



POLARIS BANK LIMITED FINANCIAL RESULT FOR THE YEAR ENDED DECEMBER 31, 2021

The Board of Directors of Polaris Bank Limited is pleased to present the summary financial information of the Group's audited results for the year 1 January 2021 to 31 December 2021. The summary financial information disclosed were derived from the full financial statements of Polaris Bank Limited ("the bank") and its subsidiaries (together "the group") for the year 1 January 2021 to 31 December 2021 and cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the bank and the group. The bank's auditor issued an unqualified opinion on the full financial statements for the year 1 January 2021 to 31 December 2021 from which these summary financial information were derived. The bank's auditor made a report under section 359 of the Companies and Allied Matters Act. The full financial statements from which these summary financial information were derived would be delivered to the Corporate Affairs Commission within the required deadline.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	GROUP		BANK	
	31-Dec 2021 N'million	31-Dec 2020 N'million	31-Dec 2021 N'million	31-Dec 2020 N'million
Assets				
Cash and balances with central banks	19,558	52,995	19,558	52,995
Due from banks and other financial institutions	52,673	57,812	52,673	57,812
Financial assets held at FVTPL	654	43,087	654	43,087
Loans and advances to customers	260,072	204,784	260,072	204,784
Investment securities:				
- Amortised cost	330,912	275,211	330,912	275,211
- Fair value through other comprehensive Income (FVTOCI)	18,650	17,821	18,650	17,821
Assets pledged as collateral	52,576	42,164	52,576	42,164
Prepayment and other assets	345,588	220,055	345,731	220,056
Other Loans and receivables	173,550	210,677	173,550	210,677
Right of use assets	2,349	1,740	2,349	1,740
Property, plant and equipment	47,490	50,893	47,490	50,893
Intangible assets	4,061	2,271	4,061	2,271
	1,308,133	1,179,510	1,308,276	1,179,511
Assets classified as held for sale	1,894	14,680	500	1,655
Total assets	1,310,027	1,194,190	1,308,776	1,181,166
Liabilities				
Deposits from customers	1,021,493	914,323	1,021,514	914,323
Lease liabilities	1,798	1,335	1,798	1,335
Borrowings	84,102	89,398	84,102	89,397
Current tax liability	1,064	597	1,064	597
Accruals and other liabilities	98,693	78,615	98,693	78,615
	1,207,150	1,084,268	1,207,171	1,084,267
Liabilities classified as held for sale	837	9,984	-	-
Total liabilities	1,207,987	1,094,252	1,207,171	1,084,267
Capital and reserves				
Share capital	25,000	25,000	25,000	25,000
Share premium	25,433	873,450	25,433	873,450
Retained earnings	12,992	8,613	12,686	10,040
Reorganisation reserve	-	(848,017)	-	(848,017)
Other reserves	38,615	39,794	38,486	36,426
	102,040	98,840	101,605	96,899
Non-controlling interests in equity	-	1,098	-	-
Total equity	102,040	99,938	101,605	96,899
Total equity and liabilities	1,310,027	1,194,190	1,308,776	1,181,166

The financial statements were approved by the Board of Directors on 17 March, 2022. Signed on behalf of the directors by:


Mr Muhammad K. Ahmad, OON - CHAIRMAN

FRC NO: 2015/IODN/0000012581


Mr Innocent C. Ike - MANAGING DIRECTOR/CEO

FRC NO: 2016/ICAN/0000014597

Additional certification by:


Mr Pius Olaoye - CHIEF FINANCIAL OFFICER
FRC NO: 2016/ICAN/0000014239

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

	GROUP		BANK	
	31-Dec 2021 N'million	31-Dec 2020 N'million	31-Dec 2021 N'million	31-Dec 2020 N'million
Interest income	85,543	108,501	85,543	108,501
Interest expense	(19,706)	(23,132)	(19,706)	(23,132)
Net interest income	65,837	85,369	65,837	85,369
Impairment loss on loan and other financial assets	(3,317)	(9,399)	(3,317)	(9,399)
Net Interest income after impairment charges	62,520	75,970	62,520	75,970
Net fee and commission income	7,596	5,635	7,596	5,635
Net trading and foreign exchange income	4,575	(443)	4,575	(443)
Other operating income	5,198	3,096	6,351	9,753
Net operating profit	79,889	84,258	81,042	90,915
Employee benefit costs	(26,496)	(27,853)	(26,496)	(27,853)
Administration and general expenses	(30,842)	(28,475)	(30,842)	(28,475)
Depreciation and amortisation	(6,262)	(5,715)	(6,262)	(5,715)
Profit before tax	16,289	22,215	17,442	28,872
Taxation	(664)	(336)	(664)	(336)
Profit from continuing operations	15,625	21,879	16,778	28,536
Profit/(loss) for the period from discontinued operations	3,843	6,212	-	-
Profit for the period	19,468	28,091	16,778	28,536
Profit attributable to:				
Owners of the Bank	19,404	28,038	16,778	28,536
Continuing operations	15,625	21,879	16,778	28,536
Discontinued operations	3,779	6,159	-	-
Non-controlling interests	64	53	-	-
Continuing operations	-	-	-	-
Discontinued operations	64	53	-	-
	19,468	28,091	16,778	28,536
<i>Other comprehensive income:</i>				
Items that may be subsequently reclassified to profit or loss				
Currency translation differences arising from foreign operations		(268)	-	-
Items that will not be reclassified to profit or loss				
Net Change in Fair Value of Equity Investments (FVOCI) (net of tax)	830	460	830	460
Other comprehensive income for the period, net of tax	830	192	830	460
Total comprehensive income for the period	20,298	28,283	17,608	28,996
Total comprehensive income attributable to:				
Owners of the Bank	20,234	28,230	17,608	22,996
Continuing operations	16,455	22,071	17,608	22,996
Discontinued operations	3,779	6,159	-	-
Non-controlling interests	64	53	-	-
Continuing operations	-	-	-	-
Discontinued operations	64	53	-	-
	20,298	28,283	17,608	22,996

The Bank paid N48 million in penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria, additional details have been disclosed on page 33 of the full financial statements.

Reports on the Resolution of Customers' Complaints Received and Resolved

Below is a breakdown of Complaints received and resolved by the Bank during the period 1 January 2021 to 31 December 2021 pursuant to CBN circular dated August 16, 2011.

Description	Number
Pending Complaints brought forward	5,785
Received Complaints	652,890
Resolved Complaints	656,008
Unresolved Complaints escalated to CBN for intervention	11
Unresolved Complaints pending with the Bank carried forward	2,656

Report of the independent auditor on the summary consolidated and separate financial statements to the members of Polaris Bank Limited

REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

The summary consolidated and separate financial statements (the "summary financial statements"), which comprise the summary consolidated and separate statements of financial position as at 31 December 2021 and the summary consolidated and separate statements of comprehensive income for the year then ended are derived from the audited consolidated and separate financial statements (the "audited financial statements") of Polaris Bank Limited ("the Bank") and its subsidiary companies (together the "Group") for the year ended 31 December 2021.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements, in accordance with the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

Summary financial statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institution Act and other relevant Central Bank of Nigeria circulars applied in the preparation of the audited financial statements of the Group and Bank. Therefore, reading the summary financial statements and the auditor's report thereon, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 24 March 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the

Financial Reporting Council of Nigeria Act.

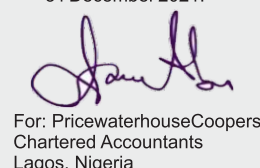
Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), 'Engagements to Report on Summary Financial Statement'.

Report on other legal and regulatory requirements

In accordance with our full audit report, we confirm that:

- we did not report any exceptions under the sixth schedule of the Companies and Allied Matters Act;
- the Bank has disclosed the information required by the Central Bank of Nigeria circular on insider related credits;
- the Bank paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2021.


For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Samuel Abu
FRC/2013/ICAN/0000001495



28 April 2022