage 2	(1,812)	2,144	332	-	0
Transfers to Stage 3	(8,203)	(6)	8,209	-	0
Changes to contractual cash flows due to	-	-	-	-	-
Unwind of discount	132	214	1,571	-	1,917
Changes in PD/LGD/EAD Including Accrued Interest	-	-	-	-	-
Amounts written off	(3)	19	1,138	-	1,154
Foreign exchange adjustments	1,781	26	918	-	(918)
At 31 December 2024	56,368	1,336	28,948	-	86,652

31 December 2024					
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million	Total N'million
ECL allowance as at 1 January 2024	393	7	17,180	-	17,580
New assets originated or purchased	3,615	0	67	-	3,683
Assets derecognised or repaid (excluding write offs)	(1,306)	(102)	1,987	-	(3,395)
Transfers to Stage 1	275	(4)	271	-	0
Transfers to Stage 2	(70)	110	40	-	-
Transfers to Stage 3	(2,233)	(3)	2,236	-	(0)
Impact on year end ECL of exposures transferred between stages during the period	9	0	12	-	21
Unwind of discount	-	-	-	-	-
	112	13	21	-	146
Changes in PD/LGD/EAD Including Accrued Interest	98	0	33	-	131
Amounts written off	-	-	859	-	(859)
Foreign exchange adjustments	5	2	174	-	181
At 31 December 2024	898	23	16,566	-	17,488

Notes To The Financial Statements:

Bank	30 September 2025				
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million	Total N'million
Gross carrying amount as at					
1 January 2025	39,480	217	28,647	-	68,345
New assets originated or purchased	7,096	-	-	-	7,096
Assets derecognised or repaid (excluding write offs)	(6,489)	(51)	-	-	(9,852)
Transfers to Stage 1	3,273	(73)	3,199	-	-
Transfers to Stage 2	(560)	569	8	-	-
Transfers to Stage 3	(7,474)	(173)	7,657	-	10
Changes to contractual cash flows due to Unwind of discount	7	2	12	-	21
Changes in PD/LGD/EAD Including Accrued Interest					-
Amounts written off			6,840	-	(6,840)
Foreign exchange adjustments	(13)	-	0	-	(13)
At 30 September 2025	35,319	491	22,957	-	58,766

Notes To The Financial Statements:

22 Loans and Advances to Customers - continued

22.1 Impairment allowance for loans and advances to customers- continued

30 September 2025						
	Stage 1	Stage 2		Stage 3	POCI	Total
	Collectively N'million	Collectively N'million		N'million	N'million	N'million
ECL allowance as at 1 January 2025	874	23		16,487	-	17,384
New assets originated or purchased	732	-		-	-	732
	-	-		-	-	-
Assets derecognised or repaid (excluding write offs)	(107)	(3)	-	1,759	-	(1,869)
Transfers to Stage 1	1	(0)	-	1	-	-
Transfers to Stage 2	(42)	42	-	0	-	-
Transfers to Stage 3	(1,029)	(17)	-	1,046	-	-
Unwind of discount						-
Changes in PD/LGD/EAD Including Accrued Interest						-
Amounts written off	-	-	-	6,840	-	(6,840)
Foreign exchange adjustments	(1)		-	0	-	(1)
At 30 September 2025	429	45		8,932	-	9,406

31 December 2024						
	Stage 1	Stage 2		Stage 3	POCI	Total
	Collectively N'million	Collectively N'million		N'million	N'million	N'million
Gross carrying amount as at						
1 January 2024	48,232	882		26,936	-	76,051
New assets originated or purchased	6,450	-		-	-	6,450
	-	-		-	-	-
Assets derecognised or repaid (excluding write offs)	(11,533)	(1,891)	-	5,040	-	(18,463)
Transfers to Stage 1	2,720	(97)	-	2,623	-	-
Transfers to Stage 2	(713)	1,045	-	332	-	-
Transfers to Stage 3	(7,902)	(6)	-	7,908	-	0
Changes to contractual cash flows due to modifications not resulting in derecognition	132	214	-	1,512	-	1,858
Unwind of discount	-	-		-	-	-
Changes in PD/LGD/EAD Including Accrued Interest	502	62	-	1,138	-	1,702
Amounts written off	-	-	-	859	-	(859)
Foreign exchange adjustments	1,593	7		6	-	1,606
At 31 December 2024	39,480	217		28,647	-	68,345

Notes To The Financial Statements:

22 Loans and Advances to Customers - continued

22.1 Impairment allowance for loans and advances to customers- continued

	31 December 2024				
	Stage 1 Collectively N'million	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million	Total N'million
Gross Carrying amount as at 1 January 2024	390	6	17,180	-	17,576
New assets originated or purchased	3,600	-	-	-	3,600
Assets derecognised or repaid (excluding write offs)	(1,306)	(102)	1,987	-	(3,395)
Transfers to Stage 1	274	(3)	271	-	0
Transfers to Stage 2	(70)	110	40	-	-
Transfers to Stage 3	(2,233)	(3)	2,236	-	(0)
Unwind of discount	112	13	21	-	146
Changes in PD/LGD/EAD Including Accrued Interest	101	-	33	-	134
Amounts written off	-	-	800	-	(800)
Foreign exchange adjustments	5	2	115	-	122
At 31 December 2024	874	23	16,487	-	17,384

The increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk and a deterioration in economic conditions. Further analysis of economic factors is outlined in Note 3.

22.1 Advances under finance lease may be analysed as follows:

	Group 30 September 2025 N'million	Group 31 December 2024 N'million	Bank 30 September 2025 N'million	Bank 31 December 2024 N'million
	Gross investment			
- No later than 1 year	1,887	1,397	1,887	1,397
- Later than 1 year and no later than 5 years	2,071	4,185	2,071	4,185
- Later than 5 years	142	24	142	24
Less:	4,101	5,606	4,101	5,606
Allowance for ECL/impairment losses	(46)	(44)	(46)	(44)
Unearned future finance income on finance leases	1,145	(1,407)	(1,145)	(1,407)
Net investment	2,909	4,155	2,909	4,155

The net investment may be analysed as follows:

- No later than 1 year	1,546	1,209	1,546	1,209
- Later than 1 year and no later than 5 years	1,340	2,935	1,340	2,935
- Later than 5 years	23	11	23	11
	2,909	4,155	2,909	4,155

22.2 Nature of security in respect of loans and advances:

	Group 30 September 2025 N'million	Group 31 December 2024 N'million	Bank 30 September 2025 N'million	Bank 31 December 2024 N'million
	Secured against real estate	815,011	144,149	753,336
Secured by shares of quoted companies	3,920	3,949	3,920	3,949
Secured others (see 22.2.i)	4,189,528	4,182,936	4,150,237	4,226,998
Advances under finance lease	3,405	5,104	3,405	5,104
Unsecured	42,348	246,574	246,697	230,087
Gross loans and advances to customers	5,054,213	4,582,711	4,935,595	4,541,322

22.2.i Secured others ascollaterals includes Licenses of varied nature , State guarantees , Legal mortgages , Oil wells , vessels , all assets debenture , Bonds etc

Notes To The Financial Statements:

23 Derivative Financial Instruments

The Bank entered into derivative contracts with counter parties; Total Return Swap with Mashreq Bank and Swap with the Central Bank of Nigeria ("CBN") in the period ended 30 September 2025. The table below shows the fair values of derivative financial instruments recorded as assets together with their notional amounts with a Nil Derivative Liabilities. The notional amount, recorded gross, is the quantity of the derivative contracts' underlying instrument. The notional amounts indicate the volume of transactions outstanding at the end of the period and are not indicative of either the market or credit risk. The value of Futures September 2025 represent deposit at the exchange (NGX) for Futures transactions.

	Group	Group	Bank	Bank
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
23a Derivative financial Assets				
Total return swap contracts	50,243	50,243	20,878	50,242
Non-deliverable forwards -	-	-	-	-
Futures Contracts	50	50	-	50
Total derivative financial Assets	50,293	50,293	20,878	50,292
Notional Amount				
Total return swap contracts	697,592	697,592	697,096	697,050
Futures Contracts	50	50	50	50
Total	697,642	697,642	697,100	697,100

	Group	Group	Bank	Bank
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
23b Derivative financial liabilities				
Total return swap contracts	30,482	-	30,362	-
Non-deliverable forwards	-	-	-	-
Futures Contracts	-	-	-	-
Total derivative financial Liabilities	30,482	-	30,362	-
Notional Amount				
Forward Contract	714,849	-	697,096	-
Futures Contracts	-	-	-	-
Total	714,849	-	697,096	-

i The Bank enters into currency forward / futures contracts with counter parties. On initial recognition, the Bank estimates the fair value of derivatives transacted with the counter parties in line with IFRS 13. In many cases, all significant inputs into the valuation techniques are wholly observable (e.g with reference to similar transactions in the dealer market.) See note 2.4.2 c

ii During the period, various derivative contracts entered into by the Bank generated a net gain which was recognized in the statement of profit or loss and other comprehensive income, while no liability was recognized.

iii All derivative contracts are current.

24 Investment Securities

	Group	Group	Bank	Bank
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
24.1 Financial assets at fair value through profit and loss (FVTPL)				
Federal Government bonds	331	331	4,628	331
Treasury bills	4782	4,782	68,870	4,782
Placements	-	-	-	-
Total financial assets measured at FVTPL	5113	5,113	73,498	5,113

Notes To The Financial Statements:

24 Investment Securities- continued

	Group		Bank	
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
24.2 <u>Debt instruments at fair value through other comprehensive income (FVOCI)</u>				
Treasury bills	47383	46,944	47,383	46,944
Federal Government bonds	146046	139,627	89,674	65,981
State bonds	-	-	-	-
Corporate bonds	-	-	-	-
Total debt instruments measured at FVOCI	193,429	186,571	137,058	112,925

	Group		Bank	
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
24.3 <u>Debt instruments at amortised cost</u>				
Treasury bills	1408490	1,079,081	1,381,280	1,079,081
Federal Government bonds	440877	449,392	440,877	449,392
State Government bonds	8733	10,027.00	8,733.28	10,027.00
Corporate bonds	15123	15,265	15,123	15,265
Sub-total	1,873,224	1,553,765	1,846,014	1,553,765
Allowance for impairment	(2,098)	(1,418)	(1,969)	(1,418)
Total debt instruments measured at amortised cost	1,871,126	1,552,347	1,844,045	1,552,347

Reconciliation of allowance for impairment

At beginning of year	(1,418)	(2,210)	(1,418)	(2,210)
Write back /Additional allowance for impairment	(551)	793	(551)	793
At end of period	(1,969)	(1,418)	(1,969)	(1,418)

	Group		Bank	
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
24.4 <u>Equity instruments :</u>				
24.4i <u>Equity instruments at fair value through other comprehensive income (FVOCI)</u>				
Unquoted equity investments:				
- Pay Attitude Global	14	13	14	13
- African Finance Corporation (AFC)	28,498	19,630	28,498	19,630
- Unified Payment Solution (UPSL)	34,257	31,018	34,257	31,018
- Nigerian Inter Bank Settlement System (NIBBS)	8,467	10,492	8,467	10,492
- African Export–Import Bank (AFREXIM BANK)	3,051	1,771	3,051	1,771
- The Central Securities Clearing System (CSCS)	5,450	3,952	5,450	3,952
- Investment in FMDQ	3,714	2,612	3,714	2,612
- Shared Agent Network Expansion Facility (SANEF)	76	80	76	80
Quoted equity investments:				
- Nigerian Exchange Group (NGX)	105	67	105	67
Total equity instruments at FVOCI	69,635	69,635	83,631	69,635

24.4ii The Group has designated its equity investments as equity investments at fair value through other comprehensive income (FVOCI) on the basis that these are not held for trading , see note 2.4.2.b. During the period ended 30 September 2025 , the Bank recognised dividends of N827 million (December 2024 - N741 million) from its FVOCI equities which was recorded in the profit or loss as other operating income.

24.4iii **Investment in Subsidiary:**

	Group		Bank	
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	% Ownership	% Ownership	N'million	N'million
- Fidelity Bank -UK	100	100	68,591	68,591
Total equity instruments			68,591	68,591

24.4iv As at the period ended 30 September 2025, the Bank's total investment in the United Kingdom Subsidiary is N68,591million (December 2024 - N68,591million).

Total investments	2,139,303	1,813,666	2,206,822	1,808,610
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Notes To The Financial Statements:

24 Investment Securities- continued

24.5 Pledged Assets

The assets pledged as collateral were given to the counter parties without transferring the ownership to them. These are held by the counter party for the term of the transaction being collateralized.

Treasury Bills and Bonds are pledged to the Nigerian Inter Bank Settlement System Company Plc (NIBSS) in respect of the Bank's ongoing participation in the Nigerian settlement system. The Bank pledged Treasury bills and Bonds in its capacity as collection bank for government taxes and Interswitch electronic card transactions. The pledges are overnight collaterals to allow the free flow of the bank's daily transactions.

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

	Group		Bank	
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
Treasury bills - Amortised cost	139,428	139,428	139,428	139,428
Federal Government bonds - Amortised cost		-		-

24.6 Impairment losses on financial investments subject to impairment assessment

24.6.1 Debt Instruments Measured at FVOCI

The table below shows the fair value of the Bank's debt instruments measured at FVOCI by credit risk, based on the Bank's internal credit rating system and reporting Period end stage classification. Details of the Bank's internal grading system are explained in Note 3.2.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 3.2.4:

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
Internal rating grade	N'million	N'million	N'million	N'million
Performing				
High grade	193,429	-	-	193,429
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	193,429	-	-	193,429

Group	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
Internal rating grade	N'million	N'million	N'million	N'million
Performing				
High grade	186,578	-	-	186,578
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	186,578	-	-	186,578

Notes To The Financial Statements:

Bank

30 September 2025			
Stage 1	Stage 2	Stage 3	Total
Collectively	Collectively		
N'million	N'million	N'million	N'million
Internal rating grade			
Performing			
High grade	-	-	137,058
Standard grade	-	-	-
Sub-standard grade	-	-	-
Past due but not impaired	-	-	-
Non-performing			
Individually impaired	-	-	-
Total	137,058	-	137,058

Internal rating grade

Performing

High grade

Standard grade

Sub-standard grade

Past due but not impaired

Non-performing

Individually impaired

Total

31 December 2024			
Stage 1	Stage 2	Stage 3	Total
Collectively	Collectively		
N'million	N'million	N'million	N'million
Internal rating grade			
Performing			
High grade	-	-	112,925
Standard grade	-	-	-
Sub-standard grade	-	-	-
Past due but not impaired	-	-	-
Non-performing			
Individually impaired	-	-	-
Total	112,925	-	112,925

Notes To The Financial Statements:

24 Investment Securities- continued

24.6.1 Debt Instruments Measured at FVOCI- continued

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2025	186,571	-	-	186,571
New assets originated or purchased	144,392	-	-	144,392
Assets derecognised or matured (excluding write-offs)	(115,244)	-	-	(115,244)
Change in fair value	(23,089)	-	-	(23,089)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes due to modifications not derecognised	-	-	-	-
Unwind of discount	2,648	-	-	2,648
Amounts written off	-	-	-	-
Foreign exchange adjustments	(1,849)	-	-	(1,849)
At 30 September 2025	193,429	-	-	193,429

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2025	166	-	-	166
New assets originated or purchased	160	-	-	160
Assets derecognised or matured (excluding write-offs)	(98)	-	-	(98)
Impact on period end ECL of exposures transferred between stages during the period	1	-	-	-
Unwind of discount (recognised in interest income)	24	-	-	24
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	6	-	-	6
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(9)	-	-	(9)
At 30 September 2025	250	-	-	249

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2024	252,659	-	-	252,659
New assets originated or purchased	181,733	-	-	181,733
Assets derecognised or matured (excluding write-offs)	(239,330)	-	-	(239,330)
Change in fair value	(12,157)	-	-	(12,157)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes due to modifications not derecognised	-	-	-	-
Unwind of discount	1,834	-	-	1,834
Amounts written off	-	-	-	-
Foreign exchange adjustments	1,841	-	-	1,841
At 31 December 2024	186,578	-	-	186,578

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2024	621	-	-	620
New assets originated or purchased	111	-	-	111
Assets derecognised or matured (excluding write-offs)	(585)	-	-	(585)
Impact on year end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount (recognised in interest income)	15	-	-	15
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	0	-	-	0
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	4	-	-	4
At 31 December 2024	166	-	-	165

Notes To The Financial Statements:

Bank

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2025	112,925	-	-	112,925
New assets originated or purchased	88,017	-	-	88,017
Assets derecognised or matured (excluding write-offs)	(41,594)	-	-	(41,594)
Change in fair value	(23,089)	-	-	(23,089)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes due to modifications not derecognised	-	-	-	-
Unwind of discount	2,648	-	-	2,648
Amounts written off	-	-	-	-
Foreign exchange adjustments	(1,849)	-	-	(1,849)
At 30 September 2025	137,058	0	-	137,058

ECL allowance as at 1 January 2025

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2025	158	-	-	158
New assets originated or purchased	153	-	-	153
Assets derecognised or matured (excluding write offs)	(94)	-	-	(94)
Impact on year end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount (recognised in interest income)	24	-	-	24
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(3)	-	-	(3)
At 30 September 2025	238	-	-	238

24.6.1 Debt Instruments Measured at FVOCI- continued

Gross carrying amount as at 1 January 2024

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2024	187,561	-	-	187,561
New assets originated or purchased	108,079	-	-	108,079
Assets derecognised or matured (excluding write-offs)	(174,232)	-	-	(174,232)
Change in fair value	(12,157)	-	-	(12,157)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes due to modifications not derecognised	-	-	-	-
Unwind of discount	1,834	-	-	1,834
Amounts written off	-	-	-	-
Foreign exchange adjustments	1,841	-	-	1,841
At December 2024	112,925	-	-	112,925

ECL allowance as at 1 January 2024

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2024	620	-	-	620
New assets originated or purchased	103	-	-	103
Assets derecognised or matured (excluding write offs)	(584)	-	-	(584)
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Unwind of discount (recognised in interest income)	15	-	-	15
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	4	-	-	4
At 31 December 2024	158	-	-	158

24.6.2 Debt Instruments Measured at Amortised Cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and period-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 3.2.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 3.2.4:

Group

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	1,822,157	-	-	1,822,157
Standard grade	51,067	-	-	51,067
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	1,873,224	-	-	1,873,224

Internal rating grade

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	1,528,473	-	-	1,528,473
Standard grade	25,292	-	-	25,292
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	1,553,765	-	-	1,553,765

Notes To The Financial Statements:

Bank

30 September 2025				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	1,822,157	-	-	1,822,157
Standard grade	28,857	-	-	28,857
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	1,851,014	-	-	1,851,014

31 December 2024				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	1,528,473	-	-	1,528,473
Standard grade	25,292	-	-	25,292
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	1,553,765	-	-	1,553,765

Notes To The Financial Statements:

24 Investment Securities- continued

24.6.2 Debt Instruments Measured at Amortised Cost- continued

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

Bank	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2025	1,548,765	-	-	1,548,765
New assets originated or purchased	1,254,807	-	-	1,254,807
Assets derecognised or matured (excluding write-offs)	(1,009,645)	-	-	(1,009,645)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes due to modifications not derecognised	-	-	-	-
Unwind of Discount	57,087	-	-	57,087
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 September 2025	1,851,014	-	-	1,851,014

Bank	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2024	821,014	-	-	821,014
New assets originated or purchased	1,112,823	-	-	1,112,823
Assets derecognised or matured (excluding write-offs)	(432,664)	-	-	(432,664)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes due to modifications not derecognised	-	-	-	-
Unwind of Discount	47,593	-	-	47,593
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2024	1,548,765	-	-	1,548,765

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2025	1,418	-	-	1,418
New assets purchased	1,478	-	-	1,418
Assets derecognised or matured (excluding write offs)	(837)	-	-	1,390
Transfers to Stage 1	-	-	-	(695)
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount (recognised in interest income)	96	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	41
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 September 2025	2,154	-	-	2,154

Notes To The Financial Statements:

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2024	2,210	-	-	2,210
New assets purchased	1,335	-	-	1,335
Assets derecognised or matured (excluding write offs)	(2,265)	-	-	(2,265)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount (recognised in interest income)	137	-	-	137
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2024	1,418	-	-	1,418

24 Investment Securities- continued

24.6.2 Debt Instruments Measured at Amortised Cost- continued

Bank	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2025	1,418	-	-	1,418
New assets purchased	1,478	-	-	1,478
Assets derecognised or matured (excluding write offs)	(1,023)	-	-	(1,023)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount (recognised in interest income)	96	-	-	96
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 September 2025	1,969	0	-	1,969

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2024	2,210	0	-	2,210
New assets purchased	1,335	0	-	1,335
Assets derecognised or matured (excluding write offs)	(2,265)	0	-	(2,265)
Transfers to Stage 1	-	0	-	-
Transfers to Stage 2	-	0	-	-
Transfers to Stage 3	-	0	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	0	-	-
Unwind of discount (recognised in interest income)	137	0	-	137
Changes Other than modifications not derecognised	-	0	-	-
Changes to models and inputs used for ECL calculations	-	0	-	-
Recoveries	-	0	-	-
Amounts written off	-	0	-	-
Foreign exchange adjustments	-	0	-	-
At 31 December 2024	1,418	-	-	1,418

Notes To The Financial Statements:

25 Property, Plant and Equipment

Group	Land	Buildings	Leasehold improvements	Office equipment	Furniture, fittings	Computer equipment	Motor vehicles	Work in progress	Total
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Cost									
At 1 January 2025	16,118	21,515	5,666	13,696	3,303	34,766	12,282	11,613	118,957
Additions	4,684	4,335	867	4,859	1,565	32,415	8,325	30,163	87,214
Reclassifications	-	2,729	201	935	418	1,175	660	(6,532)	(414)
Disposals	(176)	(3)	-	(28)	(3)	(2,280)	(297)	-	(2,787)
Translation Difference	-	-	-	3	-	-	-	-	(6)
At 30 September 2025	20,626	28,576	6,733	19,465	5,284	66,076	20,970	35,244	202,965
Accumulated depreciation									
At 1 January 2025	-	(4,846)	(4,005)	(8,528)	(1,977)	(15,716)	(6,009)	-	(41,081)
Charge for the period	-	(377)	(276)	(1,830)	(421)	(5,517)	(2,276)	-	(10,697)
Reclassifications	-	(0)	(0)	(1)	(0)	(0)	-	-	1
Disposals	-	1	-	28	3	2,193	297	-	2,522
Translation Difference	-	-	-	(6)	-	-	-	-	2
At 30 September 2025	-	(5,222)	(4,281)	(10,337)	(2,396)	(19,040)	(7,987)	-	(49,255)
Carrying amount at 30 September 2025	20,626	23,354	2,452	9,129	2,888	47,036	12,982	35,244	153,710
Cost									
At 1 January 2024	15,713	18,886	4,508	9,485	2,166	18,892	7,466	4,700	81,816
Additions	494	1,962	830	3,265	1,020	15,097	5,017	10,768	38,452
Reclassifications	-	808	146	735	123	1,484	220	(3,855)	(340)
Disposals	(89)	(141)	-	(101)	(5)	(707)	(421)	-	(1,464)
Translation Difference	-	-	182	312	-	-	-	-	494
At 31 December 2024	16,117	21,515	5,666	13,696	3,303	34,766	12,281	11,613	118,957
Accumulated depreciation									
At 1 January 2024	-	(4,515)	(3,543)	(7,070)	(1,717)	(12,874)	(4,714)	-	(34,433)
Charge for the year	-	(389)	(297)	(1,305)	(224)	(3,549)	(1,324)	-	(7,088)
Reclassifications	-	-	-	41	(41)	1	(376)	-	(376)
Disposals	-	58	-	101	5	707	405	-	1,276
Translation Difference	-	-	(165)	(295)	-	-	-	-	(461)
At 31 December 2024	-	(4,846)	(4,005)	(8,528)	(1,977)	(15,715)	(6,009)	-	(41,081)
Carrying amount at 31 December 2024	16,117	16,669	1,660	5,168	1,326	19,050	6,272	11,613	77,876

Notes To The Financial Statements:

Bank

25 Property, Plant and Equipment

	Land	Buildings	Leasehold improvements	Office equipment	Furniture, fittings	Computer equipment	Motor vehicles	Work in progress	Total
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Cost									
At 1 January 2025	16,118	21,515	5,173	12,863	3,303	34,766	12,282	11,613	117,631
Additions	4,684	4,335	867	4,856	1,565	32,415	8,325	30,163	87,211
Reclassifications	-	2,729	201	936	418	1,175	660	(6,532)	(413)
Disposals	(176)	(3)	-	(28)	(3)	(2,280)	(297)	-	(2,787)
At 30 September 2025	20,626	28,576	6,240	18,627	5,284	66,076	20,970	35,244	201,643
Accumulated depreciation									
At 1 January 2025	-	(4,846)	(3,561)	(7,738)	(1,977)	(15,716)	(6,009)	-	(39,847)
Charge for the period	-	(377)	(266)	(1,811)	(421)	(5,517)	(2,276)	-	(10,668)
Reclassifications	-	(0)	(0)	(1)	(0)	(0)	-	-	1
Disposals	-	1	-	27	3	2,193	297	-	2,522
At 30 September 2025	-	(5,222)	(3,827)	(9,522)	(2,396)	(19,040)	(7,987)	-	(47,994)
Carrying amount at 30 September 2025	20,626	23,354	2,413	9,104	2,888	47,036	12,982	35,244	153,648
Cost									
At 1 January 2024	15,713	18,886	4,220	8,987	2,166	18,892	7,466	4,700	81,029
Additions	494	1,962	807	3,242	1,020	15,097	5,017	10,768	38,406
Reclassifications	-	808	146	735	123	1,484	220	(3,855)	(340)
Disposals	(89)	(141)	-	(101)	(5)	(707)	(421)	-	(1,464)
At 31 December 2024	16,117	21,515	5,173	12,863	3,303	34,766	12,281	11,613	117,632
Accumulated depreciation									
At 1 January 2024	-	(4,515)	(3,275)	(6,606)	(1,717)	(12,874)	(4,714)	-	(33,701)
Charge for the year	-	(389)	(287)	(1,273)	(224)	(3,549)	(1,324)	-	(7,046)
Reclassifications	-	-	-	41	(41)	1	(376)	-	(376)
Disposals	-	58	-	101	5	707	405	-	1,276
At 31 December 2024	-	(4,846)	(3,562)	(7,737)	(1,977)	(15,715)	(6,009)	-	(39,847)
Carrying amount at 31 December 2024	16,117	16,669	1,611	5,126	1,326	19,050	6,272	11,613	77,785

a Work in progress relates to capital cost incurred in setting up new branches. When completed and available for use, they are transferred to the respective property, plant and equipment classes and depreciation commences.

b All property and equipment are non-current. None of the Bank's assets were financed from borrowings, consequently no borrowing cost has been capitalized as part of asset cost.

c There were no impairment losses on any class of property, plant and equipment during the period (31 December 2024: Nil)

d There were no pledged assets in any class of property, plant and equipment during the period (31 December 2024: Nil)

26 Right-of-Use Asset

	Group 30 September 2025 N'million	Group 31 December 2024 N'million	Bank 30 September 2025 N'million	Bank 31 December 2024 N'million
Cost				
Balance at beginning of year	11,479	10,853	3,786	3,377
Acquisition of a Subsidiary	-	-	-	-
Additions	757	798	757	798
Additions / Reclassifications during the period	413	63	413	63
Disposal during the period	(887)	(452)	(887)	(452)
Translation Difference	249	217	-	-
Balance	12,011	11,479	4,069	3,786
Accumulated Depreciation				
Balance at beginning of year	(7,729)	(4,993)	(2,049)	(1,700)
Depreciaton for the year	(1,103)	(1,389)	(682)	(798)
Disposal during the year	869	448	869	448
Translation Difference	(339)	(1,796)	-	-
Balance	(8,302)	(7,729)	(1,862)	(2,049)
Carrying amount	3,709	3,750	2,207	1,736

Expense of Low value Item :

The expense for low value items and short term leases is N34.01million (31 December 2024: N50.09million) .

27 Intangible Assets

	Group 30 September 2025 N'million	Group 31 December 2024 N'million	Bank 30 September 2025 N'million	Bank 31 December 2024 N'million
Cost				
Balance at 1 January	25,320	14,346	19,715	8,980
Additions	36,130	11,246	36,097	11,246
Reclassifications during the period	0	-	-	-
Write offs during the year	(1,166)	(511)	(1,166)	(511)
Translation Difference	275	239	-	-
Balance as at 30 September	60,559	25,320	54,645	19,715
Accumulated amortization				
Balance at 1 January	(10,382)	(4,005)	(5,344)	(3,857)
Amortisation for the year	(5,076)	(2,475)	(4,939)	(2,276)
Write offs during the year	1,166	(428)	1,166	789
Translation Difference	(830)	(3,475)	-	-
Balance as at 30 September	(15,121)	(10,382)	(9,117)	(5,344)
Carrying amount	45,437	14,938	45,529	14,371

These relate to purchased softwares.

27i Uk Inagible Assesst from PPA

	Group 30 September 2025 N'million	Group 31 December 2024 N'million		
Cost				
Balance at 1 January	-	-		
Acquisition of a Subsidiary	7,774	7,774		
Additions	-	-		
Write offs during the year	-	-		
Translation Difference	-	-		
Balance as at 30 September	7,774	7,774		
Accumulated amortization				
Balance at 1 January	(2,332)	-		
Amortisation for the year	(769)	(2,332)		
Write offs during the year	-	-		
Translation Difference	(2,392)	-		
Balance as at 30 September	(5,493)	(2,332)		
Carrying amount	2,281	5,442		
Total Carrying Amount	47,719	20,380	45,529	14,371

- i Uk Inagible Assesst from PPA relate to Core deposits, customer relationship from disaggregation of Goodwill. All intangible assets are non-current with finite useful life of 5 years and are amortised over a 5 year period .
- ii The amortisation of intangible asset recognised in depreciation and amortisation in profit or loss was N4,939 bn (Group -N2,951bn) for the period ended 30 September 2025 (31 December 2024: N2,276 bn - (Group -N4,807 bn).

28 Deferred Taxation

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 income taxes relate to the same fiscal authority. The deferred tax disclosed relate to current period .

Deferred taxes are calculated on all temporary differences under the liability method as there is now various componenet and rate disclosure is not required.

Deferred tax assets and liabilities are attributable to the following items in the schedule below :

28.1 Group

	Assets			Liabilities			Net		
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	
	30 September 2025			31 December 2024					
Property,plant and equipment	-	17,224	-	17,224	-	12,421	-	12,421	
Allowances for loan losses	37,107	-	-	37,107	29,536	-	-	29,536	
Uk DT carried forward	3,034	-	-	3,034	3,034	-	-	3,034	
Uk DT on PPA	2,246	0.19	-	2,246	2,271	0.19	-	2,272	
Unutilised tax credits (capital allowances)	-	-	-	-	-	-	-	-	
Foreign exchange diffence (Unrealized)	-	11,572	-	11,572	-	16,460	-	16,460	
Fair value adjustments	-	1,443	-	1,443	-	1,443	-	1,443	
Fair value Derivative	5,135	-	-	5,135	-	-	-	-	
IFRS 16 Losses	-	25	-	25	-	-	-	-	
Other: ROU	-	-	-	-	61	-	-	61	
Total tax assets/(liabilities)	47,523	30,263	17,260	34,902	30,324	17,260	17,260	4,579	
	30 September 2025			31 December 2024					
Property,plant and equipment	-	-	-	-	-	-	-	-	
Allowances for loan losses	-	-	-	-	-	-	-	-	
Uk DT carried forward	3,034	-	-	3,034	3,034	-	-	3,034	
Uk DT on PPA	2,246	0.19	-	2,246	2,271	0.19	-	2,272	
Unutilised tax credits (capital allowances)	-	-	-	-	-	-	-	-	
Foreign exchange diffence (Unrealized)	-	-	-	-	-	-	-	-	
Fair value adjustments	-	-	-	-	-	-	-	-	
Other: ROU	-	-	-	-	-	-	-	-	
Total tax assets/(liabilities)	5,280	0.19	5,280	5,305	0.19	5,305	5,305	5,305	

A deferred tax asset of US\$10,192,976 against losses and temporary differences of US\$40,771,9031 from the United Kingdom component and the has been recognized 20% of the asset

A deferred Tax Liability of US\$130,000 on Purchase Price adjustment is recognized at the tax rate of 25% which is the ruling rate for the period beginning 1 April, 2024.

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Bank	30 September 2025			31 December 2024		
	Assets N'million	Liabilities N'million	Net N'million	Assets N'million	Liabilities N'million	Net N'million
Property, plant and equipment	-	17,224	-	-	12,421	-
Allowances for loan losses	37,107	-	37,107	29,536	-	29,536
Tax loss carried forward	-	-	-	-	-	-
Unutilised tax credits (capital allowances)	-	-	-	-	-	-
Foreign exchange difference (Unrealized)	-	11,572	-	-	16,460	-
Fair value adjustments	-	1,443	-	-	1,443	-
Fair value Derivative	5,135	-	5,135	-	-	-
IFRS 16 Losses	-	25	-	-	-	-
Other: ROU	-	-	-	61	-	61
Net tax assets/(liabilities)	42,242	30,263	11,979	29,597	30,324	(727)

29 Other Assets

	Group 30 September 2025	Group 31 December 2024	Bank 30 September 2025	Bank 31 December 2024
	N'million	N'million	N'million	N'million
Financial assets				
Sundry receivables	97,001	73,838	96,726	73,509
Deposit for Shares - Equit Investment	0	19	-	19
Electronic payment receivables	132,825	60,181	132,825	60,181
Investments in SMESIS	9,445	9,445	9,445	9,445
	239,270	143,483	238,996	143,154
Less:				
Specific allowances for impairment	(1,347)	(7,857)	(1,347)	(7,857)
	237,922	135,626	237,648	135,297
Non financial assets				
Prepayments	31,130	18,451	29,577	16,987
Others	2,476	1,852	513	242
Other non financial assets	5,238	2,187	5,238	2,187
	38,844	22,490	35,328	19,416
Total	276,767	158,116	272,977	154,713
Reconciliation of Allowance for Impairment				
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
At 1 January	7,857	3,359	7,857	3,359
Charge for the period	-	4,498	-	4,498
Reversal of provision	(6,510)	-	(6,510)	-
Write-off during the period	-	-	-	-
At 30 September	1,347	7,857	1,347	7,857

- a The Bank's investments under the Small and Medium Enterprises Equity Investment Scheme ("SMEEIS") is in compliance with the Policy Guidelines for 2001 Fiscal Year (Monetary Policy Circular No. 35). There is no existence of either Control or Joint control in SMESIS.
- b Prepayment relates to payments made by the bank on items whose benefits covers specified future period of time beyond the reporting period e.g. Insurance premiums, Adverts and publicity, Computer expenses and Subscriptions. They are short tenured and are quickly settled.
- c Other non-financial assets comprises of balances on settlement accounts such as: Stock of ATM cards, stock electronic cards, and stock cheque books and stationeries and sundry receivables. These assets are short tenured and are quickly settled.

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30 Deposits from Customers

	Group 30 September 2025 N'million	Group 31 December 2024 N'million	Bank 30 September 2025 N'million	Bank 31 December 2024 N'million
Demand	1,975,113	1,755,934	1,796,248	1,633,502
Savings	1,229,155	1,134,824	1,220,196	1,132,429
Term	349,309	416,526	164,240	264,605
Domiciliary	3,330,951	2,608,389	3,330,951	2,608,389
Others	50,921	21,390	50,921	21,390
	6,935,449	5,937,064	6,562,555	5,660,315
Current	2,563,635	2,182,946	3,180,684	1,864,217
Non-current	4,371,814	3,754,118	3,381,871	3,796,098
	6,935,449	5,937,064	6,562,555	5,660,315

30a "Others", relate to accrued interest payable of deposit liabilities which are considered to be component of deposits.

31 Other Liabilities

	Group 30 September 2025 N'million	Group 31 December 2024 N'million	Bank 30 September 2025 N'million	Bank 31 December 2024 N'million
Customer deposits for letters of credit (see note 31.1)	2,177.54	1	2,178	1
Accounts payable (see note 31.2)	736,317	461,774	744,431	506,018
FGN Intervention fund (see note 31.3)	382,242	384,459	382,242	384,459
Manager's cheque	6,842	6,295	6,720	6,295
Payable on E-banking transactions (see note 31.4)	139,987	67,113	139,935	67,113
Other liabilities/credit balances (see note 31.5)	6,047	8,380	4,564	6,281
Accruals for year end bonus (see note 31.6)	590	7,677	590	7,677
Lease liability (see note 31.8)	2,371	3,077	363	591
	1,276,573	938,776	1,281,023	978,435

31.1 Customer deposits for letters of credit relates to liabilities generated from loans granted to customers for trade finance transactions, it mirrors the value of the confirmation line enjoyed by the customer with the offshore bank for the purpose of facilitating the letters of Credit.

31.2 Account payable represents balances in internal accounts drawn for the purpose of settlement of obligations which are due against the bank either from bank expense or customer transaction settlement e.g. accrual/provision for expenses that has or will fall due, Ebanking settlement values drawn from customers account, customers deposit drawn for FX bid with CBN for letters of credit etc.

31.3 FGN Intervention Fund (On Lending facilities)

	2025 N'million	2024 N'million	2025 N'million	2024 N'million
a CBN state bailout fund	76,128	79,824	76,128	79,824
bi Real Sector Support Facility - Differentiated Cash Reserves Requirement - (DCRR)	135,036	155,163	135,036	155,163
ii Real Sector Support Facility - (RSSF)	531	1,709	531	1,709
c Commercial Agriculture Credit Scheme - (CACCS)	5	306	5	306
di Bank of Industry BG backed	135,298	109,914	135,298	109,914
dii Bank of Industry - Restructured and Refinance scheme	35	90	35	90
diii Bank of Industry on lending	-	-	-	-
e Nigeria Export Import Bank - (NEXIM)	11,952	14,450	11,952	14,450
f Power Airline Intervention Fund - (PAIF)	94	94	94	94
g CBN 100 for 100 PPP - (Policy on Production and Productivity)	3,946	4,669	3,946	4,669
h Development Bank of Nigeria - (DBN)	19,197	18,222	19,197	18,222
i Nigerian Incentive-based Risk Sharing system for Agricultural Lending - (NIRSAL)	18	18	18	18
	382,242	384,459	382,242	384,459

a FGN Intervention fund is CBN Bailout Fund of N76.13billion (31 Dec 2024: N79.82billion). This represents funds for states in the Federation that are having challenges in meeting up with their domestic obligation including payment of salaries. The loan was routed through the Bank for on-lending to the states. The Bailout fund is for a tenor of 20 years at 9% per annum. See Note 31.3 k

b The Real Sector Support Facility (RSSF): The Central Bank of Nigeria, as part of the efforts to unlock the potential of the real sector to engender output growth, productivity and job creation has established a N300 billion Real Sector Support Facility (RSSF). The facility is disbursed to large enterprises and startups with financing needs of N500 million up to a maximum of N10.0 billion. The activities targeted by the Facility are manufacturing, agricultural value chain and selected service sub-sectors. The funds are received from the CBN at 2% per annum, and disbursed at 9% per annum to the beneficiary .

c The fund received under the Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme represents a credit line granted to the Bank for the purpose of providing concessionary funding to the agricultural sector. The facility attracts an interest rate of 2% per annum and the Bank is under obligation to on-lend to customers at an all-in interest rate of not more than 9% per annum. Based on the structure of the facility, the Bank assumes the default risk of all amounts lent to the Bank's customers. This facility is not secured.
The Bailout fund is for a tenor of 20 years at 7% per annum and availed for the same tenor at 9% per annum until March 2020, the rate was reduced to 5% for 1 year period due to Covid 19 pandemic to March 2021 after which it was extended to February 2023. CBN on August 17 2022 further reviewed the rates in response to economic outlook and approved the following order; All intervention facilities granted effective July 20, 2022 shall be at 9% per annum while all existing intervention facilities granted prior to July 20, 2022 shall be at 9% per annum effective September 1, 2022.

d The Central Bank of Nigeria (CBN) / Bank of Industry (BOI) - SME / Manufacturing Intervention Fund represents an intervention credit granted to the Bank for the purpose of refinancing / restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and Manufacturing Companies. The total facility is secured by Nigerian Government Securities. A management fee of 1% per annum is deductible at source and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. The Bank is the primary obligor to CBN / BOI and assumes the risk of default.

Federal Government through CBN, BOI and DBN to enable DMOs avail loans at single digit rates or rates lower than the normal commercial rate to qualifying institutions in line with the guidelines provided by CBN, BOI and DBN.

e Non-oil Export Stimulation Facility (NESF): This Facility was established by the Central Bank of Nigeria to diversify the economy away from the oil sector, after the fall in crude prices. The Central Bank invested N500 billion debenture, issued by Nigerian Export-Import Bank (NEXIM). The facility disbursed per customer shall not exceed 70% of total cost of project, or subject to a maximum of N5 billion. Funds disbursed to the Bank from CBN are at a cost of 2% which are then disbursed to qualifying customers at the rate of 9% per annum.

f The purpose of granting new loans and refinancing / restructuring existing loans to companies in the power and aviation industries is to support Federal Government's focus on the sectors. The facility is secured by Irrevocable Standing Payment Order (ISPO). The maximum tenor for term loans under the programme is 15 years while the tenor for working capital is one year, with option to renew the facility annually subject to a maximum tenor of five years. The facility attracts an interest rate of 2% per annum payable quarterly in arrears and the Bank is under obligation to on-lend to customers at an all-in interest rate of 9% per annum. This facility is not secured.

g CBN 100 for 100 PPP - (Policy on Production and Productivity) was established by the Central Bank of Nigeria to stimulate investments in Nigeria's manufacturing sector with the core objective of boosting production and productivity necessary to transform and catalyse the productive base of the economy. The fund is disbursed to the Bank at 2% per annum. Each enterprise is availed the facility at 9% per annum and repayments are made via ISPO deductions.

h CBN PAS FUND - The Paddy Aggregation Scheme (PAS) is for Integrated Rice Millers and Large-Scale Aggregators to enable them to purchase home-grown rice paddy at a single digit interest rate to promote the Federal Government of Nigeria's National Food Security Programme (NFSP). It is to provide credit facilities to Integrated Rice Millers and Large-scale rice paddy aggregators at single digit interest rate to increase local production of rice towards effecting lower prices and enhancing national food security. The fund is disbursed to the Bank at 6% per annum. Each enterprise is availed the facility at 9% per annum and repayments are made via ISPO deductions.

i The bank carries out modification test on all Intervention funds / loans. The modification test was performed and there was no material impact on the financial statement from the assessment.

31.4 Payable on E-banking transactions are settlement balances for RTGS/NIBSS transaction and Etransact transactions.

31.5 Other liabilities/credit balances are credit balances for other liabilities, other than the ones relating to customers deposit.

31.6 A provision has been recognised in respect of staff year end bonus, the provision has been recognised based on the fact that there is a constructive and legal obligation on the part of the Bank to pay bonus to staff where profit has been declared. The provision has been calculated as a percentage of the profit after tax.

	30 September 2025	31 December 2024	30 September 2025	31 December 2024
Movement in provision for Year / year end bonus				
At 1 January	7,677	12,055	7,677	12,055
Arising during the period	6,000	19,709	6,000	19,709
Utilised	(13,087)	(24,087)	(13,087)	(24,087)
At 30 September	<u>590</u>	<u>7,677</u>	<u>590</u>	<u>7,677</u>

31.7 Maturity Analysis is presented in Note 44.

31.8 This relates to lease rental for properties used by the Bank. The net carrying amount of leased assets, included within Right of Use Assets is N461 million. (31 December 2024: N591 million) for Bank; N2,771 million. (31 December 2024: N3,077 million) for Group.
The future minimum lease payments on the lease liabilities extend over a number of years. This is analysed as follows:

Not more than 1 year			-	-
Over one year but less than five years	804	1,480	363	591
More than five years	1,568	1,598	-	-
At end of the period	<u>2,371</u>	<u>3,077</u>	<u>363</u>	<u>591</u>

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32 Provision

	Group	Group	Bank	Bank
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	N'million	N'million	N'million	N'million
Provisions for litigations and claims	34,816	2,274	34,816	2,274
Provision for guarantees and letters of credit (Note 32.3.1 - 32.3.2)	2,479	1,517	2,479	1,517
	37,295	3,791	37,295	3,791

32.1 Movement in provision for litigations and claims

At 1 January	2,274	1,886	2,274	1,886
Arising during the period	32,542	388	32,542	388
Utilised	-	-	-	-
At 30 September	34,816	2,274	34,816	2,274

32.2 Current Provision
Non-current provisions

Current Provision	2,479	1,517	2,479	1,517
Non-current provisions	34,816	2,274	34,816	2,274
	37,295	3,791	37,295	3,791

The rise in provision is due to a judgment of the Supreme Court delivered in April 2025 in the matter of Fidelity Bank v. Sagecom Concepts Limited & Anor. The Sagecom Litigation arose from a legacy transaction between the defunct FSB International Bank and Sagecom Concepts Limited. FSB granted a credit facility to G. Cappa Plc in 2002. The facility was secured with a mortgage on property located in Ikoyi. G. Cappa defaulted on the repayment of the loan and, in a bid to prevent FSB from selling the mortgaged property, G. Cappa commenced an action against FSB at the Federal High Court, Lagos, in 2005 seeking to restrain the Bank from selling the property. The Federal High Court in its judgment of 2011 ruled that the Bank as legal mortgagor rightfully sold the property to Sagecom but referred the issue of possession to the State High Court. In the meantime, G. Cappa remained in possession of the property and kept collecting rents therefrom.

Sagecom then instituted an action against the Bank and G. Cappa at the Lagos State High Court in 2011 seeking damages against G. Cappa and the Bank for breach of contract and for possession of the property. In 2018, the Lagos High Court awarded judgment in favour of Sagecom against G. Cappa and the Bank. The Bank appealed against the judgment to the Court of Appeal and further to the Supreme Court contending that any loss due to Sagecom was caused by G. Cappa and that G. Cappa alone should be responsible for any damages due to Sagecom. In April 2025, the Supreme Court affirmed the decision of the High Court and the Court of Appeal.

The Bank is currently in discussions with Sagecom for an amicable determination and settlement of the judgment sum. As at the reporting date, provision has been recognized in the account to take care of the bank's obligation."

A further disclosure has been made in note 32.2 to ensure that Provisions is further broken down into current and non-current to enhance users understanding of the financial statements.

32.2 Impairment losses on guarantees and letters of credit

An analysis of changes in the gross carrying amount and the corresponding allowances for impairment losses in relation to guarantees and letters of credit is as follows:

32.3.1 Performance bonds and guarantees

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. Details of Bank's internal grading system are explained in Note 3.2.2 and policies on whether ECLs are calculated on an individual or collective basis are set out in Note 3.2.4. This relates funds held to ensure that customers do not default in the obligation .

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	-	-	-	-
Standard grade	3,386	-	-	3,386
Sub-standard grade	1,645,912	-	-	1,645,912
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	1,649,298	-	-	1,649,298

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	3,380	-	-	3,380
Standard grade	1,006,743	-	-	1,006,743
Sub-standard grade	2,230	-	-	2,230
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	1,012,354	-	-	1,012,354

An analysis of changes in the outstanding exposures and the corresponding ECLs is, as follows:

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	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	N'million	N'million
Gross carrying amount as at 1 January 2025	1,012,354	-	-	1,012,354
New exposures	1,408,701	-	-	1,408,701
Exposure derecognised or matured/lapsed (excluding write-offs)	(766,600)	-	-	(766,600)
Changes due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(5,156)	-	-	(5,156)
At 30 September 2025	1,649,298	-	-	1,649,298

32.3.1 Performance bonds and guarantees- continued

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	N'million	N'million
ECL allowance as at 1 January 2025	415	-	-	415
New exposures	520	-	-	520
Exposure derecognised or matured/lapsed (excluding write-offs)	(251)	-	-	(251)
Impact on year end ECL of exposures transferred between stages	-	-	-	-
Unwind of discount	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(2)	-	-	(2)
At 30 September 2025	682	-	-	682

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	N'million	N'million
Gross carrying amount as at 1 January 2024	730,779	-	-	730,779
New exposures	753,204	-	-	753,204
Exposure derecognised or matured/lapsed (excluding write-offs)	(508,781)	-	-	(508,781)
Changes due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	37,152	-	-	37,152
At 31 December 2024	1,012,354	-	-	1,012,354

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	N'million	N'million
ECL allowance as at 1 January 2024	455	-	-	455
New exposures	192	-	-	192
Exposure derecognised or matured/lapsed (excluding write-offs)	(265)	-	-	(265)
Impact on year end ECL of exposures transferred between stages	-	-	-	-
Unwind of discount	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	32	-	-	32
At 31 December 2024	415	-	-	415

32.3.2 Letters of Credit

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and period-end stage classification. Details of Bank's internal grading system are explained in Note 3.2.2 and policies on whether ECLs are calculated on an individual or collective basis are set out in Note 3.2.4.

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	-	-	-	-
Standard grade	1,076,174	-	-	1,076,174
Sub-standard grade	4,445	-	-	4,445
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	1,080,619	-	-	1,080,619

Group	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	25,650	-	-	25,650
Standard grade	565,991	-	-	565,991
Sub-standard grade	192,557	-	-	192,557
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	784,198	-	-	784,198

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	-	-	-	-
Standard grade	1,040,617	-	-	1,040,617
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	1,040,617	-	-	1,040,617

Group	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	25,650	-	-	25,650
Standard grade	534,932	-	-	534,932
Sub-standard grade	176,773	-	-	176,773
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	737,355	-	-	737,355

An analysis of changes in the outstanding exposures and the corresponding ECLs is, as follows:

Group	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2025	782,094	-	-	782,094
New exposures	984,962	-	-	984,962
Exposure derecognised or matured/lapsed (excluding write-offs)	(682,048)	-	-	(682,048)
Changes due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(4,389)	-	-	(4,389)
At 30 September 2025	1,080,619	-	-	1,080,619

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	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2025	1,372	-	-	1,372
New exposures	1,700	-	-	1,700
Exposure derecognised or matured/lapsed (excluding write-offs)	(1,192)	-	-	(1,192)
Impact on year end ECL of exposures transferred between stages	-	-	-	-
Unwind of discount	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(9)	-	-	(9)
At 30 September 2025	1,871	-	-	1,871

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2024	426,731	4,972	-	431,704
New exposures	672,580	-	-	672,580
Exposure derecognised or matured/lapsed (excluding write-offs)	(358,148)	(4,972)	-	(363,120)
Changes due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	43,034	-	-	43,034
At 31 December 2024	784,198	-	-	784,198

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2024	1,173	19	-	1,192
New exposures	1,274	-	-	1,274
Exposure derecognised or matured/lapsed (excluding write-offs)	(1,024)	-	-	(1,024)
Impact on year end ECL of exposures transferred between stages	-	-	-	-
Unwind of discount	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	41	-	-	41
At 31 December 2024	1,463	19	-	1,482

Bank

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2025	737,355	-	-	737,355
New exposures	947,266	-	-	947,266
Exposure derecognised or matured/lapsed (excluding write-offs)	(639,614)	-	-	(639,614)
Changes due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(4,389)	-	-	(4,389)
At 30 September 2025	1,040,617	-	-	1,040,617

	30 September 2025			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2025	1,102	-	-	1,102
New exposures	1,636	-	-	1,636
Exposure derecognised or matured/lapsed (excluding write-offs)	(934)	-	-	(934)
Impact on year end ECL of exposures transferred between stages	-	-	-	-
Unwind of discount	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(8)	-	-	(8)
At 30 September 2025	1,797	-	-	1,797

32.3.2 Letters of Credit- continued

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
Gross carrying amount as at 1 January 2024	413,362	-	-	413,362
New exposures	625,738	-	-	625,738
Exposure derecognised or matured/lapsed (excluding write-offs)	(344,778)	-	-	(344,778)
Changes due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	43,034	-	-	43,034
At 31 December 2024	737,355	-	-	737,355

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
ECL allowance as at 1 January 2024	1,093	-	-	1,093
New exposures	991	-	-	991
Exposure derecognised or matured/lapsed (excluding write-offs)	(1,024)	-	-	(1,024)
Impact on year end ECL of exposures transferred between stages	-	-	-	-
Unwind of discount	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	43	-	-	43
At 31 December 2024	1,102	-	-	1,102

33 Debts Issued and Other Borrowed Funds

	Group	Group	Bank	Bank
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	N'million	N'million	N'million	N'million
Long term loan from African Development Bank (ADB) (see note 33.1)	7,509	24,237	7,509	24,237
Bank of Industries (see note 33.2)	12,090	-	12,090	-
Afrexim (see note 33.3)	77,050	100,247	77,050	100,247
\$400 Million Euro Bond issued (see note 33.4)	609,674	625,679	609,674	625,679
CBN (see note 33.6)	-	-	50,565	-
Local Bond issued (see note 33.5)	41,439	42,261	41,439	42,261
Other Borrowings (see note 33.8)	290,947.73	81,229	290,948	81,229
Development Bank of Nigeria (see note 33.7))	44,561	55,942	44,561	55,942
	1,083,271	929,595	1,133,836	929,595
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
Reconciliation of Borrowings during the period:	N'million	N'million	N'million	N'million
At 1 January	929,595	577,028	929,595	577,028
Additions during the period	474,704	298,748	474,704	298,748
Accrued interest	76,362	14,348	76,362	14,348
Payment of interest	(38,607)	(37,137)	(38,607)	(37,137)
Repayment of principal during the period	(298,154)	(208,533)	(298,154)	(208,533)
Foreign exchange difference	(10,065)	285,141	(10,065)	285,141
At 30 September/ 31 December	1,133,836	929,595	1,133,836	929,595

33.1 The amount of N7,509 billion (31 December 2024: N24,237 billion) represents the amortized cost balance in the on-lending facility of \$50million granted to the Bank by ADB. The first tranche of \$40 million was disbursed July 27, 2019 while the second tranche of \$10 million was disbursed June 3, 2020 with both to mature February 1, 2026 and October 1, 2026 respectively at interest rate at 10.47% per annum. Interest and principal is repaid semi-annually. The borrowing is an unsecured borrowing.

33.2 The amount of N12,090 million represents the amortised cost of a short term borrowing in respect of BOI Glow women fund from Bank of Industries, to mature 23 October 2025 at an interest rate of 22% per annum. Interest and Principal repayment at maturity with option to rollover. The borrowing is an unsecured borrowing.

33.3 The amount of N77,957 billion, (31 Dec 2024: N100,247.69 billion) represents amortised cost balance of \$150 million borrowing from AFREXIM (under the repurchase agreement), with Fidelity Bank pledging its USD denominated Eurobond and FGN, which the Bank has the right to buy at a later date.

- 33.4** On 28 October , 2021, \$400 million 5-year 2026 Senior Notes at a 7.625 percent coupon was issued. The proceed from the new issue is for general corporate purposes including supporting the Bank's trade finance business.. The amount of N609,674 billion represents the amortised cost of the Issued Notes as at 30 September 2025; N625,679 billion represents the amortised cost for the period ended 31 December 2024 .
- 33.5** "The amount of N41,439 billion (31 Dec 2024 : N42,261billion) represents the amortized cost of 10-Year N41.2 billion Subordinated Unsecured Series I Bonds issued at 8.5% p.a. in January 2021. The coupon is paid semi-annually. The proceeds from the Series I Bonds will support the Bank's SME and Retail Banking Businesses as well as its Information and Technology Infrastructure"
- 33.6** The amount of N50.565 billion represent the Amortised cost of the short term liability with CBN. (N81, 229bn) as at 31 December 2024 which matured 27 April 2026 .
- 33.7** The amount of N44,561 billion (31 Dec 2024: N55,942 billion) represents the amortised cost of a N20 billion of wholesale borrowing from Development Bank of Nigeria, to mature 3rd April, 2026 at an interest rate of 10% per annum. Interest is paid semi-annually, with principal repayment after 1 year moratorium period, effective 27th October 2022 to maturity. The borrowing is an unsecured borrowing
- 33.8** The amount of N290.948 billion represents the amortised cost of a short term borrowing in respect of CBN takings (N211.173billion); ABSA Bank (N74.934billion); Mashreq (N1.79965billion) and CreditCorp On lending (N4.039billion) with maturity ranging from to 24 December 2025 to 12 June 2027. Interest and Principal repayment at maturity with option to rollover. The borrowing is an unsecured borrowing.
- 33.80** Maturity Analysis is presented in Note 44.

34 Share Capital

	Group	Group	Bank	Bank
	30 September	31 December	30 September	31 December
	2025	2024	2025	2024
	N'million	N'million	N'million	N'million
50.2 billion ordinary shares of 50k each (2023: 32 billion ordinary shares)	25,100	25,100	25,100	25,100

In July 2024, Fidelity Bank issued shares through a rights offer and a public offer.

The rights offer was concluded on 4 July 2024, and offered for subscription 3.2 billion ordinary shares of 50k to existing shareholders of the bank. The rights issue was opened to existing shareholders at N9.25 per share, reflecting a 14% discount to the market price. The right is offered on the basis of one new ordinary share for every Ten existing ordinary shares held as of July 4,2024.

The public offer was concluded on 5 July 2024, and offered for subscription 15 billion ordinary shares of 50k through public offer. The Public Offer is issued to the public at N9.75 per share. The offer was priced at a 10% discount compared to the closing market price on July 5,2024.

35 Other Equity Accounts

The nature and purpose of the other equity accounts are as follows:

Share Premium

Premiums from the issue of shares are reported in the statement of chnages in equity . The basis is as below :-

	Issued Shares	Price	Norminal Value	Premium Price	Premium Value
	Units	N	N'million	N	N'million
Opening Balance					113,705
Public Offer	15 bn	9.75	7,500	9.25	138,750
Right Issue	3.2bn	9.25	1,600	8.75	28,000
	18.2bn		9,100		
Closing Balance					280,455

Retained Earnings

Retained earnings comprise the undistributed profits from previous years and current period, which have not been reclassified to the other reserves noted below.

35 Other Equity Accounts- continued

a Dividends

The following dividends were declared and paid by the Bank during the period

	30 September	31 December
	2025	2024
	N'million	N'million
Balance, beginning of year	-	-
Final dividend declared & paid	62,750	19,200
Interim dividend declared & paid	-	27,200
Payment during the period	(62,750)	(46,400)
Balance, end of period	-	-

b Statutory Reserve

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.15(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital. The Bank made a transfer of N24,519 million to statutory reserves during the period ended 30 June 2025 but no transfer occurred in the third quarter (31 December 2024: N42,431 million)

c Small Scale Investment Reserve

The SMEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contribution was 10% of profit after tax for the first 5 (five) periods, and thereafter reduced to 5% of profit after tax.

d Non-Distributable Regulatory Reserve

The amount at which the loan loss provision under IFRS is less than the loan loss provision under prudential guideline is booked to a non-distributable

e Fair Value Reserves

The fair value reserve includes the net cumulative change in the fair value of financial assets measured at fair value through other comprehensive income until the investment is derecognised or impaired.

f AGSMEIS Reserve

Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS); AGSMEIS fund is maintained to support the Federal Government's effort at promoting Agricultural businesses and Small and Medium Enterprises. Effective 2017 all Deposit Money Banks (DMBs) are required to set aside 5% of their Profit After Tax for equity investment in permissible activities as stipulated in the scheme guidelines. The fund is domiciled with Though there is no longer mandatory transfers to this reserve under the earlier directives, all Nigerian banks are now required to set aside an amount equal to 5% of their annual Profit After Tax (PAT) towards the funding of equity investments, which qualify under the AGSMEIS Scheme. This is done after the statutory external audit and Central Bank of Nigeria (CBN) approval.

g Translation Reserves

The translation reserve comprises all foreign currency difference arising from the translation of the financial statements of foreign operations. There were no effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

h Non-controlling Interest

Fidelity Bank acquired 100% holding of the United Kingdom component

36 Cash Flows Generated from Operations

		Group 30 September 2025	Group 30 September 2024	Bank 30 September 2025	Bank 30 September 2024
	Notes	N'million	N'million	N'million	N'million
Profit before income tax		268,198	281,414	268,484	284,143
Adjustments for:					
– Depreciation and amortisation	14	18,056	7,380	16,289	6,750
– Loss on disposal of property, plant and equipment	11	(75)	(51)	(75)	(51)
– Net foreign exchange	36a	57,807	359,055	55,501	359,451
– Net gains from financial assets at fair value through profit or loss	12	59,440	(34,990)	62,090	(34,990)
– Increase in Provisions	32	33,503	84	33,503	(6,784)
– Credit loss expense	8	14,556	48,250	14,731	47,767
– Dividend income	11	(1,436)	(741)	(935)	(741)
– Gain on debt instruments measured at FVOCI reclassified from equity	17	68	6,876	68	6,876
– Net interest income	SOCl	(565,254)	(470,490)	(552,233)	(459,789)
		(115,137)	196,789	(102,577)	202,634
Changes in operating assets					
– Net changes in Cash and balances with the Central Bank (restricted ca.	20	(61,940)	(205,497)	(61,940)	(205,497)
– Loans and advances to customers	22	(372,878)	(976,854)	(295,744)	(1,010,885)
– Financial assets held for trading	23	(70,577)	8,759	(70,699)	8,759
– Other assets	29	(118,651)	368,109	(118,264)	366,566
Changes in operating liabilities					
– Deposits from customers	30	968,854	1,983,204	872,710	1,792,987
– Other liabilities	31	337,797	560,535	302,588	573,663
Cash flows from/(used in) operations		567,468	1,935,045	526,073	1,728,227

