



FIDELITY BANK PLC

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025**

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BOARD OF DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

Directors

1	Mr. Mustafa Chike-Obi (Chairman)
2	Engr. Henry Obih (Independent Non-Executive Director)
3	Mrs. Amaka Onwughalu (Non-Executive Director)
4	Chief Nelson C. Nweke (Non-Executive Director)
5	Mr. Chinedu Okeke (Non-Executive Director)
6	Mrs. Ronke Bammeke (Independent Non-Executive Director)
7	Mrs. Nneka Onyeali-Ikpe (Managing Director/CEO)
8	Mr. Kevin Ugwuoke (Executive Director)
9	Dr. Ken Opara (Executive Director)
10	Mr. Stanley Amuchie (Executive Director)
11	Mrs. Pamela Shodipo (Executive Director)
12	Mr. Abolore Solebo (Executive Director)
13	Mr. Sufiyanu Garba (Executive Director)

Company Secretary

Mrs. Ezinwa Unuigboje

Registered office

Fidelity Bank Plc
 2 Kofo Abayomi Street
 Victoria Island
 Lagos

Auditors

Deloitte & Touche Nigeria
 Civic Towers
 Ozumba Mbadiwe Avenue
 Victoria Island
 Lagos

Board Appraiser

KPMG Advisory Services
 KPMG Towers
 Bishop Aboyade Cole Street
 Victoria Island
 Lagos

Directors' Report

The Directors of Fidelity Bank Plc (the Bank/Company) are pleased to submit their Report on the affairs of the Bank and its subsidiary (the Group), together with the Group Audited Financial Statements and External Auditors Report for the half year ended 30 June 2025

1 RESULTS

Highlights of the Group's operating results for the half year ended June 30, 2025, are as follows:

	Group 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
Profit before income and windfall taxes	180 529	200 871	181 180	202 638
Income tax expense	(45 383)	(41 038)	(50 664)	(44 072)
Windfall tax	(2 834)	-	(2 834)	-
Profit for the period	132 312	159 833	127 682	158 566
Earnings per share				
Basic and diluted (in kobo)	264	499	254	496

DIVIDEND

No dividend is proposed by the Board of Directors in respect of the Period ended 30th June 2025

2 LEGAL FORM

The Bank was incorporated on 19 November 1987 as a private limited liability company in Nigeria. It obtained a merchant banking license on 31 December 1987 and commenced banking operations on 3 June 1988. The Bank converted to a commercial bank on 16 July 1999 and re-registered as a public limited company on 10 August 1999. The Bank's shares were listed on the floor of the Nigerian Stock Exchange (now Nigerian Exchange Group) on 17 May 2005.

3 PRINCIPAL BUSINESS ACTIVITIES

The principal activity of the Bank continues to be the provision of banking and other financial services to corporate and individual customers from its Headquarters in Lagos and 250 business offices. These services include retail banking, granting of loans and advances, equipment leasing, collection of deposits and money market activities.

The Bank has one wholly owned subsidiary, FidBank UK Limited (former Union Bank UK Plc) which was acquired in 2023. The financial result of the subsidiary has been consolidated into these financial statements.

Directors' Report- continued
For the period ended 30 June 2025

4 BENEFICIAL OWNERSHIP

The Bank's shares are held largely by Nigerian citizens and corporations.

5 SHARE CAPITAL

The range of shareholding as at June 30, 2025 is as follows:

	<i>Range</i>	<i>No. of Holders</i>	<i>Holders%</i>	<i>Holders Cum</i>	<i>Units</i>	<i>Units %</i>
1	1 000	125 596	24.32%	125 596	102 475 134	0.20%
1 001	5 000	205 371	39.76%	330 967	584 044 868	1.16%
5 001	10 000	71 371	13.82%	402 338	608 474 676	1.21%
10 001	50 000	77 241	14.95%	479 579	1 891 846 941	3.77%
50 001	100 000	17 519	3.39%	497 098	1 369 262 993	2.73%
100 001	500 000	15 022	2.91%	512 120	3 106 642 791	6.19%
500 001	1 000 000	2 314	0.45%	514 434	1 736 909 790	3.46%
1 000 001	5 000 000	1 470	0.28%	515 904	2 964 729 718	5.91%
5 000 001	10 000 000	238	0.05%	516 142	1 652 096 182	3.29%
10 000 001	50 000 000	263	0.05%	516 405	5 319 107 196	10.60%
50 000 001	100 000 000	42	0.01%	516 447	2 645 553 076	5.27%
100 000 001	50 200 000 000	80	0.02%	516 527	28 218 856 635	56.21%
GRAND TOTAL		516 527	100%	50 200 000 000	100%	

Following the completion of the public offer/ right issue , the total no of shares increase to 50,200,000,000 Units . All ranking for dividend .

Substantial interest in shares

The Bank's shares are widely held and according to the Register of Members, no single shareholder held up to 5% of the issued share capital of the Bank during the period ended 30 June 2025.

Directors' Report- continued
For the period ended 30 June 2025

6 Changes on the Board and Directors Interest

(a) Changes on the Board

The following changes occurred on the Board during the half year ended June 30, 2025

Board Changes	
1	Mr. Chidi Agbapu retired with effect from January 15, 2025.
2	Alhaji Abdullahi Sarki Mohammed was appointed to the Board on January 14, 2025.
3	Ms. Obiaku Augusta Okam was appointed to the Board on January 14, 2025.
4	Mr. Sufiyanu Ibrahim Garba was appointed to the Board with effect from January 24, 2025.

The Board uses this medium to express its sincere appreciation to Mr. Chidi Agbapu for their dedication and meritorious service to the Bank.

(b) Directors Who Held Office During the Review Period:

The Directors who held office during the half year ended 30 June 2025 together with their interest in the issued share capital of the Bank as recorded in the Register of Directors' Shareholding and as notified by the Directors for the purpose of Sections 301 and 302 of the Companies and Allied Matters Act (CAMA), 2020 and the listing requirements of the Nigerian Exchange Group (NGX) are detailed below:

NAME OF DIRECTOR	STATUS	30 June 2025			31 December 2024		
		DIRECT	INDIRECT	TOTAL	DIRECT	INDIRECT	TOTAL
		Units	Units	Units	Units	Units	Units
Mr. Mustafa Chike-Obi	Chairman, Non-Executive Director	53 114 122	NIL	53 114 122	39 516 294	NIL	39 516 294
Engr. Henry Obih	Independent Non-Executive Director	NIL	NIL	NIL	NIL	NIL	NIL
*Mr. Chidi Agbapu	Non-Executive Director	1 724 276	NIL	1 724 276.00	1 724 276	NIL	1 724 276
Chief Nelson C Nweke	Non-Executive Director	71 847 773	NIL	71 847 773	71 847 773	NIL	71 847 773
Mr. Chinedu Okeke	Non-Executive Director	1 140 000	NIL	1 140 000	1 040 000	NIL	1 040 000
Mrs. Amaka Onwughalu	Non-Executive Director	5 131 891	NIL	5 131 891	4 404 700	NIL	4 404 700
Mrs. Ronke Bammeke	Independent Non-Executive Director	NIL	NIL	NIL	NIL	NIL	NIL
**Alhaji Abdullahi Sarki Mohammed	Independent Non-Executive Director	NIL	NIL	NIL	NIL	NIL	NIL
***Ms. Obiaku Augusta Okam	Non-Executive Director	NIL	NIL	NIL	NIL	NIL	NIL
Dr. Nneka Onyeali-Ikpe	Managing Director/CEO	120 845 128	NIL	120 845 128	94 644 260	NIL	94 644 260
Mr. Kevin Ugwuoke	Executive Director	44 613 425	NIL	44 613 425	39 202 811	NIL	39 202 811
Dr. Ken Opara	Executive Director	39 123 921	NIL	39 123 921	39 123 921	NIL	39 123 921
Mr. Stanley Amuchie	Executive Director	52 462 670	NIL	52 462 670	40 727 272	NIL	40 727 272
Mrs. Pamela Shodipo	Executive Director	18 499 999	NIL	18 499 999	12 727 272	NIL	12 727 272
Mr. Abolore Solebo	Executive Director	25 977 512	NIL	25 977 512	9 927 512	NIL	9 927 512
****Mr. Sufiyanu Ibrahim Garba	Executive Director	NIL	NIL	NIL	NIL	NIL	NIL

* Retired with effect from January 15, 2025 ***Appointed with effect from January 14, 2025. ****Appointed with effect from January 24, 2025

**Appointed with effect from January 14, 2025.

Directors' Report- continued

Directors interest in Contracts:

The Directors' interests in related party transactions as stated in Note 38 to the financial statements were conducted at arm's length and disclosed to the Board of Directors in compliance with Section 303 of the Companies and Allied Matters Act, 2020.

Disclosure on Directors' Remuneration

The disclosure on Directors' Remuneration is made pursuant to the Governance Codes and Regulations issued by the Central Bank of Nigeria, Nigerian Exchange Group, the Securities and Exchange Commission and the Financial Reporting Council of Nigeria.

The Bank has a formal Board Remuneration Policy, which is consistent with its size and scope of operations. The Policy focuses on ensuring sound corporate governance practices as well as sustained and long-term value creation for Shareholders. The policy aims to achieve the following amongst others:

- a. Motivate the Directors to promote the right balance between short and long-term growth objectives of the Bank while maximizing Shareholders'
- b. Enable the Bank attract and retain Directors with integrity, competence, experience and skills to execute the Bank's strategy;
- c. Promote compliance with global regulatory trends and governance requirements, with emphasis on long-term sustainability;
- d. Align individual rewards with the Bank's performance, the interests of Shareholders, and a prudent approach to risk management;
- e. Ensure that remuneration arrangements are equitable, transparent, well communicated, easily understood, aligned with the interest of Shareholders and adequately disclosed.

Executive Directors' Remuneration:

Executive remuneration at Fidelity Bank is structured to provide a solid basis for succession planning and to attract, retain and motivate the right caliber of staff to ensure achievement of the Bank's business objectives.

The Board sets operational targets consisting of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance for the Executives at the beginning of each year. Executive compensation is therefore tied to specific deliverables on a fixed pay basis. Fixed pay includes basic salary, transport, housing and other allowances.

The Board Corporate Governance Committee (a Committee comprised of only Non-Executive Directors) makes recommendations to the Board on all matters relating to Directors' remuneration. The Executive Directors are not involved in decisions on their own remuneration.

Please see the table below for the key elements of Executive Directors' remuneration arrangements:

Remuneration element	Objective	Payment mode	Payment detail
Base Pay: This is a fixed pay (guaranteed cash) which is not dependent on performance. It comprises basic salary and all cash allowances paid to the Executive Director.			
Base Pay	· To attract and retain talent in a competitive market	· Monthly	Reviewed every 2 years and changes made on need basis and market findings Salaries for all roles are determined with reference to applicable relevant market practices
Remuneration Element	Objective	Payment Mode	Programme Detail
Performance Incentives: This represents the pay-at-risk i.e. pay contingent on the achievement of agreed key performance indicators.			
Performance Incentive	· To motivate and reward the delivery of annual goals at the Bank and individual levels	· Annually	Performance incentives are awarded based on the performance of the Bank and individual directors
	· Rewards contribution to the long-term performance of the Bank	· Annually	Executive Directors' annual performance incentives are evaluated against the performance metrics defined in his/her approved individual balanced scorecard/KPIs
Benefits and Perquisites: These are the non-monetary compensation provided to the Executive Directors such as official car, club and professional membership subscription.			
Benefits & Perquisites	• Reflect market value of individuals and their role within the Bank	• Actual items are provided or the cash equivalent for one year is given.	Review periodically in line with contract of employment

***Review of the various remuneration elements means re-appraisal to ensure they are competitive and reflective of industry expectations. They do not necessarily refer to an increment or reduction in the value of the benefits.*

Non-Executive Directors Remuneration:

Non-Executive Directors' remuneration is structured to conform to prevailing regulations and is set at a level that is at par with market developments, reflects their qualifications, the contributions required and the extent of their responsibilities and liabilities.

Non-Executive Directors are paid an annual fee in addition to reimbursable expenses (travel and hotel expenses) incurred whilst executing their role as Board members, where not provided directly by the Bank. The annual fee is approved by Shareholders at the Annual General Meeting and is paid quarterly in arrears, with subsequent changes subject to Shareholders approval.

They also receive a sitting allowance for each meeting attended by them but do not receive any performance incentive payments.

Please see the table below for the key elements of Non-Executive Directors' remuneration arrangements:

Directors' Report - continued

Remuneration Element	Objective	Payment Mode	Programme Detail
Annual Fees	· To attract individuals with relevant skills, knowledge and experience.	· Quarterly	•Reviewed every 2 years or as appropriate and changes made on need basis subject to Shareholders' approval at the Annual General Meeting.
Sitting Allowances	· To recognise the responsibilities of the Non-Executive Directors.	· Per meeting	•Reviewed every 2 years or as appropriate and changes made on need basis subject to Shareholders' approval at the Annual General Meeting.
	· To encourage attendance and participation at designated committees assigned to them.		

**Review of the various remuneration elements means the re-appraisal of the elements to ensure that they are competitive and reflective of industry expectations. They do not necessarily refer to an increment or reduction in the value of the benefit.*

The Board periodically benchmarks its remuneration practices against peer organizations whose business profiles are like that of the Bank and makes changes as appropriate..

The remuneration paid to the Directors in the period ended June 30, 2025 is disclosed in Note 38 of the Financial Statements.

7 EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period which could have had a material effect on the financial position of the Group as at June 30, 2025, and on the profit and other comprehensive income for the period ended, which have not been adequately provided for or disclosed of the half year. . See note 47

8 PROPERTY, PLANT AND EQUIPMENT

Information relating to property, plant and equipment is provided in Note 25 to the financial statements. In the Directors' opinion, the fair value of the Bank's properties is not less than the carrying value shown in the financial statements.

9 DONATIONS AND CHARITABLE CONTRIBUTIONS

Donations and gifts to charitable organizations during the period ended 30 June,2025 amounted to N1,180,200,000.00 (31 December 2024 - N1,547,023,967.18). There were no donations to political organizations during the period.

The beneficiaries were:

Directors' Report - continued

	REQUESTING/BENEFICIARY ORGANISATION	DONATION	AMOUNT (N)
1	Enugu State Government, Enugu	Support for the Enugu State Security Trust Fund	100 000 000
2	Lagos State Government, Lagos	Support for the Lagos State Security Trust Fund	50 000 000
3	The fashion Games 2025, Lagos	Sponsorship for fashion games 2025	5 000 000
4	Invest in Africa Sumbits 2025, Lagos	Sponsorship of the 2nd edition of Invest in Africa Summit	10 000 000
5	Duke of Shomolu Foundation, Lagos	Support for the production of a stage play "Bianca"	5 000 000
6	Morainbow Down Syndrome, Lagos	Support for the Morainbow Down Syndrome Foundation	1 000 000
7	Cocoa Association of Nigeria, Akure, Ondo State	Support towards the national cocoa stakeholders workshop	5 000 000
8	Communications Week Media Ltd, Lagos	Financial towards the Africa's BOICT Merit and Leadership Distinguished lecture/Awards	1 000 000
9	Clement Adesuyi Haastrup, Ijesha, Osun State	Financial support for coronation ceremony and the unveiling of the socio-economy development	20 000 000
10	William Anumudu Foundation, Lagos	Financial support to the William Anumudu Foundation	100 000 000
11	The Nigerian Conservation Foundation	Sponsorship & participation in the Nigerian Conservation Foundation's 2025 Walk for Nature	2 000 000
12	Clod South-south East Luncheon	Sponsorship Of Clod South-south East Luncheon	1 500 000
13	Adamawa State Government, Yola	Support for Green Initiative	50 000 000
14	Katsina State Government, Katsina	Sponsorship of Arewa Tech Festival 2.0	5 000 000
15	Ohafia LGA, Abiriba, Ohafia LGA, Abia State	Construction of Ohafia LGA Recreation Center	141 801 096
16	Boys Secondary School, Igbo-Ukwu, Igbo-Ukwu,	Fencing of Boys Secondary School	35 000 000
17	Gilgal Rehabilitation Centre, Lagos	Support for Mental Health care	7 359 128
18	Nwafor Orizu College of Education, Nsugbue, Anambra	Installation Financial support towards the of (5 units of double & 95 units of single arm).	98 317 875
19	Fidelity Food Bank Initiative (Rivers, Osun, Imo, Lagos, Niger, Abuja, Kano, Anambra and Benue States)	Distribution of Raw Food packs through the Fidelity Food Bank Initiative to underserved communities across the country	496 193 306
20	Taraba State Government, Taraba State	Ramadan Intervention for the less privileged	8 040 000
21	LEA Primary School, Lugbe, Abuja	Provision of school desks	1 240 000
22	Emotan College, Oredo community, Edo State	Renovation of the school Library	1 176 000
23	Akere Primary Health care Centre, Ajeromi	Donation of Maternity Kits to indigent expectant mothers	2 400 252
24	Akinola - Hassan Health center, Satellite	Donation of maternity kits to indigent expecting mothers	2 000 000
25	Old people's home, Yaba, Lagos	Donation of Essential Items	1 200 000
27	Orphanage Home, Alaba, Lagos	Donation of Essential Items	800 000
28	Kobi government primary school, Bauch LGA of Bauchi state	Renovation of three blocks of seven classrooms, two offices, one toilet, and the construction of 105 school tables and chairs at Kobi Government Primary School	28 532 343
29	Government secondary school, Elekahia, Port	Donation of Back to School materials	640 000
	Total		1 180 200 000

Directors' Report - continued

10 Gender Analysis as at 30 June ,2025

Fidelity Bank is an equal opportunity employer and is committed to promoting gender diversity in the workplace. The Bank recognizes that women have different skills, viewpoints, ideas and insights which will enable it serve a diverse customer base more effectively. The report on gender analysis as of 30 June 2025 is shown below:

GENDER ANALYSIS OF TOTAL STAFF AS AT 30 June 2025			31 December, 2024	
GENDER	NUMBER	PERCENTAGE OF TOTAL STAFF	NUMBER	PERCENTAGE OF TOTAL STAFF
FEMALE	1 733	53%	1 619	52%
MALE	1 529	47%	1 508	48%
TOTAL	3 262	100%	3 127	100%

GENDER ANALYSIS OF TOTAL TOP MANAGEMENT STAFF AS AT 30 June 2025			31 December, 2024	
GENDER	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE
FEMALE	17	27%	16	33%
MALE	45	73%	42	67%
TOTAL	62	100%	58	100%

GENDER ANALYSIS OF TOP MANAGEMENT (AGM-GM) AS AT 30 June 2025				31 December, 2024		
GRADE	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
General Manager	2	7	9	0	8	8
Deputy General Manager	4	12	16	6	12	18
Assistant General Manager	11	26	37	10	22	32
TOTAL	17	45	62	16	42	58
Percentage	27%	73%	100%	28%	72%	100%

GENDER ANALYSIS OF EXECUTIVE MANAGEMENT AS AT 30 June 2025				31 December, 2024		
GRADE	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Executive Director	1	5	6	1	4	5
Managing Director	1	0	1	1	0	1
Non Executive Director	3	5	8	2	6	8
TOTAL	5	10	15	4	10	14
Percentage	33%	67%	100%	29%	71%	100%

Directors' Report - continued

Human Resources Policy

The Bank places a high premium on all its employees and recognizes that their input is critical for its long-term success. Consequently, the Bank ensures its continued compliance with regulatory provisions on employment and carries out pre-employment background screening on prospective employees.

The Bank also ensures that all employees are treated fairly and equally regardless of their ethnicity, gender, nationality, religion or other factors, while promoting diversity in the workplace. The Bank operates a contributory pension plan for its employees in accordance with the provisions of the Pension Reform Act 2014.

Employment Of Persons With Special Needs

There is no discrimination in considering applications for employment including applications from persons with special needs. The Bank ensures that such persons are afforded identical opportunities with other employees. Employees include persons with special needs and the Bank ensures that the work environment is accessible and conducive for them.

Health, Safety and Welfare of Employees

The health, safety and wellbeing of all employees is a top priority and the Bank continues to make significant investments along these lines.

All employees are provided with comprehensive healthcare coverage through a health management scheme with 3,265 hospitals across the country. The scheme covers each staff, his/her spouse and four biological/adopted children.

The Bank also has an international health insurance scheme, which provides emergency medical evacuation support. These healthcare initiatives are actively enhanced with regular health screening exercises including mammograms, prostate screening, eye examinations, cardiovascular and tuberculosis tests and immunization for cerebrospinal meningitis, Hepatitis B and COVID-19.

Beyond direct clinical healthcare support, staff members also benefit from structured preventive health awareness programmes. In this regard, the Bank carries out well-articulated awareness sessions on topical health issues including preventing the spread of malaria, diabetes, hypertension, and kidney disease. Staff are also engaged on occupational safety matters including regular fire and first aid drills, with each business office having designated fire safety officers/champions.

In addition to physical health, the Bank is mindful of the importance of mental wellness in the overall wellbeing of staff and arranges regular sessions on mental health by experienced professionals, while ensuring individual access to counselling/follow-up sessions.

The Bank has a defined process for preventing the spread of communicable diseases including HIV/AIDS through health campaigns that encourage good personal hygiene while ensuring that no person living with HIV/AIDS is discriminated against. Through regular medical updates from the health insurance providers, emails, text messages and periodic health awareness presentations, staff members are frequently educated on how to take personal responsibility for their health, mental and physical wellbeing, by consciously making better lifestyle choices.

Human Rights

The Bank has a formal Human Rights Policy and consciously strives to ensure that it does not engage in business activities or relationships that would violate the provisions of the policy.

The policy aligns with extant laws, including the relevant provisions of the Constitution of the Federal Republic of Nigeria. The Bank will continue to meet the standards of international treaties on human rights, as domesticated and ratified by the National Assembly, as well as other workplace related treaties.

Employee involvement and training

The Bank is committed to keeping employees fully informed of its corporate objectives and the progress made on achieving same. The opinions and suggestions of staff are valued and considered not only on matters affecting them as employees, but also on the general business of the Bank. The Bank operates an open communication policy and employees are encouraged to communicate with Management through various media.

Sound management and professional expertise are considered to be the Bank's major assets, and investment in employees' future development continues to be a top priority. Fidelity is a learning organization and believes in the development of her employees, irrespective of their job roles and responsibilities in the Bank. As an institution committed to maintaining its competitive edge, Fidelity Bank ensures that employees receive qualitative training within and outside the country. Staff Training Plans are drawn up yearly premised on grade specific baseline and function specific programmes. These include local, offshore and inhouse programmes

Worthy of note are the Bank's Weekly Thursday Lecture Series, the Fidelity Business School with its various academies and the E-Learning Management System (LMS) Platform, all of which are designed to deepen knowledge, skills, and productivity.

The Bank currently has nine modern Learning Centers at Lagos, Ibadan, Benin, Port-Harcourt, Owerri, Awka, Enugu, Abuja, and Kano. A total of 5,033 staff (2,492 core staff and 2,541 non-core), participated in various training programs as of 30 June 2025.

Training programmes are not limited to function specific programmes but include programmes on occupational safety and life skills such as fire drills, first and treatment and emergency evacuation procedures.

Research and Development

The Bank continues to research, develop, and deploy innovative banking products.

Directors' Report - continued

Credit Ratings

The Central Bank of Nigeria's Revised Prudential Guidelines requires all banks to be credit rated. The ratings are updated every year and published in the Annual Report. During the period under review, Fidelity Bank was assigned the credit ratings below by the following rating agencies:

Fitch Ratings	Long-Term = B Short-Term =B Outlook = Stable
Standard & Poor (S&P)	Long-Term = B- Short-Term =B Outlook = Stable
Global Credit Rating Co (GCR)	Long Term = A(NG) Short Term = A1(NG) Outlook = Stable
Agusto & Co	Long Term = "A" Short Term = "A" Outlook = Stable

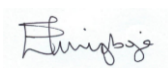
Additional information on the ratings can be obtained from the Bank's website at
<https://www.fidelitybank.ng/investor-relations/credit-ratings/>

External Auditors

The appointment of the External Auditors, Deloitte & Touché, was approved on April 30, 2021, at the 33rd Annual General Meeting in accordance with Section 401(1) of the Companies and Allied Matters Act, 2020. The appointment took effect on May 5, 2021.

The External Auditors have indicated their willingness to continue in office as the Bank's auditors for 2025 financial year in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. The resolution authorizing the Directors to determine their remuneration was proposed and approved at the 37th Annual General Meeting.

By order of the Board.



Ezinwa Unuigboje
Company Secretary
 FRC/2015/NBA/00000006957

Fidelity Bank Plc
 No 2 Kofo Abayomi Street
 Victoria Island
 Lagos
 Date: October 13, 2025

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

- Appropriate internal controls are established both to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.
- (a)
- (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: October 13, 2025



Kevin Ugwuoke
Executive Director
FRC/2020/003/00000022290



Nneka Onyeali-Ikpe
Managing Director/ Chief Executive Officer
FRC/2013/NBA/00000016998

Report of the Statutory Audit Committee

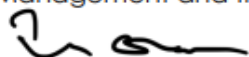
For The Period Ended June 30, 2025

To The Members of Fidelity Bank Plc

In compliance with Section 404(7) of the Companies and Allied Matters Act, 2020, we the members of the Statutory Audit Committee hereby report that we:

- Reviewed the scope and planning of the audit requirements and found them adequate.
- Reviewed the financial statements for the period ended 30 June 2025 and are satisfied with the explanations obtained.
- Reviewed the External Auditors Management Report for the period ended 30 June 2025 and are satisfied that Management is taking appropriate steps to address the issues raised.
- Ascertained that the Company has complied with the provisions of Central Bank of Nigeria (CBN) Circular BSD/1/2004 dated February 18, 2004 on "Disclosure of insider credits in the financial statements of banks". In addition, related party transactions and balances have been disclosed in the Notes to the Financial Statements for the period ended 30 June 2025 in accordance with the prescribed CBN format.
- Ascertained that the accounting and reporting policies of the Company for the period ended 30 June 2025 are in accordance with legal requirements and agreed ethical practices.

The External Auditors confirmed having received full cooperation from the Company's Management and that the scope of their work was not restricted in any way.



Chief Frank Onwu
Chairman, Audit Committee
FRC/2014/CISN/00000009012

October 17, 2025

MEMBERS OF THE COMMITTEE

- | | |
|-------------------------|--------------------------|
| 1) Chief. Frank Onwu | - Chairman (Shareholder) |
| 2) Dr. Christian Nwinia | - Member (Shareholder) |
| 3) Mr. Innocent Mmuoh | - Member (Shareholder) |
| 4) Chief Nelson Nweke | - Member (Director) |
| 5) Mrs. Ronke Bammeke | - Member (Director) |

In Attendance:

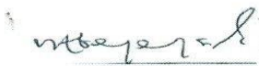
Mrs. Ezinwa Unuigboje - Company Secretary

Statement Of Corporate Responsibility For The Preparation Of The Financial Statements
For the period ended 30 June 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 **June 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 June 30, 2025.
- iii The bank's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 30 June 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: October 13, 2025



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



Nneka Onyeali-Ikpe
Managing Director/Chief Executive Office
FRC/2013/NBA/00000016998

Corporate Governance Report

Introduction

This report is designed to update stakeholders on how Fidelity Bank Plc ("Fidelity" or "the Bank") discharged its fiduciary responsibilities in relation to governance as well as its level of compliance with relevant statutory and regulatory requirements during the review period.

The Board of Directors is committed to ensuring sustainable long-term success for the Bank and is mindful that best practice in corporate governance is essential for ensuring accountability, fairness and transparency in a company's relationship with all its stakeholders.

The Bank's Shared Values of Customer First, Respect, Excellence, Shared Ambition and Tenacity (CREST) continue to be the guiding principles, which we believe are necessary to sustain the growth of the business and our relationship with stakeholders, while keeping faith with our vision to be "No. 1 in every market we serve and for every branded product we offer".

The Bank successfully completed the CGRS (Corporate Governance Rating System) assessment of the Nigerian Exchange Group (NGX) and is CGRS rated.

Corporate Governance Framework

Fidelity Bank has a structured corporate governance framework, which supports the Board's objective of achieving sustainable value. This is reinforced by the right culture, values and actions at the Board and Management level and throughout the entire organization.

The Board of Directors is the principal driver of corporate governance and has overall responsibility for ensuring that the tenets of good corporate governance are adhered to in the management of the Bank. In the Bank's bid to achieve long-term shareholder value, we constantly strive to maintain the highest standards of corporate governance, which is the foundation on which we manage risk and build the trust of our stakeholders.

The Bank's governance framework is designed to ensure on-going compliance with its internal policies, applicable laws and regulations as well as the corporate governance codes. These include the Financial Reporting Council of Nigeria's (FRCN) Code of Corporate Governance ("the NCCG Code"), the Central Bank of Nigeria's (CBN) Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks in Nigeria ("the CBN Guidelines"), the Securities and Exchange Commission's Corporate Governance Guidelines ("the SEC Guidelines"), the Post-Listing Requirements and Rules issued from time to time by the Nigerian Exchange Group (NGX).

The Bank undertakes frequent internal assessment of its level of compliance with the Guidelines/ Rules and submits periodic compliance reports to the CBN, SEC, NGX, FRCN and Nigeria Deposit Insurance Corporation (NDIC).

The Code, Guidelines and Rules are quite detailed and cover a wide range of issues, including Board and Management, Shareholders, Rights of Stakeholders, Disclosure Requirements, Risk Management, Organizational Structure, Quality of Board Membership, Board Performance Appraisal, Reporting Relationship, Ethics and Professionalism, Conflict of Interest, Sustainability, Whistleblowing, Code of Ethics, Complaints Management Processes and the Role of Auditors. These, in addition to the Bank's Memorandum and Articles of Association, Board, Board Committees and Management Committee Charters, collectively constitute the bedrock of the Bank's corporate governance framework.

The Bank's governance structure is hinged on its internal governance framework, which is executed through the following principal organs:

- (a) The Board of Directors
- (b) Board Committees
- (c) Statutory Audit Committee
- (d) General Meetings
- (e) Management Committees

Key Governance Development

(1) Key Governance Developments (Board Changes) :

The following changes occurred on the Board after the 36th Annual General Meeting, which held on May 16, 2024.

(i) Retirements from the Board

1	Mr. Chidi Agbapu, Non-Executive Director, retired from the Board on January 15, 2025.
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(ii) Board Appointments

i	Alhaji Abdullahi S. Mohammed, Independent Non-Executive Director, was appointed to the Board with effect from January 14, 2025.
2	Ms. Obiaku A. Okam, Non-Executive Director, was appointed to the Board with effect from January 14, 2025.
3	Mr. Sufiyanu Garba was appointed as Executive Director, North Directorate with effect from January 24, 2025.

The appointments were approved by the Central Bank of Nigeria

Corporate Governance Report

(2) Issuance of additional shares.

Following the recapitalization directive of the CBN, The Bank launched a capital exercise to raise ₦127.1 billion through a Public Offer and a Rights Issue (the Combined Offer) to meet the ₦500 billion capital requirement for International Commercial Banks. The offer was 220% oversubscribed, with a total order book of ₦273.0 billion. The Bank was able to absorb ₦175.9 billion (18.2 billion shares) from the order book. Despite the success, the Bank still faces a capital gap of ₦194.4 billion, which must be closed by Q1 2026.

In view of the need to close the capital gap, the Bank's shareholders at the Extra-ordinary General Meeting held on February 6, 2025, granted approval to issue up to 20 billion additional shares. Regulatory approval is currently being sought to issue these shares through a Private Placement exercise.

The Board of Directors

Board Size

The Board currently comprises fifteen (15) Directors, seven (7) Executives including the Managing Director/Chief Executive Officer (MD/CEO) and eight (8) Non-Executive Directors including three (3) Independent Non-Executive Directors. The Independent Non-Executive Directors do not hold any shares in the Company, nor are they involved in any business relationship with the Bank. All Board appointments are in line with the Bank's Directors Selection Criteria Policy, and applicable regulations and are also subject to the approval of the Central Bank.

Board Structure and Responsibilities

The Board is responsible for creating and delivering sustainable value to all stakeholders through efficient management of the business. The Board is also responsible for determining the strategic direction of the Bank, which said strategy is implemented through Executive Management, within a framework of rewards, incentives and controls. Executive Management, led by the Managing Director/Chief Executive Officer, constitutes the key management organ of the Bank and is primarily responsible for achieving performance expectations and increasing shareholder value.

Executive Management reports regularly to the Board on issues relating to the growth and development of the Bank. The Board plays a major supportive and complementary role in ensuring that the Bank is well managed and that appropriate controls are in place and fully operational.

The Board is accountable to the Bank's stakeholders and continues to play a key role in governance. It is the responsibility of the Board of Directors to approve the Bank's organizational strategy, develop directional policy, appoint, supervise and remunerate senior executives and ensure accountability of the Bank to its owners, stakeholders and the regulatory authorities. The Board is also responsible for providing stable and effective leadership for the Bank, to facilitate achievement of its corporate operating objectives.

Responsibility for the day-to-day management of the Bank resides with the MD/CEO, who carries out her functions in accordance with guidelines approved by the Board of Directors. The MD/CEO is ably assisted by the six (6) Executive Directors. In line with best practice and requisite regulations, the roles of the Chairman of the Board and MD/CEO are assumed by different individuals to ensure that the right balance of power and authority is maintained.

The effectiveness of the Board is derived from the broad range of skills and competencies of the Directors, who are persons of high integrity and seasoned professionals and are competent, knowledgeable and proficient in their professional careers, businesses and/or vocations. The Directors bring to the Board their diverse experience in several fields ranging from business management, corporate finance, accounting, banking operations, Oil & Gas, information technology, risk management, engineering, project finance, leasing, law, entrepreneurship and treasury management.

The professional background of the Directors reflects a balanced mix of skills, experience and competencies that impacts positively on the Board's activities. No individual dominates the decision-making process. The Board operated effectively throughout the period and continues to do so.

The professional background of the Directors reflects a balanced mix of skills, experience and competencies that impacts positively on the Board's activities. No individual dominates the decision-making process. The Board operated effectively throughout the period and continues to do so.

The Directors are members of the Institute of Directors of Nigeria (IoD) and/or the Bank Directors Association of Nigeria (BDAN), two non-profit organizations dedicated to promoting good corporate governance and high ethical standards for Nigerian companies/banks.

Access to Information

Management is responsible for ensuring that the Board receives information on the Bank's operations and activities on a regular and timely basis to aid the decision-making process. Executive Management and other principal officers attend Board and Board Committee meetings to make presentations and clarify any issue as appropriate.

The Directors have unfettered access to Management and relevant information on the Bank's operations. They also have the resources to execute their responsibilities as Directors, including access to external independent professional advice at the Bank's expense.

Matters reserved exclusively for the Board include but are not limited to: approval of credit requests in excess of the approval limit of the Board Credit Committee, approval of the Bank's quarterly, half yearly and full year financial statements, disposal of assets other than in the normal course of the Bank's business, mortgaging or otherwise creating security interests over the assets of the Bank, appointment or removal of key management personnel, strategic planning and succession planning. The Board is also responsible for the integrity of the financial statements.

The Board has a comprehensive Remuneration Policy, which is designed to address the compensation of both Executive and Non-Executive Directors. The Policy is designed to establish a framework for Directors' remuneration that is consistent with the Bank's scale and scope of operations and is aimed at attracting, motivating and retaining qualified individuals with the talent, skills and experience required to run the Bank effectively.

The Board meets quarterly, and additional meetings are convened as required. The Directors are provided with comprehensive information at each quarterly meeting and briefed on business developments between Board meetings. The Board met five(5) times during the half year ended 30 June 2025.

Corporate Governance Report

Details of the Directors who served on the Board during the half year ended 30 June 2025, are indicated below:

NO	NAME OF DIRECTOR	DESIGNATION	DATE OF APPOINTMENT	Cumulative Period Served as at 31 December 2024
1	Mr. Mustafa Chike-Obi	Chairman /Non-Executive Director	August 15, 2020	4 years/10 months
2	***Mr. Chidi Agbapu	Non-Executive Director	September 3, 2018	6 years/9 months
3	Engr. Henry Obih	Independent Non-Executive Director	September 21, 2020	4 years/9 months
4	Mrs. Amaka Onwughalu	Non-Executive Director	December 15, 2020	4 years /6 months
5	Chief Nelson C. Nweke	Non-Executive Director	December 15, 2020	4 years /6 months
6	Mr. Chinedu Okeke	Non-Executive Director	January 4, 2021	4 years/5 months
7	Mrs. Ronke Bammeke	Independent Non-Executive Director	November 18, 2021	3 years /7 months
8	Alhaji Abdullahi Mohammed	Independent Non-Executive Director	January 14, 2025	5 months
9	Ms. Obiaku Okam	Non-Executive Director	January 14, 2025	5 months
10	Mrs. Nneka Onyeali-Ikpe	Managing Director/CEO	Appointed to the Board as Executive Director on September 3, 2015; Assumed office as MD/CEO on January 1, 2021.	4 years/6 months as MD/CEO; 5 years /3 months as Executive Director
11	Mr. Kevin Ugwuoke	Executive Director	July 28, 2020	4 years/11 months
12	Dr. Ken Opara	Executive Director	January 1, 2021	4 years/6 months
13	Mr. Stanley Amuchie	Executive Director	January 27, 2022	3 years/5 months
14	Mrs. Pamela Shodipo	Executive Director	February 3, 2022	2 year/4 months
15	Mr. Abolore Solebo	Executive Director	February 1, 2024	1 year/4 months
16	Mr. Sufiyanu Garba	Executive Director	January 24, 2025	5 months

**Retired with effect from January 15, 2025.

Corporate Governance Report

Directors' Appointments, Retirements and Re-elections

Directors' appointments, retirements and re-elections are effected in accordance with the provisions of the Bank's Memorandum and Articles of Association, the Board Appointment and Directors' Selection Criteria Policy, the Central Bank's Assessment Criteria for Approved Persons Regime in Nigeria as well as other relevant laws, to ensure a balanced and experienced Board.

The Board Remuneration, Nomination and Governance Committee is charged with the responsibility of leading the process for Board appointments and for ascertaining and recommending suitable candidates for the Board's approval. The appointment process is transparent and involves external consultants who carry out an independent evaluation of all nominees as part of the appointment process. The importance of achieving the right balance of skills, experience and diversity is also taken into consideration in making Board appointments

Mr. Chidi Agbapu, Non-Executive Director, retired from the Board on January 15, 2025. Alhaji Abdullahi Mohammed and Ms. Obiaku Okam were appointed Independent Non-Executive Director and Non-Executive Director respectively with effect from January 14, 2025, while Mr. Sufiyanu Garba was appointed as Executive Director, North with effect from January 24, 2025.

Directors' Term of Office

To ensure that the Board is continually renewed and refreshed, Non-Executive Directors' tenure is two (2) terms of three (3) years while Independent Non-Executive Directors serve for one term of four (4) years. The tenure of Executive Directors is coterminous with their respective contracts of employment. All Board appointments are subject to the Bank's Retirement Age Policy and the CBN's tenure guidelines.

Board Induction and Continuous Education:

To ensure that the Board is continually renewed and refreshed, Non-Executive Directors' tenure is limited to maximum of two (2) terms of three (3) years while Independent Non-Executive Directors serve for (1) term of four (4) years. The tenure of Executive Directors is coterminous with their respective contracts of employment. All Board appointments are subject to the Bank's Retirement Age Policy and the CBN's tenure guidelines.

The Bank has a Directors Induction and Continuous Development Policy, which provides for formal induction programmes for newly appointed Directors and bespoke training programmes for serving Directors. The Directors also participate in regulator-initiated training programmes.

An induction plan is designed for all new Directors and covers personalized in-house orientation including individual meetings with Executive Management and Senior Executives responsible for the Bank's key business areas, and external training programmes. The induction programme includes an overview of the Bank's operations, risk management, treasury operations, internal audit, compliance, corporate governance framework and Board processes. Board development programmes also include executive coaching sessions and the annual Board strategy retreat.

New Directors also receive a comprehensive induction pack, which includes copies of Board and Board Committees' Charters, the annual goals of the Board and Board Committees for the year, relevant legislations and the calendar of Board meetings and activities for the year. The induction and training programmes are robust and designed to equip all Directors to effectively discharge their responsibilities whilst improving overall board effectiveness.

The Bank renders periodic returns on training programmes attended by Directors to the Central Bank. The Directors who served on the Board during the period under review, participated in the programmes listed below:

S/N	Course	Vendor	Start Date	End Date	Name of Directors
1	Strategy And Management for Competitive Advantage Programme	Wharton Business School	April 7, 2025	April 11, 2025	Mr. Kevin Ugwuoke
2	Executing Strategy for Results	London Business School	May 10, 2025	May 23, 2025	1. Mr. Mustafa Chike-Obi 2. Ms. Obiaku Okam
3	Value Creation through Effective Boards	Harvard	May 19, 2025	May 22, 2025	Dr. Nneka Onyeali-Ikpe
4	Corporate Governance	Kellogg	June 9, 2025	June 12, 2025	Mrs. Amaka Onwughalu
5	Board Induction Programme	In-house (Fidelity Bank Plc)	March 25, 2025	April 23, 2025	1. Alhaji Abdullahi Mohammed 2. Ms. Obiaku Okam 3. Mr. Sufiyanu Garba

Corporate Governance Report

Access to independent advice:

In compliance with the Codes and global best practices, the Board ensures that the Directors have access to independent professional advice when they deem same necessary to discharge their responsibilities as Directors. The Bank also provides the Directors with sufficient resources to enable them execute

Independent consultants engaged during the review period include:

S/N	Consultant	Brief
1	KPMG Advisory Services	Corporate Strategy, Board Appraisal
2	Banwo & Ighodalo	Legal Consultancy

Board Performance Appraisal:

The Board, recognizing the need to maintain an energized, proactive and effective Board, adopted a formal Board and Board Committees' Performance Evaluation Policy in April 2012. To give effect to the provisions of the Policy and comply with the Codes, the Board engages an independent consultant to conduct an annual appraisal of the Board's performance and highlight issues that require remedial action.

The appraisal enables the Board to identify future developmental needs, while benchmarking its performance against global best practices and enhancing board effectiveness.

The appraisal is extensive and covers the Board, Board Committees and individual Directors, focusing on strategy, corporate culture, monitoring, evaluation, performance and stewardship. A governance survey is also occasionally administered on senior management staff of the Bank and the result of the survey is presented to the Board.

Amongst other indices the annual assessment focuses on the Board's role in the following key areas:

- (a) Defining strategy and management of the Board's own activities.
- (b) Monitoring Management and evaluating its performance against defined objectives.
- (c) Implementing effective internal control systems.
- (d) Communicating standards of ethical organizational behaviour by setting the tone at the top.

The independent consultant's report on the Board appraisal is presented to Shareholders at the Annual General Meetings and submitted to the Central Bank of Nigeria. The Board appointed KPMG Advisory Services to carry out the Board appraisal and governance evaluation exercise for 2024 financial year. The Consultant's report was presented to the shareholders at the 37th Annual General Meeting on January 29, 2025.

Board Meetings

To ensure its effectiveness throughout the year, the Board develops an Annual Agenda Cycle, Annual Goals and Calendar of Board activities at the beginning of each year. These not only focus the activities of the Board but also establish benchmarks against which its performance can be evaluated at the end of the year

While a detailed forward agenda is available, it is periodically updated to reflect contemporary issues that may arise, which may be of interest to the Bank, the financial services industry or national/global economies. The Board meets quarterly or as the need arises.

A. Board Committees

The responsibilities of the Board are also accomplished through six (6) standing committees, which work closely with the Board to achieve the Bank's strategic objectives. The Board Committees are listed below:

- (a) Board Credit Committee.
- (b) Board Risk Committee.
- (c) Board Audit Committee.
- (d) Board Corporate Governance Committee.
- (e) Board Finance and General-Purpose Committee.
- (f) Board Information Technology Committee.

To enable the Committees, execute their oversight responsibilities, each Committee has a formal Charter, which defines its objectives and operating structure including composition, functions, and scope of authority. At the beginning of the year, each Committee develops its Annual Agenda Cycle, Annual Goals, and meeting calendar, to guide its activities during the year.

Complex and specialized matters are effectively dealt with through the Committees, which also make recommendations to the Board on various matters. The Committees present periodic reports to the Board on the issues considered by them.

Corporate Governance Report

The composition of Board Committees as of 30 June 2025, was as follows:

S/N	COMMITTEE	MEMBERSHIP	DESIGNATION
1	Board Finance & General Purpose Committee (FGPC):	Chief Nelson C. Nweke	Chairman (Non-Executive Director)
		Mrs. Amaka Onwughalu	Non-Executive Director
		Mrs. Amaka Onwughalu	Non-Executive Director
		Ms. Obiaku Okam	Non-Executive Director
S/N	COMMITTEE	MEMBERSHIP	DESIGNATION
2	Board Remuneration, Nomination and Governance Committee (BRNGC):	Engr. Henry Obih	Chairman (Independent Non-Executive Director)
		Mrs. Amaka Onwughalu	Non-Executive Director
		Chief Nelson Nweke	Non-Executive Director
		Alhaji Abdullahi Mohammed	Independent Non-Executive Director
S/N	COMMITTEE	MEMBERSHIP	DESIGNATION
3	Board Risk Management Committee (BRMC):	Alhaji Abdullahi Mohammed	Chairman (Independent Non-Executive Director)
		Engr. Henry Obih	Independent Non-Executive Director
		Mrs. Amaka Onwughalu	Non-Executive Director
		Mr. Chinedu Okeke	Non-Executive Director
		Mrs. Ronke Bammeke	Independent Non-Executive Director
		Ms. Obiaku Okam	Non-Executive Director
		Mrs. Nneka Onyeali-Ikpe	Managing Director/CEO
		Mr. Kevin Ugwuoke	Executive Director, Chief Risk Officer
S/N	COMMITTEE	MEMBERSHIP	DESIGNATION
4	Board Audit Committee (BAC):	Mrs. Ronke Bammeke	Chairman (Independent Non-Executive Director)
		Chief Nelson C. Nweke	Non-Executive Director
		Mr. Chinedu Okeke	Non-Executive Director
		Alhaji Abdullahi Mohammed	Independent Non-Executive Director
5	Board Credit Committee (BCC) :	Mrs. Amaka Onwughalu	Chairman, Non-Executive Director
		Engr. Henry Obih	Independent Non-Executive Director
		Mr. Chinedu Okeke	Non-Executive Director
		Alhaji Abdullahi Mohammed	Independent Non-Executive Director
		Ms. Obiaku Okam	Non-Executive Director
		Mrs. Nneka Onyeali-Ikpe	Managing Director/CEO
6	Board Information Technology Committee (BITC)	Mr. Chinedu Okeke	Chairman, Non-Executive Director
		Mrs. Morohunke Bammeke	Independent Non-Executive Director
		Ms. Obiaku Okam	Non-Executive Director
		Mr. Stanley Amuchie	Executive Director, Chief Operations and Information Officer

Corporate Governance Report

1. Board Credit Committee:

This Committee functions as a Standing Committee of the Board with responsibility for Credit Management. The primary purpose of the Committee is to advise the Board on its oversight responsibilities in relation to the Bank's credit exposures and lending practices. The Committee comprises a minimum of four (4) Non-Executive Directors (including an Independent Non-Executive Director) and the MD/CEO. The Committee meets monthly or as the need arises.

Its terms of reference include:

- (a) Exercising all Board assigned responsibilities on credit related issues.
- (b) Review and recommend credit policy changes to the full Board.
- (c) Ensure compliance with regulatory requirements on credits.
- (d) Approving credits above the Management's credit approval limit.
- (e) Tracking the quality of the Bank's loan portfolio through quarterly review of risk assets.
- (f) Receive and consider recommendations from the Management Credit Committee (MCC), Asset & Liability Committee (ALCO), and Operational Risk & Service Measurement Committee on matters relating to credit management.
- (g) Consider and recommend for full Board approval, Director, and Insider-Related credits.
- (h) Consider exceptions to rules or policies and counsel on unusual credit transactions.

2. Board Risk Management Committee:

This Committee functions as a Standing Committee of the Board with responsibility for the enterprise risk management activities of the Bank, approving appropriate risk management procedures, and measurement methodologies, as well as identification and management of strategic business risks of the Bank. It consists of a minimum of four (4) Non-Executive Directors including an Independent Non-Executive Director, the Executive Director, Risk and the Managing Director/CEO.

Its terms of reference include:

- (a) Establishing the Bank's risk appetite;
- (b) Ensuring that business profiles and plans are consistent with the Bank's risk appetite;
- (c) Establishing and communicating the Bank's risk management framework including responsibilities, authorities and control;
- (d) Establishing the process for identifying and analyzing business level risks;
- (e) Agreeing and implementing risk measurement and reporting standards and methodologies;
- (f) Establishing key control processes and practices, including limits, structures, impairments, allowance criteria and reporting requirements;
- (g) Monitoring the operation of the controls and adherence to risk direction and limits;
- (h) Ensuring that risk management practices and conditions are appropriate for the business environment.

The Committee meets quarterly or as the need arises. Occasionally, a joint meeting is held between the Board Credit Committee and the Board Risk Committee to review credit risk related issues.

3. Board Audit Committee:

The Committee functions as a Standing Committee of the Board with responsibility for internal control over financial reporting, including internal and external audit. The Committee is composed of a minimum of four (4) Non-Executive Directors (including an Independent Director who chairs the Committee in line with the Central Bank's guidelines on composition of the Board Audit Committee). The Committee meets quarterly or as the need arises.

Its terms of reference include:

- (a) Ensuring the integrity of the Bank's financial reporting system.
- (b) Ensuring the existence of independent internal and external audit functions.
- (c) Ensuring the effectiveness of the internal control system, prudence and accountability in significant contracts and compliance with regulatory requirements.
- (d) Effectiveness of accounting and operating procedures, and
- (e) Ensuring compliance with legal and regulatory requirements.

4. Board Remuneration, Nomination and Governance Committee:

The Board Remuneration, Nomination and Governance Committee comprises a minimum of four (4) Non-Executive Directors (including an Independent Director who chairs the Committee). The Managing Director (and in her absence, an Executive Director nominated by her) is required to attend the Committee's meetings. The Committee has oversight responsibility for issues relating to the Bank's Corporate Governance Framework.

The Committee meets quarterly or as the need arises. Its terms of reference include.

- (a) Review and make recommendations for improvements to the Bank's Corporate Governance Framework.
- (b) Recommend membership criteria for the Board and its Committees.
- (c) Review and make recommendations on the Bank's key human capital policies.
- (d) Review and make recommendations on Key Performance Indicators for the Managing Director and Executive Directors.
- (e) Ensure that an independent Board evaluation exercise is undertaken annually.
- (f) Provide oversight on Directors' orientation and continuing education programmes.
- (g) Ensure proper reporting and disclosure of the Bank's corporate governance procedures to stakeholders.
- (h) Ensure proper succession planning for the Bank.

Corporate Governance Report

5. Board Finance & General Purpose Committee:

The Board Finance & General Purpose Committee has oversight responsibility for issues relating to the Bank's budgetary process, procurements and strategic planning. The Committee is composed of a minimum of four (4) Non-Executive Directors (including an Independent Director). The Committee meets quarterly or as the need arises.

Its terms of reference include:

- (a) Review major expense lines periodically and approve expenditure within the approval limit of the Committee as documented in the financial manual of authorities.
- (b) Participate in and lead an annual strategy retreat for the Board.
- (c) Review annually, the Bank's financial projections, as well as capital and operating budgets and review on a quarterly basis with Management, the progress of key initiatives, including actual financial results against targets and projections.
- (d) Make recommendations to the Board regarding the Bank's investment strategy, policy and guidelines, its implementation and compliance with those policies and guidelines and the performance of the Bank's investment portfolios.
- (e) Ensure a transparent and competitive tendering process on major contracts to guarantee the best value for the Bank.
- (f) Review and recommend to the Board for approval, the procurement strategy and policy of the Bank.
- (g) Ensure that all major contracts are carried out according to the terms and conditions of the contract agreement.
- (h) Other finance matters including recommending for Board approval, the Bank's dividend policy, including amount, nature and timing and other corporate actions.
- (i) Recommend a comprehensive framework for delegation of authority on financial matters and ensure compliance with same.

6. Board Information Technology Committee:

The Board Information Technology Committee ("the Committee") has oversight responsibility for all issues relating to the Bank's Information Technology (IT) and digitalisation strategies, investments and risks. The Committee is also responsible for matters relating to IT Governance, Cybersecurity and IT Risk. The Committee is composed of a minimum of four (4) Non-Executive Directors including an Independent Director. The Committee meets quarterly or as the need arises.,

Its terms of reference include:

- (a) Execution of the Board's strategy in relation to Information Technology and Digitalization.
- (b) Provide advice on strategic direction on IT related issues.
- (c) Review IT related investments and expenditure.
- (d) Review IT-related innovation as well as existing and future trends that may affect the Bank's digital strategy.
- (e) Review the effectiveness of the Bank's IT and cybersecurity risk identification and remediation practices, policies, controls and procedures.
- (f) Review the effectiveness of the Bank's overall IT enterprise architecture including the stability and reliability of the digital eco-system, the quality of IT services provided and the type of customer experience delivered.
- (g) Ensure the Bank's compliance with applicable IT related laws and regulations.

Corporate Governance Report

B. Attendance at Board and Board Committee Meetings

Records of the Directors' attendance at meetings during the half year ended 30 June 2025 are provided below:

BOARD OF DIRECTORS

NAME	DESIGNATION	January 10, 2025	January 29, 2025	March 4, 2025	April 30, 2025	May 27, 2025
Mr. Mustafa Chike-Obi	Chairman	√	√	√	√	√
*Mr. Chidi Agbapu	Non-Executive Director	√	N/A	N/A	N/A	N/A
Engr. Henry Obih	Independent Non-Executive Director	√	√	√	√	√
Mrs. Amaka Onwughalu	Non-Executive Director	√	√	√	√	√
Chief Nelson Nweke	Non-Executive Director	√	√	√	√	√
Mr. Chinedu Okeke	Non-Executive Director	√	√	√	√	√
Mrs. Ronke Bammeke	Independent Non-Executive Director	√	√	√	√	√
Alhaji Abdullahi Mohammed	Independent Non-Executive Director	N/A	√	√	√	√
Ms. Obiaku Okam	Independent Non-Executive Director	N/A	√	√	√	√
Dr. Nneka Onyeail-Ikpe	MD/CEO	√	√	√	√	√
Mr. Kevin Ugwuoke	Executive Director	√	√	√	√	√
Dr. Ken Opara	Executive Director	√	√	√	√	√
Mr. Stanley Amuchie	Executive Director	√	√	√	√	√
Mrs. Pamela Shodipo	Executive Director	√	√	√	√	√
Mr. Abolare Solebo	Executive Director	√	√	√	√	√
*Mr. Sufiyanu Garba	Executive Director	N/A	√	√	√	√

Corporate Governance Report

NAME	DESIGNATION	NO. OF MEETINGS	NUMBER ATTENDED
Mr. Mustafa Chike-Obi	Chairman	5	5
*Mr. Chidi Agbapu	Non-Executive Director	1	1
Engr. Henry Obih	Independent Non-Executive Director	5	5
Mrs. Amaka Onwughalu	Non-Executive Director	5	5
Chief Nelson Nweke	Non-Executive Director	5	5
Mr. Chinedu Okeke	Non-Executive Director	5	5
Mrs. Ronke Bammeke	Independent Non-Executive Director	5	5
Alhaji Abdullahi Mohammed	Independent Non-Executive Director	5	5
Ms. Obiaku Okam	Independent Non-Executive Director	5	5
Dr. Nneka Onyeali-Ikpe	MD/CEO	4	4
Mr. Kevin Ugwuoke	Executive Director	4	4
Dr. Ken Opara	Executive Director	5	5
Mr. Stanley Amuchie	Executive Director	5	5
Mrs. Pamela Shodipo	Executive Director	5	5
Mr. Abolore Solebo	Executive Director	5	5
*Mr. Sufiyanu Garba	Executive Director	4	4

Notes:

*Mr. Chidi Agbapu retired from the Board on January 15, 2025

**Appointed to the Board with effect from January 14, 2025. .

BOARD CREDIT COMMITTEE MEETING

NAME	DESIGNATION	January 22, 2025	March 14, 2025	April 14, 2025	May 28, 2025	June 17, 2025
Mrs. Amaka Onwughalu	Non-Executive Director	√	√	√	3	3
Mr. Chinedu Okeke	Non-Executive Director	√	√	√	3	3
Engr. Henry Obih	Independent Non-Executive Director	√	√	√	3	3
Alhaji Abdullahi Mohammed	Independent Non-Executive Director	√	√	√	3	3
Ms. Obiaku Okam	Non-Executive Director	√	√	√	3	3
Dr. Nneka Onyeali-Ikpe	MD/CEO	√	√	√	3	3

Corporate Governance Report

NAME	DESIGNATION	June 27, 2025	N0. OF MEETINGS	NUMBER ATTENDED
Mrs. Amaka Onwughalu	Non-Executive Director	√	6	6
Mr. Chinedu Okeke	Non-Executive Director	√	6	6
Engr. Henry Obih	Independent Non-Executive Director	√	6	6
Alhaji Abdullahi Mohammed	Independent Non-Executive Director	√	6	6
Ms. Obiaku Okam	Non-Executive Director	√	6	6
Dr. Nneka Onyeail-Ikpe	MD/CEO	√	6	6

BOARD RISK MANAGEMENT COMMITTEE

NAME	DESIGNATION	24-Jan-25	17-Apr-25	27-Jun-25	N0. OF MEETINGS	NUMBER ATTENDED
Alhaji Abdullahi Mohammed	Independent Non-Executive Director	√	√	√	3	3
Mr. Chinedu Okeke	Non-Executive Director	√	√	√	3	3
Engr. Henry Obih	Independent Non-Executive Director	√	√	√	3	3
Mrs. Amaka Onwughalu	Chairman, Non-Executive Director	√	√	√	3	3
Mrs. Ronke Bammeko	Independent Non-Executive Director	√	√	√	3	3
Ms. Obiaku Okam	Non-Executive Director	√	√	√	3	3
Dr. Nneka Onyeail-Ikpe	MD/CEO	√	√	√	3	3
Mr. Kevin Ugwuoke	Executive Director, Risk	√	√	√	3	3

Corporate Governance Report

FINANCE AND GENERAL-PURPOSE COMMITTEE

NAME	DESIGNATION	January 27, 2025	April 2, 2025	April 28, 2025	May 7, 2025	NO. OF MEETINGS
Chief, Nelson Nweke	Chairman, Non-Executive Director	√	√	√	√	4
Mrs. Amaka Onwughalu	Non-Executive Director	√	√	√	√	4
Mrs. Ronke Bammeko	Independent Non-Executive Director	√	√	√	√	4
Ms. Obiaku Okam	Non-Executive Director	√	√	√	√	4

NAME	DESIGNATION	NUMBER ATTENDED
Chief, Nelson Nweke	Chairman, Non-Executive Director	4
Mrs. Amaka Onwughalu	Non-Executive Director	4
Mrs. Ronke Bammeko	Independent Non-Executive Director	4
Ms. Obiaku Okam	Non-Executive Director	4

BOARD REMUNERATION NOMINATION AND GOVERNANCE COMMITTEE

NAME	DESIGNATION	27-Jan-25	2-Apr-25	28-Apr-25	7-May-25	NO. OF MEETINGS
Engr. Henry Obih	Chairman,	√	√	√	√	4
Mrs. Amaka Onwughalu	Independent Non-Executive Director	√	√	√	√	4
Chief, Nelson Nweke	Non-Executive Director	√	√	√	√	4
Alhaji Abdullahi Mohammed	Non-Executive Director	√	√	√	√	4

NAME	DESIGNATION	NUMBER ATTENDED
Engr. Henry Obih	Chairman,	4
Mrs. Amaka Onwughalu	Independent Non-Executive Director	4
Chief, Nelson Nweke	Non-Executive Director	4
Alhaji Abdullahi Mohammed	Non-Executive Director	4

BOARD AUDIT COMMITTEE

NAME	DESIGNATION	23-Jan-25	3-Mar-25	15-Apr-25	NO. OF MEETINGS	NUMBER ATTENDED
Mrs. Ronke Bammeko	Chairman,	√	√	√	3	3
Chief Nelson Nweke	Independent Non-Executive Director	√	√	√	3	3
Mr. Chinedu Okeke	Non-Executive Director	√	√	√	3	3
Alhaji Abdullahi Mohammed	Non-Executive Director	√	√	√	3	3

BOARD INFORMATION TECHNOLOGY COMMITTEE

NAME	DESIGNATION	21-Jan-25	27-Mar-25	8-Apr-25	NO. OF MEETINGS	NUMBER ATTENDED
Mr. Chinedu Okeke	Chairman, Non-Executive Director	√	√	√	3	3
Engr. Henry Obih	Independent Non-Executive Director	√	√	√	3	3
Mrs. Ronke Bammeko	Independent Non-Executive Director	√	√	√	3	3
Ms. Obiaku Okam	Non-Executive Director	√	√	√	3	3
Mr. Stanley Amuchie	Executive Director, Chief Operations and Information Officer	√	√	√	3	3

Corporate Governance Report

BOARD CHAIRMAN'S MEETING WITH NON-EXECUTIVE DIRECTORS

NAME	DESIGNATION	28-Apr-25	NO. OF MEETINGS	NUMBER ATTENDED
Mr. Mustafa Chike-Obi	Chairman	√	1	1
Engr. Henry Obih	Independent Non-Executive Director	√	1	1
Mrs. Amaka Onwughalu	Non-Executive Director	√	1	1
Chief Nelson Nweke	Non-Executive Director	√	1	1
Mr. Chinedu Okeke	Non-Executive Director	√	1	1
Mrs. Ronke Bammeke	Independent Non-Executive Director	√	1	1
Alhaji Abdullahi Mohammed	Independent Non-Executive Director	√	1	1
Ms. Obiaku Okam	Non-Executive Director	√	1	1

The dates of Board and Board Committee meetings that held in the period ended 30 June 2025 are shown below:

S/N	FULL BOARD	Board Credit Committee (BCC)	Board Remuneration Nomination and Governance Committee (BRNGC)	Board Audit Committee (BAC)	Board Risk Management Committee (BRC)	Board Finance and General Purpose Committee (FGPC)
	12	10	13	6	4	7
1	10-Jan-2025	22-Jan-2025	27-Jan-2025	23-Jan-2025	24-Jan-2025	28-Jan-2025
2	29-Jan-2025	14-Mar-2025	2-Apr-2025	3-Mar-2025	17-Apr-2025	3-Mar-2025
3	4-Mar-2025	14-Apr-2025	28-Apr-2025	15-Apr-2025	27-Jun-2025	27-Mar-2025
4	30-Apr-2025	28-May-2025	7-May-2025			11-Apr-2025
5	27-May-2025	17-Jun-2025				5-Jun-2025
6		27-Jun-2025				

S/N	Board Information Technology Committee (BITC)	Board Chairman's Meeting with Non-Executive Directors	
	5	2	
1	21-Jan-2025	28-Apr-2025	
2	27-Mar-2025		
3	8-Apr-2025		

Note:

Except for the Board Credit Committee, which meets monthly or as the need arises, all other Board and Board Committee meetings are held quarterly or as the need arises. The Board Chairman is not a member of any Board Committee. Each Board Committee Chairman presents a formal report on the Committee's deliberations at subsequent Board meetings.

Corporate Governance Report

C. Statutory Audit Committee

The Statutory Audit Committee was established in compliance with Section 404(3) of the Companies and Allied Matters Act, 2020. The Committee has five (5) members comprising of two (2) members of the Board and three (3) members nominated by Shareholders at the Annual General Meeting. The composition remained unchanged in the half year ended June 30, 2025, and the Shareholders reelected all the members.

The Committee's primary responsibilities include:

- (a) Review the External Auditor's proposed audit scope and approach.
- (b) Monitor the activities and performance of the External Auditors.
- (c) Review with the External Auditors any difficulties encountered in the course of the audit.
- (d) Review the results of the half year and annual audits and discuss same with Management and the External Auditors.
- (e) Present the report of the Statutory Audit Committee to Shareholders at the Annual General Meeting.

Membership and attendance at Statutory Audit Committee meetings during the period ended June 30, 2025 is indicated below:

NAME	DESIGNATION	30-Jan-25	13-Mar-25	23-Apr-25	NUMBER OF MEETINGS	NO. OF ATTENDED
Chief Frank Onwu	Chairman, Shareholder Representative	√	√	√	3	3
Mr. Innocent Mmuoh	Shareholder Representative	√	√	√	3	3
Dr. Christian Nwinia	Shareholder Representative	√	√	√	3	3
Mrs. Ronke Bammeko	Non-Executive Director	√	√	√	3	3
Chief Nelson Nweke	Non-Executive Director	√	√	√	3	3

Corporate Governance Report

D. General Meetings

Fidelity Bank recognizes that its shareholders are major stakeholders in the enterprise and that General Meetings are the primary avenue for interaction between the shareholders, Management and the Board. Since shareholders collectively constitute the highest decision-making organ in the Company, the Bank complies strictly with regulatory requirements and convenes at least one General Meeting (the Annual General Meeting) in each financial year, to give all shareholders the opportunity to participate in governance.

The Annual General Meetings are convened and conducted in a transparent manner and attended by representatives of the Central Bank of Nigeria, Securities & Exchange Commission, Nigerian Exchange Group, Corporate Affairs Commission, Nigeria Deposit Insurance Corporation, various Shareholders' Associations and other stakeholders

The Board takes a keen interest in its responsibility to ensure that material developments (financial and non-financial) are promptly communicated to shareholders. The Board is also conscious of regulatory reporting requirements and routinely discloses material information to all stakeholders. To achieve this, the Bank has developed formal structures for information dissemination via direct communication to all interested parties using electronic and print media as well as its website, www.fidelitybank.ng

The Bank's Company Secretariat is well equipped to handle enquiries from shareholders in a timely manner. The Company Secretary also ensures that concerns expressed by investors, are communicated to Management and the Board as appropriate.

E. Management Committees

In addition to the Board, Board Committees, Statutory Audit Committee and the Shareholders in General Meeting, the Bank's governance objectives are also met through the Management Committees. Each Management Committee has a formal Charter, which guides its purpose, composition, responsibilities and similar matters. Additional information on the terms of reference of management committees is provided below:

1. Executive Committee:

The Executive Committee (EXCO) is charged with overseeing the business of the Bank within agreed financial and other limits set by the Board from time to time. This Committee is comprised of the Managing Director and the Executive Directors of the Bank. The Committee meets monthly or as required and has the following key objectives:

- (a) Ensure implementation of the Bank's Business Plan and Strategy upon approval of same by the Board;
- (b) Review budget presentations for each financial year ahead of presentation to the Board;
- (c) Evaluate the Bank's strategy at quarterly intervals and update the Board on same;
- (d) Review the Bank's Budget performance at quarterly intervals and update the Board on same at bi-annual intervals;
- (e) Review the Bank's Quarterly, Half-Yearly and Full Year financial statements ahead of presentation to the Board and the Regulators;
- (f) Review and approve proposals for capital expenditure and acquisitions within its approval limit;
- (g) Make recommendations to the Board on dividend and/or corporate actions for each financial year; and
- (h) Any other matter as the Board may direct.

2. Asset & Liability Committee:

Membership of the Asset & Liability Committee is derived mainly from the asset and liability generation divisions of the Bank. The Committee meets fortnightly or as required and has the following key objectives:

- (a) Review the economic outlook and its impact on the Bank's strategy.
- (b) Ensure adequate liquidity.
- (c) Ensure that interest rate risks are within acceptable parameters.
- (d) Maintain and enhance the Bank's capital position.
- (e) Maximize risk adjusted returns to stakeholders over the long term.

3. Management Credit Committee:

The primary purpose of the Committee is to advise the Board of Directors on its oversight responsibilities in relation to the Bank's credit exposures and lending practices. The Committee also provides guidance on development of the Bank's credit and lending objectives. The Committee meets once a week or as necessary and its key responsibilities include the following:

- (a) Establishing the Minimum Lending Rate and Prime Lending Rate (PLR).
- (b) Recommending Target Market Definition (TMD) and Risk Assets Acceptance Criteria (RAAC)
- (c) Pre-approval of Platform Credits (Product Papers).
- (d) Recommend Inter-Bank and Discount House Placement Limits.
- (e) Review the policies and the methodologies for assessing the Bank's credit risks and recommend appropriate exposure limits.
- (f) Approve credit facilities within the Committee's approval limits and recommend for approval as appropriate, credit facilities above its approval limit.
- (g) Review and recommend the Bank's loan portfolio limits and classifications.
- (h) Review and recommend changes to credit policy guidelines for Board approval.

Corporate Governance Report

4. Criticized Assets Committee:

The Criticized Assets Committee is responsible for the review and coverage of the Bank's total risk assets portfolio for quality. It also ensures that approved facilities are operated in accordance with approved terms and conditions and accelerates collection/recovery of nonperforming loans. This Committee is comprised of the Managing Director, all the Executive Directors of the Bank and key management personnel including the Chief Risk Officer. The Committee meets monthly or as required and has the following key objectives:

- (a) Review of individual credit facilities based on their risk rating and exceptions.
- (b) Review of the loan portfolio of Business Divisions/Groups/Units bank wide.
- (c) Review the activities and oversee the effectiveness of the Regional Criticized Assets Committees.
- (d) Review of collateral documentation to ensure compliance with approvals.
- (e) Approval of portfolio classification/reclassification and levels of provisioning.
- (f) Approval of loan transfers to any committee or persons for recovery action.
- (g) Continuously review and evaluate recovery strategies on each account and recommend alternative strategies on an account-by-account basis.
- (h) Review the performance of loan recovery agents, and other third-party agents assigned recovery briefs with the objective of delisting non-performers.
- (i) Consider and recommend collateral realization on defaulting accounts.
- (j) Recommend for EXCO or Board approval, waivers and concessions and propose amounts to be paid as full and final settlement by defaulting borrowers.
- (k) Recommend interest suspension for non-performing accounts on a case-by-case basis.

5. Monthly Performance Review Committee:

The Committee meets monthly or as necessary and has the following key objectives:

- (a) Review the Bank's monthly performance.
- (b) Monitor budget achievement.
- (c) Assess the efficiency of resource deployment in the Bank.
- (d) Review products' performance.
- (e) Reappraise cost management initiatives.
- (f) Develop and implement a framework for measuring performance in the Bank.
- (g) Develop Key Performance Indicators (KPI) for business and support units.
- (h) Determine the basis for rewards and consequence management.

6. Operational Risk & Service Measurement Committee:

The Operational Risk & Service Measurement Committee meets monthly or as necessary and oversees all matters related to operational risk and service delivery in the Bank. The Committee is charged with the following key responsibilities:

- (a) Ensuring full implementation of the risk management framework approved by the Board of Directors.
- (b) Monitoring the implementation of policies, processes and procedures for managing operational risk in all of the Bank's material products, activities, processes and systems.
- (c) Ensuring that clear roles and responsibilities are defined for the management of operational risks throughout all levels of the Bank, including all Business and Support Units.
- (d) Providing support to the Chief Risk Officer and Chief Compliance Officer to ensure that a culture of compliance is entrenched throughout the Bank.

Corporate Governance Report

7. Sustainable Banking Governance Committee:

The Sustainable Banking Governance Committee meets every two months and oversees implementation of the Sustainable Banking Policies and Guidance Notes. The Committee is responsible for the following:

- (a) Oversee the implementation of Environmental and Social Management Systems.
- (b) Oversee the implementation and management of the Bank's environmental and social footprints on:
 - (i) Energy and water conservation.
 - (ii) Waste management.
 - (iii) Sustainable procurement.
 - (iv) Stakeholder engagement.
- (c) Oversee the implementation of other sustainability issues in the Bank as it relates to:
 - (i) Promotion of equality of opportunity and diversity.
 - (ii) Occupational health and safety.
 - (iii) Grievance mechanism and related issues.
 - (iv) Financial inclusion and literacy.
 - (v) Corporate Social Responsibility.
 - (vi) Collaborative partnerships.
 - (vii) Capacity building.
- (d) Review the Bank's progress on environmental and social performance indices.
- (e) Review and advise the Board on the progress of the Bank's initiatives.

8. Information Technology (IT) Steering Committee

The Committee advises Management on technology trends in the banking industry and ensures that IT initiatives and proposed projects help in achieving the strategic goals and objectives of the Bank. The Committee also provides leadership in information security and protection of the Bank's Information assets. The Committee prioritizes the development of information security and Information Technology (IT) initiatives, programmes, projects and policies.

The Committee is comprised of the Executive Director, Chief Operations and Information Officer (who serves as the Chairman), the Chief Compliance Officer, Chief Technology Officer, Divisional Head, Operations, Chief Human Resources Officer and the Chief Information Security Officer (CISO). Other Committee members include key Divisional and Unit Heads. The responsibilities of the Committee include the following:

The responsibilities of the Committee include the following:

- (a) Steer the Bank's business to profitability through technology;
- (b) Reviews, monitors and enforces implementation of the Bank's IT strategy;
- (c) Reviews short to mid-term trends and makes recommendations
- (d) Harmonizes all IT related budget entries from other Departments with the provisions in the IT budget;
- (e) Serves as support and advisory to the Executive Committee on IT and Information Security matters;
- (f) Assesses the criticality of IT spend;
- (g) Reviews and monitors IT budget implementation;
- (h) Serves as a governing council/steering committee for Information Security Management System;
- (i) Resolves issues or conflicts that, if unresolved, would jeopardize the successful completion of approved IT initiatives and programmes;
- (j) Makes recommendations on resources required to implement proposed IT initiatives and programmes;
- (k) Reviews the performance and effectiveness of IT activities; and
- (l) Ensures IT leadership meets on a quarterly basis with the Bank's user groups to further align IT initiatives with business needs.

Corporate Governance Report

9. Information Security Steering Committee

The Central Bank of Nigeria (CBN) through its issuance of the Risk-Based Cyber Security Framework mandated Deposit Money Banks (DMBs) to establish cyber security governance and ensure it becomes an integral part of the organization's Corporate Governance.

The Information Security Steering Committee (ISSC) is a key instrument of this governance function. The existence of a strategic governing body is important in ensuring the alignment of cyber security investments and initiatives with business strategy and technology requirements.

The Information Security Steering Committee is chaired by the Managing Director/CEO and the Committee members include the Executive Director - Chief Operations and Information Officer, Chief Compliance Officer, Chief Risk Officer, Chief Technology Officer, Chief Financial Officer, and Chief Information Security Officer, who acts as the Secretary to the Committee. Other members include Divisional Heads of key divisions and Heads of various IT units.

The role of the Committee includes the following:

- (a) Provide strategic direction and governance on cybersecurity to the Bank by ensuring that effective cyber security policies, procedures and initiatives are established and updated in line with the changing risk landscape.
- (b) Ensure alignment of cyber security projects with technology and corporate strategy.
- (c) Resolve strategic level issues and risks in relation to cyber security which may arise from existing or new/proposed business initiatives.
- (d) Evaluate, approve, and sponsor institution-wide security investments; Review the justifications and business cases for security investments and ensure that proposed security projects are aligned with the Bank's strategic direction.
- (e) Ensure adequate investment prioritization and cyber risk management.
- (f) In consultation with senior management, oversee regulatory compliance with respect to cyber security, to ensure that the Bank complies with all extant regulations to avoid the risk of non-compliance.
- (g) Approve or reject changes to projects with high impact on timelines and budget.
- (h) Assess the progress on projects and provide relevant reports on same to executive management.
- (i) Advise and provide guidance on issues relating to cyber security projects.
- (j) Review and approve final project deliverables.
- (k) Manage the relationship between the cyber security function and respective business units.

Note:

Management Committee Meetings are held weekly, fortnightly, monthly or quarterly per the terms of reference of each Committee or as the need arises. The Bank diligently submits its financial reports quarterly, half yearly and annually to the Securities & Exchange Commission and Nigerian Exchange Group for publication following approval by the Central Bank of Nigeria as appropriate

Governance and Management

Fidelity has adopted various policies which define acceptable standards of behavior in the organization

These include the following:

- (i) Code of Business Conduct and Ethics Policy.
- (ii) Directors Code of Conduct Policy.
- (iii) Insider Trading Policy.
- (iv) Whistle-blowing Policy.
- (v) Remuneration Policy.
- (vi) Shareholders' Complaints Management Policy.

Code of Business Conduct and Ethics Policy

The Code of Business Conduct and Ethics ("the Code") is an expression of the Bank's core values and represents a framework for guidance in decision-making. The main objectives of the Policy are to:

- (i) Demonstrate the Bank's commitment to the highest standards of ethics and business conduct; and
- (ii) Govern the Bank's relationship with its stakeholders including employees, customers, suppliers, Shareholders, competitors, the communities in which it operates and the relationship with each other as employees.

The Code requires all Directors, significant Shareholders, officers and employees of the Bank to avoid taking actions or placing themselves in positions that create or could create the appearance of conflict of interest, corruption or impropriety. The Bank must also protect the privacy of its customers' financial and other personal information. The Code provides basic guidelines of business practice, professional and personal conduct that the Bank expects all employees to adopt and uphold as members of Team Fidelity.

Employees are also expected to comply with other policies referred to in the Code, additional policies that apply to their specific job functions, and the spirit and letter of all laws and regulations. At the beginning of each year and upon resumption, all employees are required to formally disclose that they have no material or any other conflicting interest as well as declare their interest in any account, customer, transaction or person who is a party to a contract or proposed contract with the Bank.

The Chief Audit Executive has primary responsibility for enforcing the Code subject to the supervision of the Ethics Committee and the Board Audit Committee. The execution of disciplinary actions and sanctions for infringement of the Code are guided by the Bank's disciplinary procedures as documented in the Staff Handbook.

Corporate Governance Report

Directors' Code of Conduct Policy

At the Board level, the Board of Directors adopted the Directors' Code of Conduct Policy, which sets out ethical standards that all Directors are expected to comply with. Directors have a duty to oversee the management of the business and affairs of the Bank. In carrying out this duty, Directors are required to always act honestly, in good faith and in the best interest of the Bank. All Directors are expected to execute an annual attestation to adhere strictly to the Code and formally declare their interest, if any, in any contract or transaction to which the Bank is a party.

Insider Trading Policy (Dealing in the Company's Securities)

The Bank has a formal Insider Trading Policy that prohibits all "Insiders" and their "Connected Persons" (as defined in the Policy) from dealing in the Company's securities at certain times. The provisions of the Policy are based on terms no less exacting than the standards defined in the Listing Rules of the Nigerian Stock Exchange. The objectives of the Policy include the following:

- (i) Promote compliance with the provisions of the Investments and Securities Act (ISA) 2007, the Securities and Exchange Commission's Code of Corporate Governance and the Listing Rules of the Nigerian Exchange Group;
- (ii) Ensure that all persons to whom the policy applies (affected persons), who possess material non-public information do not engage in insider trading or tipping.
- (iii) Ensure that all the Bank's employees and Directors comply with utmost secrecy and confidentiality on all information which they receive as a result of their position in the Bank; and
- (iv) Protect the Bank and its staff from reputational damage and penalties that may be imposed by regulators as a result of improper identification, disclosure and management of insider trading activities.

The Policy has been communicated to all persons to whom it is applicable including Employees, Directors and members of the Statutory Audit Committee. The Company Secretary periodically notifies affected persons of when trading in the Bank's securities is permitted (Open Periods) or prohibited (Blackout Periods).

The Bank has established a mechanism for monitoring compliance with the Policy and affected persons are required to notify the Company Secretary of transactions undertaken on their accounts in the Bank's securities.

Enquiries are also made to confirm the Directors compliance with the Policy and in event of non-compliance, the reasons for same and the remedial steps taken. In addition to being hosted on the Bank's website and SharePoint Portal (an internal web-based application), the Policy is circulated to all affected persons on a regular basis.

Whistle-blowing Policy

Fidelity Bank Plc requires all Employees, Directors, Vendors and other Stakeholders to always act with utmost fidelity and good faith in their dealings with the Bank and its stakeholders. The Bank's Whistle-Blowing Policy and Procedures therefore aim to strengthen its corporate governance and risk management architecture whilst enhancing value for all stakeholders.

To this end, internal and external stakeholders are encouraged to report their concerns about any ostensibly unethical behaviour to enable the Bank investigate and address same appropriately.

The Bank recognizes the need for protection of whistle-blowers and takes all reasonable steps to protect their identity. The Bank also appreciates the importance of utmost confidentiality in these situations and has developed various anonymous channels for reporting unethical behaviour.

The Bank has provided the following reporting channels to ensure that all ethical issues can be reported to the Ethics Committee directly or anonymously, through the following media:

Email to ethicscommittee@fidelitybank.ng
Visit www.fidelitybank.ng/whistle-blowing
Call 08139843525 (Fidelity True Serve)

A policy statement on whistleblowing is available on the Bank's website along with a whistle-blowing form, to ease the reporting process. This can be accessed at:

<https://www.fidelitybank.ng/whistle-blowing>

The Board is responsible for implementation of the Policy and communication of same to stakeholders. To facilitate implementation of the Policy, the Bank has established an Ethics Committee comprised of staff drawn from key areas of the Bank including Operations, Legal, and Human Resources

The Ethics Committee is responsible for receiving and evaluating whistle-blowing reports, deciding the nature of the action to be taken, reviewing the report of any enquiry arising from a whistle-blowing report, providing feedback on the outcome of investigations to the whistle-blower (where the whistle-blower has provided a means of communicating with him/her).

The Ethics Committee also provides updates on whistle-blowing incidents to the Board Audit Committee on a quarterly basis, through the Chief Audit Executive. In addition, the Chief Compliance Officer renders periodic returns on whistle-blowing incidents to the Central Bank of Nigeria and Nigeria Deposit Insurance Corporation as appropriate.

Staff Remuneration Policy

The Bank's remuneration policy is designed to establish a framework that is consistent with the Bank's scale and scope of operations and is aligned with leading corporate governance practices. The policy reflects the desire to sustain long-term value creation for shareholders and focuses on ensuring sound corporate governance.

Corporate Governance Report

The policy aims to motivate the workforce and enable the Bank attract and retain employees with integrity, ability, experience and skills to deliver the Bank's strategy; Promote compliance with global regulatory trends and governance requirements, with emphasis on long-term sustainability; Align individual rewards with the Bank's performance, the interests of its shareholders, and a prudent approach to risk management, whilst ensuring that remuneration arrangements are equitable, transparent, well communicated, easily understood, aligned with the interest of shareholders and adequately disclosed.

The guiding principles that underpin the Staff Remuneration Policy include the following:

- (i) Remuneration and reward strategies are set at levels that enable the Bank to attract, motivate and retain employees with the skills required to efficiently manage the operations and growth of the business;
- (ii) Performance goals are aligned to shareholders' interests and ensures that the Board makes prudent decisions in deploying the Bank's resources to generate sustainable growth;

The Bank complies with the provisions of the Pension Reform Act, 2014 (the Act) and continues to meet its statutory obligations to all employees as provided in the Act.

Shareholders' Complaints Management Policy

The objectives of the Policy include:

- (i) Ensure compliance with the provisions of the SEC Rules relating to Complaints Management Framework, the Rules and Regulations made pursuant to the ISA, the rules and regulations of Securities Exchanges and guidelines of public companies/ recognized trade associations as well as other applicable regulatory requirements.
- (ii) Handle complaints by Shareholders, Stakeholders, and Customers in relation to Fidelity Bank's shares.
- (iii) Provide an avenue for shareholder communication and feedback.
- (iv) Recognize, promote and protect shareholders' rights, including the right to comment and provide feedback on service.
- (v) Provide an efficient, fair and accessible framework for resolving shareholders' complaints and feedback to improve service delivery.
- (vi) Inform shareholders on the shareholder feedback handling processes.
- (vii) Establish a framework to guard against trade manipulation, accounting frauds, Ponzi schemes and such other complaints as may be determined by SEC from time to time.
- (viii) Establish and maintain electronic complaints register and provide information on a quarterly basis to the NGX in line with regulations.
- (ix) Protect the Bank from sanctions from regulatory bodies and ensure strict compliance by the responsible parties.

Gender Diversity

Fidelity Bank is an equal opportunity employer and is committed to promoting gender diversity in the workplace. The Bank recognizes that women have different skill sets, viewpoints, ideas and insights which will enable the Bank serve a diverse customer base more effectively.

Fraud & Forgeries

In accordance with the CBN Code of Corporate Governance, frauds and forgeries recorded in the half year ended 2025 were as follows:

Fraud and Forgeries	June 2025	December 2024
Number of Fraud Incidents	802	2 249
Amount Involved (Naira)	399 716 059	937 156 762
Amount Involved (US Dollar)	27	109 984
Actual/Expected Loss (Euros)	0	0
Actual/Expected Loss (Naira)	0	11 018 184
Actual/Expected Loss (US Dollar)	0	0
Actual/Expected Loss (Euros)	0	0

Governance And Compliance

The Chief Compliance Officer of the Bank is charged with the responsibility of monitoring the Bank's compliance with all applicable legislation including the Code of Corporate Governance issued by the Central Bank of Nigeria. The Chief Compliance Officer and the Company Secretary submit periodic returns on the various governance Codes to the Central Bank, Nigerian Exchange Group, Securities & Exchange Commission and Nigeria Deposit Insurance Corporation as appropriate.

Corporate Governance Report

Foreign Subsidiary Governance

As of June 30, 2025, the Bank had one (1) wholly owned subsidiary, FidBank UK Limited. The activities of the subsidiary are monitored at the Group level to ensure operational efficiency, achievement of performance objectives and alignment of strategy/processes/controls within the Group without prejudice to applicable regulations in each jurisdiction. The framework for this includes ensuring the Bank has effective representation on the Board of the subsidiary and regular meetings of the Board and Board Committees of the Subsidiary.

Clawback Policy

In accordance with the provisions of the Nigeria Code of Corporate Governance issued by the Financial Reporting Council of Nigeria, Fidelity Bank has adopted a formal Clawback Policy which allows the Board to require, in specific situations, the reimbursement of short term or long-term variable pay benefits, pay-out or gain received by a Covered Person that is later found to be underserved, excessive or wrongfully paid. The key objectives of the policy include:

- (i) To enable the Bank recover from any current or former Covered Persons, any incentive-based compensation paid or payable, that was determined, in whole or in part, based on any financial or operating results of Fidelity Bank, and which turns out to have been erroneously or excessively awarded to the Covered Persons, due to material noncompliance with any accounting or financial reporting requirement under applicable laws or wrongful act committed.
- (ii) Promote compliance with global regulatory trends and corporate governance requirements, with emphasis on long-term sustainability.
- (iii) Align Covered Persons' remuneration with the Bank's performance, shareholders' interests, and a prudent approach to risk management, while avoiding any excessive or erroneous pay out. There was no incident of clawback during the reporting period.

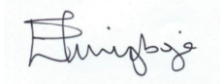
The Company Secretary

The Company Secretary plays a key role in ensuring that Board procedures are complied with and that Board members are aware of and provided with guidance as to their duties and responsibilities. The Company Secretary is responsible for the following:

- (i) Ensuring that the applicable rules and regulations for the conduct of the affairs of the Board are complied with.
- (ii) Provision of facilities associated with maintenance of the Board or otherwise required for its efficient operation.
- (iii) Provide a central source of guidance and advice to the Board on matters of ethics and implementation of the Codes of Corporate Governance, as well as providing administrative support to the Board and Board Committees
- (iv) Coordinating the orientation, induction and training of new Directors, and the continuous training of existing Directors.
- (v) Assist the Chairman and Managing Director/CEO to formulate the annual Board Plan and administration of other strategic issues at the Board level.
- (vi) Organize Board/General meetings and properly record and communicate the decisions for implementation.
- (vii) Update the Board and Management on contemporary developments in corporate governance.

The Company Secretary also acts as a liaison between the Shareholders, the Bank's Registrars and the Investor Relations Desk and ensures timely communication with Shareholders in relation to issuance of shares, calls on shares, replacement of share certificates, managing of shareholding accounts, dividend payment, and production and distribution of annual reports amongst others. The Board is responsible for the appointment and disengagement of the Company Secretary.

By order of the Board.



Ezinwa Unuigboje
Company Secretary
FRC/2015/NBA/00000006957

Fidelity Bank Plc
No 2 Kofo Abayomi Street
Victoria Island
Lagos
Date: October 13, 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fidelity Bank Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **Fidelity Bank Plc** and its subsidiary (the Group and Company) set out on pages 41 to 175, which comprise the consolidated and separate statements of financial position as at 30 June 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the period then ended, the notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **Fidelity Bank Plc** as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, Banks and Other Financial Institutions Act (BOFIA) 2020 and Financial Reporting Council of Nigeria (Amendment) Act 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of consolidated and separate financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated and separate Financial Statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How the matter was addressed in the audit
Impairment of loans and advances (Consolidated and Separate) Loans and advances make up a significant portion of the total assets of the Group. As of 30 June 2025, gross loans and advances for the Group were N5.063 trillion, Bank: N5.039 trillion comprising local and foreign denominated loans against which total loan impairment for the Group is N207.733 billion, Bank: N207.263 billion was recorded, resulting in a net loan balance of N4.855 trillion for the Group, Bank: N4.831 trillion. This value represents 49% of the bank's total assets and 48% of the Group's total assets as at the reporting date. The basis of the impairment on loans and advances is summarized in the accounting policies (2.4.3) to the audited consolidated and separate financial statements. The Directors have assessed the bank's loan loss impairment using the expected credit loss (ECL) model, in accordance with the provisions of IFRS 9 - Financial Instruments, disclosed in notes 3.2, 8 and 22. The Directors exercised significant judgement and assumptions in the process of determining the value recorded as loan and advance impairment. Some of these judgements and assumptions include: (i) Segmentation of loans and advances into portfolios with similar characteristics (ii) Using a combination of payment history, credit ratings and prudential classification used to determine whether a significant increase in credit risk (SICR) occurred since origination that requires migration from stage 1 to stage 2 and default that require movement to stage 3. (iii) Estimation of probability of default (PD), loss given default (LGD (including realization of the collateral) exposure at default (EAD), (iv) Assumptions and weightings applied to the macro-economic variables used as part of the forward-looking information. (v) The credit conversion factor (CCF) is used when determining the required impairment on off-balance sheet exposures such as undrawn facilities and guarantees.	We focused our testing of the impairment on loans and advances to customers on the key assumptions and inputs made by Directors. Specifically, with the assistance of our technology and credit specialists, our audit procedures included the following: (a) Through discussion and inspection, we established an understanding of the processes, systems, models, data, and assumptions used, and the governance of all these during the origination and collection of loans and advances, and the subsequent impairment thereof as required by IFRS when there is a SICR. (b) We tested the design and operating effectiveness of the key General and IT Controls (GITC) on the loan impairment system, automated controls around the timely identification and determination of the impairment of loans and advances, including data inputs, and the interfaces between the core banking system and the loan impairment system. (c) We tested a sample of loans and advances (including loans that had not been identified by management as potentially impaired) to form our own assessment as to whether impairment events had occurred and had been identified in a timely manner. We challenged management's judgements on loans that were not reported as being impaired in sectors that are currently experiencing difficult economic and market conditions, such as oil and gas and power (d) We tested whether the loans and advances, undrawn facilities and historical payment data used in the models were accurate and assessed and challenged whether the modelling assumptions applied by management in their models (such as portfolio segmentation, PD, LGD, EAD, SICR, CCR, default, write off, recovery, cure, ratings, collateral value and timing, the effective interest rate, treatment of foreign denominated loans, modifications, and the multiple economic scenarios and probability weights used for the forward-looking assumptions) were reasonable

Key Audit Matter	How the matter was addressed in the audit
(vi) The accounting treatment applied when loan terms are modified. In view of these above areas where significant estimates and judgements were made and in view of the size of loans and advances portfolio, the audit of loan impairment is considered a key audit matter.	in light of the requirements of the applicable financial reporting standards, the bank's own historical experience, the economic climate, the current operational processes as well as our own knowledge of practices used by other similar banks. (e) We extracted the required data from the bank's modelling system, determined our own assumptions, and recalculated the impairment for all portfolios using our own model. We compared our results with those of management, to assess whether there was any indication of error or management bias. Where a significant difference occurred, management revisited their own models and assumptions or appropriately challenged ours (f) We selected a sample of the individually significant loans, established the loan, collateral and payment terms and actual performance for each of these and assessed whether the staging and the impairment applied was reasonable. (g) We reviewed the disclosures in the financial statements for reasonableness and compliance with the requirements of IFRS 7. Based on our review, we concluded that the amount of loan impairment losses was comparable with the prevailing economic situations and the estimated loan impairment losses determined was appropriate in the circumstances.

Assessment of Provision for Litigations and Claims The Bank is a party to legal actions arising out of its normal business operations. The Directors believe that the provision recognised is based on current available information. The Group has significant provisions recognised in Note 32 of the consolidated and Separate financial statements amounting to N34.81 billion as at 30 June 2025. Included in litigations is a case in which the Bank recognised a significant provision in line with the requirements of IAS 37 Provisions, Contingent Assets and Contingent Liabilities and relevant details have	Our procedures included in the following: We obtained an understanding of management process of estimating provisions including relevant controls. We obtained list of on-going litigations from management along with their assessment of the legal cases based on past precedence, judgement and matters in the jurisdiction and legal opinion sought by management. We obtained and reviewed confirmation responses from the external legal counsels handling the litigations on their assessment of the cases and further engaged them to understand the basis of their conclusion.
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been disclosed in Note 32 of the Consolidated and Separate financial statements. Adequate provisions were made during the period in the consolidated and separate financial statements as the directors believe that, based on existing evidence, the likelihood of the provisions crystalizing is certain, but the timing is uncertain. This is considered a key audit matter in the consolidated and separate financial statements given the significance of the amount, and judgement made by the directors in determining the provision recognised.	We engaged our in-house legal counsel to evaluate the management' assessment of the outcome of these litigations. We reviewed the disclosures made by the Management in Note 32 and Note 37.3 to the consolidated and separate financial statements. We independently recalculated the provision from court judgements and evidence obtained to support the amounts used in the calculation. Based on our review, we concluded that the estimated provision included in the financial statements was appropriate in the circumstances.
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Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Fidelity Bank Plc Financial Statements for the period ended 30 June 2025", which includes the Directors' Report, the Audit Committee's Report, the Company Secretary's Report, the Statement Of Corporate Responsibility for the Preparation of the Financial Statements, and Other National Disclosures as required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, Banks and Other Financial Institutions Act (BOFIA) 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth Schedule of Companies and Allied Matters Act we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group and the Company have kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and the Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In compliance with the Banks and Other Financial Institutions Act (BOFIA) 2020 and circulars issued by Central Bank of Nigeria, we confirm that:

- i) Related party transactions and balances are disclosed in Note 38 of the consolidated and separate financial statements in compliance with Central Bank of Nigeria circular BSD/1/2004.
- ii) Returns on customers' complaints are disclosed in Note 41.2 to the consolidated and separate financial statements in compliance with Central Bank of Nigeria circular PDR/DIR/CIR/01/20.
- iii) As stated in Note 41.1 to the consolidated and separate financial statements, the Bank paid penalties for contraventions of certain sections of the Banks and Other Financial Institutions Act (BOFIA) 2020 and relevant Central Bank of Nigeria Circulars during the period ended 30 June 2025.



For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
13 November 2025



Engagement partner: Michael Daudu
FRC/2013/PRO/ICAN/004/00000000845

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

		Group		Bank	
		30 June 2025 N'million	30 June 2024 N'million	30 June 2025 N'million	30 June 2024 N'million
	Notes				
Gross Earnings		748 707	512 864	733 004	505 259
Interest and similar income calculated using effective interest rate method	6	557 914	363 959	544 532	357 856
Other interest and similar income	12.1	101 772	109 277	101 772	109 277
Interest and similar expense calculated using effective interest rate method	7	(239 268)	(146 830)	(234 677)	(146 887)
Net interest income		420 418	326 406	411 627	320 246
Credit loss expense	8	(13 656)	(35 929)	(13 908)	(35 637)
Net interest income after credit loss expense		406 762	290 477	397 719	284 609
Fee and commission income	9	53 352	35 055	51 642	33 802
Fee and commission expense	9	(6 318)	(3 858)	(6 318)	(3 645)
Net Gain / (loss) on derecognition on financial assets measured at a	10	693	(83)	693	(83)
Other operating income	11	2 021	1 148	1 730	1 060
Foreign Currency Revaluation Gains	11.1	33 648	3 425	33 328	3 264
Net Gains from financial assets at fair value through profit or loss	12	336	478	336	478
Derivative (Loss) / Gains	12.2	(59 776)	34 212	(59 776)	34 212
Personnel expenses	13	(40 929)	(26 752)	(34 411)	(21 964)
Depreciation , amortisation and Impairment	14	(9 197)	(4 651)	(8 784)	(4 275)
Other operating expenses	15	(200 063)	(128 579)	(194 979)	(124 821)
Profit before income and windfall taxes		180 529	200 872	181 180	202 637
Income tax expense	16	(45 383)	(41 038)	(50 664)	(44 072)
Windfall tax		(2 834)		(2 834)	
Profit for the period		132 312	159 834	127 682	158 565
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Fair value gains on equity instruments at fair value through other comprehensive income	24.4	13 996	23 664	13 996	23 664
Total items that will not be reclassified subsequently to profit or loss		13 996	23 664	13 996	23 664
Items that will be reclassified subsequently to profit or loss					
-Exchange differences on translation of foreign operations		(4 376)	33 748	-	-
- Net change in fair value during the period in FVOCI debt financial Instrument		(1 436)	(5 924)	(1 401)	(5 850)
- Changes in allowance for expected credit losses of FVOCI debt financial Instrument		91	(511)	79	(513)
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	17	(68)	2 113	(68)	2 113
Total items that will be reclassified subsequently to profit or loss		(5 789)	29 426	(1 390)	(4 250)
Other comprehensive income for the period, net of tax		8 207	53 090	12 606	19 414
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD.		140 519	212 924	140 288	177 979
Earnings per share					
Basic and diluted (in kobo)	18	264	499	254	496

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

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

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

		Group		Bank	
		30 June 2025 N'million	31 December 2024 N'million	30 June 2025 N'million	31 December 2024 N'million
ASSETS					
	Note				
Cash and Cash equivalents	19	1 349 217	707 450	1 199 092	505 331
Restricted balances with central bank	20	1 691 205	1 586 350	1 691 205	1 586 350
Loans and advances to customers	22	4 854 907	4 387 108	4 831 387	4 346 049
Derivative financial assets	23	21 176	50 293	20 878	50 292
Investment securities:					
Financial assets at fair value through profit or loss	24.1	28 452	5 113	28 452	5 113
Debt instruments at fair value through other comprehensive income	24.2	159 427	186 571	101 245	112 925
Debt instrument at amortised cost	24.3	1 492 424	1 552 347	1 471 024	1 552 347
Equity instruments at fair value through other comprehensive income	24.4	83 631	69 635	83 631	69 635
Other assets	29	159 343	158 116	155 803	154 713
Investment in Subsidiary:	24.4iii	-	-	68 591	68 591
Property, plant and equipment	25	152 443	77 876	152 371	77 784
Right of Use Assets	26	3 828	3 750	2 126	1 736
Goodwill	21	11 236	11 443	-	-
Intangible assets	27	26 611	20 380	23 831	14 371
Deferred tax Assets	28.1	17 260	5 305	11 979	-
TOTAL ASSETS		10 051 160	8 821 737	9 841 615	8 545 237
LIABILITIES					
Deposits from customers	30	7 204 007	5 937 064	6 939 106	5 660 315
Derivative financial liabilities	23	30 362	-	30 362	-
Current income tax payable	16	66 651	113 910	71 932	113 910
Other liabilities	31	941 524	938 776	1 031 240	978 435
Provision	32	37 295	3 791	37 295	3 791
Debts issued and other borrowed funds	33	795 678	929 595	795 678	929 595
Deferred tax liabilities	28.1	-	727	-	727
TOTAL LIABILITIES		9 075 517	7 923 863	8 905 613	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	(74 193)	185 256	(74 006)	190 073
Other equity reserves:					
Statutory reserve	35	127 851	108 699	127 863	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	39 818	44 194	-	-
Fair value reserve	35	81 759	69 176	81 737	69 131
AGSMEIS reserve	35	34 949	28 565	34 949	28 565
Total equity		975 643	897 874	936 002	858 464
TOTAL LIABILITIES AND EQUITY		10 051 160	8 821 737	9 841 615	8 545 237

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

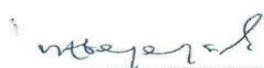
The financial statements were approved by the Board of Directors on 13 October 2025 and signed on its behalf by:



Mustafa Chike-Obi
Chairman
FRC/2013/IODN/00000004048



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



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

Consolidated and Separate Statement of Changes in Equity
for the period ended 30 June 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	-	-	132 312	-	-	-	-	-	-	132 312
Other comprehensive income										
- Net change in fair value during the period in FVOCI debt financial Instrument	-	-	-	-	-	-	-	1 436	-	1 436
Fair value gains on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	13 996	-	13 996
- Changes in allowance for expected credit losses of FVOCI debt financial Instrument	-	-	-	-	-	-	-	91	-	91
-Exchange differences on translation of foreign operations	-	-	-	-	-	-	(4 376)	-	-	(4 376)
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	-	-	-	-	-	-	-	(68)	-	(68)
	-	-	132 312	-	-	-	(4 376)	12 583	-	140 519
Proceed from Issue of Shares	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	(62 750)	-	-	-	-	-	-	(62 750)
Transfers between reserves (Note 35) & (Note 43)	-	-	(329 011)	19 152	-	303 475	-	-	6 384	-
At 30 June 2025	25 100	280 455	74 193	127 851	764	459 140	39 818	81 759	34 949	975 643

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	14 422	437 307
Profit for the period	-	-	159 833	-	-	-	-	-	-	159 833
Other comprehensive income										
- Net change in fair value during the period in FVOCI debt financial Instrument	-	-	-	-	-	-	-	5 924	-	5 924
Fair value gains 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	-	-	-	-	-	-	-	(511)	-	(511)
-Exchange differences on translation of foreign operations	-	-	-	-	-	-	33 748	-	-	33 748
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	-	-	-	-	-	-	-	2 113	-	2 113
	-	-	159 833	-	-	-	33 748	19 342	-	212 923
Proceed from Issue of Shares	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	(20 800)	-	-	-	-	-	-	(20 800)
Transfers between reserves (Note 35) & (Note 43)	-	-	(51 736)	23 975	-	19 833	-	-	7 928	-
At 30 June 2024	16 000	113 705	152 804	90 245	764	120 112	39 798	73 652	22 350	629 431

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

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

Bank	Share capital N'million	Share premium N'million	Retained earnings N'million	Statutory reserve N'million	Small scale investment reserve N'million	Non- distributable regulatory reserve N'million	Fair value reserve N'million	AGSMEIS reserve N'million	Total equity 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	-	-	127 682	-	-	-	-	-	127 682
Other comprehensive income									
- Net change in fair value during the period in FVOCI debt financial Instrument	-	-	-	-	-	-	1 401	-	1 401
Fair value gains on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	13 996	-	13 996
- 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	-	-	127 682	-	-	-	12 606	-	140 288
Proceed from Issue of Shares	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	(62 750)	-	-	-	-	-	(62 750)
Transfers between reserves (Note 35) & (Note 43)	-	-	(329 011)	19 152	-	303 475	-	6 384	-
At 30 June 2025	25 100	280 455	74 006	127 863	764	459 140	81 737	34 949	936 002

Bank	Share capital N'million	Share premium N'million	Retained earnings N'million	Statutory reserve N'million	Small scale investment reserve N'million	Non- distributable regulatory reserve N'million	Fair value reserve N'million	AGSMEIS reserve N'million	Total equity N'million
Balance at 1 January 2024	16 000	113 705	65 573	66 282	764	100 279	54 310	14 422	431 335
Profit for the period	-	-	158 566	-	-	-	-	-	158 566
Other comprehensive income									
- Net change in fair value during the period in FVOCI debt financial Instrument	-	-	-	-	-	-	5 850	-	5 850
Fair value gains 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	-	-	-	-	-	-	(513)	-	(513)
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	-	-	-	-	-	-	2 113	-	2 113
Total comprehensive income for the period	-	-	158 566	-	-	-	19 414	-	177 980
Proceed from Issue of Shares	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	(20 800)	-	-	-	-	-	(20 800)
Transfers between reserves (Note 35) & (Note 43)	-	-	(51 546)	23 785	-	19 833	-	7 928	-
At 30 June 2024	16 000	113 705	151 793	90 067	764	120 112	73 724	22 350	588 515

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 June

		Group		Bank	
		30 June 2025 N'million	30 June 2024 N'million	30 June 2025 N'million	30 June 2024 N'million
Note					
Operating Activities					
Cash flows from operations	36	496 471	875 661	550 876	781 757
Interest received	36b	659 686	335 081	646 304	328 979
Interest paid	36c	(249 841)	(169 504)	(245 251)	(142 407)
Income tax paid	16c	(92 166)	(22 641)	(94 851)	(22 586)
Net cash flows from operating activities		814 150	1 018 598	857 078	945 743
Investing activities					
Purchase of property, plant and equipment	25	(80 994)	(18 878)	(80 992)	(18 857)
Proceeds from sale of property plant and equipment	25	334	124	335	124
Purchase of intangible assets	27	(10 835)	(8 139)	(10 800)	(670)
Purchase of debt Instruments at FVOCI	36.d	(85 972)	(106 266)	(50 752)	(92 080)
Purchase of debt Instruments at amortised cost	36.e	(791 063)	(769 573)	(766 765)	(769 573)
Redemption of financial assets at amortised cost	36.e	963 483	129 801	963 483	129 801
Redemption of debt financial assets at FVOCI	36.d	115 241	150 315	64 591	87 771
Purchase of equity instruments at FVOCI	36f	-	-	-	-
Acquisition of a subsidiary	36g	-	-	-	-
Dividend received	11	827	622	827	622
Net cash flows used in investing activities		111 021	(621 995)	119 926	(662 862)
Financing activities					
Dividends paid	SCE	(62 750)	(20 800)	(62 750)	(20 800)
Lease Payment on Right of Use (ROU) Assets	26	(785)	(205)	(785)	(205)
Proceeds of debts issued and other borrowed funds	33	128 913	190 938	128 913	190 938
Payment of interest portion of debts issued and other borrowed funds	33	(34 753)	(26 796)	(34 753)	(26 796)
Repayment of principal portion of debts issued and other borrowed funds	33	(283 804)	(130 944)	(283 804)	(130 944)
Net cash flows used in financing activities		(253 179)	12 193	(253 179)	12 193
Net increase in cash and cash equivalents		671 992	408 795	723 825	295 074
Net foreign exchange difference on cash and cash equivalents	11	(28 666)	29 473	(28 586)	29 544
Cash and cash equivalents as at 1 January	19	707 450	364 177	505 331	376 595
Cash and cash equivalents as at 30 June	19	1 350 776	802 446	1 200 570	701 213

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 June 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
Goodwill at period end - June 30, 2025	7 334		1 532	11 291 798

*** 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 June 2025. No futher 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 accross 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.

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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

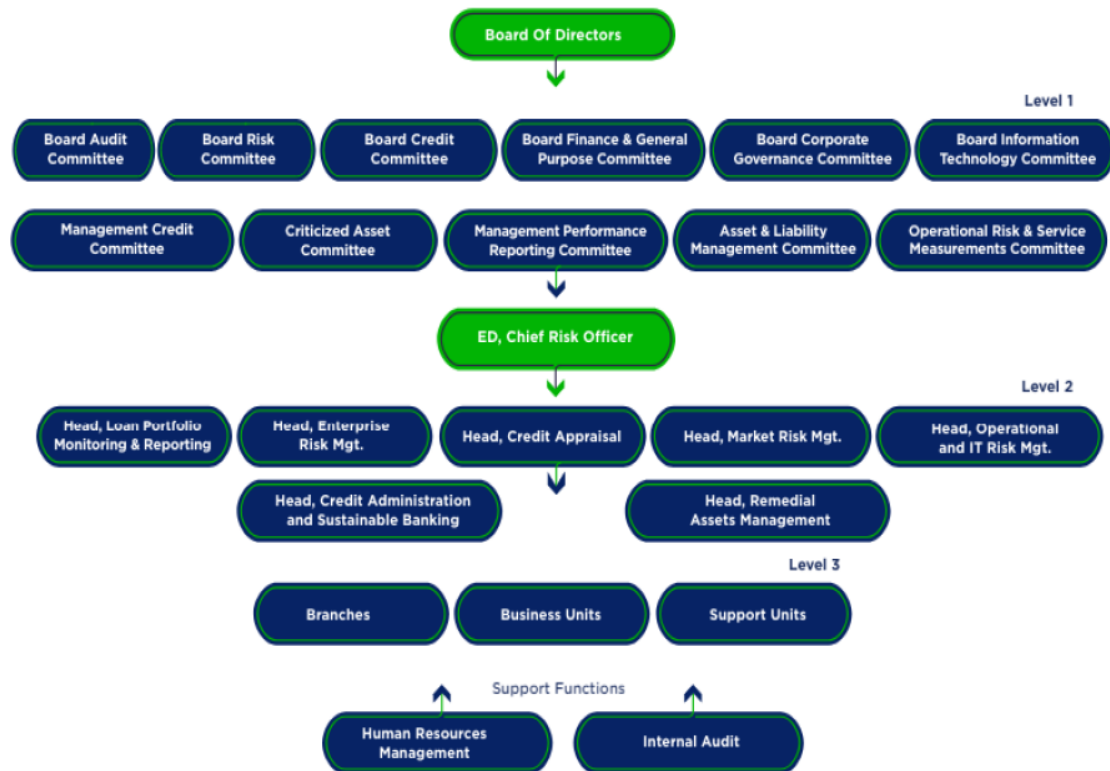
Enterprise-wide risk management roles and responsibilities are assigned to stakeholders in the Group at three levels as follows:

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 comparison 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
			Investment grade
AAA	90% - 100%	AAA	Exceptionally strong business fundamentals and overwhelming capacity to meet obligations in a timely manner.
			Standard Monitoring
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.
			Default
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-variables. 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 June 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 30 June 2025 are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

	6M	2026	2027	2028
Foreign exchange rate (€)				
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 June , 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
30 June 2025				
Financial Assets	N'million	N'million	N'million	N'million
Balances with central bank	94 861	-	-	94 861
Restricted balances with central bank	1 691 205	-	-	1 691 205
Due from banks	1 303 786	-	-	1 303 786
Loans and advances to customers	5 062 641	65 723 555	60 660 914	-
Derivative financial assets	21 176	-	-	21 176
Investments:				
Financial assets at fair value through profit or loss	28 452	-	-	28 452
				-
Debt instruments at fair value through other comprehensive income	159 427	-	-	159 427
				-
Equity instruments at fair value through other comprehensive income	83 631	-	-	83 631
Debt instruments at amortised cost	1 494 578	-	-	1 494 578
Other assets	107 578	-	-	107 578
	10 047 334	65 723 555	60 660 914	4 984 694

Financial Guarantee contracts:

Performance bonds and guarantees	1 908 991	-	-	1 908 991
Letters of credit	681 491	-	-	681 491
Undrawn portion of overdraft	290 610			290 610
	2 881 092	-	-	2 881 092

Financial Assets	Fair value of			
	Maximum exposure	Collateral held	Surplus collateral	Net exposure
31 December 2024				
	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	584 646	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
	8 838 457	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 June, 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
Financial Assets	30 June 2025			
	N'million	N'million	N'million	N'million
Balances with central bank	94 861	-	-	94 861
Restricted balances with central bank	1 691 205	-	-	1 691 205
Due from banks	1 066 220	-	-	1 066 220
Loans and advances to customers	5 038 650	65 623 927	60 585 277	-
Derivative financial assets	20 878	-	-	20 878
Investments:				
Financial assets at fair value through profit or loss	28 452	-	-	28 452
				-
Debt instruments at fair value through other comprehensive income	101 245	-	-	101 245
Equity instruments at fair value through other comprehensive income	83 631	-	-	83 631
Debt instruments at amortised cost	1 472 992	-	-	1 472 992
Other assets	107 284	-	-	107 284
	9 705 419	65 623 927	60 585 277	4 666 769
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

	Maximum exposure	Fair value of Collateral held	Surplus collateral	Net exposure
Financial Assets	31 December 2024			
	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

3.2.6 Credit Concentrations- continued

The Bank monitors concentrations of credit risk by sector and by geographical location. An analysis of concentrations of credit risk at 30 June 2025, is set out below:

Group	30 June 2025				
	Cash and balances with Central bank	Due from banks	Loans and advances to customers	Investment securities	Other assets
	N'million	N'million	N'million	N'million	N'million
Financial assets with credit risk:					
Carrying amount	1 825 554	1 214 868	4 854 908	1 680 303	106 231
Concentration by sector					
Agriculture	-	-	224 773	-	-
Oil and gas	-	-	2 224 406	-	-
Consumer credit	-	-	86 082	-	-
Manufacturing	-	-	351 515	-	-
Mining and Quarrying	-	-	17 139	-	-
Mortgage	-	-	-	-	-
Real estate	-	-	91 810	-	-
Construction	-	-	111 527	-	-
Finance and insurance	-	1 303 786	34 189	2 079	-
Government	-	-	219 239	1 660 069	-
Power	-	-	388 311	-	-
Other public utilities	-	-	-	-	-
Transportation	-	-	562 349	-	-
Communication	-	-	74 993	20 123	-
Education	-	-	7 227	-	-
Central Bank balance (restricted)	1 691 205	-	-	-	-
Other	134 349	-	669 080	-	107 284
Total Gross Amount	1 825 555	1 303 786	5 062 641	1 682 271	107 284
Concentration by location	N'million	N'million	N'million	N'million	N'million
Abroad	-	1 163 391	22 949	79 582	-
Nigeria:					
North East	-	-	50 106	-	-
North Central	1 786 066	-	87 146	-	-
North West	-	-	102 797	-	-
South East	-	-	75 051	-	-
South South	-	-	373 678	-	-
South West	39 489	140 395	4 349 872	1 602 689	107 284
Total gross amount	1 825 555	1 303 786	5 061 599	1 682 271	107 284

Enterprise Risk Management- continued

31 December 2024					
Financial assets with credit risk:	Cash and balances with Central bank	Due from banks	Loans and advances to customers	Investment securities	Other assets
	N'million	N'million	N'million	N'million	N'million
	1 697 639	582 941	4 387 106	1 744 031	135 626
Carrying amount					
Concentration by sector					
Agriculture	-	-	225 099	-	-
Oil and gas	-	-	1 991 749	-	-
Consumer credit	-	-	86 549	-	-
Manufacturing	-	-	328 129	-	-
Mining and Quarrying	-	-	19 737	-	-
Mortgage	-	-	-	-	-
Real estate	-	-	52 413	-	-
Construction	-	-	131 728	-	-
Finance and insurance	-	584 646	14 431	-	-
Government	-	-	222 409	1 730 184	-
Power	-	-	335 753	-	-
Other public utilities	-	-	-	-	-
Transportation	-	-	557 834	-	-
Communication	-	-	62 341	10 202	-
Education	-	-	10 468	-	-
Central Bank balance (restricted)	1 586 350	-	-	-	-
Other	111 289	-	544 072	5 063	143 154
Total Gross Amount	1 697 639	584 646	4 582 711	1 745 449	143 154
Concentration by location	N'million	N'million	N'million	N'million	N'million
Abroad	-	520 633	85 450	73 646	-
Nigeria:					
North East	-	-	50 121	-	-
North Central	1 662 242	-	94 184	-	-
North West	-	-	94 058	-	-
South East	-	-	81 069	-	-
South South	-	-	442 041	-	-
South West	35 397	118 032	3 779 848	1 671 803	143 154
Total gross amount	1 697 639	638 665	4 626 772	1 745 449	143 154
Bank	30 June 2025				
Financial assets with credit risk:	Cash and balances with Central bank	Due from banks	Loans and advances to customers	Investment securities	Other assets
	N'million	N'million	N'million	N'million	N'million
	1 825 554	1 064 743	4 831 387	1 600 721	105 937
Carrying amount					
Concentration by sector					
Agriculture	-	-	206 326	-	-
Oil and gas	-	-	2 222 937	-	-
Consumer credit	-	-	57 993	-	-
Manufacturing	-	-	351 515	-	-
Mining and Quarrying	-	-	5 495	-	-
Mortgage	-	-	-	-	-
Real estate	-	-	68 727	-	-
Construction	-	-	111 527	-	-
Finance and insurance	-	1 066 220	29 654	2 079	-
Government	-	-	201 674	1 580 487	-
Power	-	-	388 311	-	-
Other public utilities	-	-	-	-	-
Transportation	-	-	562 349	-	-
Communication	-	-	74 993	20 123	-
Education	-	-	7 227	-	-
Central Bank balance (restricted)	1 691 205	-	-	-	-
Other	134 349	-	749 922	-	107 284
Total Gross Amount	1 825 555	1 066 220	5 038 650	1 602 689	107 284

Enterprise Risk Management- continued

3.2.6 Credit Concentrations- continued

Concentration by location	N'million	N'million	N'million	N'million	N'million
Abroad	-	1 028 283	-	-	-
Nigeria:					
North East	-	-	50 106	-	-
North Central	1 786 066	-	87 146	-	-
North West	-	-	102 797	-	-
South East	-	-	75 051	-	-
South South	-	-	373 678	-	-
South West	39 489	37 937	4 349 872	1 602 689	107 284
Total gross amount	1 825 555	1 066 220	5 038 650	1 602 689	107 284

31 December 2024

	Cash and balances with Central bank	Due from banks	Loans and advances to customers	Investment securities	Other assets
	N'million	N'million	N'million	N'million	N'million
Financial assets with credit risk:					
Carrying amount	1 697 639	394 042	4 346 049	1 670 385	135 297

Concentration by sector

Agriculture	-	-	205 856	-	-
Oil and gas	-	-	2 034 992	-	-
Consumer credit	-	-	68 404	-	-
Manufacturing	-	-	328 129	-	-
Mining and Quarrying	-	-	5 173	-	-
Mortgage	-	-	-	-	-
Real estate	-	-	36 331	-	-
Construction	-	-	131 728	-	-
Finance and insurance	-	395 192	11 859	-	-
Government	-	-	222 409	1 656 538	-
Power	-	-	335 753	-	-
Other public utilities	-	-	-	-	-
Transportation	-	-	557 834	-	-
Communication	-	-	62 341	10 202	-
Education	-	-	10 468	-	-
Central Bank balance (restricted)	1 586 350	-	-	-	-
Other	111 289	-	530 045	5 063	143 154
Total Gross Amount	1 697 639	395 192	4 541 322	1 671 803	143 154

Concentration by location	N'million	N'million	N'million	N'million	N'million
Abroad	-	379 618	-	-	-
Nigeria:					
North East	-	-	50 121	-	-
North Central	1 662 242	-	94 184	-	-
North West	-	-	94 058	-	-
South East	-	-	81 069	-	-
South South	-	-	442 041	-	-
South West	35 397	15 574	3 779 848	1 671 803	143 154
Total gross amount	1 697 639	395 192	4 541 322	1 671 803	143 154

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 June 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	172 891	-	-	172 891
Standard monitoring	1 769 579	1 360 105	-	3 129 684
Default	-	-	24 742	24 742
Gross carrying amount	1 942 470	1 360 105	24 742	3 327 317
Loss allowance	(18 194)	(110 746)	(14 966)	(143 905)
Carrying amount	1 924 276	1 249 360	9 776	3 183 412
	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 June 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	172 891	-	-	172 891
Standard monitoring	1 806 877	1 349 262	-	3 156 140
Default	-	-	24 742	24 742
Gross carrying amount	1 979 768	1 349 262	24 742	3 353 773
Loss allowance	(18 000)	(110 726)	(14 966)	(143 691)
Carrying amount	1 961 769	1 238 537	9 776	3 210 082
	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

Credit grade

Investment grade
Standard monitoring
Default
Gross carrying amount
Loss allowance
Carrying amount

30 June 2025			
Stage 1	Stage 2	Stage 3	Total
12-month ECL	Lifetime ECL	Lifetime ECL	
N'million	N'million	N'million	N'million
14 699	-	-	14 699
119 898	118 670	-	238 569
-	-	1 367	1 367
134 597	118 670	1 367	254 635
(1 275)	(3 863)	(1 051)	(6 189)
133 322	114 807	316	248 446

Credit grade

Investment grade
Standard monitoring
Default
Gross carrying amount
Loss allowance
Carrying amount

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
71 071	-	-	71 071
124 672	92 826	-	217 499
-	-	11 071	11 071
195 744	92 826	11 071	299 641
(199)	(212)	(4 469)	(4 880)
195 545	92 614	6 602	294 762

Bank

Credit grade

Investment grade
Standard monitoring
Default
Gross carrying amount
Loss allowance
Carrying amount

30 June 2025			
Stage 1	Stage 2	Stage 3	Total
12-month ECL	Lifetime ECL	Lifetime ECL	
N'million	N'million	N'million	N'million
14 699	-	-	14 699
102 180	118 670	-	220 851
-	-	1 367	1 367
116 880	118 670	1 367	236 917
(1 123)	(3 863)	(1 051)	(6 037)
115 757	114 807	316	230 880

Credit grade

Investment grade
Standard monitoring
Default
Gross carrying amount
Loss allowance
Carrying amount

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
15 698	-	-	15 698
124 672	92 826	-	217 499
-	-	11 071	11 071
140 370	92 826	11 071	244 268
(196)	(212)	(4 469)	(4 877)
140 174	92 614	6 602	239 390

c) Transport, Communication, Commerce & General portfolio

Group

Credit grade

Investment grade
Standard monitoring
Default
Gross carrying amount
Loss allowance
Carrying amount

30 June 2025			
Stage 1	Stage 2	Stage 3	Total
12-month ECL	Lifetime ECL	Lifetime ECL	
N'million	N'million	N'million	N'million
-	-	-	-
1 122 277	35 401	-	1 157 679
-	-	41 174	41 174
1 122 277	35 401	41 174	1 198 853
(14 181)	(901)	(27 503)	(42 584)
1 108 097	34 500	13 671	1 156 268

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 June 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	1 117 741	35 401	-	1 153 142
Default	-	-	41 174	41 174
Gross carrying amount	1 117 741	35 401	41 174	1 194 316
Loss allowance	(14 180)	(901)	(27 503)	(42 583)
Carrying amount	1 103 561	34 500	13 671	1 151 733

	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 June 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
Credit grade				
Investment grade	-	-	-	-
Standard monitoring	106 593	3 026	-	109 619
Default	-	-	4 416	4 416
Gross carrying amount	106 593	3 026	4 416	114 034
Loss allowance	(433)	(55)	(3 929)	(4 417)
Carrying amount	106 160	2 971	487	109 617

	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 June 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

Credit grade

Investment grade
Standard monitoring
Default
Gross carrying amount
Loss allowance
Carrying amount

31 December 2024			
Stage 1	Stage 2	Stage 3	Total
N'million	N'million	N'million	N'million
-	-	-	-
29 063	423	-	29 485
-	-	2 863	2 863
29 063	423	2 863	32 348
(54)	(11)	(1 291)	(1 357)
29 008	411	1 571	30 991

f) Personal & Employee Loans portfolio

Group

Credit grade

Investment grade
Standard monitoring
Default
Gross carrying amount
Loss allowance
Carrying amount

30 June 2025			
Stage 1	Stage 2	Stage 3	Total
N'million	N'million	N'million	N'million
-	-	-	-
61 970	236	-	62 206
-	-	23 978	23 978
61 970	236	23 978	86 185
(222)	(4)	(9 058)	(9 284)
61 748	232	14 920	76 901

Credit grade

Investment grade
Standard monitoring
Default
Gross carrying amount
Loss allowance
Carrying amount

31 December 2024			
Stage 1	Stage 2	Stage 3	Total
N'million	N'million	N'million	N'million
-	-	-	-
56 368	1 336	-	57 704
-	-	28 948	28 948
56 368	1 336	28 948	86 653
(898)	(23)	(16 566)	(17 487)
55 470	1 313	12 382	69 165

Bank

Credit grade

Investment grade
Standard monitoring
Default
Gross carrying amount
Loss allowance
Carrying amount

30 June 2025			
Stage 1	Stage 2	Stage 3	Total
N'million	N'million	N'million	N'million
-	-	-	-
34 873	226	-	35 099
-	-	22 894	22 894
34 873	226	22 894	57 993
(184)	(4)	(8 993)	(9 181)
34 689	222	13 901	48 812

Credit grade

Investment grade
Standard monitoring
Default
Gross carrying amount
Loss allowance
Carrying amount

31 December 2024			
Stage 1	Stage 2	Stage 3	Total
N'million	N'million	N'million	N'million
-	-	-	-
39 480	217	-	39 698
-	-	28 707	28 707
39 480	217	28 707	68 404
(874)	(23)	(16 487)	(17 384)
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 June 2025			
	Stage 1	Stage 2	Stage 3	Total
	N'million	N'million	N'million	N'million
At 1 January	(13 574)	(92 855)	(89 206)	(195 635)
Agric, Energy, Manufactur'g, Const'n & Real Estate Portfolio	(9 835)	(29 384)	16 221	(22 999)
Government, Public Sector & NBFIs portfolio	(1 079)	(3 651)	3 418	(1 312)
Transport, Comm, Commerce & General portfolio	-10 157	10 350	5 950	6 143
Automobile, Equipment & Mortgage Loans portfolio	-393	-55	-1 689	(2 137)
Medium and Small Scale Enterprises portfolio	-1 212	4	1 210	2
Personal & Employee Loans portfolio	676	19	7 508	8 203
At 30 June	(35 574)	(115 572)	(56 588)	(207 734)

	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 June 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	(9 897)	(29 364)	16 221	(23 040)
Government, Public Sector & NBFIs portfolio	(927)	(3 651)	3 418	(1 159)
Transport, Comm, Commerce & General portfolio	-10 157	10 347	5 950	6 141
Automobile, Equipment & Mortgage Loans portfolio	-393	-55	-1 689	(2 137)
Medium and Small Scale Enterprises portfolio	-1 212	4	1 210	2
Personal & Employee Loans portfolio	690	19	7 494	8 203
At 30 June	(35 185)	(115 555)	(56 523)	(207 263)

	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)

Enterprise Risk Management- continued

Group

30 June 2025					
	Cash and	Due from	Loans and	Debt	Other
	balance with	banks	advances to	securities	assets
	Central bank		customers		
	N'million	N'million	N'million	N'million	N'million
Not Due & Not impaired	2 026 200	1 149 827	4 255 451	1 682 463	107 284
Past due and not impaired (0-30 days)	-	-	120 910	-	-
Past due and not impaired (31-90 days)	-	-	590 340	-	-
Past due and impaired (aged above 90 days)	-	-	95 939	-	-
Gross	2 026 200	1 149 827	5 062 641	1 682 463	107 284
Impairment allowance	(50)	(1 557)	(207 734)	(2 160)	(1 347)
Net	2 026 150	1 148 269	4 854 907	1 680 303	105 937

31 December 2024					
	Cash and	Due from	Loans and	Debt	Other assets
	balance with	banks	advances to	securities	
	Central bank		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 June 2025					
	Cash and	Due from	Loans and	Debt	Other
	balance with	banks	advances to	securities	assets
	Central bank		customers		
	N'million	N'million	N'million	N'million	N'million
Not Due & Not impaired	1 825 555	1 066 220	4 243 398	1 602 689	107 284
Past due and not impaired (0-30 days)	-	-	117 933	-	-
Past due and not impaired (31-90 days)	-	-	582 464	-	-
Past due and impaired (aged above 90 days)	-	-	94 855	-	-
Gross	1 825 555	1 066 220	5 038 650	1 602 689	107 284
Impairment allowance	-	(1 478)	(207 263)	(1 968)	(1 347)
Net	1 825 555	1 064 743	4 831 386	1 600 721	105 937

31 December 2024					
	Cash and	Due from	Loans and	Debt	Other assets
	balance with	banks	advances to	securities	
	Central bank		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					
	Banks	Overdrafts	Term loans	Finance lease	Total Loan	Other assets
	N'million	N'million	N'million	N'million	N'million	N'million
30 June 2025						
Grades:						
1. AAA to AA	793 068	1 594	195 228	-	196 821	-
2. A+ to A-	126 227	12 402	265 995	-	278 397	-
3. BBB+ to BB-	89 482	318 297	3 687 748	3 565	4 102 745	107 578
4. Below BB-	112 567	2 301	380 099	-	437 523	-
5. Unrated	32 311	35	99 439	-	131 785	-
	1 153 655	334 628	4 628 509	3 565	5 147 271	107 578
Collective Impairment	(1 551)	(5 569)	(145 554)	(22)	(151 219)	(1 347)
Net amount	1 152 103	329 059	4 482 955	3 543	4 996 052	106 231

Enterprise Risk Management- continued

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 June 2025	N'million	N'million	N'million	N'million	N'million	N'million
Grades:						
1. AAA to AA	793 068	1 594	195 228	-	196 821	-
2. A+ to A-	126 227	12 402	265 995	-	278 397	-
3. BBB+ to BB-	89 482	318 297	3 781 576	3 565	4 102 745	107 284
4. Below BB-	57 443	2 301	362 381	-	364 682	-
5. Unrated	-	33	424	-	457	-
	1 066 220	334 626	4 605 604	3 565	4 943 102	107 284
Collective Impairment	(1 478)	(5 569)	(145 149)	(22)	(150 740)	(1 347)
Net amount	1 064 743	329 057	4 460 456	3 543	4 792 363	105 937

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	37 846	230 087
Bank				
	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 June 2025 and 31 December 2024:

Enterprise Risk Management- continued

Group

Investments in Government and other Securities						
	Cash & cash equivalents	Treasury bills	Federal Govt bonds	State bonds	Corporate bonds	Total
	N'million	N'million	N'million	N'million	N'million	N'million
30 June 2025						
AAA to AA	927 417	995 857	541 094	-	-	2 464 368
A+ to A-	126 227	-	-	9 018	22 202	157 448
BBB+ to BB-	89 482	-	-	-	-	89 482
Below BB-	-	-	21 586	-	-	21 586
Unrated	-	-	-	-	-	-
	1 143 126	995 857	562 680	9 018	22 202	2 732 883

Investments in Government and other Securities						
	Cash & cash equivalents	Treasury bills	Federal Govt bonds	State bonds	Corporate bonds	Total
	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						
	Cash & cash equivalents	Treasury bills	Federal Govt bonds	State bonds	Corporate bonds	Total
	N'million	N'million	N'million	N'million	N'million	N'million
30 June 2025						
AAA to AA	927 417	937 669	541 094	-	-	2 406 180
A+ to A-	126 227	-	-	9 018	22 202	157 448
BBB+ to BB-	89 482	-	-	-	-	89 482
Below BB-	57 443	-	-	-	-	57 443
Unrated	-	-	-	-	-	-
	1 200 570	937 669	541 094	9 018	22 202	2 710 553

Investments in Government Securities						
	Cash & cash equivalents	Treasury bills	Federal Govt bonds	State bonds	Corporate bonds	Total
	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 June 2025		31 December 2024	
	Collateral		Collateral	
	Exposure	Value	Exposure	Value
	N'million	N'million	N'million	N'million
Secured against real estate	863 093	1 343 000	111 632	397 269
Secured by shares of quoted companies	3 939	3 939	3 949	7 598
Secured by others	4 139 572	64 389 576	4 231 585	31 828 631
Unsecured	56 037	-	235 545	-
Gross Loans and Advances to Customers	5 062 641	65 736 515	4 582 711	32 233 498

Enterprise Risk Management- continued

Bank

	30 June 2025		31 December 2024	
	Exposure	Collateral Value	Exposure	Collateral Value
	N'million	N'million	N'million	N'million
Secured against real estate	821 919	1 270 779	75 185	336 233
Secured by shares of quoted companies	3 939	3 939	3 949	7 598
Secured by others	4 174 946	64 349 209	4 227 102	31 806 207
Unsecured	37 846	-	235 087	
Gross Loans and Advances to Customers	5 038 650	65 623 927	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 June 2025	N'million	N'million	N'million	N'million	N'million	N'million
Non-deivative assets						
Restricted balances with central bank	-	-	-	1 691 205	-	1 691 205
Cash and Cash equivalents	1 349 217	-	-	-	-	1 349 217
Loans and advances to customers	997 318	706 735	922 123	1 911 968	3 597 567	8 135 711
Derivative financial assets	21 176	-	-	-	-	21 176
Investment securities	-	-	-	-	-	-
- Financial instrument at FVTPL	93	142	21 849	15 987	848	38 919
- Debt instruments at amortised	326	48 849	1 115 713	291 387	806 952	2 263 227
- Debt instruments at FVOCI	23 068	41 269	40 080	182 427	55 238	342 082
Other Assets	10 728	53 642	46 454	-	-	110 824
Total financial assets	2 401 925	850 636	2 146 218	4 092 974	4 460 606	13 952 360
Derivative assets						
Trading :						
Gross settled		21 176		-	-	21 176
Net settled						
	-	21 176	-	-	-	21 176
Total financial assets	2 401 925	871 812	2 146 218	4 092 974	4 460 606	13 973 536
Financial liabilities						
Non-derivative liabilities						
Customer deposits	1 599 092	655 004	1 194 679	2 508 090	2 647 787	8 604 652
Other liabilities	161 588	174 703	195 152	157 049	404 150	1 092 643
Debt issued and other borrowed funds	10 785	36 698	54 570	698 523	228 517	1 029 092
	1 771 465	866 406	1 444 401	3 363 662	3 280 453	10 726 387
Derivative Liabilities						
Trading :						
Gross settled	-	30 362	-	-	-	30 362
Net settled						
	-	30 362	-	-	-	30 362
Total financial liabilities	1 771 465	896 768	1 444 401	3 363 662	3 280 453	10 756 749
Gap (assets-liabilities)	630 460	(24 956)	701 817	729 312	1 180 152	
Cumulative liquidity gap	630 460	605 505	1 307 322	2 036 635	3 216 787	
Financial Guarantee Contracts:						
Performance bonds and guarantees	53 954	91 712	1 071 409	360 340	331 576	1 908 991
Letters of credit	101 204	102 298	462 253	42 315	-	708 070
	155 157	194 010	1 533 663	402 655	331 576	2 617 061

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
	N'million	N'million	N'million	N'million	N'million	N'million
31 December 2024						
Restricted balances with central bank	-	-	-	1 586 350	-	1 586 350
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	12 854 871
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	12 905 164
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 June 2025						
Non-derivative assets						
Restricted balances with central bank	-	-	-	1 691 205	-	1 691 205
Cash and Cash equivalents	1 200 570	-	-	-	-	1 200 570
Loans and advances to customers	1 035 360	635 054	918 534	1 875 378	3 560 504	8 024 829
Derivative financial assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
- Financial instrument at FVTPL	93	142	21 849	15 987	848	38 919
- Debt instruments at amortised	326	48 849	1 115 713	291 387	785 552	2 241 827
- Debt instruments at FVOCI	170	5 985	40 080	182 427	55 238	283 900
Other Assets	10 728	53 642	42 914	-	-	107 284
Total financial assets	2 247 246	743 672	2 139 089	4 056 385	4 402 142	13 588 534
Derivative assets						
Trading :						
Gross settled	-	20 878	-	-	-	20 878
Net settled	-	-	-	-	-	-
	-	20 878	-	-	-	20 878
Total financial assets	2 247 246	764 550	2 139 089	4 056 385	4 402 142	13 609 412
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	161 588	174 703	191 040	157 049	404 150	1 088 531
Debt issued and other borrowed funds	10 785	36 698	54 570	698 523	144 363	944 938
	746 179	806 259	1 271 043	3 353 440	3 196 300	9 373 220
Derivative Liabilities						
Trading :						
Gross settled	-	30 362	-	-	-	30 362
Net settled	-	-	-	-	-	-
	-	30 362	-	-	-	30 362
Total financial liabilities	746 179	836 621	1 271 043	3 353 440	3 196 300	9 403 582
Gap (assets-liabilities)	1 501 068	(72 072)	868 046	702 945	1 205 842	
Cumulative liquidity gap	1 501 068	1 428 996	2 297 042	2 999 987	4 205 830	
Financial Guarantee Contracts:						
Performance bonds and guarantees	53 954	91 712	1 071 409	360 340	331 576	1 908 991
Letters of credit	74 624	102 298	462 253	42 315	-	681 491
	128 578	194 010	1 533 663	402 655	331 576	2 590 482

	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	-	-	-	1 586 350	-	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

3.4.2 Foreign Exchange Risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and its aggregate for both overnight and intra-day positions, which are monitored daily.

The table below summarises the Bank's exposure to foreign currency exchange risk at 30 June 2025.

Group	30 June 2025				
	USD N'million	GBP N'million	Euro N'million	Naira N'million	Total N'million
Financial assets					
Restricted balances with central bank	-	-	-	1 691 205	1 691 205
Cash and Cash equivalents	1 040 991	33 297	61 767	213 162	1 349 217
Loans and advances to customers	2 465 899	118 388	2 058	2 475 824	5 062 170
Derivative assets	21 176	-	-	-	21 176
Investment securities:					
- Financial assets at FVTPL	-	-	-	28 452	28 452
- Debt instruments at FVOCI	99 179	5 146	-	55 102	159 427
- Equity instruments at FVOCI	31 549	-	-	52 082	83 631
- Debt instruments at amortised cost	-	-	-	1 492 424	1 492 424
Other financial assets	96 461	6 080	980	7 304	110 824
	3 755 255	162 911	64 805	6 015 555	9 998 527
Financial liabilities					
Customer deposits	3 608 532	170 979	38 546	3 385 950	7 204 007
Derivative liabilities	30 362	-	-	-	30 362
Other liabilities	379 648	4 711	8 925	548 240	941 524
Debt issued and other borrowed funds	711 893	-	-	83 785	795 678
	4 730 434	175 690	47 471	4 017 975	8 971 571
Net on balance sheet position	(975 179)	(12 780)	17 334	1 997 580	1 026 955
Net exposure	(975 179)	(12 780)	17 334	1 997 580	1 026 955

Enterprise Risk Management- continued

Sensitivity Analysis of Foreign Currency Statement of Financial Position

Currency	USD N'million	GBP N'million	Euro N'million
Net effect on Statement of Financial Position	(975 179)	(12 780)	17 334
Closing Exchange Rate (Naira/ Currency)	1 532	2 097	1 794
10% Currency Depreciation (+)	1 685	2 307	1 973
Net effect of depreciation on Profit or loss (pre-tax)	(97 518)	(1 278)	1 733
10% Currency Appreciation (-)	1 379	1 887	1 614
Net effect of appreciation on Profit or loss (pre-tax)	97 518	1 278	(1 733)

The table below summarises the Bank's exposure to foreign currency exchange risk at 31 December 2024.

	31 December 2024				
	USD N'million	GBP N'million	Euro N'million	Naira N'million	Total N'million
Financial assets					
Restricted balances with central bank	-	-	-	1 586 350	1 586 350
Cash and Cash equivalents	340 534	32 675	48 182	92 612	514 003
Loans and advances to customers	2 508 625	782	3 931	1 873 770	4 387 108
Derivative financial assets	50 292	-	-	-	50 292
Investment securities:					
- Financial assets at FVTPL	-	-	-	5 113	5 113
- Debt instruments at FVOCI	4 775	4 757	-	108 150	117 682
- Equity instruments at FVOCI	21 401	-	-	48 234	69 635
- Debt instruments at amortised cost	-	-	-	1 552 347	1 552 347
Other financial assets	834 983	4 358	293	(517 635)	321 999
	3 760 611	42 571	52 406	4 748 941	8 604 528
Financial liabilities					
Customer deposits	2 542 276	309 496	33 365	3 051 926	5 937 064
Derivative financial liabilities	-	-	-	-	-
Other liabilities	433 576	4 556	4 123	658 958	1 101 213
Debt issued and other borrowed funds	750 163	-	-	179 432	929 595
	3 726 015	314 052	37 488	3 890 316	7 967 872
Net on balance sheet position	34 595	(271 481)	14 917	858 625	636 656
Net exposure	34 595	(271 481)	14 917	858 625	636 656

Sensitivity Analysis of Foreign Currency Statement of Financial Position

Currency	USD N'million	GBP N'million	Euro N'million
Net effect on Statement of Financial Position	34 595	(271 481)	14 917
Closing Exchange Rate (Naira/ Currency)	1 549	1 919	1 591
10% Currency Depreciation (+)	1 704	2 111	1 750
Net effect of depreciation on Profit or loss	3 460	(27 148)	1 492
10% Currency Appreciation (-)	1 394	1 727	1 432
Net effect of appreciation on Profit or loss	(3 460)	27 148	(1 492)

Bank

	30 June 2025				
	USD N'million	GBP N'million	Euro N'million	Naira N'million	Total N'million
Financial assets					
Restricted balances with central bank	-	-	-	1 691 205	1 691 205
Cash and Cash equivalents	1 040 947	25 338	61 462	71 346	1 199 092
Loans and advances to customers	2 559 727	1 040	2 058	2 475 824	5 038 650
Derivative assets	20 878	-	-	-	20 878
Investment securities:					
- Financial assets at FVTPL	-	-	-	28 452	28 452
- Debt instruments at FVOCI	46 143	-	-	55 102	101 245
- Equity instruments at FVOCI	31 549	-	-	52 082	83 631
- Debt instruments at amortised cost	-	-	-	1 471 024	1 471 024
Other assets	98 016	1 072	892	7 304	107 284
	3 797 259	27 450	64 412	5 852 339	9 741 461

Enterprise Risk Management- continued

Financial liabilities

Customer deposits	3 608 504	36 536	38 071	3 255 995	6 939 106
Derivative liabilities	30 362				30 362
Other liabilities	379 648	634	8 920	642 037	1 031 239
Debt issued and other borrowed funds	711 893			83 785	795 678
	4 730 407	37 169	46 991	3 981 818	8 796 385

Net on balance sheet position (933 148) (9 719) 17 421 1 870 522 945 076

Net exposure **(933 148) (9 719) 17 421 1 870 522 945 076**

Sensitivity Analysis of Foreign Currency Statement of Financial Position

Currency	USD N'million	GBP N'million	Euro N'million
Net effect on Statement of Financial Position	(933 148)	(9 719)	17 421
Closing Exchange Rate (Naira/ Currency)	1 532	2 097	1 794
10% Currency Depreciation (+)	1 685	2 307	1 973
Net effect of depreciation on Profit or loss (pre-tax)	(93 315)	(972)	1 742
10% Currency Appreciation (-)	1 379	1 887	1 614
Net effect of appreciation on Profit or loss (pre-tax)	93 315	972	(1 742)

The table below summarises the Bank's exposure to foreign currency exchange risk at 31 December 2024

	31 December 2024				
	USD N'million	GBP N'million	Euro N'million	Naira N'million	Total N'million
Financial assets					
Restricted balances with central bank	-	-	-	1 586 350	1 586 350
Cash and Cash equivalents	340 534	24 715	47 527	92 555	505 331
Loans and advances to customers	2 467 567	782	3 931	1 873 770	4 346 049
Derivative financial assets	50 292				50 292
Investment securities:	-	-	-		
- Financial assets at FVTPL	-	-	-	5 113	5 113
- Debt instruments at FVOCI	4 775	-	-	108 150	112 925
- Equity instruments at FVOCI	21 401	-	-	48 234	69 635
- Debt instruments at amortised cost	-	-	-	1 552 347	1 552 347
Other financial assets	834 983	(367)	213	(517 635)	317 195
	3 719 552	25 130	51 671	4 748 884	8 545 237
Financial liabilities					
Customer deposits	2 542 276	32 895	33 217	3 051 926	5 660 315
Derivative financial liabilities	-				-
Other liabilities	433 576	199	4 119	658 958	1 096 851
Debt issued and other borrowed funds	750 163			179 432	929 595
	3 726 015	33 094	37 336	3 890 316	7 686 761
Net on balance sheet position	(6 463)	(7 963)	14 335	858 568	858 476
Net exposure	(6 463)	(7 963)	14 335	858 568	858 476

Sensitivity Analysis of Foreign Currency Statement of Financial Position

Currency	USD N'million	GBP N'million	Euro N'million
Net effect on Statement of Financial Position	(6 463)	(7 963)	14 335
Closing Exchange Rate (Naira/ Currency)	1 549	1 919	1 591
1% Currency Depreciation (+)	1 704	2 111	1 750
Net effect of depreciation on Profit or loss	(646)	(796)	1 433
1% Currency Appreciation (-)	1 394	1 727	1 432
Net effect of appreciation on Profit or loss	646	796	(1 433)

The Bank's exposure to foreign exchange risk is largely concentrated in USD. Movement in the exchange rate between the foreign currencies and the Nigerian naira affects reported earnings through revaluation gain or loss and the statement of financial position through an increase or decrease in the revalued amounts of financial assets and liabilities denominated in foreign currencies.

Enterprise Risk Management- continued

3.4.3 Interest Rate Risk

The table below summarises the Bank's interest rate gap position on non-trading portfolios:

Group	Carrying amount	Variable interest	Fixed interest	Non interest-bearing
30 June 2025	N'million	N'million	N'million	N'million
Financial assets				
Restricted balances with central bank	1 691 205	-	-	1 691 205
Cash and Cash equivalents	1 349 217	-	238 532	1 110 685
Loans and advances to customers	4 941 227	2 548 531	2 392 696	-
Derivative assets	21 176	-	-	21 176
Investment securities	-	-	-	-
- Financial assets at FVTPL	28 452	-	28 452	-
- Debt instruments at FVOCI	141 813	-	141 813	-
- Debt instruments at amortised cost	1 492 424	-	1 492 424	-
Other financial assets	107 284	-	-	107 284
	9 772 798	2 548 531	4 293 917	2 930 350
Financial liabilities				
Customer deposits	7 204 007	-	2 880 289	4 323 718
Derivative liabilities	-	-	-	-
Other liabilities	941 524	-	296 457	645 067
Debts issued and other borrowed funds	795 678	100 891	694 787	-
	8 941 209	100 891	3 871 534	4 968 785
	Carrying amount	Variable interest	Fixed interest	Non interest-bearing
	N'million	N'million	N'million	N'million
31 December 2024				
Financial assets				
Restricted balances with central bank	1 586 350	-	-	1 586 350
Cash and Cash equivalents	707 450	-	217 692	489 757
Loans and advances to customers	4 387 108	1 146 682	3 240 427	-
Derivative assets	50 293	-	-	50 293
Investment securities	-	-	-	-
- Financial assets at FVTPL	5 113	-	5 113	-
- Debt instruments at FVOCI	186 571	-	186 571	-
- Debt instruments at amortised cost	1 552 347	-	1 552 347	-
Other financial assets	143 154	-	-	143 154
	8 618 386	1 146 682	5 202 150	2 269 554
Financial liabilities				
Customer deposits	5 937 064	-	2 543 551	3 393 513
Derivative financial liabilities	-	-	-	-
Other liabilities	938 776	-	344 800	593 976
Debts issued and other borrowed funds	929 595	124 484	805 111	-
	7 805 435	124 484	3 693 462	3 987 489
	Carrying amount	Variable interest	Fixed interest	Non interest-bearing
Bank	N'million	N'million	N'million	N'million
30 June 2025				
Financial assets				
Restricted balances with central bank	1 691 205	-	-	1 691 205
Cash and Cash equivalents	1 199 092	-	37 937	1 161 155
Loans and advances to customers	4 831 387	936 238	3 895 149	-
Derivative assets	20 878	-	-	20 878
Investment securities	-	-	-	-
- Financial assets at FVTPL	28 452	-	28 452	-
- Debt instruments at FVOCI	83 631	-	83 631	-
- Debt instruments at amortised cost	1 471 024	-	1 471 024	-
Other financial assets	107 284	-	-	107 284
	9 432 953	936 238	5 516 193	2 980 522
Financial liabilities				
Customer deposits	6 939 106	-	2 615 388	4 323 718
Derivative liabilities	30 362	-	-	30 362
Other liabilities	1 031 240	-	386 173	645 067
Debts issued and other borrowed funds	795 678	100 891	694 787	-
	8 796 386	100 891	3 696 348	4 999 147

Enterprise Risk Management- continued

	Carrying amount	Variable interest	Fixed interest	Non interest- bearing
	N'million	N'million	N'million	N'million
31 December 2024				
Financial assets				
Restricted balances with central bank	1 586 350	-	-	1 586 350
Cash and Cash equivalents	505 331	-	15 574	489 757
Loans and advances to customers	4 346 049	1 091 675	3 254 375	-
Derivative assets	50 292	-	-	50 292
Investment securities	-	-	-	-
- Financial assets at FVTPL	5 113	-	5 113	-
- Debt instruments at FVOCI	112 925	-	112 925	-
- Debt instruments at amortised cost	1 552 347	-	1 552 347	-
Other financial assets	143 154	-	-	143 154
	8 301 561	1 091 675	4 940 333	2 269 553
Financial liabilities				
Customer deposits	5 660 315	-	2 266 802	3 393 513
Derivative financial liabilities	-	-	-	-
Other liabilities	978 435	-	384 459	593 976
Debts issued and other borrowed funds	929 595	124 484	805 111	-
	7 568 345	124 484	3 456 372	3 987 489

(a) Interest Rate Sensitivity

Total interest repricing gap

The repricing gap details each time the interest rates are expected to change.

Group

	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years	Total rate sensitive
	N'million	N'million	N'million	N'million	N'million	N'million
30 June 2025						
Financial assets						
Restricted balances with central bank	-	-	-	-	-	-
Cash and Cash equivalents	1 349 217	-	-	-	-	1 349 217
Loans and advances to customers	1 613 138	236 906	542 199	1 163 027	1 507 370	5 062 641
Derivative financial assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
- Financial assets at FVTPL	195	13 935	5 050	8 783	488	28 452
- Debt instruments at FVOCI	22 909	368 258	3 820	48 554	33 443	476 983
- Debt instruments at amortised cost	47 156	345 864	610 774	78 062	410 569	1 492 424
Total assets	3 032 615	964 962	1 161 843	1 298 426	1 951 870	8 409 717
Financial liabilities						
Customer deposits	480 241	413 353	236 364	908 478	897 466	2 935 902
Derivative Financial Liabilities	-	-	-	-	-	-
Other liabilities	7 025	4 738	30 375	135 968	208 096	386 202
Debts issued and other borrowed funds	5 236	-	417 517	321 704	51 221	795 678
Total liabilities	492 501	418 091	684 257	1 366 150	1 156 784	4 117 782
Net financial assets/(liabilities)	2 540 114	546 872	477 586	(67 723)	795 086	4 291 935
31 December 2024						
Financial assets						
Restricted balances with central bank	-	-	-	-	-	-
Cash and Cash equivalents	707 450	-	-	-	-	707 450
Loans and advances to customers	1 070 110	1 029 742	222 498	813 043	1 251 715	4 387 108
Derivative financial assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
- Financial assets at FVTPL	785	-	1 004	3 041	283	5 113
- Debt instruments at FVOCI	48 106	42 876	22 167	67 165	6 257	186 571
- Debt instruments at amortised cost	231 843	76 299	779 995	95 803	369 825	1 553 765
Total assets	2 058 294	1 148 917	1 025 664	979 051	1 628 080	6 840 007

3.4.3 Interest Rate Risk- continued

Financial liabilities						
Customer deposits	524 409	236 136	178 125	758 105	744 315	2 441 090
Derivative Financial Liabilities	-	-	-	-	-	-
Other liabilities	6 993	4 717	30 241	137 822	207 173	386 945
Debts issued and other borrowed funds	22 766	44 591	713 241	101 217	47 780	929 595
Total liabilities	554 168	285 444	921 607	997 144	999 267	3 757 631
Net financial assets and liabilities	1 504 126	863 473	104 058	(18 093)	628 812	3 082 376

(b) INTEREST RATE SENSITIVITY ANALYSIS ON VARIABLE RATES INSTRUMENTS ON PROFIT AND EQUITY

30 June 2025

	Increase/ Decrease in bp	Amount	Effect of increase by 200bp on Profit	Effect of decrease by 200bp on Profit	Effect of increase by 200bp on Equity	Effect of decrease by 200bp on Equity
Asset with variable interest rate		N'million	N'million	N'million	N'million	N'million
Loans and advances to customers	+200bp/-200	2 548 531	50 971	(50 971)	50 971	(50 971)
Debts issued and other borrowed funds	+200bp/-200	100 891	(2 018)	2 018	(2 018)	2 018

(b) INTEREST RATE SENSITIVITY ANALYSIS ON VARIABLE RATES INSTRUMENTS ON PROFIT AND EQUITY

31 December 2024

	Increase/De crease in bp	Amount	Effect of increase by 200bp on Profit	Effect of decrease by 200bp on Profit	Effect of increase by 200bp on Equity	Effect of decrease by 200bp on Equity
Asset with variable interest rate		N'million	N'million	N'million	N'million	N'million
Loans and advances to customers	+200bp/-200	1 146 682	22 934	(22 934)	22 934	(22 934)
Debts issued and other borrowed funds	+200bp/-200	124 484	(2 490)	2 490	(2 490)	2 490

(c) INTEREST RATE SENSITIVITY ANALYSIS ON FIXED RATE INSTRUMENTS ON PROFIT AND EQUITY

30 June 2025

	Increase/De crease in bp	Amount	Effect of increase by 200bp on Equity	Effect of decrease by 200bp on Equity	Effect of increase by 200bp on Equity	Effect of decrease by 200bp on Equity
Asset with variable interest rate		N'million	N'million	N'million	N'million	N'million
Investments:						
-Financial assets measured at FVTPL	+/-200bp	28 452	569	(569)	569	(569)
-Debt instruments at FVOCI*	+/-200bp	141 813	-	-	2 836	(2 836)

31 December 2024

	Increase/De crease in bp	Amount	Effect of increase by 200bp on Profit	Effect of decrease by 200bp on Profit	Effect of increase by 200bp on Equity	Effect of decrease by 200bp on Equity
Asset with variable interest rate		N'million	N'million	N'million	N'million	N'million
Investments:						
-Financial assets held for trading	+/-200bp	5 113	102	(102)	102	(102)
-Debt instruments at FVOCI*	+/-200bp	186 571	-	-	3 731	(3 731)

Enterprise Risk Management- continued

Bank

30 June 2025
Financial assets

	Less than 3 months N'million	3-6 months N'million	6-12 months N'million	1-5 years N'million	More than 5 years N'million	Total rate sensitive N'million
Restricted balances with central bank	-	-	-	-	-	-
Cash and Cash equivalents	37 937	-	-	-	-	37 937
Loans and advances to customers	1 651 180	236 906	538 610	1 141 647	1 470 306	5 038 650
Derivative financial assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
- Financial assets at FVTPL	195	13 935	5 050	8 783	488	28 452
- Debt instruments at FVOCI	11	15 418	3 820	48 554	33 443	101 246
- Debt instruments at amortised cost	47 156	345 864	610 774	78 062	389 169	1 471 024
Total assets	1 736 479	612 123	1 158 254	1 277 046	1 893 406	6 677 309
Financial liabilities						
Customer deposits	437 959	202 475	178 594	898 256	897 466	2 614 750
Derivative Financial Liabilities	-	-	-	-	-	-
Other liabilities	7 025	4 738	30 375	135 939	208 096	386 173
Debts issued and other borrowed funds	5 236	-	417 517	321 704	51 221	795 678
Total liabilities	450 219	207 213	626 487	1 355 898	1 156 784	3 796 601
Net financial assets/(liabilities)	1 286 260	404 910	531 767	(78 852)	736 623	2 880 708

31 December 2024

Financial assets

	Less than 3 months N'million	3-6 months N'million	6-12 months N'million	1-5 years N'million	More than 5 years N'million	Total rate sensitive N'million
Restricted balances with central bank	-	-	-	-	-	-
Cash and Cash equivalents	15 574	-	-	-	-	15 574
Loans and advances to customers	1 048 689	1 029 314	208 966	781 347	1 277 733	4 346 049
Derivative financial assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
- Financial assets at FVTPL	785	-	1 004	3 041	283	5 113
- Debt instruments at FVOCI	17 336	-	22 167	67 165	6 257	112 925
- Debt instruments at amortised cost	231 843	76 299	779 995	95 803	369 825	1 553 765
Total assets	1 314 227	1 105 613	1 012 132	947 355	1 654 098	6 033 426
Financial liabilities						
Customer deposits	460 398	175 987	140 591	745 511	744 315	2 266 802
Derivative Financial Liabilities	-	-	-	-	-	-
Other liabilities	6 993	4 717	30 241	135 335	207 173	384 459
Debts issued and other borrowed funds	22 766	44 591	713 241	101 217	47 780	929 595
Total liabilities	490 157	225 295	884 073	982 064	999 267	3 580 856
Net financial assets and liabilities	824 070	880 318	128 059	(34 708)	654 831	2 452 569

Enterprise Risk Management- continued

(b) INTEREST RATE SENSITIVITY ANALYSIS ON VARIABLE RATES INSTRUMENTS ON PROFIT AND EQUITY

30 June 2025

Asset with variable interest rate	Increase/ Decrease in bp	Amount	Effect of increase by 200bp on Profit	Effect of decrease by 200bp on Profit	Effect of increase by 200bp on Equity	Effect of decrease by 200bp on Equity
		N'million	N'million	N'million	N'million	N'million
Loans and advances to customers	+200bp/-200	936 238	18 725	(18 725)	18 725	(18 725)
Debts issued and other borrowed funds	+200bp/-200	100 891	(2 018)	2 018	(2 018)	2 018

(b) INTEREST RATE SENSITIVITY ANALYSIS ON VARIABLE RATES INSTRUMENTS ON PROFIT AND EQUITY
31 December 2024

Asset with variable interest rate	Increase/De crease in bp	Amount	Effect of increase by 200bp on Profit	Effect of decrease by 200bp on Profit	Effect of increase by 200bp on Equity	Effect of decrease by 200bp on Equity
		N'million	N'million	N'million	N'million	N'million
Loans and advances to customers	+200bp/-200	1 091 675	21 833	(21 833)	21 833	(21 833)
Debts issued and other borrowed funds	+200bp/-200	124 484	(2 490)	2 490	(2 490)	2 490

(c) INTEREST RATE SENSITIVITY ANALYSIS ON FIXED RATE INSTRUMENTS ON PROFIT AND EQUITY

30 June 2025

Asset with variable interest rate	Increase/De crease in bp	Amount	Effect of increase by 200bp on Equity	Effect of decrease by 200bp on Equity	Effect of increase by 200bp on Equity	Effect of decrease by 200bp on Equity
		N'million	N'million	N'million	N'million	N'million
Investments:						
-Financial assets measured at FVTPL	+/-200bp	28 452	569	(569)	569	(569)
-Debt instruments at FVOCI*	+/-200bp	83 631	-	-	1 673	(1 673)

31 December 2024

Asset with variable interest rate	Increase/De crease in bp	Amount	Effect of increase by 200bp on Profit	Effect of decrease by 200bp on Profit	Effect of increase by 200bp on Equity	Effect of decrease by 200bp on Equity
		N'million	N'million	N'million	N'million	N'million
Investments:						
-Financial assets held for trading	+/-200bp	5 113	102	(102)	102	(102)
-Debt instruments at FVOCI*	+/-200bp	112 925	-	-	2 259	(2 259)

*Changes in the value of debt instruments at FVOCI will impact other comprehensive income (OCI) rather than profit.

Enterprise Risk Management- continued

3.4.4 Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the level of equity indices and individual stocks. A 20 percent increase in the value of the Group's equity investment at FVOCI at 30 June 2025 would have increased equity investment by N13.99 billion (December 2024: N28.04 billion). An equivalent decrease would have resulted in an equivalent but opposite impact.

3.5 Fair Value of Financial Assets and Liabilities Group

	30 June 2025		31 December 2024	
	Carrying value N'million	Fair value N'million	Carrying value N'million	Fair value N'million
Financial assets				
Cash and balances with Central bank of Nigeria	1 825 555	1 825 555	1 697 639	1 697 639
Cash	39 489	39 489	35 397	35 397
Balances with central bank other than mandatory reserve deposits	94 861	94 861	75 892	75 892
Mandatory reserve deposits with central banks	1 691 205	1 691 205	1 586 350	1 586 350
Due from banks	1 352 699	1 066 220	650 735	395 192
- Current balances with foreign banks	1 227 536	1 028 283	391 689	379 618
- Placements with other banks and discount houses	125 163	37 937	259 046	15 574
Loans and advances to customers	4 854 906	5 062 170	4 431 499	4 541 322
- Term loans	4 495 064	4 649 333	4 000 385	4 025 798
- Advances under finance lease	3 619	3 649	4 155	4 199
- Other loans	356 224	409 188	426 958	511 325
Derivative financial assets	21 176	21 176	50 293	50 293
Fair Value Through Profit and Loss	28 452	28 452	5 113	5 113
- Treasury bills	17 484	17 484	4 782	4 782
- Federal Government bonds	10 968	10 968	331	331
- Placement	-	-	-	-
Debt instruments at FVOCI	157 171	157 348	186 571	186 571
- Treasury bills	74 209	74 225	120 590	120 590
- Federal Government bonds	82 962	83 123	65 981	65 981
- State Government bonds	-	-	-	-
- Corporate bonds	-	-	-	-
Equity instruments measured at FVOCI	83 631	83 631	69 635	69 635
Debt instruments at amortised	1 378 318	1 380 286	1 552 346	1 553 764
- Treasury bills	903 168	904 142	1 078 287	1 079 081
- Federal Government bonds	446 161	447 003	448 867	449 392
- State Government bonds	8 953	9 018	9 997	10 027
- Corporate Bonds	20 036	20 123	15 196	15 265
	30 June 2025		31 December 2024	
	Carrying value N'million	Fair value N'million	Carrying value N'million	Fair value N'million
Financial liabilities				
Deposits from customers	3 325 369	3 325 369	3 097 254	3 097 254
Term	2 026 572	2 026 572	1 864 259	1 864 259
Domiciliary	1 298 797	1 298 797	1 232 995	1 232 995
Derivative financial liabilities	30 362	30 362	-	-
Debts issued and other borrowed funds	795 678	795 678	929 595	929 595

Financial Instruments Measured at Fair Value- continued

Group

30 June 2025

Financial assets

Assets measured at fair value

Financial assets at FVTPL

	Level 1 N'million	Level 2 N'million	Level 3 N'million	Total N'million
- Federal Government bonds	10 968	-	-	10 968
- State Government bonds	-	-	-	-
- Treasury bills	16 858	626	-	17 484
- Placement	-	-	-	-

Derivative financial assets	-	-	20 878	20 878
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Debt instruments measured at FVOCI

- Treasury bills	15 861	182	-	16 043
- Federal Government bonds	51 547	31 577	-	83 124
- State Government bonds	-	-	-	-
- Corporate bonds	2 079	-	-	2 079

Equity instruments measured at FVOCI	5 555	78 076		83 631
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Loans and Advances

- Term loans	-	-	4 649 760	4 649 760
- Advances under finance lease	-	-	3 649	3 649
- Other loans	-	-	409 232	409 232

Debt instruments at amortised cost

- Treasury bills	-	-	904 142	904 142
- Federal Government bonds	-	-	447 003	447 003
- State Government bonds	-	-	9 018	9 018
- Corporate Bonds	-	-	-	-

Financial liabilities at FVTPL

	Level 1 N'million	Level 2 N'million	Level 3 N'million	Total N'million
Derivative financial liabilities	-	-	-	-

Financial liabilities for which fair values are disclosed

Financial liabilities carried at amortised cost

Debt issued and other borrowed funds	-	-	795 678	795 678
Deposits from customers	-	-	6 939 106	6 939 106

The assets and liabilities not listed above are those that the carrying amount approximates the fair value as at the reporting date. These assets and liabilities have been excluded from the fair value table by hierarchy analysed

31 December 2024

Financial assets

Assets measured at fair value

Held for trading

- Federal Government bonds	331	-	-	331
- State Government bonds	-	-	-	-
- Treasury bills	4 782	-	-	4 782
- Placement	-	-	-	-

Derivative financial assets	-	-	50 292	50 292
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Debt instruments measured at FVOCI

- Treasury bills	46 944	-	-	46 944
- Federal Government bonds	-	-	-	-
- State Government bonds	-	-	-	-
- Corporate bonds	-	-	-	-

Equity instruments measured at FVOCI	3 773	37 777	63 403	104 953
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Loans and Advances

- Term loans	-	-	4 067 165	4 067 165
- Advances under finance lease	-	-	4 199	4 199
- Other loans	-	-	511 358	511 358

Financial Instruments Measured at Fair Value- continued

	Level 1	Level 2	Level 3	Total
	N'million	N'million	N'million	N'million
Debt instruments at amortised cost				-
- Treasury bills	-	1 079 081	0	1 079 081
- Federal Government bonds	-	-	449 392	449 392
- State Government bonds	-	-	10 027	10 027
- Corporate bonds	-	-	-	-
Financial liabilities at FVTPL				
Derivative financial liabilities				
Financial liabilities for which fair values are disclosed				
Financial liabilities carried at amortised cost				-
Debt issued and other borrowed funds	-	-	929 595	929 595
Deposits from customers	-	-	5 660 315	5 660 315

The assets and liabilities not listed above are those that the carrying amount approximates the fair value as at the reporting date. These assets and liabilities have been excluded from the fair value table by hierarchy analysed

Bank

30 June 2025

	Level 1	Level 2	Level 3	Total
	N'million	N'million	N'million	N'million
Financial assets				
Assets measured at fair value				
Financial assets at FVTPL				
- Federal Government bonds	10 968		-	10 968
- State Government bonds	-		-	-
- Treasury bills	16 858	626	-	17 484
- Placement	-	-	-	-
Derivative financial assets	-		20 878	20 878
Debt instruments measured at FVOCI				-
- Treasury bills	15 861	182	-	16 043
- Federal Government bonds		83 123	-	83 123
- State Government bonds	-		-	-
- Corporate bonds	2 079	-	-	2 079
Equity instruments measured at FVOCI	5 555	78 076		83 631
Loans and Advances				-
- Term loans	-	-	4 625 813	4 625 813
- Advances under finance lease	-	-	3 649	3 649
- Other loans	-	-	409 188	409 188
Debt instruments at amortised cost				-
- Treasury bills	-		904 142	-
- Federal Government bonds	-		447 003	447 003
- State Government bonds	-		9 018	9 018
- Investment - Placement			92 706	
- Corporate Bonds			20 123	20 123
Financial liabilities at FVTPL	0			
	Level 1	Level 2	Level 3	Total
	N'million	N'million	N'million	N'million
Derivative financial liabilities	-	-	-	-
Financial liabilities for which fair values are disclosed				
Financial liabilities carried at amortised cost				
Debt issued and other borrowed funds	-	-	795 678	795 678
Deposits from customers	-	-	6 939 106	6 939 106

The assets and liabilities not listed above are those that the carrying amount approximates the fair value as at the reporting date. These assets and liabilities have been excluded from the fair value table by hierarchy analysed

31 December 2024

	Level 1	Level 2	Level 3	Total
	N'million	N'million	N'million	N'million
Financial assets				
Assets measured at fair value				
Held for trading				
- Federal Government bonds	331		-	331
- State Government bonds	-		-	-
- Treasury bills	4 782		-	4 782
- Placement	-	-	-	-
Derivative financial assets	-		50 292	50 292

Financial Instruments Measured at Fair Value- continued

	Level 1	Level 2	Level 3	Total
	N'million	N'million	N'million	N'million
Debt instruments measured at FVOCI				-
- Treasury bills	46 944		-	46 944
- Federal Government bonds	65 981		-	65 981
- State Government bonds	-	-	-	-
- Corporate bonds	-	-	-	-
Equity instruments measured at FVOCI	4 018	65 617		69 635
Loans and Advances				-
- Term loans	-	-	4 025 798	4 025 798
- Advances under finance lease	-	-	4 199	4 199
- Other loans	-	-	511 325	511 325
Debt instruments at amortised cost				-
- Treasury bills	-	1 079 081	-	1 079 081
- Federal Government bonds	-		449 392	449 392
- State Government bonds	-		10 027	10 027
- Corporate bonds	-		15 265	15 265
Financial liabilities at FVTPL				-
Derivative financial liabilities				-
Financial liabilities for which fair values are disclosed				-
Financial liabilities carried at amortised cost				-
Debt issued and other borrowed funds	-	-	929 595	929 595
Deposits from customers			5 660 315	5 660 315

The assets and liabilities not listed above are those that the carrying amount approximates the fair value as at the reporting date. These assets and liabilities have been excluded from the fair value table by hierarchy analysed .

(b) Fair Valuation Methods and Assumptions

(i) Cash and balances with central banks

Cash and balances with central bank represent cash held with central banks of the various jurisdictions in which the Group operates. The fair value of these balances approximates their carrying amounts.

(ii) Due from other banks

Due from other banks represents balances with local and correspondence banks, inter-bank placements and items in the course of collection. The fair value of the current account balances, floating placements and overnight deposits approximates their carrying amounts.

(iii) Derivatives

The Group uses widely recognized 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 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.

(iv) Treasury Bills and Bonds

Treasury bills represent short term instruments issued by the Central banks of the jurisdiction where the Group operates. The fair value of treasury bills are derived from the quoted yields, while the fair value of bonds are determined with reference to quoted prices in active markets for identical assets. For certain securities market prices cannot be readily obtained especially for illiquid Federal Government Bonds, State Government and Corporate Bonds. Some of the positions were marked to market while others were marked-to-model at 30 June 2025 and 31 December 2024 based on yields for identical assets.

(v) Equity Securities

The fair value of unquoted equity securities are determined based on the level of information available. The investment in unquoted entities is carried at fair value. They are measured at fair value using price multiples.

The investment valuation policy of the Group provides the framework for accounting for the Group's investment in unquoted equity securities while also providing a broad valuation guideline to be adopted in valuing them. Furthermore, the policy details how the group decides its valuation policies and procedures and analyses changes in fair value measurements every reporting period .

IFRS 13- Fair Value Measurement outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in each of the unquoted equity securities at the end of the reporting period . The Discounted Cash flow (DCF) technique of the income approach was adopted in valuing each of these equity investments taken into cognizance the suitability of the model to each equity investment and the available financial information. Description of Valuation Methodology and inputs: Discounted Cash flow Technique (DCF). The fair value of the unquoted equity securities was derived using the Discounted Cash Flow technique.

The steps involved in estimating the fair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows: Step 1: A forecast of the Free Cash Flow to the company (FCFC) for each of the equity investments was made using provided definition, explanation and derivation of the Free Cash Flow to the company). Step 2: The FCFC forecasts were discounted to present value using the company's WACC.

Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFC by the capitalization rate . Step 4: The terminal value was discounted to present value using the company's WACC Step 5: The firm value was obtained by adding the present value of the five-year FCFC obtained in step (2) above to the present value of terminal value obtained in step (4) above. Step 6: The equity value of the company was obtained by deducting the value of the debt of the company from the company value obtained in step (5) above (i.e. Company value minus market value of debt = Equity value). Step 7: The equity value per share was obtained by dividing the Equity value obtained in step (6) above by the number of shares outstanding in the company. Step 8: The fair value of the group's investment in each of the relevant unquoted equity securities was derived by multiplying the number of the Groups' shares in the investee by the value per share obtained in step (7) above.

(vi) Loans and Advances to customers

Loans and advances are carried at amortised cost net of allowance for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(vii) Overdraft

The management assessed that the fair value of Overdrafts approximate their carrying amounts largely due to the short-term maturities of these instruments.

(viii) Other Assets

Other assets represent monetary assets which usually has a short recycle period and as such the fair values of these balances approximate their carrying amount.

(b) Fair Valuation Methods and Assumptions- continued

(ix) Deposits from banks and due to customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair values of fixed interest-bearing deposits and borrowings are determined using a discounted cash flow model based on a current yield curve appropriate for the remaining term to maturity.

(x) Other Liabilities

Other liabilities represent monetary assets which usually has a short recycle period and as such the fair values of these balances approximate their carrying amount.

(xi) Debt Issued And Other Borrowed Funds

The fair value of the Group's Eurobond issued is derived from quoted market prices in active markets. The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value is determined by using discounted cashflow method.

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 ACord (Interenal 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.

4. Capital Management- continued

The table below summarises the composition of regulatory capital and the ratios of the Bank as at 30 June 2025 and as at 31 December 2024. During those two periods, the Bank as an entity complied with all of the externally imposed capital requirements to which it is subject to.

	30 June 2025	31 December 2024
	N'million	N'million
Tier 1 capital		
Share capital	25 100	25 100
Share premium	280 455	280 455
Retained earnings	229 469	245 459
Statutory reserve	127 863	108 711
Small scale investment reserve	35 713	29 329
Tier 1 Deductions - Intangible Assets	(23 831)	(14 371)
Under Impairment	(303 475)	-
Total qualifying Tier 1 capital	371 294	674 683
Regulatory adjustment	-	55 386
Investment In Subsidiary	68 591	68 591
Adjusted qualifying Tier 1 capital	302 703	550 706
Tier 2 capital		
Eurobond Issue	-	-
Local Bond Issue (Discounted at 60%)	42 300	42 261
Revaluation reserve	-	-
Fair value reserve	81 737	69 131
Total Tier 2 capital	124 037	111 392
Qualifying Tier 2 Capital restricted to lower of Tier 2 and 33.33% of Tier 1 Capital		
	123 765	111 392
Total Tier 1 & Tier 2 Capital	426 468	662 098
Risk-weighted assets:		
Credit Risk Weighted Assets	2 117 532	2 102 092
Market Risk Weighted Assets	26 792	15 559
Operational Risk Weighted Assets	703 571	703 571
Total risk-weighted assets	2 847 895	2 821 222
Capital Adequacy Ratio (CAR)	15%	23%
Minimum Capital Adequacy Ratio	15%	15%

5 SEGMENT ANALYSIS

Following the management approach of IFRS 8, operating segments are reported in accordance with the internal reports provided to the Bank's Executive Committee (the chief operating decision maker). During the period to 30 June, 2025, Management prepared its financial records in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. This segment is what the Bank's Executive Committee reviews in assessing performance, allocating resources and making investment decisions.

Transactions between the business segments are on normal commercial terms and conditions.

Segment result of operations

The segment information provided to the Executive Committee for the reportable segments for the period ended 30 June 2025 is as follows:

	Group			
	Retail banking	Corporate banking	Investment banking	Combined
	N 'millions	N 'millions	N 'millions	N 'millions
At 30 June 2025				
Revenue derived from external customers	458 452	115 121	175 135	748 707
Revenues from other segments	-	-	-	-
Total	458 452	115 121	175 135	748 707
Interest income	355 858	119 966	183 861	659 686
Interest expense	(129 677)	(36 912)	(72 679)	(239 268)
Fees and commission income	28 413	15 377	9 562	53 352
Fee and commission expense	(3 556)	(1 798)	(965)	(6 318)
Operating Expense	(160 036)	(32 109)	(48 848)	(240 992)
Profit before tax	117 072	35 525	27 932	180 529
Income tax expense	(29 014)	(6 493)	(9 877)	(45 383)
Profit for the period ended 30 June 2025	88 059	29 032	18 055	135 146
	-	-	-	-
Total segment assets	4 822 530	2 677 159	2 551 470	10 051 160
Total segment liabilities	4 230 170	2 525 142	2 320 205	9 075 517
	-	-	-	-
Other segment information	-	-	-	-
Depreciation / amortization	(4 359)	(2 624)	(2 214)	(9 197)

The segment information provided to the Executive Committee for the reportable segments for the period ended 30 June 2024 is as follows:

	Group			
	Retail banking	Corporate banking	Investment banking	Combined
	N 'millions	N 'millions	N 'millions	N 'millions
At 30 June 2024				
Revenue derived from external customers	314 992	90 362	107 509	512 864
Revenues from other segments	-	-	-	-
Total	314 992	90 362	107 509	512 864
Interest income	255 539	94 442	123 255	473 236
Interest expense	(81 716)	(19 426)	(45 688)	(146 830)
Fees and commission income	24 955	6 377	3 723	35 055
Fee and commission expense	(2 769)	(798)	(291)	(3 858)
Operating Expense	(86 501)	(31 433)	(37 397)	(155 331)
Profit before tax	161 109	27 415	12 347	200 871
Income tax expense	(38 608)	(1 110)	(1 320)	(41 038)
Profit for the period ended 30 June 2024	122 501	26 305	11 027	159 833
	-	-	-	-
Total segment assets	4 337 784	1 640 703	1 952 041	7 930 528
Total segment liabilities	3 947 841	1 531 336	1 821 920	7 301 097
	-	-	-	-
Other segment information	-	-	-	-
Depreciation / amortization	(2 670)	(1 082)	(898)	(4 651)

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in the period ended 30 June 2025 and 30 June 2024. The cashflow information for the reporting segment is not provided to the chief operating decision maker.

In the opinion of the directors, all of the Bank's income from the United Kingdom component derives from one main activity, commercial and retail banking, which is carried out in the United Kingdom.

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5 SEGMENT ANALYSIS- Continued

	Bank			
	Retail banking	Corporate	Investment	Combined
	N 'millions	banking	banking	N 'millions
	N 'millions	N 'millions	N 'millions	N 'millions
At 30 June 2025				
Revenue derived from external customers	442 748	115 121	175 135	733 004
Revenues from other segments	-	-	-	-
Total	442 748	115 121	175 135	733 004
Interest income	342 476	119 966	183 861	646 304
Interest expense	-125 086	-36 912	-72 679	(234 677)
Fees and commission income	26 703	15 377	9 562	51 642
Fee and commission expense	(3 556)	(1 798)	(965)	(6 318)
Operating Expense	(148 433)	(32 109)	(48 848)	(229 390)
Profit before tax	117 723	35 525	27 932	181 180
Income tax expense	(34 294)	(6 493)	(9 877)	(50 664)
Profit for the period ended 30 June 2025	83 429	29 032	18 055	130 516
	-	-	-	-
Total segment assets	4 612 985	2 677 159	2 551 470	9 841 615
Total segment liabilities	4 060 266	2 525 142	2 320 205	8 905 613
	-	-	-	-
Other segment information	-	-	-	-
Depreciation / amortization	(3 946)	(2 624)	(2 214)	(8 784)

The segment information provided to the Executive Committee for the reportable segments for the period ended 30 June 2024 is as follows:

	Bank			
	Retail banking	Corporate	Investment	Combined
	N 'millions	banking	banking	N 'millions
	N 'millions	N 'millions	N 'millions	N 'millions
At 30 June 2024				
Revenue derived from external customers	307 388	90 362	107 509	505 259
Revenues from other segments	-	-	-	-
Total	307 388	90 362	107 509	505 259
Interest income	249 436	94 442	123 255	467 133
Interest expense	-81 773	-19 426	-45 688	-146 887
**Fees and commission income	23 703	6 377	3 723	33 802
**Fee and commission expense	-2 556	-798	-291	-3 645
Operating Expense	-77 955	-31 433	-37 397	(146 785)
Profit before tax	162 876	27 415	12 347	202 638
Income tax expense	(41 642)	(1 110)	(1 320)	(44 072)
Profit for the period ended 30 June 2024	121 234	26 305	11 027	158 566
	-	-	-	-
Total segment assets	4 408 219	2 400 345	1 736 672	8 545 237
Total segment liabilities	3 990 545	2 144 595	1 551 634	7 686 773
	-	-	-	-
Other segment information	-	-	-	-
Depreciation / amortization	(5 606)	(2 838)	(2 053)	(10 497)

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in the year ended 30 June 2025 and 30 June 2024 . The cashflow information for the reporting segment is not provided to the chief operating decision maker .

5 SEGMENT ANALYSIS- Continued

Segment report by country:

The segment information by country provided to the Executive Committee for the reportable segments for the period ended 30 June 2025 is as follows:

	Group by Country		
	Nigeria	United Kingdom	Combined
	N 'millions	N 'millions	N 'millions
At 30 June 2025			
Revenue derived from external customers	733 004	15 703	748 707
Revenues from other segments	-	-	-
Total	733 004	15 703	748 707
Interest income	646 304	13 382	659 686
Interest expense	(234 677)	(4 591)	(239 268)
Operating Expense	(229 390)	(11 602)	(240 992)
Profit before tax	181 180	(651)	180 529
Income tax expense	(50 664)	5 281	(45 383)
Profit for the period ended 30 June 2025	130 516	4 630	135 146
	-	-	-
Total segment assets	9 841 615	209 545	10 051 160
Total segment liabilities	8 905 613	169 904	9 075 517
Other segment information			
Depreciation / amortization	(8 784)	(413)	(9 197)

The segment information by country provided to the Executive Committee for the reportable segments for the year ended 31 December 2024 is as follows:

	Group by Country		
	Nigeria	United Kingdom	Combined
	N 'millions	N 'millions	N 'millions
At 30 June 2024			
Revenue derived from external customers	505 259	7 605	512 864
Revenues from other segments	-	-	-
Total	505 259	7 605	512 864
Interest income	467 133	6 103	473 236
Interest expense	(146 887)	57	(146 830)
Operating Expense	(146 785)	(8 546)	(155 331)
Profit before tax	202 638	(1 767)	200 871
Income tax expense	(44 072)	3 034	(41 038)
Profit for the period ended 30 June 2024	158 566	1 267	159 833
	-	-	-
Total segment assets	7 774 134	156 394	7 930 528
Total segment liabilities	7 185 620	115 477	7 301 097
Other segment information			
Depreciation / amortization	(4 275)	(376)	(4 651)

Notes To The Financial Statements:

6 Interest and similar income using effective interest rate method

	Group 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
Loans and advances to customers	403 464	286 110	395 371	282 093
Advances under finance lease	489	943	489	943
Treasury bills and other investment securities:				
-Fair value through other comprehensive income	57 561	10 254	56 085	10 254
-Amortised cost	90 414	61 480	90 414	62 345
Placements and short term funds	5 986	5 171	2 173	2 221
	557 914	363 959	544 532	357 856

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 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
Term deposits	131 134	75 080	129 479	76 622
Debts issued and other borrowed funds	61 315	37 756	61 224	37 697
Savings deposits	26 410	17 805	26 392	17 795
Current accounts	16 596	6 850	16 592	6 847
Inter-bank takings	3 088	2 266	264	854
Intervention loan	725	7 073	725	7 073
	239 268	146 830	234 677	146 887

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 June 2025 recorded in profit or loss:

Note	Group					POCI	Total
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3		
	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Due from banks (Note 19)	-	(148)	-	-	-	-	(148)
Loans and advances to customers (Note 22)	-	21 999	-	22 700	(32 618)	-	12 080
Debt instruments measured at FVOCI (24.6.1)	-	91	-	-	-	-	91
Debt instruments measured at amortised costs (24.6.2)	-	736	-	-	-	-	736
Financial guarantees (Note 32.3.1)	-	267	-	-	-	-	267
Letters of credit (Note 32.3.2)	-	630	-	-	-	-	630
	-	23 575	-	22 700	(32 618)	-	13 656
Other assets (Note 29)	-	-	-	-	-	-	-
	-	23 575	-	22 700	(32 618)	-	13 656

Notes To The Financial Statements:

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

Note	Group						POCI	Total
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3			
	N'million	N'million	N'million	N'million	N'million	N'million		
Due from banks (Note 19)	-	347	-	-	-	-	-	347
Loans and advances to customers (Note 22)	-	(6 887)	-	21 141	20 219	-	-	34 474
Debt instruments measured at FVOCI (24.6.1)	-	(511)	-	-	-	-	-	(511)
Debt instruments measured at amortised costs (24.6.2)	-	(352)	-	-	-	-	-	(352)
Financial guarantees (Note 32.3.1)	-	255	-	-	-	-	-	255
Letters of credit (Note 32.3.2)	-	(390)	-	-	-	-	-	(390)
	-	(7 539)	-	21 141	20 219	-	-	33 822
Other assets (Note 29)	2 108	-	-	-	-	-	-	2 108
	-	-	-	-	-	-	-	-
	2 108	(7 539)	-	21 141	20 219	-	-	35 930

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

Note	Bank						
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Due from banks (Note 19)	-	328	-	-	-	-	328
Loans and advances to customers (Note 22)	-	21 894	-	22 700	(32 605)	-	11 989
Debt instruments measured at FVOCI (24.6.1)	-	79	-	-	-	-	79
Debt instruments measured at amortised costs (24.6.2)	-	550	-	-	-	-	550
Financial guarantees (Note 32.3.1)	-	267	-	-	-	-	267
Letters of credit (Note 32.3.2)	-	695	-	-	-	-	695
	-	23 813	-	22 700	(32 605)	-	13 908
Other assets (Note 29)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	23 813	-	22 700	(32 605)	-	13 908

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

Note	Bank						POCI	Total
	Stage 1	Stage 1	Stage 2	Stage 2	Stage 3			
	Individual	Collective	Individual	Collective				
	N'million	N'million	N'million	N'million				
Due from banks (Note 19)	-	421	-	-	-	-	421	
Loans and advances to customers (Note 22)	-	(7 241)	-	21 127	20 222	-	34 108	
Debt instruments measured at FVOCI (24.6.1)	-	(513)	-	-	-	-	(513)	
Debt instruments measured at amortised costs (	-	(352)	-	-	-	-	(352)	
Financial guarantees (Note 32.3.1)	-	255	-	-	-	-	255	
Letters of credit (Note 32.3.2)	-	(390)	-	-	-	-	(390)	
	-	(7 820)	-	21 127	20 222	-	33 529	
Other assets (Note 29)	2 108	-	-	-	-	-	2 108	
	-	-	-	-	-	-	-	
	2 108	(7 820)	-	21 127	20 222	-	35 637	

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.

Segments	Group			
	30 June 2025			
	Retail banking N'million	Corporate banking N'million	Investment banking N'million	Total N'million
Fee and commission type:				
ATM charges	2 615	1 717	1 038	5 370
Accounts maintenance charge	5 058	968	734	6 760
Commission on E-banking activities	1 075	451	215	1 741
Commission on travellers cheque and foreign bills	6 389	1 708	973	9 069
Commission on fidelity connect	1 480	553	280	2 314
Letters of credit commissions and fees	7 600	2 226	871	10 697
Commissions on off balance sheet transactions	3 846	1 585	746	6 178
Other fees and commissions	362	129	85	576
Commission and fees on banking services	573	288	185	1 046
Commission and fees on NXP	52	34	19	105
Collection fees	107	44	38	189
Telex fees	896	188	146	1 230
Cheque issue fees	19	9	-	28
Remittance fees	24	11	4	40
Total revenue from contracts with customers	30 097	9 912	5 335	45 343
Other non-contract fee income:				
Credit related fees	7 027	982	-	8 009
Total fees and commission income	37 124	10 894	5 335	53 352
Fee and commission expense	(4 330)	(1 383)	(605)	(6 318)
Net fee and commission income	32 794	9 511	4 730	47 034

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.

Segments	Group			
	30 June 2024			
	Retail banking N'million	Corporate banking N'million	Investment banking N'million	Total N'million
Fee and commission type:				
ATM charges	2 116	1 537	874	4 527
Accounts maintenance charge	4 630	643	610	5 883
Commission on E-banking activities	1 042	823	249	2 114
Commission on travellers cheque and foreign bills	4 096	668	502	5 266
Commission on fidelity connect	1 299	324	216	1 839
Letters of credit commissions and fees	6 293	639	634	7 565
Commissions on off balance sheet transactions	1 476	537	229	2 242
Other fees and commissions	246	146	59	451
Commission and fees on banking services	401	132	146	678
Commission and fees on NXP	23	27	15	65
Collection fees	104	39	35	179
Telex fees	734	160	138	1 032
Cheque issue fees	18	13	-	31
Remittance fees	80	20	15	115
Total revenue from contracts with customers	22 559	5 706	3 723	31 988
Other non-contract fee income:				
Credit related fees	2 397	671	-	3 067
Total fees and commission income	24 955	6 377	3 723	35 055
Fee and commission expense	(2 769)	(798)	(291)	(3 858)
Net fee and commission income	22 186	5 579	3 431	31 197

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:

Segments	Bank			
	30 June 2025			
	Retail banking N'million	Corporate banking N'million	Investment banking N'million	Total N'million
Fee and commission type:				
ATM charges	2 615	1 717	1 038	5 370
Accounts maintenance charge	5 058	968	734	6 760
Commission on E-banking activities	1 075	451	215	1 741
Commission on travellers cheque and foreign bills	6 389	1 708	973	9 069
Commission on fidelity connect	1 480	553	280	2 314
Letters of credit commissions and fees	5 970	2 226	871	9 067
Commissions on off balance sheet transactions	3 846	1 585	746	6 178
Other fees and commissions	281	129	85	496
Commission and fees on banking services	573	288	185	1 046
Commission and fees on NXP	52	34	19	105
Collection fees	107	44	38	189
Telex fees	896	188	146	1 230
Cheque issue fees	19	9	-	28
Remittance fees	24	11	4	40
Total revenue from contracts with customers	28 386	9 912	5 335	43 633
Other non-contract fee income:				
Credit related fees	7 027	982	-	8 009
Total fees and commission income	35 414	10 894	5 335	51 642
Fee and commission expense	(4 330)	(1 383)	(605)	(6 318)
Net fee and commission income	31 083	9 511	4 730	45 324

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.

Segments	Bank			
	30 June 2024			
	Retail banking N'million	Corporate banking N'million	Investment banking N'million	Total N'million
Fee and commission type:				
ATM charges	2 116	1 537	874	4 527
Accounts maintenance charge	4 499	643	610	5 752
Commission on E-banking activities	1 042	823	249	2 114
Commission on travellers cheque and foreign bills	4 096	668	502	5 266
Commission on fidelity connect	1 299	324	216	1 839
Letters of credit commissions and fees	5 171	639	634	6 444
Commissions on off balance sheet transactions	1 476	537	229	2 242
Other fees and commissions	246	146	59	451
Commission and fees on banking services	401	132	146	678
Commission and fees on NXP	23	27	15	65
Collection fees	104	39	35	179
Telex fees	734	160	138	1 032
Cheque issue fees	18	13	-	31
Remittance fees	80	20	15	115
Total revenue from contracts with customers	21 306	5 706	3 723	30 735
Other non-contract fee income:				
Credit related fees	2 397	671	-	3 067
Total fees and commission income	23 703	6 377	3 723	33 802
Fee and commission expense	(2 556)	(798)	(291)	(3 645)
Net fee and commission income	21 147	5 579	3 431	30 158

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 loss on financial asset

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

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

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 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
Dividend income	827	622	827	622
Profit / (Loss) on disposal of property, plant and equipment	87	102	87	102
Loan Recoveries	472	229	472	229
Other income	635	195	344	107
	2 021	1 148	1 730	1 060

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 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
Net foreign exchange gains	33 648	3 425	33 328	3 264
	33 648	3 425	33 328	3 264

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 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
Net gains/(losses) arising from:				
- Bonds	185	518	185	518
- Treasury bills	151	(40)	151	(40)
- Placements/Foreign exchange	-	-	-	-
	336	478	336	478

Amounts reclassified on debt instruments financial assets reclassified from the bank's other comprehensive income amount to a loss of N68 million (30 June 2024: N2,113 million gain). No additional amounts arose in the group.

Notes To The Financial Statements:

12.1 Other interest and similar income measured at FVTPL

101 772	109 277	101 772	109 277
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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 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
- Derivatives -(Realized)	-	34 212	-	34 212
- Derivatives - (Unrealized)	- 59 776	-	(59 776)	-
	(59 776)	34 212	(59 776)	34 212

Notes To The Financial Statements:

13 Personnel expenses

	Group 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
Wages and salaries	39 114	18 620	33 139	14 236
End of the year bonus (see note 31)	978	7 456	978	7 456
Pension contribution	837	676	294	272
	40 929	26 752	34 411	21 964

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

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 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
Property, plant and equipment (Note 25)	6 178	3 013	6 158	2 994
Computer software (Note 27)	2 281	1 011	2 182	924
Goodwill impairment (Note 21)	-	-	-	-
Depreciation of ROU asset (Note 26)	738	627	444	357
	9 197	4 651	8 784	4 275

15 Other operating expenses

	Group 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
Marketing, communication & entertainment	28 902	14 090	28 747	14 073
Banking sector resolution cost	50 986	35 809	50 986	35 809
Outsourced cost	6 736	4 347	6 730	4 347
Deposit insurance premium	12 767	7 242	12 767	7 242
Repairs and maintenance	5 654	6 504	5 619	6 492
Other expenses	5 925	4 850	4 982	4 411
Computer expenses	27 093	22 722	25 561	21 941
Lease expense (Finance Cost)	27	22	27	22
Security expenses	3 677	1 390	3 677	1 390
Rent and rates	736	513	415	356
Cash movement expenses	880	955	828	560
Training expenses	599	454	575	432
Travelling and accommodation	3 533	2 971	3 504	2 890
Consultancy expenses	8 135	6 647	7 886	6 394
Corporate finance expenses	5 209	11 905	5 209	11 905
Legal expenses	30 053	701	29 809	611
Electricity	860	474	845	453
Office expenses	344	384	344	273
Directors' emoluments	736	1 276	503	982
Insurance expenses	470	442	224	251
Stationery expenses	928	797	925	786
Bank charges	3 260	2 330	2 967	2 279
Auditors' remuneration	833	739	242	161
Donation	1 181	690	1 181	535
Telephone expenses	252	199	139	103
Postage and courier expenses	288	122	288	122
Loss on disposal of property, plant and equipment	-	1	-	1
	200 063	128 579	194 979	124 821

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 30 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
a Income tax expense				
Current taxes on income for the period (Minimum tax)	54 885	37 516	54 885	37 516
Tertiary education tax (note 16g)	6 220	3 984	6 220	3 984
Police Trust Fund (note 16e)	-	10	-	10
National Agency for science and engineering infrastructure 0.25%	453	503	453	503
Capital gains tax	-	-	-	-
Information Technology levy (note 16f)	1 812	2 013	1 812	2 013
Current income tax expense	63 370	44 026	63 370	44 026
Deferred tax expense	(17 987)	(2 988)	(12 706)	46
	45 383	41 038	50 664	44 072

	2025 N'million	2024 N'million	2025 N'million	2024 N'million
b Total income tax expense in profit or loss				
Profit before income tax	180 529	200 871	181 180	202 638
Income tax using the domestic corporation tax rate of 33% Education Tax inclusive (Dec 2024 : 33%)	54 159	60 261	54 354	60 791
Non-deductible expenses	1 425	26 658	1 425	26 658
Tax exempt income	(18 686)	(24 349)	(13 600)	(24 349)
Utilization of previously unrecognised tax losses	-	-	-	-
Balancing Charge	-	281	-	281
Income Tax expense	-	37 516	-	37 516
Effect of concessions (research and development and other allowances)				
Tertiary education tax (note 16g)	6 220	3 984	6 220	3 984
Capital allowance	-	(2 590)	-	(2 590)
Police Trust Fund (note 16e)	-	10	-	10
National Agency for science and engineering infrastructure 0.25%	453	503	453	503
Information Technology levy (note 16f)	1 812	2 013	1 812	2 013
Deferred Tax expense	-	(2 988)	-	46
	45 383	41 038	50 664	44 072

Effective tax rate

The effective income tax rate is 27.96% (30 June 2024: 21.75%).

	2025 N'million	2024 N'million	2025 N'million	2024 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	(92 166)	(22 635)	(94 851)	(22 580)
WHT recovered	-	(112)	-	(112)
Current income tax expense	58 090	93 777	63 370	96 435
At 30 June / 31 December	63 818	97 894	69 098	100 579

	N'million 2025	N'million 2024	N'million 2025	N'million 2024
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 June / 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. While N3,235 million has been estimated as Windfall levy for period ended June 2025.

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 year
- 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 year 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 year.

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 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
Profit attributable to equity holders of the Bank (N'million)	132 312	159 833	127 682	158 566
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)	264	499	254	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

	30 June 2025 N'million	31 December 2024 N'million	30 June 2025 N'million	31 December 2024 N'million
Cash	39 488	35 397	39 488	35 397
Balances with central bank other than mandatory reserve deposits	94 861	75 892	94 861	75 892
Due from banks	1 214 868	596 161	1 064 743	394 042
Total cash and cash equivalents	1 349 217	707 450	1 199 092	505 331

19.1 Due from Banks

	30 June 2025 N'million	31 December 2024 N'million	30 June 2025 N'million	31 December 2024 N'million
Current accounts with foreign banks	1 091 054	392 838	1 028 283	379 618
Placements with other banks and discount houses	125 371	205 027	37 937	15 574
Sub-total	1 216 425	597 866	1 066 220	395 192
Less: Allowance for impairment losses	-1 557	(1 705)	(1 478)	(1 150)
	1 214 868	596 161	1 064 743	394 042

19.2 Movement in allowance for impairment losses

	30 June 2025 N'million	31 December 2024 N'million	30 June 2025 N'million	31 December 2024 N'million
At 1 Jan	1 705	23	1 150	225
Profit or Loss	(148)	1 682	328	925
At 30 June	1 557	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 June 2025			
	Stage 1 individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
External rating grade				
Performing				
High grade	1 119 940	-	-	1 119 940
Standard grade	37 022	-	-	37 022
Sub-standard grade	59 463	-	-	59 463
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	1 216 425	-	-	1 216 425
31 December 2024				
	Stage 1 individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	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 June 2025			
	Stage 1 individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
External rating grade				
Performing				
High grade	919 295	-	-	919 295
Standard grade	105 070	-	-	105 070
Sub-standard grade	41 856	-	-	41 856
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	1 066 220	-	-	1 066 220
31 December 2024				
	Stage 1 individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	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 June 2025			
	Stage 1 individual N'million	Stage 2 Individual N'million	Stage 3 N'million	Total N'million
Gross carrying amount as at 1 January 2025	482 586 -	15 438	-	395 192
New assets originated or purchased	949 859	-	-	949 859
Assets derecognised or repaid (excluding write offs)	(101 795)	(15 438)	-	(117 234)
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	(11 392)	-	-	(11 392)
At 30 June 2025	1 319 257 -	-	-	1 216 425

	31 December 2024			
	Stage 1 individual N'million	Stage 2 Individual N'million	Stage 3 N'million	Total 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 June 2025			
	Stage 1 individual N'million	Stage 2 Individual N'million	Stage 3 N'million	Total N'million
Gross carrying amount as at 1 January 2025	395 192	-	-	395 192
New assets originated or purchased	698 283	-	-	698 283
Assets derecognised or repaid (excluding write offs)	(15 863)	-	-	(15 863)
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	(11 392)	-	-	(11 392)
At 30 June 2025	1 066 220	-	-	1 066 220

	31 December 2024			
	Stage 1 individual N'million	Stage 2 Individual N'million	Stage 3 N'million	Total 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 June 2025				
	Stage 1 individual N'million	Stage 2 Individual N'million		Stage 3 N'million	Total N'million
ECL allowance as at 1 January 2025	1 266	439	-	-	1 705
New assets originated or purchased	423	-	-	-	423
Assets derecognised or repaid (excluding write offs)	(74)	(439)	-	-	(512)
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	(43)	-	-	-	(43)
Changes in PD/LGD/EAD and Accrued Interest	-	-	-	-	-
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	(15)	-	-	-	(15)
At 30 June 2025	1 557	-	-	-	1 557

	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	363	32	-	-	395
New assets originated or purchased	938	443	-	-	1 382
Assets derecognised or repaid (excluding write offs)	(247)	(32)	-	-	(278)
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	(0)	-	-	207
At 31 December 2024	1 262	443	-	-	1 705

Bank

	30 June 2025				
	Stage 1 individual N'million	Stage 2 Individual N'million		Stage 3 N'million	Total N'million
ECL allowance as at 1 January 2025	1 150	-	-	-	1 150
New assets originated or purchased	349	-	-	-	349
Assets derecognised or repaid (excluding write offs)	(7)	-	-	-	(7)
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	(15)	-	-	-	(15)
At 30 June 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 June 2025 and at 31 December 2024.

20 Restricted balances with central bank

	31 December		31 December	
	30 June 2025	2024	30 June 2025	2024
	N'million	N'million	N'million	N'million
Mandatory reserve deposits with central bank (see note 20.1 below)	1 487 789	1 364 987	1 487 789	1 364 987
Special cash reserve (see note 20.2 below)	203 416	221 362	203 416	221 362
Carrying amount	1 691 205	1 586 350	1 691 205	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 June 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 June / 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 June 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 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Loans to corporate and other organisations	4 976 456	4 496 059	4 980 657	4 472 918
Loans to individuals	86 185	86 652	57 993	68 404
	5 062 641	4 582 711	5 038 650	4 541 322
Less: Allowance for ECL/impairment losses	(207 733)	(195 605)	(207 263)	(195 273)
	4 854 908	4 387 106	4 831 387	4 346 049
	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Loans to corporate entities and other organisations				
Overdrafts	389 369	487 128	389 369	487 128
Term loans	4 583 991	4 005 403	4 588 192	3 982 251
Advance under finance lease	3 096	3 538	3 096	3 538
	4 976 456	4 496 070	4 980 657	4 472 918
Less: Allowance for ECL/impairment losses	(198 449)	(178 117)	(198 082)	(177 889)
	4 778 007	4 317 953	4 782 575	4 295 029
Loans to individuals				
Overdrafts	19 862	24 230	19 819	24 197
Term loans	65 769	61 762	37 621	43 547
Advance under finance lease	554	660	554	661
	86 185	86 652	57 993	68 404
Less: Allowance for ECL/impairment losses	(9 284)	(17 488)	(9 181)	(17 384)
	76 901	69 165	48 812	51 020
Net loans and advances include	4 854 908	4 387 117	4 831 387	4 346 049

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 June 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)	206 930	270 351	-	-	477 282
Standard grade (BBB - B)	3 177 155	1 239 202	-	-	4 416 356
Sub-standard grade (CCC -	14	-	-	-	14
Past due but not impaired	-	10 843	-	-	10 843
Non- performing:	-	-	-	-	-
Individually impaired	-	-	71 961	-	71 961
Total	3 384 099	1 520 396	71 961	-	4 976 456
	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
Bank	30 June 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)	204 867	270 351	-	-	475 218
Standard grade (BBB - B)	3 194 263	1 239 202	-	-	4 433 464
Sub-standard grade (CCC -	14	-	-	-	14
Past due but not impaired	-	-	-	-	-
Non- performing:	-	-	-	-	-
Individually impaired	-	-	71 961	-	71 961
Total	3 399 144	1 509 553	71 961	-	4 980 657
	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 June 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	3 305 920	1 122 202	111 607	-	4 539 729
New assets originated or purchased	807 113	-	-	-	807 113
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-
Transfers to Stage 1	(405 415)	(1 216)	(3 574)	-	(410 205)
Transfers to Stage 2	69 902	(65 994)	(3 908)	-	0
Transfers to Stage 3	(401 877)	424 873	(22 996)	-	(0)
Transfers to Stage 3	(51 607)	(0)	51 607	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
	693	-	-	-	693
Unwind of discount	43 979	32 220	2 344	-	78 543
Amounts written off	-	-	(62 883)	-	(62 883)
Changes in PD/LGD/EAD Including Accrued Interest	-	-	-	-	-
	26 307	13 908	(229)	-	39 986
Foreign exchange adjustments	(11 957)	(5 597)	(6)	-	(17 560)
At 30 June 2025	3 383 058	1 520 396	71 961	-	4 975 415

Group	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	1 878 553	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
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 Including Accrued Interest	-	-	-	-	-
	79 604	34 705	6 587	-	120 897
Foreign exchange adjustments	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 June 2025				
	Stage 1 Collectively	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million	Total N'million
ECL allowance as at 1 January					
2025 under IFRS 9	12 672	92 832	72 642	-	178 146
New assets originated or purchased	21 512	-	-	-	21 512
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-
Transfers to Stage 1	(4 395)	(1 522)	(98)	-	(6 015)
Transfers to Stage 2	7 262	(6 596)	(666)	-	-
Transfers to Stage 3	(3 904)	4 829	(926)	-	(1)
Transfers to Stage 3	(25 513)	0	25 513	-	-
Unwind of discount	20 511	4 802	5 717	-	31 031
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Changes in PD/LGD/EAD Including Accrued	7 288	22 018	8 235	-	37 541
Changes to models and inputs used for ECL	-	-	-	-	-
Amounts written off	-	-	(62 883)	-	(62 883)
Foreign exchange adjustments	(86)	(792)	(4)	-	(882)
At 30 June 2025	35 347	115 571	47 531	-	198 449

Notes To The Financial Statements:

	31 December 2024				
	Stage 1 Collectively	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	-	0.00
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

Bank	30 June 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	851 204	-	-	-	851 204
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-
Transfers to Stage 1	(381 679)	(1 216)	(3 574)	-	(386 469)
Transfers to Stage 2	69 902	(65 994)	(3 908)	-	0
Transfers to Stage 3	(391 952)	414 949	(22 996)	-	(0)
Transfers to Stage 3	(51 607)	(0)	51 607	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Unwind of discount	693	-	-	-	693
Unwind of discount	43 979	32 220	2 344	-	78 543
Amounts written off	-	-	(62 883)	-	(62 883)
Changes in PD/LGD/EAD Including Accrued Interest	32 308	12 989	(229)	-	45 068
Foreign exchange adjustments	(12 812)	(5 597)	(6)	-	(18 416)
At 30 June 2025	3 399 144	1 509 553	71 961	-	4 980 657

	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)	-	-	-	-	-
Transfers to Stage 1	(157 750)	(149 346)	(12 050)	-	(319 146)
Transfers to Stage 2	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	-	-	-	-	-
Unwind of discount	-	(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 June 2025				
	Stage 1 Collectively	Stage 2 Collectively N'million	Stage 3 N'million	POCI N'million	Total N'million
ECL allowance as at 1 January					
2025 under IFRS 9	12 416	92 832	72 642	-	177 889
New assets originated or purchased	20 964	-	-	-	20 964
Assets derecognised or repaid (excluding write offs)	(4 386)	(1 542)	(98)	-	(6 025)
Transfers to Stage 1	7 262	(6 596)	(666)	-	-
Transfers to Stage 2	(3 904)	4 829	(926)	-	1
Transfers to Stage 3	(25 513)	0	25 513	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-
Unwind of discount	20 511	4 802	5 717	-	31 031
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Changes in PD/LGD/EAD Including Accrued	7 735	22 018	8 236	-	37 989
Changes to models and inputs used for ECL calculations	-	-	-	-	-
Amounts written off	-	-	(62 883)	-	(62 883)
Foreign exchange adjustments	(86)	(792)	(4)	-	(882)
At 30 June 2025	35 000	115 551	47 531	-	198 082

	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	20 886	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 June 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 June 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)	17 602	-	-	-	17 602
Standard grade (BBB - B)	43 479	214	814	-	44 508
Sub-standard grade (CCC -	889	12	-	-	901
Past due but not impaired	-	10	270	-	281
Non- performing	-	-	-	-	-
Individually impaired	-	-	22 894	-	22 894
Total	61 970	236	23 978	-	86 185

Group	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 June 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

Bank	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)	39 114	217	-	-	39 331
Sub-standard grade (CCC -	366	0	-	-	366
Past due but not impaired (C)	-	-	-	-	-
Non- performing	-	-	-	-	-
Individually impaired	-	-	28 707	-	28 707
Total	39 480	217	28 707	-	68 404

Notes To The Financial Statements:

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

Group	30 June 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	55 393	1 326	29 756	-	86 475
New assets originated or purchased	17 837	2 -	2	-	17 841
	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(7 021)	(1 141) -	(3 542)	-	(11 704)
Transfers to Stage 1	4 286	(1 129) -	(3 157)	-	-
Transfers to Stage 2	(1 409)	1 413 -	(3)	-	-
Transfers to Stage 3	(7 474)	(183) -	7 657	-	-
Changes to contractual cash flows due to	-	-	-	-	-
Unwind of discount	7	2	12	-	21
Changes in PD/LGD/EAD Including Accrued Interest	-	-	-	-	-
	(505)	(43) -	-	-	(548)
Amounts written off	-	(79)	(6 806)	-	(6 885)
Foreign exchange adjustments	858	68	59	-	985
At 30 June 2025	61 970	236	23 978	-	86 185
	30 June 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 2025	898	23	16 565	-	17 487
New assets originated or purchased	434	0	-	-	434
	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(89)	(3)	(1 699)	-	(1 791)
Transfers to Stage 1	1	(1)	(1)	-	(0)
Transfers to Stage 2	(1)	1	(0)	-	-
Transfers to Stage 3	(1 029)	(17)	1 046	-	-
Impact on year end ECL of exposures transferred between stages during the period	0	-	-	-	0
Unwind of discount	-	-	-	-	-
	-	-	-	-	-
Changes in PD/LGD/EAD Including Accrued Interest	8	0	(10)	-	(2)
Amounts written off	-	-	(6 840)	-	(6 840)
Foreign exchange adjustments	(2)	(0)	(3)	-	(5)
At 30 June 2025	222	4	9 058	-	9 284

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	1 512	-	1 858
Changes in PD/LGD/EAD Including Accrued Interest	-	-	-	-	-
	(3)	19	1 138	-	1 154
Amounts written off	-	-	(918)	-	(918)
Foreign exchange adjustments	1 781	26	6	-	1 813
At 31 December 2024	56 368	1 336	28 889	-	86 593

	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 June 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	6 096	-	-	-	6 096
Assets derecognised or repaid (excluding write offs)	(6 023)	(51)	(3 542)	-	(9 616)
Transfers to Stage 1	3 110	(73)	(3 036)	-	-
Transfers to Stage 2	(310)	314	(3)	-	-
Transfers to Stage 3	(7 474)	(183)	7 657	-	-
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 June 2025	34 873	226	22 894	-	57 993

Notes To The Financial Statements:

22 Loans and Advances to Customers - continued

22.1 Impairment allowance for loans and advances to customers- continued

	30 June 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 2025	874	23	16 487	-	17 384
New assets originated or purchased	426	-	-	-	426
	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(87)	(3)	(1 698)	-	(1 788)
Transfers to Stage 1	1	(0)	(1)	-	(0)
Transfers to Stage 2	(1)	1	(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 June 2025	184	4	8 993	-	9 181

	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	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	-	-	-	-	-
Unwind of discount	132	214	1 512	-	1 858
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 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Gross investment				
- No later than 1 year	1 012	1 397	1 012	1 397
- Later than 1 year and no later than 5 years	4 008	4 185	4 008	4 185
- Later than 5 years	22	24	22	24
Less:	5 042	5 606	5 042	5 606
Allowance for ECL/impairment losses	(59)	(44)	(59)	(44)
Unearned future finance income on finance leases	(1 393)	(1 407)	(1 393)	(1 407)
Net investment	3 590	4 155	3 590	4 155
The net investment may be analysed as follows:				
- No later than 1 year	846	1 209	846	1 209
- Later than 1 year and no later than 5 years	2 733	2 935	2 733	2 935
- Later than 5 years	11	11	11	11
	3 590	4 155	3 590	4 155

22.2 Nature of security in respect of loans and advances:

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Secured against real estate	863 093	144 149	821 919	75 185
Secured by shares of quoted companies	3 939	3 949	3 939	3 949
Secured others (see 22.2.i)	4 135 686	4 182 936	4 171 061	4 226 998
Advances under finance lease	3 886	5 104	3 886	5 104
Unsecured	56 037	246 574	37 846	230 087
Gross loans and advances to customers	5 062 640	4 582 711	5 038 650	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 June 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 June 2025 represent deposit at the exchange (NGX) for Futures transactions.

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
23a Derivative financial Assets				
Total return swap contracts	21 126	50 243	20 828	50 242
Non-deliverable forwards - Futures Contracts	- 50	- 50	- 50	- 50
Total derivative financial Assets	21 176	50 293	20 878	50 292
Notional Amount				
Total return swap contracts	697 638	697 592	697 096	697 050
Futures Contracts	50	50	50	50
Total	697 688	697 642	697 146	697 100
23b Derivative financial liabilities				
Total return swap contracts	30 362	-	30 362	-
Non-deliverable forwards Futures Contracts	- -	- -	- -	- -
Total derivative financial Liabilities	30 362	-	30 362	-
Notional Amount				
Forward Contract	697 096	-	697 096	-
Futures Contracts	-	-	-	-
Total	697 096	-	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

24.1 Financial assets at fair value through profit and loss (FVTPL)

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Federal Government bonds	10 968	331	10 968	331
Treasury bills	17 484	4 782	17 484	4 782
Placements	-	-	-	-
Total financial assets measured at FVTPL	28 452	5 113	28 452	5 113

Notes To The Financial Statements:

24 Investment Securities- continued

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
24.2 Debt instruments at fair value through other comprehensive income (FVOCI)				
Treasury bills	16 043	46 944	16 043	46 944
Federal Government bonds	141 305	139 627	83 123	65 981
State bonds	-	0	-	0
Corporate bonds	2 079	-	2 079	-
Total debt instruments measured at FVOCI	159 427	186 571	101 245	112 925

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
24.3 Debt instruments at amortised cost				
Treasury bills	925 728	1 079 081	904 142	1 079 081
Federal Government bonds	447 003	449 392	447 003	449 392
State Government bonds	9 018	10 027.00	9 018	10 027.00
Investment - Placement	92 706	-	92 706	-
Corporate bonds	20 123	15 265	20 123	15 265
Sub-total	1 494 578	1 553 765	1 472 992	1 553 765
Allowance for impairment	-2 154	-1 418	-1 968	-1 418
Total debt instruments measured at amortised cost	1 492 424	1 552 347	1 471 024	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	(736)	793	(550)	793
At end of period	(2 154)	(1 418)	(1 968)	(1 418)

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
24.4 Equity instruments :				
24.4i Equity instruments at fair value through other comprehensive income (FVOCI)				
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	83 631	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 June 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 30 June 2025 % Ownership	Group 31 December 2024 % Ownership	Bank 30 June 2025 N'million	Bank 31 December 2024 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 June 2025, the Bank's total investment in the United Kindome Subsidiary is N68,591million (December 2024 - N68,591million).

Total investments	1 763 934	1 813 666	1 752 943	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 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 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 June 2025			
	Stage 1	Stage 2	Stage 3	Total
	Collectively	Collectively		
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	157 355	-	-	157 355
Standard grade	2 079	-	-	2 079
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing	-	-	-	-
Individually impaired	-	-	-	-
Total	159 434	-	-	159 434

	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	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

Internal rating grade

Performing

High grade

Standard grade

Sub-standard grade

Past due but not impaired

Non- performing

Individually impaired

Total

30 June 2025				
Stage 1 Collectively	Stage 2 Collectively	Stage 3		Total
N'million	N'million	N'million		N'million
99 167	-	-	-	99 167
2 079	-	-	-	2 079
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
101 246	-	-	-	101 246

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 Collectively	Stage 2 Collectively	Stage 3		Total
N'million	N'million	N'million		N'million
112 925	-	-	-	112 925
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
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 June 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	108 941	-	-	108 941
Assets derecognised or matured (excluding write-offs)	(115 241)	-	-	(115 241)
Change in fair value	(22 218)	-	-	(22 218)
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	(453)	-	-	(453)
At 30 June 2025	159 434	-	-	159 434

	30 June 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	146	-	-	146
Assets derecognised or matured (excluding write offs)	(75)	-	-	(75)
Impact on period 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	6	-	-	6
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(1)	-	-	(1)
At 30 June 2025	257	-	-	257

	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

Gross carrying amount as at 1 January 2025

New assets originated or purchased	
Assets derecognised or matured (excluding write-offs)	
Change in fair value	
Transfers to Stage 1	
Transfers to Stage 2	
Transfers to Stage 3	
Changes due to modifications not derecognised	
Unwind of discount	
Amounts written off	
Foreign exchange adjustments	

At 30 June 2025

30 June 2025			
Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
N'million	N'million	N'million	N'million
112 925	-	-	112 925
50 752	-	-	50 752
(41 594)	-	-	(41 594)
(22 218)	-	-	(22 218)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1 834	-	-	1 834
-	-	-	-
(453)	-	-	(453)
101 246	-	-	101 246

ECL allowance as at 1 January 2025

New assets originated or purchased	
Assets derecognised or matured (excluding write offs)	
Impact on year end ECL of exposures transferred between stages during the period	
Unwind of discount (recognised in interest income)	
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 June 2025

30 June 2025			
Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
N'million	N'million	N'million	N'million
158	-	-	158
139	-	-	139
(74)	-	-	(74)
-	-	-	-
-	-	-	-
15	-	-	15
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(1)	-	-	(1)
238	-	-	238

Notes To The Financial Statements:

24 Investment Securities- continued

24.6.1 Debt Instruments Measured at FVOCI- continued

Gross carrying amount as at 1 January 2024

New assets originated or purchased

Assets derecognised or matured (excluding write-offs)

Change in fair value

Transfers to Stage 1

Transfers to Stage 2

Transfers to Stage 3

Changes due to modifications not derecognised

Unwind of discount

Amounts written off

Foreign exchange adjustments

At December 2024

31 December 2024			
Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
N'million	N'million	N'million	N'million
187 561	-	-	187 561
108 079	-	-	108 079
(174 232)	-	-	(174 232)
(12 157)	-	-	(12 157)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1 834	-	-	1 834
-	-	-	-
1 841	-	-	1 841
112 925	-	-	112 925

ECL allowance as at 1 January 2024

New assets originated or purchased

Assets derecognised or matured (excluding write offs)

Impact on year end ECL of exposures transferred between stages during the year

Unwind of discount (recognised in interest income)

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

31 December 2024			
Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
N'million	N'million	N'million	N'million
620	-	-	620
103	-	-	103
(584)	-	-	(584)
-	-	-	-
-	-	-	-
15	-	-	15
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4	-	-	4
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

Internal rating grade

Performing

High grade

Standard grade

Sub-standard grade

Past due but not impaired

Non- performing

Individually impaired

Total

30 June 2025			
Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
N'million	N'million	N'million	N'million
1 443 851	-	-	1 443 851
50 727	-	-	50 727
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1 494 578	-	-	1 494 578

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 Collectively	Stage 2 Collectively	Stage 3	Total
N'million	N'million	N'million	N'million
1 528 473	-	-	1 528 473
25 292	-	-	25 292
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1 553 765	-	-	1 553 765

Notes To The Financial Statements:

Bank

Internal rating grade

Performing

High grade

Standard grade

Sub-standard grade

Past due but not impaired

Non- performing

Individually impaired

Total

30 June 2025				
Stage 1 Collectively	Stage 2 Collectively	Stage 3		Total
N'million	N'million	N'million		N'million
1 443 851	-	-	-	1 443 851
29 141	-	-	-	29 141
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1 472 992	-	-	-	1 472 992

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 Collectively	Stage 2 Collectively	Stage 3		Total
N'million	N'million	N'million		N'million
1 528 473	-	-	-	1 528 473
25 292	-	-	-	25 292
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
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 June 2025				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	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	821 139	-	-	821 139
Assets derecognised or matured (excluding write-offs)	(963 483)	-	-	(963 483)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes due to modifications not derecognised	-	-	-	-
Unwind of Discount	66 571	-	-	66 571
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2025	1 472 992	-	-	1 472 992

31 December 2024				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	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 June 2025				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2025	1 418	-	-	1 418
New assets purchased	1 390	-	-	1 390
Assets derecognised or matured (excluding write offs)	(695)	-	-	(695)
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)	41	-	-	41
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 June 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

	30 June 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	1 390	-	-	1 390
Assets derecognised or matured (excluding write offs)	(881)	-	-	(881)
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)	41	-	-	41
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 June 2025	1 968	-	-	1 968

	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 year	-	-	-	-
Unwind of discount (recognised in interest income)	137	-	-	137
Changes Other than modifications not derecognised	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2024	1 418	-	-	1 418

Notes To The Financial Statements:

25 Property, Plant and Equipment

Group	Land N'million	Buildings N'million	Leasehold improvements N'million	Office equipment N'million	Furniture, fittings N'million	Computer equipment N'million	Motor vehicles N'million	Work in progress N'million	Total 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	6 658	998	4 188	1 543	14 524	2 661	45 738	80 994
Reclassifications	-	-	-	(1)	-	-	-	-	(1)
Disposals	(176)	(3)	-	(17)	(1)	(630)	(287)	-	(1 114)
Translation Difference	-	-	(6)	(9)	-	-	-	-	(24)
At 30 June 2025	20 626	28 170	6 658	17 856	4 846	48 659	14 656	57 351	198 812
Accumulated depreciation									
At 1 January 2025	-	(4 846)	(4 005)	(8 528)	(1 977)	(15 716)	(6 009)	-	(41 081)
Charge for the period	-	(235)	(177)	(1 095)	(242)	(3 137)	(1 292)	-	(6 178)
Reclassifications	-	0	0	(1)	-	0	-	-	0
Disposals	-	1	-	18	1	560	287	-	867
Translation Difference	-	-	6	9	-	-	-	-	23
At 30 June 2025	-	(5 079)	(4 176)	(9 596)	(2 219)	(18 293)	(7 014)	-	(46 369)
Carrying amount at 30 June 2025	20 626	23 091	2 482	8 260	2 627	30 367	7 642	57 351	152 443
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	6 658	998	4 185	1 543	14 524	2 661	45 738	80 992
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals	(176)	(3)	-	(17)	(1)	(630)	(287)	-	(1 114)
At 30 June 2025	20 626	28 170	6 171	17 031	4 846	48 659	14 656	57 351	197 509
Accumulated depreciation									
At 1 January 2025	-	(4 846)	(3 561)	(7 738)	(1 977)	(15 716)	(6 009)	-	(39 847)
Charge for the period	-	(235)	(170)	(1 082)	(242)	(3 137)	(1 292)	-	(6 158)
Reclassifications	-	0	0	(1)	-	0	-	-	0
Disposals	-	1	-	17	1	560	287	-	866
At 30 June 2025	-	(5 079)	(3 731)	(8 803)	(2 219)	(18 293)	(7 014)	-	(45 138)
Carrying amount at 30 June 2025	20 626	23 091	2 440	8 228	2 627	30 367	7 642	57 351	152 371
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 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 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	785	798	785	798
Additions / Reclassifications during the period	51	63	51	63
Disposal during the period	-371	(452)	(371)	(452)
Translation Difference	2 217	217		
Balance	14 161	11 479	4 251	3 786
Accumulated Depreciation				
Balance at beginning of year	-7 729	(4 993)	(2 049)	(1 700)
Depreciation for the year	-733	(1 389)	(444)	(798)
Disposal during the year	368	448	368	448
Translation Difference	-2 239	(1 796)		
Balance	(10 333)	(7 729)	(2 125)	(2 049)
Carrying amount	3 828	3 750	2 126	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 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Cost				
Balance at 1 January	25 320	14 346	19 715	8 980
	-	-	-	-
Additions	10 835	11 246	10 800	11 246
Reclassifications during the period	843	-	843	-
Write offs during the year	-247	(511)	(247)	(511)
Translation Difference	413	239		
Balance as at 31 December	37 164	25 320	31 111	19 715
Accumulated amortization				
Balance at 1 January	-10 382	(4 005)	(5 344)	(3 857)
Amortisation for the year	-2 182	(2 475)	(2 182)	(2 276)
Write offs during the year	246	(428)	246	789
Translation Difference	(517)	(3 475)		
Balance as at 31 December	(12 835)	(10 382)	(7 280)	(5 344)
Carrying amount	24 329	14 938	23 831	14 371

These relate to purchased softwares.

27i Uk Inagible Assest from PPA

	Group 30 June 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 31 December	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 31 December	(5 493)	(2 332)		
Carrying amount	2 281	5 442		
Total Carrying Amount	26 611	20 380	23 831	14 371

- i Uk Inagible Assest 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 N2,182 bn (Group -N2,951bn) for the period ended 30 June 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	Assets	Liabilities	Net
	N'million	N'million	N'million	N'million	N'million	N'million
	30 June 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	2 247	2 271	0.19	2 272
Unutilised tax credits (capital allowances)	-	-	-	-	-	-
Foreign exchange diffence (Unrealized)	-	26 162	- 26 162	-	16 460	- 16 460
Fair value adjustments	-	1 443	- 1 443	-	1 443	- 1 443
Fair value Derivative	19 726	-	19 726	-	-	-
IFRS 16 Losses	-	25	- 25	-	-	-
Other: ROU	-	-	-	61	-	61
Total tax assets/(liabilities)	62 113	44 854	17 260	34 902	30 324	4 579
United Kingdom	Assets	Liabilities	Net	Assets	Liabilities	Net
	N'million	N'million	N'million	N'million	N'million	N'million
	30 June 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	2 247	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	5 281	5 305	0.19	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.

Bank	Assets	Liabilities	Net	Assets	Liabilities i	Net
	N'million	N'million	N'million	N'million	N'million	N'million
	30 June 2025			31 December 2024		
Property, plant and equipment	-	17 224	-	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)	-	26 162	-	26 162	-	16 460
Fair value adjustments	-	1 443	-	1 443	-	1 443
Fair value Derivative	19 726	-	19 726	-	-	-
IFRS 16 Losses	-	25	-	25	-	-
Other: ROU	-	-	-	61	-	61
Net tax assets/(liabilities)	29 597	30 324	11 979	29 597	30 324	(727)

29 Other Assets

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Financial assets				
Sundry receivables	4 841	73 838	4 547	73 509
Deposit for Shares - Equit Investment	0	19	-	19
Electronic payment receivables	93 292	60 181	93 292	60 181
Investments in SMESIS	9 445	9 445	9 445	9 445
	107 578	143 483	107 284	143 154
Less:				
Specific allowances for impairment	(1 347)	(7 857)	(1 347)	(7 857)
	106 231	135 626	105 937	135 297
Non financial assets				
Prepayments	45 720	18 451	44 356	16 987
Others	2 324	1 852	442	242
Other non financial assets	5 068	2 187	5 068	2 187
	53 112	22 490	49 866	19 416
Total	159 343	158 116	155 803	154 713
Reconciliation of Allowance for Impairment				
	30 June 2025 N'million	31 December 2024 N'million	30 June 2025 N'million	31 December 2024 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 June	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.

30 Deposits from Customers

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Demand	1 813 676	1 755 934	1 727 098	1 633 502
Savings	1 200 107	1 134 824	1 195 540	1 132 429
Term	462 295	416 526	288 539	264 605
Domiciliary	3 677 549	2 608 389	3 677 549	2 608 389
Others	50 380	21 390	50 380	21 390
	7 204 007	5 937 064	6 939 106	5 660 315
Current	3 448 776	2 182 946	2 194 097	1 864 217
Non-current	3 755 231	3 754 118	4 745 009	3 796 098
	7 204 007	5 937 064	6 939 106	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 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Customer deposits for letters of credit (see note 31.1)	-	1	-	1
Accounts payable (see note 31.2)	441 746	461 774	535 417	506 018
FGN Intervention fund (see note 31.3)	386 173	384 459	386 173	384 459
Manager's cheque	7 242	6 295	7 015	6 295
Payable on E-banking transactions (see note 31.4)	98 510	67 113	98 349	67 113
Other liabilities/credit balances (see note 31.5)	4 104	8 380	2 843	6 281
Accruals for year end bonus (see note 31.6)	978	7 677	978	7 677
Lease liability (see note 31.8)	2 771	3 077	465	591
	941 524	938 776	1 031 240	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)	136 762	155 163	136 762	155 163
ii Real Sector Support Facility - (RSSF)	843	1 709	843	1 709
c Commercial Agriculture Credit Scheme - (CACS)	79	306	79	306
di Bank of Industry BG backed	139 506	109 914	139 506	109 914
dii Bank of Industry - Restructured and Refinance scheme	38	90	38	90
diii Bank of Industry on lending	-	-	-	-
e Nigeria Export Import Bank - (NEXIM)	9 302	14 450	9 302	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)	19 457	18 222	19 457	18 222
i Nigerian Incentive-based Risk Sharing system for Agricultural Lending - (NIRSAL)	18	18	18	18
	386 173	384 459	386 173	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.

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 N500billion 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 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.

j 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 June 2025	31 December 2024	30 June 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	-12 699	(24 087)	(12 699)	(24 087)
At 30 June	978	7 677	978	7 677

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: N591million) for Bank; N2,771million. (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	921	1 480	465	591
More than five years			-	-
At end of the period	1 850	1 598		
	2 771	3 077	465	591

32 Provision

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 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 June	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 June 2025				
Internal rating grade	Stage 1 Individual N'million	Stage 2 Individual N'million	Stage 3 N'million	Total N'million
Performing				
High grade	-	-	-	-
Standard grade	3 386	-	-	3 386
Sub-standard grade	1 905 605	-	-	1 905 605
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	1 908 991	-	-	1 908 991

31 December 2024				
Internal rating grade	Stage 1 Individual N'million	Stage 2 Individual N'million	Stage 3 N'million	Total N'million
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:

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

Gross carrying amount as at 1 January 2025

New exposures
Exposure derecognised or matured/lapsed (excluding write-offs)
Changes due to modifications not resulting in derecognition
Amounts written off
Foreign exchange adjustments
At 30 June 2025

30 June 2025			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
1 012 354	-	-	1 012 354
1 396 393	-	-	1 396 393
(498 147)	-	-	(498 147)
-	-	-	-
-	-	-	-
(1 608)	-	-	(1 608)
1 908 991	-	-	1 908 991

32.3.1 Performance bonds and guarantees- continued

ECL allowance as at 1 January 2025

New exposures
Exposure derecognised or matured/lapsed (excluding write-offs)
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
At 30 June 2025

30 June 2025			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
415	-	-	415
513	-	-	513
(246)	-	-	(246)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(1)	-	-	(1)
682	-	-	682

Gross carrying amount as at 1 January 2024

New exposures
Exposure derecognised or matured/lapsed (excluding write-offs)
Changes due to modifications not resulting in derecognition
Amounts written off
Foreign exchange adjustments
At 31 December 2024

31 December 2024			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
730 779	-	-	730 779
753 204	-	-	753 204
(508 781)	-	-	(508 781)
-	-	-	-
-	-	-	-
37 152	-	-	37 152
1 012 354	-	-	1 012 354

ECL allowance as at 1 January 2024

New exposures
Exposure derecognised or matured/lapsed (excluding write-offs)
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
At 31 December 2024

31 December 2024			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
455	-	-	455
192	-	-	192
(265)	-	-	(265)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
32	-	-	32
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 June 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	713 094	-	-	713 094
Sub-standard grade	4 672	-	-	4 672
Past due but not impaired	-	-	-	-
Non- performing	-	-	-	-
Individually impaired	-	-	-	-
Total	717 766	-	-	717 766

	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

Bank	30 June 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	681 491	-	-	681 491
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing	-	-	-	-
Individually impaired	-	-	-	-
Total	681 491	-	-	681 491

	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 June 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	783 683	-	-	783 683
New exposures	593 347	-	-	593 347
Exposure derecognised or matured/lapsed (excluding write-offs)	(657 915)	-	-	(657 915)
Changes due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(1 350)	-	-	(1 350)
At 30 June 2025	717 766	-	-	717 766

ECL allowance as at 1 January 2025

New exposures	1 382
Exposure derecognised or matured/lapsed (excluding write-offs)	1 837
Impact on year end ECL of exposures transferred between stages	(1 216)
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
At 30 June 2025	2 011

30 June 2025			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
1 382	-	-	1 382
1 837	-	-	1 837
(1 216)	-	-	(1 216)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
8	-	-	8
2 011	-	-	2 011

Gross carrying amount as at 1 January 2024

New exposures	426 731
Exposure derecognised or matured/lapsed (excluding write-offs)	672 580
Changes due to modifications not resulting in derecognition	(358 148)
Amounts written off	-
Foreign exchange adjustments	-
At 31 December 2024	784 198

31 December 2024			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
426 731	4 972	-	431 704
672 580	-	-	672 580
(358 148)	(4 972)	-	(363 120)
-	-	-	-
-	-	-	-
-	-	-	-
43 034	-	-	43 034
784 198	-	-	784 198

ECL allowance as at 1 January 2024

New exposures	1 173
Exposure derecognised or matured/lapsed (excluding write-offs)	1 274
Impact on year end ECL of exposures transferred between stages	(1 024)
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
At 31 December 2024	1 463

31 December 2024			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
1 173	19	-	1 192
1 274	-	-	1 274
(1 024)	-	-	(1 024)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
41	-	-	41
1 463	19	-	1 482

Bank

Gross carrying amount as at 1 January 2025

New exposures	737 355
Exposure derecognised or matured/lapsed (excluding write-offs)	559 847
Changes due to modifications not resulting in derecognition	(614 361)
Amounts written off	-
Foreign exchange adjustments	-
At 30 June 2025	681 491

30 June 2025			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
737 355	-	-	737 355
559 847	-	-	559 847
(614 361)	-	-	(614 361)
-	-	-	-
-	-	-	-
(1 350)	-	-	(1 350)
681 491	-	-	681 491

ECL allowance as at 1 January 2025

New exposures	1 102
Exposure derecognised or matured/lapsed (excluding write-offs)	1 703
Impact on year end ECL of exposures transferred between stages	(1 007)
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	(1)
At 30 June 2025	1 797

30 June 2025			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
1 102	-	-	1 102
1 703	-	-	1 703
(1 007)	-	-	(1 007)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(1)	-	-	(1)
1 797	-	-	1 797

32.3.2 Letters of Credit- continued

Gross carrying amount as at 1 January 2024

New exposures	625 738
Exposure derecognised or matured/lapsed (excluding write-offs)	(344 778)
Changes due to modifications not resulting in derecognition	-
Amounts written off	-
Foreign exchange adjustments	43 034
At 31 December 2024	737 355

31 December 2024			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
413 362	-	-	413 362
625 738	-	-	625 738
(344 778)	-	-	(344 778)
-	-	-	-
-	-	-	-
43 034	-	-	43 034
737 355	-	-	737 355

ECL allowance as at 1 January 2024

New exposures	991
Exposure derecognised or matured/lapsed (excluding write-offs)	(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
At 31 December 2024	1 102

31 December 2024			
Stage 1 Individual	Stage 2 Individual	Stage 3	Total
N'million	N'million	N'million	N'million
1 093	-	-	1 093
991	-	-	991
(1 024)	-	-	(1 024)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
43	-	-	43
1 102	-	-	1 102

33 Debts Issued and Other Borrowed Funds

	Group 30 June 2025	Group 31 December 2024	Bank 30 June 2025	Bank 31 December 2024
	N'million	N'million	N'million	N'million
Long term loan from African Development Bank (ADB) (see note 33.1)	15 934	24 237	15 934	24 237
Bank of Industries (see note 33.2)	10 544	-	10 544	-
Afrexim (see note 33.3)	84 957	100 247	84 957	100 247
\$400 Million Euro Bond issued (see note 33.4)	607 094	625 679	607 094	625 679
Local Bond issued (see note 33.5)	42 300	42 261	42 300	42 261
Other Borrowings (see note 33.6)	-	81 229	-	81 229
Development Bank of Nigeria (see note 33.7))	34 849	55 942	34 849	55 942
	795 678	929 595	795 678	929 595

Reconciliation of Borrowings during the period:

	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	N'million	N'million	N'million	N'million
At 1 January	929 595	577 028	929 595	577 028
Additions during the period	128 913	298 748	128 913	298 748
Accrued interest	53 169	14 348	53 169	14 348
Payment of interest	-34 753	(37 137)	(34 753)	(37 137)
Repayment of principal during the period	-283 804	(208 533)	(283 804)	(208 533)
Foreign exchange difference	2 557	285 141	2 557	285 141
At 30 June/ 31 December	795 677	929 595	795 677	929 595

- 33.1** The amount of N15,934 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 N10,543.5 million represents the amortised cost of a short term borrowing in respect of BOI Glow women fund from Bank of Industries, to mature 27 July 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 N84,957 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 N607,094 billion represents the amortised cost of the Issued Notes as at 30 June 2025; N625,679 billion represents the amortised cost for the period ended 31 December 2024 .
- 33.5** “The amount of N42,300 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 N81,229 billion represent the Amortised cost of the short term liability with CBN. (N81, 229bn) as at 31 December 2024 which matured May 2025 .
- 33.7** The amount of N34,849 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
- 33.80** Maturity Analysis is presented in Note 44.

34 Share Capital

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 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 June 2025 N'million	31 December 2024 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 N303,475million to statutory reserves during the period ended 30 June 2025 (31 December 2024: N42,431 million)

c Small Scale Investment Reserve

The SMEEIS 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 CBN.

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 June 2025 N'million	Group 30 June 2024 N'million	Bank 30 June 2025 N'million	Bank 30 June 2024 N'million
	Notes				
Profit before income tax		180 529	200 871	181 180	202 638
Adjustments for:					
– Depreciation and amortisation	14	9 197	4 651	8 784	4 275
– Loss on disposal of property, plant and equipment	11	-87	-102	(87)	(102)
– Net foreign exchange	36a	-31 091	284 782	(30 771)	284 943
– Net gains from financial assets at fair value through profit or loss	12	59 440	-34 690	59 440	(34 690)
– Increase in Provisions	32	33 504	-134	33 504	(134)
– Credit loss expense	8	13 656	35 929	13 908	35 637
– Dividend income	11	-827	-622	(827)	(622)
– Gain on debt instruments measured at FVOCI reclassified from equity	17	68.00	2 113	(68)	2 113
– Net interest income	SOCI	-420 418	-326 405	(411 627)	(320 246)
				-	-
		(156 165)	166 393	(146 564)	173 812
Changes in operating assets					
– Net changes in Cash and balances with the Central Bank (restricted ca:	20	-104 855	-47 786	(104 855)	(47 786)
– Loans and advances to customers	22	-467 802	-521 450	(485 338)	(614 544)
– Financial assets held for trading	23	-21 757	36 663	(21 461)	9 192
– Other assets	29	-1 228	107 687	-1 090	108 709
Changes in operating liabilities					
– Deposits from customers	30	1 245 531	1 331 320	1 257 379	1 302 136
– Other liabilities	31	2 748	-197 165	52 805	(149 762)
Cash flows from/(used in) operations		496 471	875 661	550 876	781 757

36a Net foreign exchange		Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Unrealised foreign exchange gain		(33 648)	(11 716)	(33 328)	-11 716
Unrealised foreign exchange loss		2 557	285 141	2 557	285 141
		-	-	-	-
Net foreign exchange loss		(31 091)	273 425	(30 771)	273 425

36b Interest received		Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Opening interest receivable		405 366	267 212	405 366	267 212
Interest income		659 686	950 588	646 304	931 705
Closing interest receivable		-405 366	-405 366	-405 366	-405 366
Interest inreceived		659 686	812 434	646 304	793 551

36c Interest paid		Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Opening interest payable		21 390	28 968	21 390	28 968
Interest expense		-239 268	-320 818	-234 677	-316 648
Interest paid on debt and borrowed fund		-34 753	-37 137	-34 753	-37 137
Accrued Interest		53 169	14 348	53 169	14 348
Closing interest payable		-50 380	-21 390	-50 380	-21 390
Interest paid		(249 841)	(336 029)	(245 251)	(331 859)

36d Debt instrument at FVOCI

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Opening balance	186 571	227 750	112 925	187 751
New assets purchase (by cash)	85 972	135 441	50 752	49 587
Assets derecognised (cash received)	-115 241	-239 330	-64 591	-174 232
Interests	3 559	68 635	3 559	55 669
Change in fair value	-1 436	-5 924	-1 401	-5 850
Closing balance	159 427	186 571	101 245	112 925

36e Debt instrument at amortised cost

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Opening balance	1 548 765	818 803	1 548 765	818 803
New assets purchase (by cash)	791 063	1 112 823	766 765	1 112 823
Assets derecognised (cash received)	-963 483	-432 664	-963 483	-432 664
Interests	96 499	53 385	99 398	53 384
Closing balance	1 492 424	1 552 347	1 471 024	1 552 347

36f Equity instruments at FVOCI

	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Opening balance	69 635	41 550
New assets purchase	76	80
Assets derecognised	-	-
Change in fair value	13 920	28 005
Closing balance	83 631	69 635

37 Contingent Liabilities and Commitments

37.1 Capital Commitments

At the reporting date, the Bank had capital commitments amounting to N28.42 billion (31 Dec 2024: N21.62 billion). The capital commitments relate to property plant and Equipment.

37.2 Confirmed credits and other obligations on behalf of customers

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

	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Performance bonds and guarantees (Note 32.3.1)	1 908 991	1 012 354	1 908 991	1 012 354
Letters of credit (Note 32.3.2)	708 070	763 934	681 491	737 355
AGSMEIS Disbursement			-	-
	2 617 061	1 776 288	2 590 482	1 749 709

Included in Performance bonds and guarantees is N136.00bn (31 December 2024: N97.84bn) Bank of industry backed guarantee. Unsettled transactions are transaction that the Bank has entered into, but is either yet to make payment or receive payment in respect of these transactions.

37.3 Claims and Litigation

The Bank is a party to legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from the proceedings will have a material adverse effect on the financial position of the bank either individually or collectively

at reporting date, the Bank is currently involved in 81 cases as defendant (31 December 2024 – 77) and 9 cases as Plaintiff (31 December 2024 – 9). As at 30 June 2025, the aggregate value of claims filed against the Bank is estimated at ₦239.9 billion, (31 Dec. 2024 - ₦14 billion, 77 cases) Conversely, the total value of claims instituted by the Bank in nine (9) cases, plus counterclaims, is estimated at ₦5 billion as at 30 June 2025, (31 Dec. 2024 : ₦5 billion, 9 cases). Based on the advice of the Bank's legal team and the case facts, the management of the Bank estimates a potential loss of ₦31.6billion (31 Dec 2024 – ₦2.27 billion) upon conclusion of the cases. A provision for the potential loss of ₦34.8billion is shown in 32.

38 Related party transactions with Key Management Personnel

- a** The related party transactions in respect of Entity controlled by Key Management Personnel have been disclosed in compliance with Central Bank of Nigeria circular BSD/1/2004. A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits, placements and off-balance sheet transactions. The volumes of related-party transactions, outstanding balances at the end of the period are disclosed below:
- b Subsidiaries**
Transactions between Fidelity Bank of Nigeria Plc and its subsidiaries also meet the definition of related party transactions. Transactions with Fidelity Bank UK Limited have been eliminated on consolidation. During the period, Fidelity Bank Plc earned a total interest income of N0.77 billion (31 Dec 2024 N3.1 billion) from Fidelity Bank UK Limited. And as at 30 June 2025 a total amount of N87.43 billion (31 Dec 2024 N189.5 billion) is held as placements with Fidelity Bank UK Limited.
- c** The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management personnel includes close members of family of key personnel and any entity over which key management personnel exercises control. The key management personnel have been identified as the executive and non-executive directors of the Group and other relevant senior management personnel. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Bank and its subsidiaries. There were no related party transaction in the period.

38.1 Deposits/ Interest Expense from Related Parties

Entity Controlled by Key Management Personnel	Related party	Nature Relationship	Deposits at 30 June 2025 N	Interest expense 30 June 2025 N	Deposits at 31 December 2024 N	Interest expense 31 December 2024 N
Cy Incorporated Nig Ltd (DSRA)	Insider related	Former Director	106 756	-	105 878	-
Equipment Solutions and Logistics Services Limited	Insider related	Former Director	-	-	-	-
The Genesis Restaurant Limited	Insider related	Former Director	6 815 202	-	3 867 907	-
John Holt Plc	Insider related	Former Director	139 661 221	317	1 225 900	495
Tenderville Ltd	Insider related	Former Director	-	-	82 207	-
Genesis Hub Limited	Insider related	Former Director	772 962	-	80 645 502	-
Genesis Deluxe Cinemas	Insider related	Former Director	785 762	625	14 967 457	-
Sub total			148 141 903	942	100 894 851	495
A-Z Petroleum Products Limited	Insider related	Current Director	132 201 336	-	86 730 691	-
Neconde Energy Limited	Insider related	Current Director	10 488 883 531	-	269 472	-
Dangote Industries Limited	Insider related	Current Director	5 374 287	-	183 355 037	-
Agric Int'l Tech and Trade	Insider related	Current Director	1 331 982	-	2 413 726	-
Mr. Mustafa Chike-Obi	Insider related	Current Director	541 913 348	70 311 526	17 354 514	15 777 770
Pastor Kings C. Akuma	Insider related	Current Director	261 179	8 994	383 972	17 704
Chief Charles Chidebe Umolu	Insider related	Former Director	26 313 310	4 520	4 647 022	108 176
Mr. Okeke Ezechukwu Michael	Insider related	Former Director	604 772	1 710	603 140	3 391
Alhaji Isa Inuwa	Insider related	Current Director	50 708 863	5 320 853	46 469 582	10 132 231
Mr. Alex Chinelo Ojukwu	Insider related	Former Director	-	367	-	-
Mr. Chidi Agbapu	Insider related	Current Director	3 154 204	722	12 142 547	38 700
Mr. Chinedu Okeke	Insider related	Current Director	49 902 337	8 147	10 976 171	21 729
Mr. Henry Obih	Insider related	Current Director	366 204 158	48 763	226 787 897	82 034
Mrs. Amaka Onwughalu	Insider related	Current Director	19 391 614	133 231	9 409 757	572 344
Ms. Obiaku Okam	Insider related	Current Director	804 903	-	-	-
Alhaji Abdullahi Mohammed	Insider related	Current Director	1 835 343	-	-	-
Chief Nelson C. Nweke	Insider related	Current Director	468 738 116	13 117	9 029 695	13 306
Mrs. Morohunke Bammeke	Insider related	Current Director	12 094 678	6 811	8 034 919	9 183
Sub total			12 169 717 961	75 858 761	618 608 143	26 776 569
Transactions with Key Management Personnel	Insider related		353 632 395	55 022 941	52 579 074	122 731 727
TOTAL			12 671 492 258	130 882 644	772 082 067	149 508 790

38.2 Loans and Advances/ Interest Income from Related parties

Entity Controlled by Key Management Personnel	Related party	Loan amount Outstanding	Interest Income	Loan amount Outstanding	Interest Income	Facility Type	Status	Collateral Status
		Jun 2025 N	Jun 2025 N	Dec 2024 N	Dec 2024 N			
Cy Incorporated Nig Ltd	Mrs. Onome Olaolu (Former	321 580 324	-	321 580 324	8 493 040	Finance Lease/Overdraft	Lost	Perfected
Equipment Solutions And Logistics Services Ltd	Mr. Ik Mbagwu	767 029 523	-	767 029 423	-	Term Loan/Overdraft	Lost	Perfected
Agric Int'l Tech and Trade	Mr. Ernest Ebi	-	-	-	19 623 485	Term Loan	Performing	Perfected
SUB-TOTAL		1 088 609 848	-	1 088 609 748	28 116 525			
Related party	Key management personnel							
Onyeali-Ikpe Nnekachinwe	Managing Director	114 439 277	1 585 397	97 117 038	3 724 928	Term Loan/Credit Card	Performing	Perfected
Hassan Imam Galadanchi	Former Director	-	-	1 104 562	1 096 646	Term Loan/Credit Card	Performing	Perfected
Kevin Chukwuma Ugwuoke	Executive Director	31 254 926	574 126	54 480 660	2 039 985	Term Loan/Credit Card	Performing	Perfected
Kenneth Onyewuchi Opara	Executive Director	-	-	-	2 040 667	Term Loan	Performing	Perfected
Pamela Iyabo Shodipo	Executive Director	3 428 524	322	3 226 675	630 118	Term Loan/Credit Card	Performing	Perfected
Abolore Najeem Solebo	Executive Director	43 592 698	986 184	59 455 498	3 653 088	Term Loan/Credit Card	Performing	Perfected
Kings Chukwu Akuma	Non Executive Dire	1 292 184	77 676	1 496 454	163 809	Credit Card	Performing	Perfected
Chidozie Bethram Agbapu	Non Executive Dire	-	9 023	72 416	21 520	Credit Card	Performing	Perfected
Ikemefuna A. Mbagwu	Former Director	2 625 836	902 849	2 447 253	601 345	Credit Card	Performing	Perfected
Chief Charles Chidebe Umlu	Former Director	-	-	-	5 710	Credit Card	Performing	Perfected
Okonkwo Nnamdi John	Former Director	6 622 896	266 395	35 294 648	1 739 926	Term Loan/Credit Card	Performing	Perfected
Odinkemelu Aku	Former Director	-	-	-	-	Term Loan	Performing	Perfected
Obaro Alfred Odeghe	Former Director	-	-	54 857 143	2 311 819	Term Loan	Performing	Perfected
Yahaya Umar Imam	Former Director	-	15 603	-	3 460 889	Overdraft/Credit Card	Performing	Perfected
SUB-TOTAL		203 256 342	4 417 574	309 552 347	21 490 450			
TOTAL		1 291 866 189	4 417 574	1 398 162 095	49 606 975			

38.3 Bank Gurantees in Favour of Key Management Personnel

June 2025

BENEFICIARY NAME	RELATED ENTITY	NAME OF RELATED BANK DIRECTOR	POSITION IN BANK	AMOUNT (N)	
NI	NIL	NIL	NIL		NIL
					NIL

December 2024

BENEFICIARY NAME	RELATED ENTITY	NAME OF RELATED BANK DIRECTOR	POSITION IN BANK	AMOUNT (N)	
NI	NIL	NIL	NIL		NIL

38.4 Key Management Compensation

Fidelity Bank Plc
Reports and Financial Statements
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	Group 30 June 2025 N'million	Group 31 December 2024 N'million	Bank 30 June 2025 N'million	Bank 31 December 2024 N'million
Salaries and other short-term employee benefits (Executive directors only)	936	1 437	375	649
Pension cost	410	112	17	30
Post-employment benefits paid- Gratuity	-	-	-	-
Post-employment benefits paid- Retirement	-	-	-	-
Other employment benefits paid	243	214	243	214
	1 589	1 764	636	893
38.5 Loan and Advances to Staff members				
	30 June 2025 N'million	31 December 2024 N'million	30 June 2025 N'million	31 December 2024 N'million
As at January 1	14 698	14 322	14 271	14 117
Granted during the year	4 037	6 253	3 882	6 024
Repayment during the year	(4 355)	(5 876)	(4 250)	(5 870)
As at June 30 / December 31	14 380	14 698	13 903	14 271

Loans to Staff members include mortgage loans and other personal loans. The loans are repayable from various repayment monthly cycles over the tenor and have an average interest rate of 3.5%. Loans granted to staff are performing.

39 Employees

The number of persons employed by the Bank during the Period was as follows:

Executive directors
Management
Non-management

Group Number 30 June 2025	Group Number 31 December 2024	Bank Number 30 June 2025	Bank Number 31 December 2024
8	7	7	5
447	449	438	442
2 864	2 726	2 817	2 680
3 319	3 182	3 262	3 127

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

N300,000 - N2,000,000
N2,000,001 - N2,800,000
N2,800,001 - N3,500,000
N3,500,001 - N6,500,000
N6,500,001 - N7,800,000
N7,800,001 - N10,000,000
N10,000,001 and above

Number 2025	Number 2024	Number 2025	Number 2024
-	-	-	-
-	-	-	-
1 270	27	1 243	-
1 357	1 184	1 337	1 164
223	-	223	-
151	567	143	561
318	1 404	316	1 402
3 319	3 182	3 262	3 127

40 Directors' Emoluments

Remuneration paid to the Bank's executive and non-executive directors (excluding certain allowances) was:

Fees and sitting allowances
Executive compensation
Other directors' expenses

Group Number 30 June 2025 N'million	Group Number 31 December 2024 N'million	Bank Number 30 June 2025 N'million	Bank Number 31 December 2024 N'million
315	963	138	559
1 196	1 924	636	1 136
185	584	185	584
1 696	3 471	958	2 279

Fees and other emoluments disclosed above include amounts paid to:

Chairman
Highest paid director

40	40	40	40
110	110	110	110

The number of directors who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:

Below N1,000,000
N1,000,000 - N2,000,000
N2,000,001 - N3,000,000
N5,500,001 - and above

Number 2025	Number 2024	Number 2025	Number 2024
-	-	-	-
-	-	-	-
-	-	-	-
20	21	14	14
20	21	14	14

41 Compliance with Banking Regulations

41.1 The Directors are of the opinion that the financial statements of the Bank is in compliance with the Bank and Other Financial Institutions Act, 2020 and all relevant CBN circulars, except for the contraventions below which attracted penalties during the period ended 30 June 2025

Schedule of Regulatory Contraventions As At 30 June 2025

Nature of Contravention	Amount (N'000)
Penalty - Report Filing - SEC	2 725
Penalty - Cybesec Assessment - CBN	140 500
Penalty - Cash/ SPO - CBN	150 000
Penalty - Report Filing - CBN	12 000
Penalty - RBS - CBN	2 000
Penalty - Report Filing - CBN	2 675
	309 900

Schedule of Regulatory Contraventions As At 31 December 2024

Nature of Contravention	Amount (N'000)
Penalty - cash shortages - CBN	27 284
Penalty - AML/CFT Ifractions - CBN	24 000
Penalty - Report Filing - CBN	12 000
Penalty - RBS - CBN	8 000
	71 284

41.2 In line with circular FDR/DIR/CIR/GEN/01/20, the returns on customers' complaints for the year ended 30 June 2025 is set as below:

S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED		AMOUNT REFUNDED	
		30 June 2025	31 'December 2024	30 June 2025	31 'December 2024	30 June 2025	31 'December 2024
				Million	Million	Million	Million
1	Pending complaints b/f	47 009	195 838	388 401	22 698	N/A	N/A
2	Received complaints	342 726	839 576	86 974	411 329	N/A	N/A
3	Resolved complaints	388 886	988 405	392 887	45 626	511	322
4	Unresolved complaints escalated to CBN for intervention	2	26	1 717	111	N/A	N/A
5	Unresolved complaints pending with the Bank c/f	849	47 009	82 488	388 401	N/A	N/A

41.3 Whistle Blowing Policy

The Bank complied with the CBN circular of May 2014 - FPR/DIR/GEN/01/004 code of Corporate Governance for Banks and Discount Houses in Nigeria and Guidelines for Whistle Blowing Policy in Nigeria for the period ended 30 June 2025

Notes To The Financial Statements:

42 Gender Diversity

30 June 2025

	WOMEN		MEN		TOTAL
	Number	%	Number	%	
Board Members	4	29%	10	71%	14
Management staff (AGM & Above)	17	27%	45	73%	62
	<u>21</u>		<u>55</u>		<u>76</u>

Total

31 December 2024

	WOMEN		MEN		TOTAL
	Number	%	Number	%	
Board Members	4	29%	10	71%	14
Management staff (AGM & Above)	17	27%	45	73%	62
	<u>21</u>		<u>55</u>		<u>76</u>

Total

43 Statement of Prudential Adjustments

- a Provisions under prudential guidelines are determined using the time-based provisioning specified by the revised Prudential Guidelines issued by the Central Bank of Nigeria. This is at variance with the expected credit loss (ECL) model required under IFRS 9. As a result of the differences in the methodology/provision, there will be variances in the impairments provisions required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS when IFRS is adopted. However, Banks would be required to comply with the following:

Transfer to Regulatory Risk Reserve

The regulatory body Central Bank of Nigeria (CBN) and the Nigerian Deposit Insurance Commission (NDIC) stipulates that provisions recognized in the profit or loss account shall be determined based on the requirements of IFRS (International Financial Reporting Standards). The IFRS provisions should be compared with provisions determined under prudential guidelines and the expected impact/changes in retained earnings should be treated as follows:

- (i) Prudential Provisions is greater than IFRS provisions; transfer the difference from the retained earnings to a non-distributable regulatory reserve.
(ii) Prudential Provisions is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory reserve account to the retained earnings to the extent of the non-distributable regulatory reserve previously recognized.

- b The non-distributable reserve is classified under Tier 1 as part of the core capital for the purpose of determining capital adequacy.

In the guidelines to IFRS implementation, the Central Bank of Nigeria (CBN) directed banks to maintain a regulatory credit risk reserve in the event that the impairment on loans determined using the CBN prudential guideline is higher than the impairment determined using IFRS principles. As a result of this directive, the Bank holds credit risk reserves of N303.475 billion as at 30 June 2025 (31 December 2024 - N155.67 billion) .

	2025	2024
	N'million	N'million
Transfer to regulatory reserve		
Prudential provision:		
Specific provision	577 987	272 398
General provision	89 277	72 661
Provision for other assets	1 599	13 512
Provision for litigations and claims	33 703	2 498
Provision for investments	3 684	2 726
Provision for off-balance sheet exposure	2 479	1 517
Total prudential provision (A)	708 728	365 313
IFRS provision:		
Specific impairment (see note 22)	56 524	89 129
Collective impairment	150 739	106 145
Provision for other assets (see note 29)	1 347	7 857
Provision for litigations and claims (see note 32)	34 816	2 274
Provision for investments (see note 24)	3 684	2 726
Provision for off-balance sheet exposure	2 479	1 517
Total IFRS provision (B)	249 588	209 648
Difference between prudential and IFRS impairment (A-B)	459 140	155 665
Movement in Non-Distributable Regulatory Risk Reserve (RRR)		
Opening balance in RRR	155 665	100 279
Net changes in the period	303 475	55 386
Balance in RRR at the end of the period	459 140	155 665

Notes To The Financial Statements:

44 Maturity Analysis Of Assets and Liabilities

Maturity analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Group

As at 30 June 2025

	Maturing within 12 months N'million	Maturing after 12 months N'million	Total N'million
ASSETS			
Cash and Cash equivalents	1 349 217	-	1 349 217
Restricted balances with central bank	1 691 205	-	1 691 205
Loans and advances to customers	2 626 175	5 509 535	8 135 711
Derivative financial assets	21 176	-	21 176
Investments:		-	
- Financial assets at fair value through profit or loss	22 084	16 836	38 919
- Debt instruments at fair value through other comprehensive income	104 416	237 665	342 082
- Equity instruments at fair value through other comprehensive income	-	83 631	83 631
- Debt instruments at amortised cost	1 164 887	1 098 339	2 263 227
Deferred tax Assets	17 260	-	17 260
Other assets	110 824	-	110 824
Property, plant and equipment	-	152 443	152 443
Right of Use Assets	-	3 828	3 828
Goodwill	11 236	-	11 236
Intangible assets	-	26 611	26 611
TOTAL ASSETS	7 118 481	7 128 888	14 247 369
LIABILITIES			
Deposits from customers	3 448 776	5 155 877	8 604 652
Derivative financial liability	30 362	-	30 362
Current income tax payable	66 651	-	66 651
Deferred tax liabilities	-	-	-
Other liabilities	531 444	561 199	1 092 643
Provision	2 479	34 816	37 295
Debts issued and other borrowed funds	102 052	927 039	1 029 092
TOTAL LIABILITIES	4 181 764	6 678 931	10 860 695

As at 31 December 2024

	Maturing within 12 months N'million	Maturing after 12 months N'million	Total N'million
ASSETS			
Cash and Cash equivalents	707 450	-	707 450
Restricted balances with central bank	1 222 184	-	1 222 184
Loans and advances to customers	2 675 734	5 002 253	7 677 987
Derivative financial assets	50 293	-	50 293
Investments:		-	
- Financial assets at fair value through profit or loss	9 290	760	10 050
- Debt instruments at fair value through other comprehensive income	161 866	248 783	410 649
- Equity instruments at fair value through other comprehensive income	-	69 635	69 635
- Debt instruments at amortised cost	991 907	1 270 956	2 262 863
Deferred tax Assets	5 305	-	5 305
Other assets	143 154	6 075	149 229
Property, plant and equipment	-	77 876	77 876
Right of Use Assets	-	3 809	3 809
Goodwill	11 443	-	11 443
Intangible assets	-	29 628	29 628
TOTAL ASSETS	5 978 628	6 709 774	12 688 401

Notes To The Financial Statements:

	Maturing within 12 months N'million	Maturing after 12 months N'million	Total N'million
LIABILITIES			
Deposits from customers	2 182 946	4 114 636	6 297 581
Derivative financial liability	-	-	-
Current income tax liability	187 653	-	187 653
Deferred tax liabilities	727	-	727
Other liabilities	491 177	549 016	1 040 193
Provision	1 517	2 274	3 791
Debts issued and other borrowed funds	200 663	904 656	1 105 319
TOTAL LIABILITIES	3 064 683	5 570 581	8 635 265

Bank

As at 30 June 2025

	Maturing within 12 months N'million	Maturing after 12 months N'million	Total N'million
ASSETS			
Cash and Cash equivalents	1 200 570	-	1 200 570
Restricted balances with central bank	-	1 691 205	1 691 205
Loans and advances to customers	2 588 948	5 435 882	8 024 829
Derivative financial assets	20 878	-	20 878
Investments:			
- Financial assets at fair value through profit or loss	22 084	16 836	38 919
- Debt instruments at fair value through other comprehensive income	46 235	237 665	283 900
- Equity instruments at fair value through other comprehensive income	-	83 631	83 631
- Debt instruments at amortised cost	1 164 887	1 076 939	2 241 827
Deferred tax Assets	11 979	-	11 979
Other assets	107 284	-	107 284
Property, plant and equipment	-	152 371	152 371
Right of Use Assets	-	2 126	2 126
Goodwill	-	-	-
Intangible assets	-	23 831	23 831
TOTAL ASSETS	5 162 864	8 720 486	13 883 350

LIABILITIES			
Deposits from customers	2 194 097	5 145 654	7 339 752
Derivative financial liability	30 362	-	30 362
Current income tax payable	71 932	-	71 932
Deferred tax liabilities	30 362	(30 362)	-
Other liabilities	71 932	1 016 599	1 088 531
Provision	2 479	34 816	37 295
Debts issued and other borrowed funds	102 052	842 886	944 938
TOTAL LIABILITIES	2 503 217	7 009 592	9 512 809

As at 31 December 2024

	Maturing within 12 months N'million	Maturing after 12 months N'million	Total N'million
ASSETS			
Cash and Cash equivalents	506 580	-	506 580
Restricted balances with central bank	-	1 586 350	1 586 350
Loans and advances to customers	2 396 879	4 952 184	7 349 064
Derivative financial assets	50 292	-	50 292
Investments:			
- Financial assets at fair value through profit or loss	9 290	760	10 050
- Debt instruments at fair value through other comprehensive income	88 220	248 783	337 003
- Equity instruments at fair value through other comprehensive income	-	69 635	69 635
- Debt instruments at amortised cost	991 907	1 270 956	2 262 863
Deferred tax Assets	-	-	-
Other assets	143 154	-	143 154
Property, plant and equipment	-	77 785	77 785
Right of Use Assets	-	1 795	1 795
Goodwill	-	-	-
Intangible assets	-	23 619	23 619
TOTAL ASSETS	4 186 323	8 231 866	12 418 189

Notes To The Financial Statements:

	Maturing within 12 months N'million	Maturing after 12 months N'million	Total N'million
LIABILITIES			
Deposits from customers	1 864 217	4 102 041	5 966 258
Derivative financial liability	-	-	-
Current income tax liability	187 653	-	187 653
Deferred tax liabilities	-	-	-
Other liabilities	187 653	847 808	1 035 461
Provision	1 517	2 274	3 791
Debts issued and other borrowed funds	200 663	904 656	1 105 319
TOTAL LIABILITIES	2 441 704	5 856 779	8 298 482

45 Reclassifications

There were no reclassifications during the period ended June 30, 2025

46 Restatements

There were no significant events requiring restatements during the reporting period which could have had a material effect on the financial position of the Bank as at 30 June 2025 and on the profit or loss and other comprehensive income for the period then ended.

47 Events after reporting period

There were no significant events after the reporting period which could have had a material effect on the financial position of the Group as at June 30, 2025 and on the profit and other comprehensive income for the period then ended, which have not been adequately disclosed.

Value Added Statement
For the period ended 30 June 2025

Group

	30 June 2025		30 June 2024	
	N'million	%	N'million	%
Interest and similar income	659 686	261	473 236	185
Interest and similar expense	<u>(239 268)</u>	<u>(94)</u>	<u>(146 830)</u>	<u>(57)</u>
	420 418	166	326 405	128
-Brought in services	<u>(167 198)</u>	<u>(66)</u>	<u>(70 846)</u>	<u>(28)</u>
Value added	<u>253 220</u>	<u>100</u>	<u>255 559</u>	<u>100</u>

Distribution

Employees:

Salaries and benefits	40 929	16	26 752	10
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Shareholders:

Dividends paid during the period	62 750	25	20 800	8
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Government:

Income tax	-	-	37 516	15
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Tertiary education tax	6 220	2	3 984	2
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Police trust fund levy	-	-	10	0
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IT levy	1 812	1	2 013	1
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The future:

-Asset replacement (depreciation and amortisation)	9 197	4	4 651	2
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-Profit for the period (transfers to reserves)	132 312	52	159 833	63
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	<u>253 220</u>	<u>100</u>	<u>255 559</u>	<u>100</u>
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Value added represents the additional wealth the Bank has been able to create by its own and its employees' efforts. This statement shows the allocation of the wealth among the employees, shareholders, government and the portion re-invested for creation of more wealth.

Value Added Statement
For the period ended 30 June 2025

Bank

	30 June 2025		30 June 2024	
	N'million	%	N'million	%
Interest and similar income	646 304	218	467 133	188
Interest and similar expense	(234 677)	(79)	(146 887)	(59)
	<u>411 627</u>	<u>139</u>	<u>320 246</u>	<u>129</u>
-Brought in services	(115 083)	(39)	(71 118)	(29)
Value added	<u>296 544</u>	<u>100</u>	<u>249 128</u>	<u>100</u>
Distribution				
Employees:				
Salaries and benefits	34 411	12	21 964	9
Shareholders:				
Dividends paid during the period	62 750	21	20 800	8
Government:				
Income tax	54 885	19	37 516	15
Tertiary education tax	6 220	2	3 984	2
Police trust fund levy	-	-	10	0
IT levy	1 812	1	2 013	1
The future:				
-Asset replacement (depreciation and amortisation)	8 784	3	4 275	2
-Profit for the period (transfers to reserves)	127 682	43	158 566	64
	<u>296 544</u>	<u>100</u>	<u>249 128</u>	<u>100</u>

Value added represents the additional wealth the Bank has been able to create by its own and its employees' efforts. This statement shows the allocation of the wealth among the employees, shareholders, government and the portion re-invested for creation of more wealth.

Five - Year Financial Summary

Group

Statement of Financial Position as at

	30 June 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
	N'million	N'million	N'million	N'million	N'million
Assets:					
Cash and Cash equivalents	1 349 217	707 450	364 177	300 345	219 253
Restricted balances with central bank	1 691 205	1 586 350	1 174 398	863 090	686 097
Loans and advances to customers	4 854 907	4 387 108	3 092 419	2 116 212	1 658 412
Derivative assets	21 176	50 293	10 723	4 778	49 575
Investments:					
Financial asset at fair value through profit or loss	28 452	5 113	7 684	2 036	5 207
Debt instruments at fair value through other comprehensive income	159 427	186 571	227 750	28 696	100 009
Equity instruments at fair value through other comprehensive income	83 631	69 635	41 550	27 560	26 207
Debt instruments at amortised cost	1 492 424	1 552 347	818 803	479 592	441 452
Available for sale	-	-	-	-	-
Held to maturity	-	-	-	-	-
Deferred tax Assets	17 260	5 305	23 771	5 306	-
Other assets	159 343	158 116	403 763	112 915	49 357
Property, plant and equipment	152 443	77 876	47 382	42 657	39 440
Right of Use Assets	3 828	3 750	3 270	1 799	1 477
Goodwill	11 236	11 443	8 656	-	-
Intangible assets	26 611	20 380	10 341	4 023	3 968
Total Assets	10 051 160	8 821 737	6 234 688	3 989 009	3 280 454
Financed by:					
Liabilities					
Deposits from customers	7 204 007	5 937 064	4 014 811	2 580 597	2 024 803
Derivative liabilities	30 362	-	-	1 208	425
Current income tax payable	66 651	113 910	26 835	8 445	3 523
Deferred income tax liabilities	-	727	22 905	5 629	-
Other liabilities	941 524	938 776	1 152 369	815 407	495 597
Provision	37 295	3 791	3 434	1 896	2 399
Debts issued and other borrowed funds	795 678	929 595	577 028	261 466	468 413
Retirement benefit obligations	-	-	-	-	-
Total Liabilities	9 075 517	7 923 863	5 797 381	3 674 649	2 995 160
Equity					
Share capital	25 100	25 100	16 000	14 481	14 481
Share premium	280 455	280 455	113 705	101 272	101 272
Retained earnings	(74 193)	185 256	65 508	44 883	55 241
Statutory reserve	127 851	108 699	66 270	51 352	44 343
Small scale investment reserve (SSI)	764	764	764	764	764
Non-distributable regulatory reserve (NDR)	459 140	155 665	100 279	62 144	27 440
Translation reserve	39 818	44 194	6 050	-	-
Fair value reserve/ Remeasurement reserve	81 759	69 176	54 310	30 019	34 644
AGSMEIS reserve	34 949	28 565	14 422	9 445	7 109
Total Equity	975 643	897 874	437 307	314 360	285 294
Total Liabilities and Equity	10 051 160	8 821 737	6 234 688	3 989 009	3 280 454

Five - Year Financial Summary - Continued

Statement of Profit or loss and Other Comprehensive IncomeFor the period ended

	30 June 2025 N'million	30 June 2024 N'million	30 June 2023 N'million	30 June 2022 N'million	30 June 2021 N'million
Operating income					
Net interest income	420 418	326 405	107 828	75 638	50 297
Impairment charge for credit losses	(13 656)	(35 929)	(19 922)	(1 990)	(2 305)
Net interest income after impairment charge for credit losses	406 762	290 476	87 906	73 648	47 992
Commission and other operating income	49 391	70 460	72 978	13 459	14 883
Modification loss on financial asset	693	(83)	-	-	-
Other operating expenses	(276 317)	(159 982)	(84 550)	(62 028)	(42 247)
Profit before income tax	180 529	200 871	76 334	25 079	20 628
Income tax expense	(48 217)	(41 038)	(14 339)	(1 772)	(1 322)
Profit for the period	132 312	159 833	61 995	23 307	19 306
Other comprehensive Loss/income	8 207	53 090	25 090	789	(13 095)
Total comprehensive income for the year	140 519	212 923	87 085	24 096	6 212
Per share data in kobo:					
Earnings per share (basic & diluted)	264k	499k	194k	80k	67k
Net assets per share	1,944k	1,957k	1,258k	1,076k	942k

Bank

Financial Position as at

	30 June 2025 N'million	31 December 2024 N'million	31 December 2023 N'million	31 December 2022 N'million	31 December 2021 N'million
Assets:					
Cash and Cash equivalents	1 199 092	505 331	376 595	300 345	219 253
Restricted balances with central bank	1 691 205	1 586 350	1 174 398	863 090	686 097
Loans and advances to customers	4 831 387	4 346 049	2 962 397	2 116 212	1 658 412
Derivative assets	20 878	50 292	10 723	4 778	49 575
Investments:					
Financial asset at fair value through profit or loss	28 452	5 113	7 684	2 036	5 207
Debt instruments at fair value through other comprehensive income	101 245	112 925	187 751	28 696	100 009
Equity instruments at fair value through other comprehensive income	83 631	69 635	41 550	27 560	26 207
Investment in Subsidiary:	68 591	68 591	63 403	-	-
Debt instruments at amortised cost	1 471 024	1 552 347	818 803	479 592	441 452
Available for sale	-	-	-	-	-
Held to maturity	-	-	-	-	-
Deferred tax Assets	11 979	-	22 554	5 306	-
Other assets	155 803	154 713	402 186	112 915	49 357
Property, plant and equipment	152 371	77 785	47 329	42 657	39 440
Right of Use Assets	2 126	1 736	1 556	1 799	1 477
Intangible assets	23 831	14 371	6 223	4 023	3 968
Total Assets	9 841 615	8 545 237	6 123 152	3 989 009	3 280 453

Financed by:

Liabilities

Deposits from customers	6 939 106	5 660 315	3 926 842	2 580 597	2 024 803
Derivative liabilities	30 362	-	-	1 208	425
Current income tax payable	71 932	113 910	26 835	8 445	3 523
Deferred income tax liabilities	-	727	22 905	5 629	-
Other liabilities	1 031 240	978 435	1 133 795	815 407	495 597
Provision	37 295	3 791	3 434	1 896	2 399
Debts issued and other borrowed funds	795 678	929 595	577 028	261 466	468 413
Retirement benefit obligations	-	-	-	-	-
Total Liabilities	8 905 613	7 686 773	5 690 839	3 674 649	2 995 160

Equity

Share capital	25 100	25 100	16 000	14 481	14 481
Share premium	280 455	280 455	113 705	101 272	101 272
Retained earnings	(74 006)	190 073	65 573	44 883	55 241
Statutory reserve	127 863	108 711	66 282	51 352	44 343
Small scale investment reserve (SSI)	764	764	764	764	764
Non-distributable regulatory reserve (NDR)	459 140	155 665	100 279	62 144	27 440
Fair value reserve/ Remeasurement reserve	81 737	69 131	54 310	30 019	34 644
AGSMEIS reserve	34 949	28 565	14 422	9 445	7 109
Total Equity	936 002	858 464	431 335	314 360	285 294
Total Liabilities and Equity	9 841 615	8 545 237	6 122 174	3 989 009	3 280 454

Five - Year Financial Summary - Continued

Statement of Profit or loss and Other Comprehensive Income For the period ended

	30 June 2025 N'million	30 June 2024 N'million	30 June 2023 N'million	30 June 2022 N'million	30 June 2021 N'million
Operating income					
Net interest income	411 627	320 246	107 828	75 638	50 297
Impairment charge for credit losses	(13 908)	(35 637)	(19 922)	(1 990)	(2 305)
Net interest income after impairment charge for credit losses	397 719	284 610	87 906	73 648	47 992
Commission and other operating income	47 390	69 172	72 978	13 459	14 883
Modification loss on financial asset	693	(83)	-	-	-
Other operating expenses	(264 622)	(151 060)	(84 550)	(62 028)	(42 247)
Profit before income tax	181 180	202 638	76 334	25 079	20 628
Income tax expense	(53 498)	(44 072)	(14 339)	(1 772)	(1 322)
Profit for the period	127 682	158 566	61 995	23 307	19 306
Other comprehensive Loss/ income	12 606	19 414	25 090	789	(13 095)
Total comprehensive income for the period	140 288	177 980	87 085	24 096	6 212
Per share data in kobo:					
Earnings per share (basic & diluted)	254k	496k	194k	80k	67k
Net assets per share	1,865k	1,839k	1,258k	1,076k	942k

Note:

The earnings per share have been computed on the basis of the profit after tax and the number of issued shares as at the end of reporting period .

Net assets per share have been computed based on the net assets and the number of issued shares at the end of the reporting period.