

First City Monument Bank Limited
Unaudited Interim Financial Statements
Period ended 31 March 2021

FIRST CITY MONUMENT BANK LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2021

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**CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2021**

In thousands of Naira	Note	GROUP		BANK	
		31 MAR 2021	31 MAR 2020	31 MAR 2021	31 MAR 2020
Gross earnings		39,029,333	43,842,705	37,940,912	42,499,116
Interest and discount income	8	30,774,379	34,877,175	29,804,106	33,880,351
Interest expense	9	(11,860,269)	(14,669,663)	(11,576,078)	(14,099,837)
Net interest income		18,914,110	20,207,512	18,228,028	19,780,514
Fee and commission income	11	6,028,793	5,623,416	5,929,081	5,413,349
Fee and commission expense	11	(1,920,204)	(2,172,589)	(1,917,723)	(2,170,554)
Net fee and commission income		4,108,589	3,450,827	4,011,358	3,242,795
Net trading income	12	1,514,152	1,853,337	1,514,152	1,853,337
Net income from financial instruments mandatorily measured at fair value through profit or loss	13	-	-	-	-
Other revenue	14(a)	677,743	1,246,996	659,295	1,215,309
		2,191,895	3,100,333	2,173,447	3,068,646
Other income	14(b)	34,266	241,781	34,278	136,770
Impairment losses on financial instruments	10	(1,432,359)	(3,461,601)	(1,432,359)	(3,461,601)
Personnel expenses	15	(5,830,238)	(5,723,340)	(5,220,206)	(5,180,517)
Depreciation and amortisation expenses	16	(1,530,574)	(1,648,928)	(1,469,567)	(1,592,940)
General and administrative expenses	17	(7,469,558)	(7,279,224)	(7,388,868)	(7,086,941)
Other operating expenses	18	(6,241,108)	(5,162,816)	(6,220,705)	(5,146,548)
Profit before minimum tax and income tax		2,745,023	3,724,544	2,715,406	3,760,178
Minimum tax	20	(225,000)	(225,000)	(225,000)	(225,000)
Income tax expense	20	-	-	-	-
Profit for the year		2,520,023	3,499,544	2,490,406	3,535,178
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Debt investments at fair value through other comprehensive income:					
- Net change in fair value	26(h)	-1,887,977	-857,808	-1,853,504	-857,808
- Net impairment reclassified from profit or loss	26(c)	-	-	-	-
		-1,887,977	-857,808	-1,853,504	-857,808
Foreign currency translation differences for foreign operations		318,943	963,682	-	-
		-1,569,034	105,874	-1,853,504	-857,808
Other comprehensive income for the year, net of tax		-1,569,034	105,874	-1,853,504	-857,808
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		950,989	3,605,418	636,902	2,677,370
Profit attributable to:					
Equity holders of the Bank		2,520,023	3,499,544	2,490,406	3,535,178
Non-controlling interests		-	-	-	-
		2,520,023	3,499,544	2,490,406	3,535,178
Total comprehensive income attributable to:					
Equity holders of the Bank		950,989	3,605,418	636,902	2,677,370
Non-controlling interests		-	-	-	-
		950,989	3,605,418	636,902	2,677,370
Basic and diluted earnings per share (Naira)	19	0.25	0.87	0.25	0.88

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

First City Monument Bank Ltd. and Subsidiary Companies
Unaudited Interim Financial Statements
For the Quarter ended 31 March 2021

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

In thousands of Naira	Note	GROUP		BANK	
		31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
ASSETS					
Cash and cash equivalents	21	342,451,146	216,998,210	348,269,561	222,842,332
Restricted reserve deposits	22	357,384,913	311,746,155	357,384,913	311,746,155
Non-pledged Trading assets	23(a)	14,460,269	6,547,578	14,460,269	6,547,578
Derivative assets held for risk management	24(a)	0	1,884,398	0	1,884,398
Loans and advances to customers	25	863,165,865	801,282,062	795,244,529	746,193,451
Assets pledged as collateral	27	164,384,989	189,216,506	164,384,989	189,216,506
Investment securities	26	282,546,662	402,683,821	226,638,884	326,723,147
Investment in subsidiaries	28	-	-	7,791,397	7,791,397
Property and equipment	29	41,320,526	41,294,329	40,360,320	40,315,230
Intangible assets	30	10,538,957	10,708,432	10,351,344	10,499,552
Deferred tax assets	31	7,944,838	7,944,838	7,944,838	7,944,838
Other assets	32	18,856,329	23,970,867	16,513,958	22,168,685
Total assets		2,103,054,494	2,014,277,196	1,989,345,002	1,893,873,269
LIABILITIES					
Trading liabilities	23(b)	11,168,943	8,361,951	11,168,943	8,361,951
Derivative liabilities held for risk management	24(b)	0	1,871,869	0	1,871,869
Deposits from banks	33	111,232,730	119,365,158	64,629,886	66,284,859
Deposits from customers	34	1,328,403,002	1,261,440,942	1,260,738,345	1,194,405,820
Borrowings	35	156,862,846	144,824,941	156,862,846	144,824,941
On-lending facilities	36	55,677,261	60,366,840	55,677,261	60,366,840
Debt securities issued	37	107,524,719	104,738,232	106,301,829	103,537,242
Retirement benefit obligations	38	1,535	1,508	1,535	1,508
Current income tax liabilities	20(v)	2,851,091	2,746,576	2,851,091	2,746,576
Provision	39	6,972,705	6,325,375	6,966,809	6,319,585
Other liabilities	40	121,996,769	104,821,900	133,809,312	115,451,835
Total liabilities		1,902,691,601	1,814,865,292	1,799,007,857	1,704,173,026
EQUITY					
Share capital	41(b)	5,000,000	5,000,000	5,000,000	5,000,000
Share premium	42	97,846,691	97,846,691	97,846,691	97,846,691
Retained earnings	42	33,097,117	30,577,094	35,270,576	32,780,170
Other reserves	42	64,419,085	65,988,119	52,219,878	54,073,382
		200,362,893	199,411,904	190,337,145	189,700,243
Total liabilities and equity		2,103,054,494	2,014,277,196	1,989,345,002	1,893,873,269

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021

GROUP										
In thousands of Naira										
	Share capital	Share premium	Retained earnings	Statutory reserve	AGSMEIS reserve	Forbearance Reserve	Translation reserve	Fair value reserve	Regulatory risk reserve	Total equity
Balance at 1 January 2021	5,000,000	97,846,691	30,577,094	27,931,458	2,747,999	1,960,712	9,784,180	19,430,101	4,133,669	199,411,904
Profit for the period	-	-	2,520,023	-	-	-	-	-	-	2,520,023
Other comprehensive income										
Equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	0	-	0
Debt investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-1,887,977	-	-1,887,977
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	318,943	-	-	318,943
Total comprehensive income for the period	-	-	2,520,023	-	-	-	318,943	-1,887,977	-	950,989
Transfer between reserves										
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer to AGSMEIS reserve	-	-	-	-	-	-	-	-	-	-
Capitalised share premium	-	-	-	-	-	-	-	-	-	-
Total Contributions by and distributions	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2021	5,000,000	97,846,691	33,097,117	27,931,458	2,747,999	1,960,712	10,103,123	17,542,124	4,133,669	200,362,893
Balance as at 1 January 2020	2,000,000	100,846,691	19,009,676	25,724,159	2,012,233	1,960,712	8,247,655	11,134,403	4,133,669	175,069,198
Profit for the period	-	-	3,499,544	-	-	-	-	-	-	3,499,544
Other comprehensive income										
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(857,808)	-	-857,808
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	963,682	-	-	963,682
Total comprehensive income for the period	-	-	3,499,544	-	-	-	963,682	-857,808	-	3,605,418
Transfer between reserves										
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer to AGSMEIS reserve	-	-	-	-	-	-	-	-	-	-
Transfer from regulatory risk reserve	-	-	-	-	-	-	-	-	-	-
Transfer to forbearance reserve	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	2,000,000	100,846,691	22,509,220	25,724,159	2,012,233	1,960,712	9,211,337	10,276,595	4,133,669	178,674,616

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021

BANK										
In thousand of Naira										
	Share capital	Share premium	Retained earnings	Statutory reserve	AGSMEIS reserve	Forbearance Reserve	Translation reserve	Fair value reserve	Regulatory risk reserve	Total equity
Balance at 1 January 2021	5,000,000	97,846,691	32,780,170	25,905,143	2,747,999	1,960,712	-	19,325,859	4,133,669	189,700,243
Profit for the period	-	-	2,490,406	-	-	-	-	-	-	2,490,406
Other comprehensive income										
Equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	0	-	0
Debt investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-1,853,504	-	-1,853,504
Total comprehensive income for the period	-	-	2,490,406	-	-	-	-	-1,853,504	-	636,902
Transfer between reserves										
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer to AGSMEIS reserve	-	-	-	-	-	-	-	-	-	-
Capitalised share premium	-	-	-	-	-	-	-	-	-	-
Total Contributions by and distributions	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2021	5,000,000	97,846,691	35,270,576	25,905,143	2,747,999	1,960,712	-	17,472,355	4,133,669	190,337,145
Balance as at 1 January 2020	2,000,000	100,846,691	21,007,909	23,697,844	2,012,233	1,960,712	-	11,119,658	4,133,669	166,778,716
Profit for the period	-	-	3,535,178	-	-	-	-	-	-	3,535,178
Other comprehensive income										
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-857,808	-	-857,808
Total comprehensive income for the period	-	-	3,535,178	-	-	-	-	-857,808	-	2,677,370
Transfer between reserves										
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer to AGSMEIS reserve	-	-	-	-	-	-	-	-	-	-
Transfer to regulatory risk reserve	-	-	-	-	-	-	-	-	-	-
Transfer to forbearance reserve	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	2,000,000	100,846,691	24,543,087	23,697,844	2,012,233	1,960,712	-	10,261,850	4,133,669	169,456,086

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

**CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOWS
FOR THE PERIOD ENDED 31 MARCH 2021**

		GROUP		BANK	
In thousands of Naira	Note	31 MAR 2021	31 MAR 2020	31 MAR 2021	31 MAR 2020
Cash flows from operating activities					
Profit for the period		2,520,023	3,499,544	2,490,406	3,535,178
Adjustments for:					
Net impairment loss on financial assets	10	1,432,359	3,461,601	1,432,359	3,461,601
Fair value gain on financial assets held for trading	50(i)	-688,227	-	-688,227	-
Amortisation of intangibles	16	374,080	403,356	349,335	381,505
Depreciation of property and equipment	16	1,156,494	1,245,572	1,120,232	1,211,435
Gain on disposal of property and equipment	14(b)	-147	-36,684	-147	-36,684
Unrealised foreign exchange gains	14(a)(ii)	-677,743	-1,246,996	-659,295	-1,215,309
Other operating expenses - provisions for litigation no longer required	18(a)	691,250	631,250	691,250	631,250
Net interest income	50(ix)	-18,914,110	-20,207,512	-18,228,028	-19,780,514
Tax expense	20	225,000	225,000	225,000	225,000
		(13,881,021)	(12,024,869)	(13,267,115)	(11,586,538)
Changes in operating assets and liabilities					
Net increase in restricted reserve deposits	50(x)	-45,638,758	-104,348,881	-45,638,758	-104,348,881
Net decrease in derivative assets held for risk management	50(xi)	1,884,398	-697,663	1,884,398	-697,663
Net decrease / (increase) in trading assets	50(xii)	-7,912,691	-6,556,349	-7,912,691	-6,556,349
Net decrease in loans and advances to customers	50(xiii)	-70,911,936	-54,896,921	-57,891,255	-41,915,195
Net decrease in other assets	50(xv)	16,609,678	9,425,965	16,934,560	9,594,158
Net (increase) / decrease in trading liabilities	50(xvi)	2,806,992	-4,214,895	2,806,992	-4,214,895
Net decrease in deposits from banks	50(xvii)	-8,132,428	26,744,284	-1,654,973	16,177,405
Net decrease in deposits from customers	50(xviii)	66,962,060	62,254,237	66,332,525	63,200,216
Net decrease in on-lending facilities	50(xix)	-4,820,786	20,084,512	-4,820,786	20,084,512
Net increase in assets pledged as collateral	50(xiv)	22,943,540	-11,261,953	22,978,013	-11,261,953
Net decrease in derivative liabilities held for risk management	50(xx)	-1,871,869	2,106,438	-1,871,869	2,106,438
Net decrease / (increase) in other liabilities	50(vii)	5,114,141	52,952,665	7,499,408	57,484,047
		-36,848,680	-20,433,430	-14,621,551	-11,934,698
Interest received	50(ii)	29,927,812	26,893,103	28,770,357	25,973,636
Interest paid	50(iii)	-15,464,281	-19,068,458	-14,993,837	-18,395,044
VAT paid	50(iv)	(1,572,662)	-529,910	(1,572,662)	-529,910
Income taxes paid	20(v)	-	615,328	-	615,328
Net cash generated / (used in) from operating activities		-23,957,811	-12,523,367	-2,417,693	-4,270,688
Cash flows from investing activities					
Purchase of property and equipment	29	(1,165,322)	-2,642,226	(1,165,321)	-2,722,690
Purchase of intangible assets	30(a)	(213,436)	-524,309	(201,127)	-499,784
Proceeds from sale of property and equipment	50(viii)	2,298	29,197	2,203	31,048
Acquisition of investment securities	50(v)	39,183,401	-167,744,411	18,610,619	-171,423,926
Proceeds from sale and redemption of investment securities	50(v)	73,934,327	115,363,222	73,934,327	107,411,788
Net cash (used in) / generated from investing activities		111,741,268	-55,518,527	91,180,701	-67,203,564
Cash flows from financing activities					
Proceeds from long term borrowings	35(c)	114,189,234	61,144,735	114,189,234	61,144,735
Repayment of long term borrowings	35(c)	-94,833,459	-41,493,107	-94,833,459	-41,493,107
Proceeds from debt securities issued	50(xxi)	-	27,816,562	-	27,816,562
Net cash generated from financing activities		19,355,775	47,468,190	19,355,775	47,468,190
Net (decrease) / increase in cash and cash equivalents					
		107,139,232	-20,573,704	108,118,783	-24,006,062
Cash and cash equivalents at start of period	47	216,998,210	216,777,376	222,842,332	228,877,793
Increase in cash and cash equivalents		107,139,232	-20,573,704	108,118,783	-24,006,062
Effect of exchange rate movement on cash and cash equivalents held	50(vi)	18,313,704	7,352,420	17,308,446	5,938,221
Cash and cash equivalents at end of year	47	342,451,146	203,556,092	348,269,561	210,809,952

Notes to the consolidated and separate financial statements

1 Reporting entity

The Bank was incorporated under the Companies and Allied Matters Act as a Private Limited Liability Company on 20 April, 1982. It was licensed on 11 August, 1983 to carry on the business of Commercial Banking and Commercial Business. On 1 September 1983, the Bank was converted into a Public Limited Liability Company and its shares listed on the Nigerian Stock Exchange on 21 December, 2004. The Bank adopted the Holding Company Structure in December 2012 and was delisted from the Nigerian Stock Exchange on 21 June 2013. It was re-registered as a Private Limited Liability Company on 4 September 2013.

The principal activity of the Bank continues to be the provision of comprehensive banking and provision of financial services to its corporate and individual customers. Such services include granting of loans and advances, corporate finance, money market activities and foreign exchange operations. In 2010, the CBN issued "Regulation 3" (scope of banking activities and ancillary matters, No. 3, 2010), which required banks to divest their non-banking businesses or retain them under a holding company ("HoldCo") structure. In response, the Bank proposed a restructuring of its businesses into a holding company structure and secured CBN's approval of the Compliance Plan in December 2011. Shareholders approved the Scheme of Arrangement (the Scheme) to implement the Holding Company structure at a Court Ordered Meeting in December 2012 and the Corporate Affairs Commission (CAC) certified the scheme accordingly. Under the Scheme, the Bank's shareholding in permissible non-banking subsidiaries and investments were transferred to the Holding Company. It is important to note that the Bank's interest in permissible subsidiaries and investments remained unchanged and exist as direct subsidiaries of the Bank. Following a strategic decision to place greater focus on the Bank's key competencies, Finbank Homes Ltd though a permissible subsidiary was sold while key terms have been agreed with the different buyers of Finbank Capital Ltd, Finbank Insurance Company Ltd, Finbank Securities & Asset Management Ltd. and Finbank Insurance Brokers Ltd. Regulatory approvals were obtained and sale concluded for these transactions in February 2014.

The Bank currently has two wholly owned subsidiaries, FCMB UK Limited and FCMB SPV Financing Plc.

First City Monument Bank Limited ("the Bank") is a Bank domiciled in Nigeria. The address of the Bank's registered office is 17A, Tinubu street, Lagos Island, Lagos. These interim unaudited consolidated and separate financial statements for the period ended 31 March 2020 comprise the Bank and its subsidiaries (together referred to as the "Group").

The interim financial statements were authorised for issue by the Board of directors on 15 April 2019.

2 Significant Accounting Policies

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

(a) (i) Basis of accounting

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standard Board (IASB) in the manner required by the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, Cap B3, Laws of the Federation of Nigeria, 2004, and relevant Central Bank of Nigeria circulars and guidelines. The IFRS accounting policies have been consistently applied to all periods presented.

(ii) Functional and presentation currency

These consolidated and separate financial statements are presented in Naira, which is the Bank's functional currency. Except where indicated, financial information presented in naira has been rounded to the nearest thousand.

(iii) Use of estimates and judgments

The preparation of the consolidated and separate financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(b) Significant Accounting Policies

Except as described below, the accounting policies applied in these consolidated and separate interim financial statements are same as those applied in the group's financial statements for the year ended 31 December 2019.

The Group has adopted the new standards and amendments including any consequential amendments to other standards with initial date of application of 1 January 2019 as shown below.

Notes to the consolidated and separate financial statements

In thousands of Naira For the quarter ended		GROUP		BANK	
		31 MAR 2021	31 MAR 2020	31 MAR 2021	31 MAR 2020
8	Interest and discount income				
	Cash and cash equivalents	59,243	1,597,226	59,242	1,647,002
	Loans and advances to customers	26,429,620	22,615,140	25,650,411	21,798,906
	Investment securities at amortised cost	1,350,428	5,344,503	1,239,187	5,329,313
	Investment securities at FVOCI	2,935,088	5,320,306	2,855,266	5,105,130
	Total interest income	30,774,379	34,877,175	29,804,106	33,880,351
9	Interest expense				
	Deposits from banks	1,754,821	1,121,461	1,747,307	805,273
	Deposits from customers	5,550,192	8,237,687	5,298,682	7,990,959
		7,305,013	9,359,148	7,045,989	8,796,232
	Borrowings	1,831,919	2,345,018	1,813,616	2,345,018
	Debt securities issued	2,536,422	2,603,618	2,536,422	2,603,618
	Onlending facilities	180,051	343,968	180,051	343,968
	Interest expense on lease liabilities	6,864	17,911	-	11,001
		11,860,269	14,669,663	11,576,078	14,099,837
The amounts reported above include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and financial liabilities.					
	Financial assets measured at amortised cost	27,839,291	29,556,869	26,948,840	28,775,221
	Financial assets measured at FVOCI	2,935,088	5,320,306	2,855,266	5,105,130
	Total	30,774,379	34,877,175	29,804,106	33,880,351
	Financial liabilities measured at amortised cost	11,860,269	14,669,663	11,576,078	14,099,837
10	Net impairment loss on financial assets				
	Loan and advances (see note 25(c))	3,083,967	3,752,964	3,083,967	3,752,964
	Other assets (see note 32(c))	-750,000	250,000	-750,000	250,000
	Recoveries on loans previously written off	-901,608	-541,363	-901,608	-541,363
		1,432,359	3,461,601	1,432,359	3,461,601
In thousands of Naira For the quarter ended		GROUP		BANK	
		31 MAR 2021	31 MAR 2020	31 MAR 2021	31 MAR 2020
11	Disaggregation of fee and commission income by major type of services;				
	Credit related fees	145,264	98,714	145,264	98,714
	Account Maintenance	1,029,081	911,535	1,029,081	911,535
	Letters of credit commission	153,254	185,210	153,254	185,210
	Commission on off-balance sheet transactions	192,103	167,626	192,103	167,626
	Electronics fees and commissions	2,840,948	2,176,380	2,840,948	2,176,380
	Service fees and commissions	1,668,143	2,083,951	1,568,431	1,873,884
	Gross Fee and commission income	6,028,793	5,623,416	5,929,081	5,413,349
	Electronics fees and commissions recoverable expenses	-1,751,801	-1,841,948	-1,751,801	-1,841,948
	Cheque books recoverable expenses	-5,009	-10,558	-5,009	-10,558
	Other banks charges	-163,394	-320,083	-160,913	-318,048
	Fee and commission expense	-1,920,204	-2,172,589	-1,917,723	-2,170,554
	Net fee and commission income	4,108,589	3,450,827	4,011,358	3,242,795

Notes to the consolidated and separate financial statements

In thousands of Naira For the quarter ended		GROUP		BANK	
		31 MAR 2021	31 MAR 2020	31 MAR 2021	31 MAR 2020
12	Net trading income				
	Foreign exchange trading income	62,012	27,699	62,012	27,699
	FGN bonds trading income	1,278,968	665,342	1,278,968	665,342
	Treasury bills trading income	173,172	1,160,296	173,172	1,160,296
		1,514,152	1,853,337	1,514,152	1,853,337
13	Net income from financial instruments mandatorily measured at fair value through profit or loss				
	Net income arising on:				
	Fair value gain on derivative financial instruments held for risk management	-	-	-	-
		-	-	-	-
14(a)	Other revenue				
	Foreign exchange gains (see note (a)(ii))	677,743	1,246,996	659,295	1,215,309
		677,743	1,246,996	659,295	1,215,309

(i) This amount represent dividend received from unquoted equity securities held for strategic purposes and for which the Group has elected to present the fair value gain and loss in other comprehensive income.

(ii) Foreign currency revaluation gain represent gains realised from the revaluation of foreign currency-denominated assets and liabilities held in the non-trading books.

(iii) This represents the loss on restructured facilities during the year.

14(b)	Other income				
	Gain on sale of property and equipment	147	36,684	147	36,684
	Other income (see note (b)(ii))	34,119	205,097	34,131	100,086
		34,266	241,781	34,278	136,770
(ii)	Other income comprises:				
	Rental income	21,898	64,242	21,898	64,242
	Others (see note (ii) below)	12,221	140,855	12,233	35,844
		34,119	205,097	34,131	100,086

Notes to the consolidated and separate financial statements

In thousands of Naira		GROUP		BANK	
For the quarter ended		31 MAR 2021	31 MAR 2020	31 MAR 2021	31 MAR 2020
15 Personnel expenses					
Wages and salaries		4,718,574	4,775,256	4,239,016	4,309,928
Contributions to defined contribution plans (see note 38)		117,901	117,819	117,901	117,819
Other employee benefits (see note (a) below)		993,763	830,265	863,289	752,770
		5,830,238	5,723,340	5,220,206	5,180,517
(a) Other employee benefits					
These are non-payroll staff cost, which includes medical expenses, club subscriptions and other staff related expenses not paid to staff.					
16 Depreciation and amortisation					
Amortisation of intangibles (see note 30)		374,080	403,356	349,335	381,505
Depreciation of property and equipment and right of use assets (see note 29(a))		1,156,494	1,245,572	1,120,232	1,211,435
		1,530,574	1,648,928	1,469,567	1,592,940
17 General and administrative expenses					
Communication, stationery and postage		544,513	484,197	534,251	470,210
Business travel expenses		89,694	253,052	85,432	228,203
Advert, promotion and corporate gifts		663,901	695,650	663,901	695,650
Business premises and equipment costs		1,049,408	1,013,690	1,017,179	982,982
Operating lease expenses (see note (a) below)		279,901	81,548	279,901	81,548
Directors' emoluments and expenses		133,847	131,108	113,997	105,997
IT expenses		1,653,847	1,224,262	1,497,008	1,182,954
Contract Services and training expenses		1,766,150	1,811,889	1,758,566	1,800,358
Vehicles maintenance expenses		205,235	324,662	205,235	324,662
Security expenses		560,496	566,246	560,496	566,246
Auditors' remuneration		91,108	85,556	73,500	73,500
Professional charges		431,458	607,364	599,402	574,631
		7,469,558	7,279,224	7,388,868	7,086,941
(a) An amount of N489.38million have been presented as operating lease expense for the Group. This amount represent the straight line amortisation on short term lease in which the Group has applied the recognition exemption..					
18 Other operating expenses					
NDIC Insurance Premium		1,359,680	1,035,997	1,359,680	1,035,997
AMCON Levy		3,630,522	2,859,729	3,630,522	2,859,729
Insurance expenses		180,897	116,980	172,736	111,053
Others (see note (a) below)		1,070,009	1,150,110	1,057,767	1,139,769
		6,241,108	5,162,816	6,220,705	5,146,548
(a) Others comprises:					
AGM, meetings and shareholders expenses		92,875	72,875	92,875	72,875
Donation and sponsorship expenses		110,717	76,968	110,717	76,968
Entertainment expenses		36,004	85,773	36,004	85,101
Fraud and forgery expense		23,925	22,415	22,415	22,415
Other accounts written off		12,760	11,282	12,760	11,282
Provision for litigation (see note 39(a))		691,250	631,250	691,250	631,250
Industrial training fund levy		43,720	44,167	43,720	44,167
Nigeria Social Insurance Trust Fund expenses		43,720	44,167	43,720	44,167
Penalties (see note 48)		-	144,000	-	144,000
Miscellaneous expenses		15,038	17,213	4,306	7,544
		1,070,009	1,150,110	1,057,767	1,139,769
Others comprise provisions for litigation no longer required as at the year end.					

Notes to the consolidated and separate financial statements

In thousands of Naira		GROUP		BANK	
		31 MAR 2021	31 MAR 2020	31 MAR 2021	31 MAR 2020
19	Earnings per share				
	Basic and diluted earnings per share				
	Profit attributable to equity holders (N'000)	2,520,023	3,499,544	2,490,406	3,535,178
	Weighted average number of ordinary shares in issue ('000)	10,000,000	4,000,000	10,000,000	4,000,000
		0.25	0.87	0.25	0.88
20	Tax expense				
(i)	Current tax expense:				
	Minimum tax (see note 20(v))	225,000	225,000	225,000	225,000
	Total tax expense	225,000	225,000	225,000	225,000

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
(v) Current income tax liability				
At 1 January	2,746,576	3,007,648	2,746,576	3,007,648
Tax paid	-	-712,175	-	-712,175
Tax refund (see note (a) below)	-120,485	-130,461	-120,485	-130,461
Minimum tax (see note 20(i))	225,000	428,362	225,000	428,362
Capital gain tax (see note 20(i))	-	432	-	432
National Information Technology Development Agency (NITDA) levy (see note 20(ii))	-	152,009	-	152,009
Nigeria Police Trust Fund levy (see note 20(ii))	-	761	-	761
	2,851,091	2,746,576	2,851,091	2,746,576
Current	2,851,091	2,746,576	2,851,091	2,746,576
Non-current	-	-	-	-
	2,851,091	2,746,576	2,851,091	2,746,576

(a) Amount represents withholding tax credit notes utilized during the year. Withholding tax is an advance payment of company income tax (CIT) deducted at source used to net off the tax liability for the period / year.

In thousands of Naira	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
21 Cash and cash equivalents				
Cash	98,574,499	88,197,660	98,574,443	88,197,605
Current balances with banks within Nigeria	1,301,073	525,006	1,301,073	525,006
Current balances with banks outside Nigeria (see note (c) below)	133,615,427	102,533,239	142,785,616	110,305,907
Placements with local banks	12,400,636	-	12,400,636	-
Placements with foreign banks	70,789,454	1,928,491	67,437,736	-
Unrestricted balances with Central banks	25,770,057	23,813,814	25,770,057	23,813,814
	342,451,146	216,998,210	348,269,561	222,842,332
Less impairment allowances (note (a) below)	-	-	-	-
	342,451,146	216,998,210	348,269,561	222,842,332
Current	342,451,146	216,998,210	348,269,561	222,842,332
Non-current	-	-	-	-
	342,451,146	216,998,210	348,269,561	222,842,332
(a) Impairment allowance				
Balance at 1 January	-	3,927	-	3,927
12-month ECL (see note 10)	-	-	-	-
Net remeasurement of loss allowance (see note 10)	-	-3,927	-	-3,927
Closing balance	-	-	-	-

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

(c) Balances with banks outside Nigeria include N22.74billion (31 December 2019: N22.03billion) which represents the naira value of foreign currency amounts held by the Bank on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (see Note 40(a)).

In thousands of Naira	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
22 Restricted reserve deposits				
Restricted mandatory reserve deposits with central banks (see note (a) below)	334,774,449	289,135,691	334,774,449	289,135,691
Special Cash Reserve Requirement (see note (b) below)	22,610,464	22,610,464	22,610,464	22,610,464
	357,384,913	311,746,155	357,384,913	311,746,155

(a) Restricted mandatory reserve deposits are not available for use in the Bank and Group's day-to-day operations. Mandatory reserve deposits are non interest-bearing and are computed as a fixed percentage of the Bank's qualifying deposit liabilities. For the purposes of the Statement of cashflow, these balances are excluded from cash and cash equivalents.

(b) Special Cash Reserve Requirement represents a 5% special intervention reserve held with the Central Bank of Nigeria as a regulatory requirement.

Notes to the consolidated and separate financial statements

In thousands of Naira

	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
23(a) Non-pledged trading assets				
Federal Government of Nigeria Bonds - fair value through profit or loss (FVTPL)	1,210,582	4,192,597	1,210,582	4,192,597
Treasury Bills - fair value through profit or loss (FVTPL)	13,249,687	2,354,981	13,249,687	2,354,981
	14,460,269	6,547,578	14,460,269	6,547,578
(b) Trading liabilities				
Short sold positions - Federal Government of Nigeria Bonds - fair value through profit or loss (FVTPL)	9,071,194	6,790,173	9,071,194	6,790,173
Short sold positions - Treasury bills - fair value through profit or loss (FVTPL)	2,097,749	1,571,778	2,097,749	1,571,778
	11,168,943	8,361,951	11,168,943	8,361,951
24 Derivative assets and liabilities held for risk management				
Instrument type				
(a) Assets: - Non-deliverable forwards transactions	-	1,884,398	-	1,884,398
- Total return swap transactions	-	-	-	-
	-	1,884,398	-	1,884,398
Current	-	1,884,398	-	1,884,398
Non-current	-	-	-	-
	-	1,884,398	-	1,884,398
(b) Liabilities - Non-deliverable forwards transactions	-	1,871,869	-	1,871,869
- Total return swap transactions	-	-	-	-
	-	1,871,869	-	1,871,869
Current	-	1,871,869	-	1,871,869
Non-current	-	-	-	-
	-	1,871,869	-	1,871,869

The Group enters into foreign exchange non- deliverable forward contracts and Total return swaps with counterparties. The counterparties provide foreign currency funds to FCMB for the purpose of investing in Nigerian Treasury Bills and at the end of the arrangement, the total returns on the Nigerian treasury bills (which the counterparties purchased) is exchange for a USD-LBOR plus a spread. On initial recognition of the non-deliverable forwards, the Group estimates the fair value of derivatives transacted with the counterparties using the discounted mark-to-market technique. In many cases, all significant inputs into the valuation techniques are wholly observable (e.g with reference to similar transactions in the wholesale dealer market). The total return swaps with counterparties have matured and settled during year ended 31 December 2020 (2019: N6.61billion).

The fair value of the assets and liabilities resulted in a gain of N12.53million recognized in the statement of profit or loss and other comprehensive income for the year, (31 December 2019: N1.95billion).

All derivative assets and liabilities are current.

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
25 Loans and advances to customers				
(a) Overdrafts	48,131,491	32,289,228	48,131,491	32,289,228
Term loans	803,868,985	757,081,074	670,156,300	645,515,957
On-lending facilities	48,120,404	45,581,591	113,659,841	101,810,696
Advances under finance lease (see note (b) below)	9,626,617	9,626,617	9,626,617	9,626,617
Gross loans and advances to customers at amortised costs	909,747,497	844,578,510	841,574,249	789,242,498
Less impairment loss allowance	-46,581,632	-43,296,448	-46,329,720	-43,049,047
Net loans and advances to customers	863,165,865	801,282,062	795,244,529	746,193,451

Notes to the consolidated and separate financial statements

	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
26 Investment securities				
Investment securities at amortised cost (see note (a))	76,409,780	173,969,780	20,502,002	98,009,106
Investment securities at FVOCI - debt instruments (see note (c) below)	186,761,578	209,388,737	186,761,578	209,388,737
Investment securities at FVOCI - unquoted equity investments (see note (d) below)	19,375,304	19,325,304	19,375,304	19,325,304
	282,546,662	402,683,821	226,638,884	326,723,147
(a) Investment securities at amortised cost				
Federal Government of Nigeria (FGN) Bonds - listed	66,509,185	91,237,709	13,337,215	16,570,050
State Government Bonds - unlisted	3,957,891	4,281,315	3,957,891	4,281,315
Corporate bonds - unlisted	8,099,834	13,481,801	5,363,872	12,188,635
Placements	-	67,093,942	-	67,093,942
	78,566,910	176,094,767	22,658,978	100,133,942
Less impairment allowances (see note (b) below)	-2,157,130	-2,124,987	-2,156,976	-2,124,836
	76,409,780	173,969,780	20,502,002	98,009,106
(b) Impairment allowance				
At 1 January	2,124,987	2,032,465	2,124,836	2,031,504
Net remeasurement of loss allowance (see note 10)	-	-63,541	-	-63,541
Translation difference	32,143	156,063	32,140	156,873
Closing balance	2,157,130	2,124,987	2,156,976	2,124,836
In thousands of Naira				
(c) Investment securities at FVOCI				
Federal Government of Nigeria (FGN) Bonds - listed	32,877,111	9,150,300	32,877,111	9,150,300
Federal Government of Nigeria (FGN) Sukuk Bonds	333,236	1,437,488	333,236	1,437,488
Treasury bills - listed	153,419,964	198,669,682	153,419,964	198,669,682
Promissory note	131,267	131,267	131,267	131,267
	186,761,578	209,388,737	186,761,578	209,388,737
Less impairment allowance (see note (d) below)	-	-	-	-
	186,761,578	209,388,737	186,761,578	209,388,737
Impairment allowance				
At 1 January	181,892	44,552	181,892	44,552
Net remeasurement of loss allowance (see note 10)	-	137,340	-	137,340
Closing balance	181,892	181,892	181,892	181,892
(i) The impairment of N137.34million (31 December 2019: N20.51million) arising from investment securities at FVOCI for the year was recognised in profit or loss, (see note 10) and other comprehensive income.				

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
(d) Investment securities at FVOCI - unquoted equity investments				
Credit Reference Company Limited	265,360	265,360	265,360	265,360
Nigeria Inter-bank Settlement System Plc	1,720,680	1,720,680	1,720,680	1,720,680
Africa Finance Corporation	14,093,016	14,093,016	14,093,016	14,093,016
Africa Export-Import Bank, Cairo	1,104,125	1,104,125	1,104,125	1,104,125
Smartcard Nigeria Plc	613,602	613,602	613,602	613,602
FMDQ (OTC) Plc	1,528,521	1,528,521	1,528,521	1,528,521
Shared Agent Network Expansion Facilities Limited (SANEF)	50,000	-	50,000	-
	19,375,304	19,325,304	19,375,304	19,325,304

(e) The Group designated certain equity investments shown above in note (f) as equity securities at fair value through other comprehensive income. The fair value through other comprehensive income designation was made because the investments are expected to be held for the long-term for strategic purposes. None of these strategic investments was disposed during year ended 31 December 2019.

(f) Debt securities classified at amortised cost have interest rates of 7.00% to 17.25% (2017: 7.00% to 15.25%) and mature between 2019 and 2037 years. Debt securities at fair value through other comprehensive income have stated interest rates of 10.23% to 16.39% (2019: 10.23% to 16.39%) and mature between 2020 and 2037 years.

(g) Information about the Group's exposure to credit and market risks and fair value measurement is included in Note 4.

(h) Movement in investment securities

The movement in investment securities for the Group may be summarised as follows:

In thousands of Naira					
GROUP					
	Unquoted equity securities at fair value through other comprehensive income	Debt securities at amortised cost	Debt securities at fair value through other comprehensive income	Quoted equity securities measured at fair value through profit or loss	Total
At 1 January	19,325,304	173,969,780	209,388,737	-	402,683,821
Foreign currency exchange differences recognised profit and loss	-	711,385	0	-	711,385
Additions	50,000	-55,730,843	9,247,986	-	-46,432,857
Disposals	-	-43,031,050	-30,903,277	-	-73,934,327
Gains from changes in fair value recognised in profit or loss	-	-	-	-	-
Gains from changes in fair value recognised in other comprehensive income	-	-	-1,887,977	-	-1,887,977
Foreign currency translation differences recognised in other comprehensive income	-	-	-	-	-
Item reclassified subsequently to profit or loss due to disposal	-	-	-	-	-
Net reclassification adjustments for realised gains	-	-	-	-	-
Amortised cost adjustments	-	-3,685,709	-	-	-3,685,709
Impairment allowance	-	-2,157,130	-	-	-2,157,130
Interest accrued (see note 8)	-	1,350,428	2,935,088	-	4,285,516
Coupon interest received	-	4,982,919	-2,018,979	-	2,963,940
Balance at 31 March 2021	19,375,304	76,409,780	186,761,578	-	282,546,662

Notes to the consolidated and separate financial statements

The movement in investment securities for the Bank may be summarised as follows:

In thousands of Naira

BANK	Unquoted equity securities at fair value through other comprehensive income	Debt securities at amortised cost	Debt securities at fair value through other comprehensive income	Quoted equity securities measured at fair value through profit or loss	Total
At 1 January	19,325,304	98,009,106	209,388,737	-	165,527,957
Foreign currency exchange differences recognised profit and loss	-	156,872	-	-	156,872
Additions	50,000	-35,043,205	9,213,513	-	-25,779,692
Disposals	-	-43,031,050	-30,903,277	-	-73,934,327
Gains from changes in fair value recognised in profit or loss	-	-	-	-	-
Gains / (loss) from changes in fair value recognised in other comprehensive income	-	-	-1,853,504	-	-1,853,504
Foreign currency translation differences recognised in other comprehensive income	-	-	-	-	-
Item reclassified subsequently to profit or loss due to disposal	-	-	-	-	-
Net reclassification adjustments for realised gains	-	-	-	-	-
Amortised cost adjustments	-	-3,685,709	-	-	-3,685,709
Impairment allowance	-	-2,156,976	-	-	-2,156,976
Interest accrued (see note 8)	-	1,239,187	2,855,266	-	4,094,453
Coupon interest received	-	5,013,777	-1,939,157	-	3,074,620
Balance at 31 March 2021	19,375,304	20,502,002	186,761,578	-	226,638,884

In thousands of Naira

27 Assets pledged as collateral

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

(a) Investment Securities - FVOCI

Treasury Bills - listed

Federal Government of Nigeria (FGN) Bonds - listed

(b) Investment Securities - FVTPL

Treasury Bills - listed

(c) Investment Securities - Amortized cost

Treasury Bills - listed

Federal Government of Nigeria (FGN) Bonds - listed

GROUP		BANK	
31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
97,942,218	140,782,650	97,942,218	140,782,650
41,530,000	8,055,687	41,530,000	8,055,687
139,472,218	148,838,337	139,472,218	148,838,337
2,854,875	226,419	2,854,875	226,419
2,854,875	226,419	2,854,875	226,419
-	-	-	-
22,057,896	40,151,750	22,057,896	40,151,750
22,057,896	40,151,750	22,057,896	40,151,750
164,384,989	189,216,506	164,384,989	189,216,506

Notes to the consolidated and separate financial statements

As at the year end, the Group held no collateral, which it was permitted to sell or re-pledge in the absence of default by the owner of the collateral (31 December 2019: nil).

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

Counterparties	Reasons for pledged securities				
Nigeria Inter-bank Settlement Plc (NIBSS)	Cards, POS transactions settlements	2,184,482	2,184,482	2,184,482	2,184,482
Interswitch Nigeria Limited	Cards, POS transactions settlements	8,114,000	5,518,000	8,114,000	5,518,000
Federal Inland Revenue Service(FIRS)	Third parties collection transactions	1,500,000	1,500,000	1,500,000	1,500,000
Central Bank of Nigeria (CBN)	Third parties clearing instruments	15,000,000	15,000,000	15,000,000	15,000,000
Central Bank of Nigeria (CBN)	On-lending facilities to customers	20,316,000	20,316,000	20,316,000	20,316,000
Bank of Industry (BOI)	On-lending facilities to customers	11,299,916	11,299,916	11,299,916	11,299,916
System Specs/Remita	Remita Transfer Transactions	300,000	300,000	300,000	300,000
Standard Bank London	Borrowed funds repo transactions	50,928,251	72,564,338	50,928,251	72,564,338
E-transact	Cards, POS transactions settlements	1,220,000	1,220,000	1,220,000	1,220,000
Development Bank of Nigeria (DBN)	On-lending facilities to customers	9,874,500	9,874,500	9,874,500	9,874,500
Central Bank of Nigeria (CBN)	FMDQ OTC settlement transactions	3,100,000	3,100,000	3,100,000	3,100,000
Central Bank of Nigeria (CBN)	Interbank Funding under repurchase agreement	39,547,840	45,339,270	39,547,840	45,339,270
Citi Nominee	FMDQ OTC settlement transactions	1,000,000	1,000,000	1,000,000	1,000,000
		164,384,989	189,216,506	164,384,989	189,216,506

In thousands of Naira

28 Investment in Subsidiaries

(a) Investment in subsidiaries comprises:

FCMB (UK) Limited (note (d) below)
FCMB Financing SPV Plc.(note (e) below)

Carrying amount

Current	-	-	-	-
Non-current	-	-	7,791,397	8,157,607
	-	-	7,791,397	8,157,607

(b) Group entities

The subsidiary companies, country of incorporation, nature of business, percentage equity holding and period consolidated with the parent company are as detailed below:

Company Name	Country of incorporation	Nature of Business	Percentage of Financial year equity capital held end (Direct holdings)	
(1) FCMB (UK) Limited (FCMB UK)	United Kingdom	Banking	100%	31 Dece 2020
(2) FCMB Financing SPV Plc.	Nigeria	Capital Raising	100%	31 Dece 2020

(c) This represents the cost of the Bank's 100% equity holding in FCMB (UK) Limited. The Company was incorporated on June 16, 2008 and commenced actual trading operations in September 2009.

(d) This represents the cost of the Bank's 100% equity holding in FCMB Financing SPV Plc. The Company was incorporated on 27 August 2014 and commenced operations in 14 September 2014.

(e) There are no significant restrictions on the ability of subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

(f) The investments are carried at cost less impairment.

Notes to the consolidated and separate financial statements

In thousands of Naira

29 This comprises:

(a) Property and equipment

GROUP

31 MAR 2021

In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost									
At 1 January	3,564,166	22,389,764	5,028,805	6,109,375	3,882,872	35,645,499	9,141,050	2,006,118	87,767,649
Additions during the year	-	-	-	-	323	170,778	40,832	953,389	1,165,322
Reclassifications	-	-	-	-	-	1,476,548	4,359	-1,480,907	-
Reclassifications to building	-	-	-	-	-	-	-	-	-
Transfer to other prepaid expenses	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-2,056	-	-14,700	-	-	-	-16,756
Derecognised during the year	-	-	-	-	-	-	-	-	-
Items written-off during the year	-	-	-	-	-	-	-	-	-
Effect of movements in exchange rates	-	-	20,970	3,585	-	2,078	71	-	26,704
Balance at 31 March 2021	3,564,166	22,389,764	5,047,719	6,112,960	3,868,495	37,294,903	9,186,312	1,478,600	88,942,919

Accumulated depreciation

At 1 January	-	4,503,685	1,383,944	4,077,339	3,412,383	24,433,368	8,662,601	-	46,473,320
Depreciation for the year (see note 16)	-	113,252	29,124	36,410	60,726	878,994	37,988	-	1,156,494
Eliminated on Disposal	-	-	-	71	-14,700	24	-	-	-14,605
Derecognised during the year	-	-	-1,668	-	-	-	-	-	-1,668
Effect of movements in exchange rates	-	-	5,178	1,890	-	1,712	71	-	8,851
Balance at 31 March 2021	-	4,616,938	1,416,578	4,115,710	3,458,409	25,314,098	8,700,660	-	47,622,393

31 DEC 2020

In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost									
At 1 January	2,705,557	21,173,203	4,818,001	6,363,875	3,988,252	30,538,201	8,947,585	1,918,890	80,453,564
Additions during the year	4,000	440,463	472,350	6,975	208,910	4,507,557	185,772	2,156,954	7,982,981
Reclassifications	867,786	538,641	-	18,160	-	634,650	10,422	-2,069,659	-
Reclassifications to building	-	297,135	-	-297,135	-	-	-	-	-
Transfer to other prepaid expenses	-	-	-	-	-	-	-	-	-
Disposal during the year	-13,177	-59,678	-	-	-314,290	-41,055	-2,933	-	-431,133
Derecognised during the year	-	-	-283,374	-	-	-	-	-	-283,374
Items written-off during the year	-	-	-	-	-	-	-	-67	-67
Effect of movements in exchange rates	-	-	21,828	17,500	-	6,146	204	-	45,678
Balance at 31 December 2020	3,564,166	22,389,764	5,028,805	6,109,375	3,882,872	35,645,499	9,141,050	2,006,118	87,767,649

Accumulated depreciation

At 1 January	-	4,503,685	1,383,944.00	4,077,339	3,412,383	24,433,368	8,662,601	-	46,473,320
Depreciation for the year (see note 16)	-	430,064	786,534	150,266	287,912	3,163,511	184,788	-	5,003,075
Eliminated on Disposal	-	-430,064	-	-158,575	-287,912	-3,171,502	-185,132	-	-4,233,185
Derecognised during the year	-	-	-795,195	-	-	-	-	-	-795,195
Effect of movements in exchange rates	-	-	8,661	8,309	-	7,991	344	-	25,305
Balance at 31 December 2020	-	4,503,685	1,383,944	4,077,339	3,412,383	24,433,368	8,662,601	-	46,473,320

Carrying amounts:

Balance at 31 March 2021	3,564,166.00	17,772,826.00	3,631,141.00	1,997,250.00	410,086.00	11,980,805.00	485,652.00	1,478,600.00	41,320,526.00
Balance at 31 December 2020	3,564,166.00	17,886,079.00	3,644,861.00	2,032,036.00	470,489.00	11,212,131.00	478,449.00	2,006,118.00	41,294,329.00

(i) During the year, the Group reviewed the estimated useful life of its leasehold land as unlimited on the basis that it is reasonably certain that the lessors (state governments), will renew the lease upon expiration and that the substance of the lease is that the Group has ownership of the land, not a right to use the land for a predefined period. Consequently, the Group has discontinued depreciation of the leasehold land.

(ii) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December 2019: nil).

(iii) There were no restrictions on title of any property and equipment.

(iv) There were no property and equipment pledged as security for liabilities.

(v) There were no contractual commitments for the acquisition of property and equipment.

(vi) There were no impairment losses on any class of property and equipment during the year (31 December 2019: nil).

(vii) Property, plant and equipment includes right-of-use assets of N3.64billion for 31 December 2020 (2019: N4.21billion) related to leased properties that do not meet the definition of investment property

Notes to the consolidated and separate financial statements

BANK									
31 MAR 2021									
In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost									
At 1 January	3,564,166	22,389,764	3,878,823	5,912,749	3,882,872	35,531,521	9,137,181	2,006,118	86,303,194
Additions during the year	-	-	-	-	323	170,777	40,832	953,389	1,165,321
Reclassifications	-	-	-	-	-	1,476,548	4,359	-1,480,907	-
Transfer from intangible assets (see note 30)	-	-	-	-	-	-	-	-	-
Reclassifications to building	-	-	-	-	-	-	-	-	-
Transfer to other prepaid expenses	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-2,056	-	-14,700	-	-	-	-16,756
Derecognised during the year	-	-	-	-	-	-	-	-	-
Items written-off	-	-	-	-	-	-	-	-	-
Balance at 31 March 2021	3,564,166	22,389,764	3,876,767	5,912,749	3,868,495	37,178,846	9,182,372	1,478,600	87,451,759
Accumulated depreciation									
At 1 January	-	4,503,685	1,099,972	3,973,699	3,412,383	24,339,493	8,658,732	-	45,987,964
Depreciation for the year (see note 16)	-	113,252	-	31,110	60,726	877,155	37,988	-	1,120,231
Eliminated on Disposal	-	-	-	-	-14,700	-	-	-	-14,700
Derecognised during the year	-	-	-2,056	-	-	-	-	-	-2,056
Balance at 31 March 2021	-	4,616,938	1,097,916	4,004,809	3,458,409	25,216,647	8,696,720	-	47,091,439
31 DEC2020									
In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost									
At 1 January	2,705,557	21,173,203	3,695,963	6,184,749	3,988,252	30,434,650	8,944,060	1,918,890	79,045,324
Additions during the year	4,000	440,463	466,234	6,975	208,910	4,503,276	185,632	2,156,954	7,972,444
Reclassifications	867,786	538,641	-	18,160	-	634,650	10,422	-2,069,659	-
Reclassifications to building	-	297,135	-	-297,135	-	-	-	-	-
Disposal during the year	-13,177	-59,678	-	-	-314,290	-41,055	-2,933	-	-431,133
Derecognised during the year	-	-	-283,374	-	-	-	-	-	-283,374
Items written-off	-	-	-	-	-	-	-	-67	-67
Balance at 31 December 2020	3,564,166	22,389,764	3,878,823	5,912,749	3,882,872	35,531,521	9,137,181	2,006,118	86,303,194
Accumulated depreciation									
At 1 January	-	4,090,715	441,801.00	3,843,568	3,419,521	21,214,519	8,476,078	-	41,486,202
Depreciation for the year (see note 16)	-	430,064	675,889	130,131	287,912	3,156,551	184,788	-	4,865,335
Eliminated on Disposal	-	-17,094	-	-	-295,050	-31,577	-2,134	-	-345,855
Derecognised during the year	-	-	-17,718	-	-	-	-	-	-17,718
Balance at 31 December 2020	-	4,503,685	1,099,972	3,973,699	3,412,383	24,339,493	8,658,732	-	45,987,964
Carrying amounts:									
Balance at 31 March 2021	3,564,166	17,772,826	2,778,851	1,907,940	410,086	11,962,199	485,652	1,478,600	40,360,320
Balance at 31 December 2020	3,564,166	17,886,079	2,778,851	1,939,050	470,489	11,192,028	478,449	2,006,118	40,315,230

- (i) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (31 December 2019: nil).
- (ii) There were no restrictions on title of any property and equipment.
- (iii) There were no property and equipment pledged as security for liabilities.
- (iv) There were no contractual commitments for the acquisition of property and equipment.
- (v) There were no impairment losses on any class of property and equipment during the period (31 December 2019: nil).
- (vi) Property, plant and equipment includes right-of-use assets of N2.78billion for 31 December 2020 (2019: N3.23billion) related to leased properties that do not meet the definition of investment property

Notes to the consolidated and separate financial statements

30 Intangible assets

(a) Software

Cost

	GROUP 31 MAR 2021	31 DEC 2020	BANK 31 MAR 2021	31 DEC 2020
At 1 January	13,349,738	10,888,656	12,674,680	10,341,766
Additions during the year	213,436	1,580,716	201,127	1,489,007
Work-in-progress - additions during the year	-	864,342	-	864,342
Capitalised during the year	-	-20,435	-	-20,435
Effect of movement in exchange rates	-	36,459	-	-
Balance at 31 December 2020	13,563,174	13,349,738	12,875,807	12,674,680

Accumulated amortisation

At 1 January	8,635,169	6,930,890	8,168,991	6,587,843
Amortisation for the year (see note 16)	374,080	1,666,678	349,335	1,581,148
Effect of movement in exchange rates	8,831	37,601	-	-
Balance at 31 December 2020	9,018,080	8,635,169	8,518,326	8,168,991

Carrying amount

	4,545,094	4,714,569	4,357,481	4,505,689
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(b) There were no capitalised borrowing costs related to any acquisition during the period (31 December 2019: nil)

(c) There was no impairment loss on the Bank's software during the period (31 December 2019: nil)

(d) Goodwill

At 1 January	5,993,863	5,993,863	5,993,863	5,993,863
Impairment charge	-	-	-	-
Balance at 31 December 2020	5,993,863	5,993,863	5,993,863	5,993,863

Current	-	-	-	-
Non-current	10,538,957	10,708,432	10,351,344	10,499,552
	10,538,957	10,708,432	10,351,344	10,499,552

(e) 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 recoverable amount has been calculated based on the value in use of the Cash Generating Units (CGUs), determined by discounting the future cashflows expected to be generated from the continuing use of the CGUs assets and the ultimate disposals. No impairment losses were recognised during the year (31 December 2019: nil) because the recoverable amounts of these CGUs were determined to be higher than the carrying amount by N1,136billion.

The key assumptions used in the calculation of value in use were as follows. The values assigned to the key assumptions represent management's assessment of future trends in the relevant sectors of the bank and have been based on historical data from both external and internal sources.

	31 MAR 2021	31 DEC 2020
Discount rate (see below)	10.00%	10.00%
Terminal value growth rate	3.90%	3.90%
Forecast profit before taxes (average of next three years)	N27.84billion	N27.84billion
Budgeted profit before tax (average of next three years)	3.90%	3.90%
Budgeted profit before tax (3-year average)	N63.11billion	N63.11billion
Budgeted EBITDA growth rate (average of next three years)	48%	48%

The discount rate was a pre-tax measure based on the rate of the year 2024 Naira bond issued in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Three years of cash flows were included in the discounted cash flow model. The terminal growth rate was derived from the average GDP growth rate of Nigeria from 1982 until 2020.

Forecast profit before taxes was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past four years and the estimated growth for the next three years.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount.

Notes to the consolidated and separate financial statements

In thousands of Naira

31 Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group					
	Liabilities	Net	Assets	Liabilities	Net
	31 MAR 2021			31 DEC 2020	
Property and equipment	1,203,659	-	1,203,659	-	1,203,659
Allowances for loan losses	2,342,096	-	2,342,096	-	2,342,096
Tax loss carried forward	4,399,083	-	4,399,083	-	4,399,083
Net tax assets/ (liabilities)	7,944,838	-	7,944,838	-	7,944,838
Bank					
	Assets	Liabilities	Assets	Liabilities	Net
	31 MAR 2021			31 DEC 2020	
Property and equipment	1,203,659	-	1,203,659	-	1,203,659
Allowances for loan losses	2,342,096	-	2,342,096	-	2,342,096
Tax loss carried forward	4,399,083	-	4,399,083	-	4,399,083
Net tax assets/ (liabilities)	7,944,838	-	7,944,838	-	7,944,838
			GROUP		BANK
			31 MAR 2021	31 DEC 2020	31 MAR 2021 31 DEC 2020
Deferred tax assets					
Current			-	-	- -
Non-current			7,944,838	7,944,838	7,944,838 7,944,838
			7,944,838	7,944,838	7,944,838 7,944,838

(b) Movements in temporary differences during the year ended 31 March 2021

GROUP				
	Balance at 1 January 2021	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 March 2021
Property and equipment	1,203,659	-	-	1,203,659
Allowances for loan losses	2,342,096	-	-	2,342,096
Tax loss carried forward	4,399,083	-	-	4,399,083
	7,944,838	-	-	7,944,838

Notes to the consolidated and separate financial statements

	BANK		
	Balance at 1 January 2021	Recognised in profit or loss	Recognised in other comprehensive income
Property and equipment	1,203,659	-	-
Allowances for loan losses	2,342,096	-	-
Tax loss carried forward	4,399,083	-	-
	7,944,838	-	-

Movements in temporary differences during the year ended 31 December 2020

	GROUP		
	Balance at 1 January 2020	Recognised in profit or loss	Recognised in other comprehensive income
Property and equipment	1,203,659	-	-
Allowances for loan losses	2,342,096	-	-
Tax loss carried forward	4,399,083	-	-
	7,944,838	-	-

	BANK		
	Balance at 1 January 2020	Recognised in profit or loss	Recognised in other comprehensive income
Property and equipment	1,203,659	-	-
Allowances for loan losses	2,342,096	-	-
Unrelieved loss carried forward	4,399,083	-	-
	7,944,838	-	-

In thousands of Naira

(c) Unrecognised deferred tax assets

The amount of deductible temporary differences for which no deferred tax asset is recognised in the Bank & Group is detailed below:

Tax losses

Allowance for loan losses and other losses

Property and equipment (unutilised capital allowance)

Other deductible temporary differences

31 MAR 2021		31 DEC 2020	
Gross amount	Tax Impact	Gross amount	Tax Impact
85,467,694	25,640,308	59,649,966	17,894,990
11,441,723	3,661,351	14,449,573	4,623,863
31,216,922	9,365,077	26,423,102	7,926,930
16,763,484	5,364,315	8,318,622	2,495,587
144,889,823	44,031,051	108,841,263	32,941,370

Deferred tax assets have not been recognized in respect of these items because it is not presently probable that future taxable profits will be available against which the Group can use the benefits therefrom.

(d) The tax losses for which no deferred tax asset was recognised, will never expire.

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Notes to the consolidated and separate financial statements

In thousands of Naira		GROUP		BANK	
		31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
34	Deposits from customers				
	Term deposits	344,798,689	281,544,989	286,078,323	225,021,668
	Current deposits	578,275,317	576,398,198	569,331,026	565,886,397
	Savings	405,328,996	403,497,755	405,328,996	403,497,755
		1,328,403,002	1,261,440,942	1,260,738,345	1,194,405,820

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
35 Borrowings				
(a) Borrowings comprise:				
Netherlands Development Finance Company (FMO) (See note (b)(i) below)	12,037,905	-	12,037,905	-
European Investment Bank (EIB) (See note (b)(iii) below)	6,525,414	6,525,414	6,525,414	6,525,414
African Export-Import Bank (Afrexim) (See note (b)(iv) below)	6,673,823	6,673,823	6,673,823	6,673,823
Standard Bank, London (See note (b)(v))	12,012,352	12,012,352	12,012,352	12,012,352
African Export-Import Bank (Afrexim) (See note (b)(vi))	10,049,937	10,049,937	10,049,937	10,049,937
African Export-Import Bank (Afrexim) (See note (b)(vii))	10,123,922	10,123,922	10,123,922	10,123,922
International Finance Corporation (IFC) (See note (b)(xxix) below)	20,299,847	20,299,847	20,299,847	20,299,847
International Finance Corporation (IFC) (See note (b)(xxx) below)	8,082,124	8,082,124	8,082,124	8,082,124
International Finance Corporation (IFC) (See note (b)(xxxi) below)	4,004,140	4,004,140	4,004,140	4,004,140
African Export-Import Bank (Afrexim) (See note (b)(xxxii) below)	28,647,386	28,647,386	28,647,386	28,647,386
African Export-Import Bank (Afrexim)/ Cargill (See note (b)(xxxiii) below)	9,960,458	9,960,458	9,960,458	9,960,458
Standard Chatered Bank / Monafri International Trading Company (See note (b)(xxxiv) below)	6,064,236	6,064,236	6,064,236	6,064,236
Standard Bank/ Bunge SA (See note (b)(xxxv) below)	2,011,824	2,011,824	2,011,824	2,011,824
Standard Chatered Bank/ Sky British (See note (b)(xxxvi) below)	408,506	408,506	408,506	408,506
Standard Chatered Bank/ Sky British (See note (b)(xxxvii) below)	1,667,512	1,667,512	1,667,512	1,667,512
Standard Chatered Bank/ Sky British (See note (b)(xxxviii) below)	1,373,551	1,373,551	1,373,551	1,373,551
Standard Chatered Bank/ Sky British (See note (b)(xxxix) below)	1,075,497	1,075,497	1,075,497	1,075,497
Standard Chatered Bank/ Sky British (See note (b)(xl) below)	1,495,600	1,495,600	1,495,600	1,495,600
British Arab Commercial Bank (BACB) UK / Louis Dreyfuss (See note (b)(xli) below)	1,972,362	1,972,362	1,972,362	1,972,362
BMCE Bank International Plc / Louis Dreyfuss (See note (b)(xlii) below)	1,951,388	1,951,388	1,951,388	1,951,388
KGI Bank / Cargill (See note (b)(xliii) below)	1,901,203	1,901,203	1,901,203	1,901,203
Standard Chatered Bank / Monafri International Trading Company (See note (b)(xliv) below)	1,965,735	1,965,735	1,965,735	1,965,735
BMCE Bank International Plc / Bunge (See note (b)(xlv) below)	1,898,376	1,898,376	1,898,376	1,898,376
ABSA Bank / Monafri International Trading Company (See note (b)(xlvi) below)	4,659,748	4,659,748	4,659,748	4,659,748
	156,862,846	144,824,941	156,862,846	144,824,941

Notes to the consolidated and separate financial statements

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
36 On-lending facilities				
Bank of industry (BOI) (see note (a) below)	4,311,272	2,000,851	4,311,272	2,000,851
Commercial Agriculture Credit Scheme (CACS) (see note (b) below)	6,230,748	6,230,748	6,230,748	6,230,748
Real Sector Support Facility (RSSF) (see note (c) below)	11,702,747	11,702,747	11,702,747	11,702,747
Power & Aviation Intervention Fund (see note (d) below)	15,026,312	18,026,312	15,026,312	18,026,312
Micro, Small and Medium Enterprises Development Fund (MSMEDF) (see note (e) below)	3,649,219	3,649,219	3,649,219	3,649,219
Development Bank of Nigeria (DBN) (see note (f) below)	14,756,963	18,756,963	14,756,963	18,756,963
	55,677,261	60,366,840	55,677,261	60,366,840

(a) Bank of Industry (BOI) Intervention

The 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 facility is secured by Nigerian Government Securities. The value of Government securities pledged as collateral is N10.10billion for 31 December 2020 (31 December 2019: N10.10billion), (see note 27 (c)). The maximum tenor for term loans under the programme is 15 years while the tenor for working capital is one year, renewable annually subject to a maximum tenor of five years. A management fee of 1% per annum is deductible at source in the first year, and quarterly in arrears thereafter, is paid by the Bank under the intervention programme 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 BOI and assumes the credit risk. In response to the COVID-19 pandemic, the Bank Of Industry granted concessions to cushion the impact of the pandemic by downward reduction in the rate from 7% to 5% effective on 1 April 2020 to elapse on 31 March 2021 and subsequently reverse to status quo. Also, granted a further moratorium of three-month for principal deferment.

(b) Commercial Agriculture Credit Scheme (CACS)

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 has a tenor of 16 years with effect from 2009 and will expire in September 2025. The facility attracts an interest rate of 2% per annum and the Bank is under obligation to on-lend to the Bank's qualified 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 credit risk of all amounts lent to the Bank's customers. This facility is not secured. In response to the COVID-19 pandemic, the Central Bank Of Nigeria granted concessions to cushion the impact of the pandemic by downward reduction in the rate from 9% to 5% effective on 1 March 2020 to elapse on 28 February 2021 and subsequently reverse to status quo. Also, granted a further moratorium of one year on all principal repayments.

(c) 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 3%, and disbursed at 9% to the beneficiary. The facility is secured by Nigerian Government Securities. The value of Government securities pledged as collateral is N20.32billion for 31 December 2020 (31 December 2019: N20.32billion). In response to the COVID-19 pandemic, the Central Bank Of Nigeria granted concessions to cushion the impact of the pandemic by downward reduction in the rate from 9% to 5% effective on 1 March 2020 to elapse on 28 February 2021 and subsequently reverse to status quo. Also, granted a further moratorium of one year on all principal repayments.

(d) Power & Aviation intervention Fund

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 1% per annum payable quarterly in arrears and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. This facility is not secured. In response to the COVID-19 pandemic, the Central Bank Of Nigeria granted concessions to cushion the impact of the pandemic by downward reduction in the rate from 9% to 5% effective on 1 March 2020 to elapse on 28 February 2021 and subsequently reverse to status quo. Also, granted a further moratorium of one year on all principal repayments.

(e) Micro, Small and Medium Enterprises Development Fund (MSMEDF)

The Micro Small & Medium Scale Enterprises Development Fund (MSMEDF) is an intervention fund received from Central Bank of Nigeria, established to support the channeling of low interest funds to the Micro Small & Medium Scale Enterprises sub-sector of the Nigerian economy. The facility attracts an interest rate of 2% per annum and the Bank is obligated to on-lend to SMEs at 9% per annum. The maximum tenor is 5 years while the tenor for working capital is 1 year. This facility is not secured. In response to the COVID-19 pandemic, the Central Bank Of Nigeria granted concessions to cushion the impact of the pandemic by downward reduction in the rate from 9% to 5% effective on 1 March 2020 to elapse on 28 February 2021 and subsequently reverse to status quo. Also, granted a further moratorium of one year on all principal repayments.

(f) Development Bank of Nigeria (DBN)

The Development Bank of Nigeria (DBN) is a N24billion line of credit granted to the Bank for the purpose of providing on lending concessionary loans to MSMEs, including agricultural sector, manufacturing sector and gender loans. The facility has a maximum tenor of 10 years for term loans and a maximum tenor of 3 years for working capital requirements. The facility attracts an interest rate of between 9.76% - 11.76% per annum for loan tenors up to 3 year and above and the Bank is under obligation to on-lend to customers at an all-in interest spread of 6% per annum. This facility is secured by government securities valued N9.87billion (2019: N8.10billion). In response to the COVID-19 pandemic, the fund provider, Development Bank of Nigeria granted concessions to cushion the impact of the pandemic by granting a three-month moratorium on principal and interest repayments and also a three-month tenor extension on all outstanding facilities to accommodate the moratorium.

(g) The onlending facilities granted at below the market rate were measured at fair value on initial recognition and subsequently at amortised cost. The fair value gain on initial recognition was recognised in the profit or loss.

Notes to the consolidated and separate financial statements

		GROUP		BANK	
		31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
In thousands of Naira					
37 Debt securities issued					
Debt securities at amortised cost:					
Bond issued (see note (a) below)		34,142,014	31,355,527	34,120,114	31,355,527
Note issued (see note (b) below)		3,207,027	3,207,027	3,207,027	3,207,027
Note issued (see note (c) below)		18,675,395	18,675,395	18,675,395	18,675,395
Note issued (see note (d) below)		20,301,231	20,301,231	20,301,231	20,301,231
Note issued (see note (e) below)		29,998,062	29,998,062	29,998,062	29,998,062
Note issued (see note (f) below)		1,200,990	1,200,990	-	-
		107,524,719	104,738,232	106,301,829	103,537,242
In thousands of Naira					
At 1 January		104,738,232	74,785,695	103,537,242	74,785,695
Accrued coupon interest for the year		4,509,784	1,625,318	4,487,884	1,625,318
Additions during the year		-	79,313,842	-	78,112,852
Repayments during the year		-	-51,210,896	-	-51,210,896
Coupon interest paid during the year		-1,723,297	-1,723,297	-1,723,297	-1,723,297
Effects of movement in exchange rates		-	1,947,570	-	1,947,570
Balance at 31 March 2021 / 31 December 2020		107,524,719	104,738,232	106,301,829	103,537,242
38 Retirement benefit obligations					
Defined contribution scheme					
The Group and its employees make a joint contribution, 18% of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators. During the year, the Group complied with the Pension Reform Act 2014 and contributed 10% while employees contributed 8%. The payment made to the pension fund administrators are up to					
In thousands of Naira					
Total contributions to the scheme for the year were as follows:					
At 1 January		1,508	1,540	1,508	1,540
Charged to profit or loss for the year (see note 15)		117,901	469,403	117,901	469,403
Employee contribution for the year		136,101	595,946	136,101	595,946
Total amounts remitted for the year		-255,510	-1,065,381	-255,510	-1,065,381
Balance at 31 March 2021 / 31 December 2020		1,535	1,508	1,535	1,508
Current		1,535	1,508	1,535	1,508
Non-current		-	-	-	-
		1,535	1,508	1,535	1,508

Notes to the consolidated and separate financial statements

In thousands of Naira		GROUP		BANK	
		31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
39	Provision				
	Legal claims (see note (d))	4,863,061	4,170,311	4,863,061	4,170,311
	Financial guarantee contracts and loan commitments issued (see note (b))	1,530,118	1,530,012	1,524,222	1,524,222
	Deferred income (see note (c))	579,526	625,052	579,526	625,052
		6,972,705	6,325,375	6,966,809	6,319,585

(a) Movement in provision during the year

31 MAR 2021	31 DEC 2020
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Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
40 Other liabilities				
(a) Other financial liabilities:				
Customers' deposit for letters of credit	22,735,355	22,133,779	22,735,355	22,133,779
Bank cheques/drafts	4,608,887	4,408,673	4,608,887	4,408,673
Negotiated letters of credits	18,409,642	9,439,250	31,304,638	20,914,275
E-settlement payables	2,898,988	4,911,404	2,898,988	4,911,404
Withholding tax and value added tax payables	747,880	655,742	747,840	655,702
Collections account balances (see note (c))	37,523,482	38,165,949	37,523,482	38,165,949
Unclaimed items	6,954,313	7,169,671	6,954,313	7,169,671
Undisbursed intervention funds (see note (d))	1,194,134	5,711,317	1,194,134	5,711,317
AMCON Sinking fund accounts payable (see note (e))	903,492	903,492	903,492	903,492
Accounts payables	14,215,378	5,671,704	14,335,624	6,006,368
	110,191,551	99,170,981	123,206,753	110,980,630
(b) Other non-financial liabilities:				
Rent received in advance (see note (f))	45,990	23,070	45,990	23,070
Accrued expenses	9,451,515	3,354,525	9,290,869	3,182,435
Lease liability (see note (g))	2,307,713	2,273,324	1,265,700	1,265,700
	11,805,218	5,650,919	10,602,559	4,471,205
	121,996,769	104,821,900	133,809,312	115,451,835

(c) Collections are balances held in trust on behalf of customers for various transactions. These include collection for remittances, payments, etc.

(d) This relates to onlending facilities undisbursed as customers are yet to meet conditions precedent to drawdown.

(e) This relates to AMCON sinking fund contribution for prior years as advised by Central Bank of Nigeria, based on the recalculation in line with the AMCON Amendment Act 2015. This amount is payable over a period of five years commencing in year 2019.

(f) This relates to outstanding rent paid in advances from sublet.

(g) The Group does not face any significant risk with regards to the lease liability. Also the Bank's exposure to liquidity risk as a result of leases are monitored by the Bank's enterprise risk management unit.

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
41 Share capital				
(a) Authorised				
10 billion ordinary shares of 50k each (31 December 2020: 10billion)	5,000,000	5,000,000	5,000,000	5,000,000
During the year, the Authorized Share Capital of the Bank was increased by 6billion ordinary shares of 50kobo each as approved by the Board and certified by Corporate Affair Commission (CAC).				
(b) Issued and fully paid				
10 billion ordinary shares of 50k each (31 December 2020: 10billion)	5,000,000	5,000,000	5,000,000	5,000,000
The movement on the issued and fully paid-up share capital account during the year was as follows:				
At 1 January	5,000,000	2,000,000	5,000,000	2,000,000
Issue of bonus shares (see 41 (c) below)	-	3,000,000	-	3,000,000
Balance at 31 March 2021 / 31 December 2020	5,000,000	5,000,000	5,000,000	5,000,000
(c) At the Extra-ordinary General Meeting held on 11 December 2020 the following special resolution were considered and duly passed:				
6billion (six billion) units of the Bank's ordinary shares of 50kobo each be and are hereby allotted to FCMB Group Plc by way of bonus from the share premium account; and return on allotment detailing the shareholding of structure of the company pursuant to the allotment should be filed with the Corporate Affair Commission.				
42 Share premium and reserves				
The nature and purpose of the reserves in equity are as follows:				
(a) Share premium: is the excess paid by shareholders over the nominal value for their shares. Premiums from the issue of shares are reported in share premium.				
(b) Retained earnings: Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves.				
(c) Other reserves: comprises of these reserves;				
(i). Statutory reserve: Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), 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 transferred 15% of its 'profit after tax to statutory reserves as at period end (31 December 2019: 15%).				
(ii). AGSMEIS reserve: The AGSMEIS 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 contributions will be 10% of profit after tax and shall continue after the first 5 years but Banks' contributions shall thereafter reduce to 5% of profit after tax. The small and medium scale industries equity investment scheme reserves are non-distributable. In the CBN Circular dated 5 April 2017, all DMBs are required to set aside and remit 5% of the annual profit after tax for equity investments.				
(iii). Fair Value Reserve: The fair value reserves comprise:				
- the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income and				
- the cumulative net change in fair value of debt securities at fair value through other comprehensive income until the assets are derecognised or reclassified. The amount is reduced by the amount of loss allowance.				
(iv). Regulatory risk reserve: The regulatory risk reserve warehouses the difference between the impairment of loans and advances under the Nigerian GAAP and Central Bank of Nigeria prudential guidelines and the expected loss model used in calculating the impairment balance under IFRS.				
(v). Foreign currency translation reserve (FCTR): Records exchange movements on the Group's net investment in foreign subsidiaries.				
(vi) Forbearance reserve: this is a non-distributable reserve which arose from forbearance granted by Central Bank of Nigeria being an additional appropriation of 15% of profit after tax to account for potential future provisions valid until 31 December 2020.				

Notes to the consolidated and separate financial statements

43 Contingencies

Acceptances, bonds, guarantees and other obligations for the account of customers:

In thousands of Naira

	GROUP		BANK	
	31 MAR 2021	31 DEC 2020	31 MAR 2021	31 DEC 2020
Performance bonds and guarantees	119,696,464	111,304,898	119,003,493	110,984,634
Loan commitments	-	9,560,707	-	9,560,707
Clean line letters of credit	110,602,260	102,137,841	91,111,018	91,849,005
	230,298,724	223,003,446	210,114,511	212,394,346
Other commitments	232,473	275,201	232,473	275,201
	230,531,197	223,278,647	210,346,984	212,669,547
Current	125,698,495	117,276,804	106,207,253	106,987,968
Non-current	104,832,702	106,001,843	104,139,731	105,681,579
	230,531,197	223,278,647	210,346,984	212,669,547

Clean line letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations, carry the same credit risk as loans.