Fidelity

GROW. THRIVE PROSPER

2023 | Annual Report

FIDELITY BANK PLC

GROW.

THRIVE
PROSPER

At Fidelity Bank, we are fully devoted to helping individuals to grow, inspiring businesses to thrive and empowering economies to prosper.

Content Guide

143

FINANCIAL STATEMENTS

316

FIVE YEAR FINANCIAL SUMMARY

331

COMMUNICATIONS POLICY

Corporate Information

Head Office

Fidelity Place, 2 Kofo Abayomi Street
Victoria Island, Lagos, Nigeria
Tel + 234-1-4485252, 2700530–3
E-mail: info@fidelitybank.ng
www.fidelitybank.ng
facebook.com/fidelitybankplc
x.com/fidelitybankplc
instagram.com/fidelitybankplc
fidelity bank plc

Auditors

Deloitte & Touche
Plot GA1, Ozumba Mbadiwe Road, Victoria Island, Lagos

Correspondent Banks Include:

ABSA Bank, Johannesburg, South Africa
Africa Export Import Bank Cairo, Egypt
Citibank N.A., London & New York
Deutsche Bank
FBN Bank UK
Standard Chartered Bank UK

Our Vision

To be number one in every market we serve and for every branded product we offer.

About Us

Fidelity Bank Plc is a full-fledged commercial bank with over 8.3 million customers serviced across its 251 business offices and various digital banking channels in Nigeria and the United Kingdom.

Fidelity began operations in 1998 as a merchant bank. It converted to commercial banking and became a universal bank in February 2001. In July 2023, Fidelity completed the acquisition of a 100% equity stake in Union Bank UK to enable it tap cross-border opportunities and provide scalable services to its growing clientele. Fidelity Bank is today raked the 6th largest Nigerian Bank, with presence in the City of London and every commercial hub in Nigeria.

Fidelity is led by a stable, experienced, and highly regarded management team. The team has built the bank on sound corporate governance with robust enterprise-risk management at the core of the Bank's operations. It has also voluntarily subjected itself to the NGX Corporate Governance Rating System (CGRS) and compliance.

Our Mission

To make financial services easy and accessible to our customers.

Performance Highlights

Revenue and Efficiency Ratio

- Gross earnings up by 64.9% to N555.8 billion in 2023FY (2022FY: N337.1 billion)
- Cost to Income Ratio came down to 50.4% in 2023FY from 67.1% in 2022FY
- PBT up by 131.5% to N124.3 billion in 2023FY (PAT came in at N99.5 billion)

Asset Quality

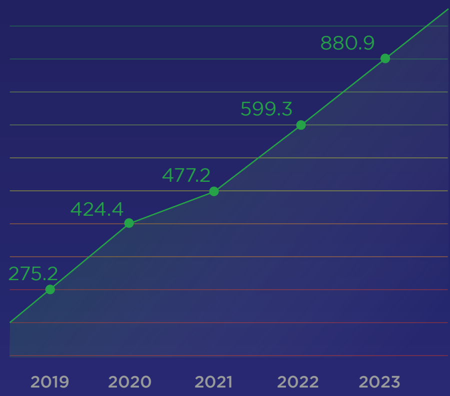
- Cost of Risk was up to 2.6% in 2023FY from 0.3% in 2022FY
- NPL Ratio inched up to 3.5% in 2023FY compared to 2.9% on 2022FY
- Coverage Ratio improved to 127.7% in 2023FY from 124.6% in 2022FY

Capital Adequacy and Liquidity

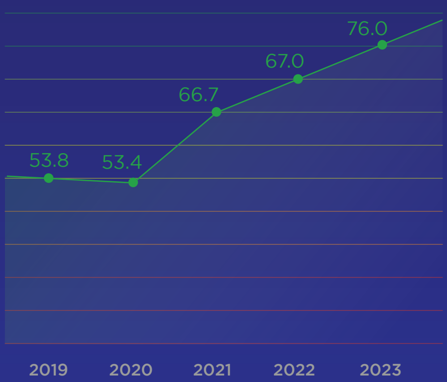
- Capital Adequacy Ratio of 16.2%, based on Basel II computation
- Liquidity Ratio of 45.3% compared to regulatory minimum of 30.0%
- Total Equity at N437.3 billion compared to N314.4 billion in 2022FY

Retail & Digital Banking Evolution

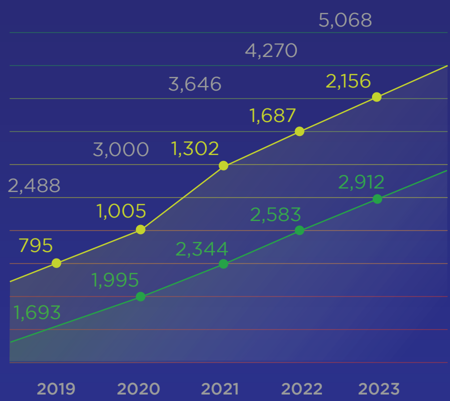
Number of Customer Accounts (#’million)



Savings Deposit **(N’billion)**

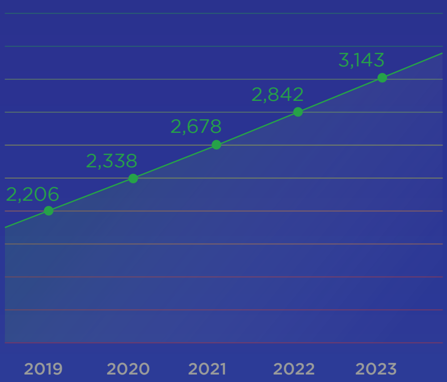


Retail Risk Assets **(N’Billion)**

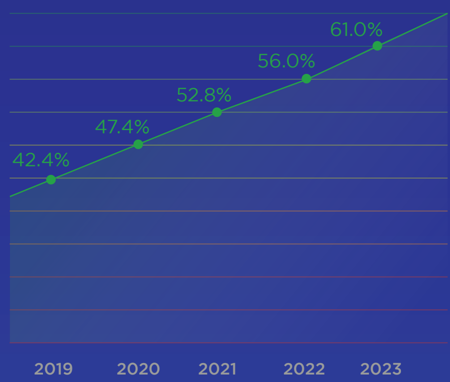


Mobile/Internet Banking Cust. **(#’000)**

Mobile Banking ■ *Internet Banking* ■



Number of Debit Card Holders **(#’000)**



Electronic Banking Penetration **(%)**

Notice of 36th Annual General Meeting

Notice is Hereby Given that the 36th Annual General Meeting of members of Fidelity Bank Plc will hold virtually via **https://www.fidelitybank.ng/agm/** at **10.00a.m**. on **Thursday, May 16, 2024** to transact the following business:

Ordinary Business

1. To receive the Audited Financial Statements for the year ended December 31, 2023 and the Reports of the Directors, External Auditors and Audit Committee thereon.
2. To declare a final Dividend.
3. To elect the following Director who was appointed since the last Annual General Meeting:

(i) Mr. Abolore Solebo, Executive Director.

4. To re-elect the following Directors retiring by rotation:

(i) Mr. Chinedu Okeke, Non-Executive Director.
(ii) Mrs. Morohunke Bammeke, Independent Non-Executive Director.

5. To authorize the Directors to fix the remuneration of the External Auditors for 2024.
6. To disclose the remuneration of the managers of the Company.
7. To elect Members of the Statutory Audit Committee.

Special Business

To consider and if thought fit, pass the following as an Ordinary Resolution:

8. That Directors' remuneration for the financial year ending December 31, 2024 and for succeeding years until reviewed by the Company at an Annual General meeting, be and is hereby fixed at N40,000,000.00 for each Non-Executive Director and N60,000,000.00 for the Chairman of the Board of Directors.

Dated the 22nd day of April, 2024

By Order Of The Board

Ezinwa Unuigboje
Company Secretary
FRC/2014/NBA/00000008909
No. 2 Kofo Abayomi Street,
Victoria Island, Lagos State.

Notes

(A) Proxy

Any member entitled to attend and vote at the 36th Annual General Meeting (AGM) is also entitled to appoint a Proxy to attend and vote in his/her/its stead. A Proxy need not be a member of the Company. A blank proxy form is attached to the Annual Report and can be downloaded from the Bank's website at **www.fidelitybank.ng**

To be valid, completed proxy forms should be deposited at the office of the Registrar, First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos or emailed to **info@firstregistrarsnigeria.com** not later than 48 hours before the time fixed for the meeting. Payment of stamp duties on the proxy forms shall be at the Bank's expense.

(B) Virtual Meeting Link

Pursuant to the provisions of the Business Facilitation (Miscellaneous Provisions) Act, 2022, which allows public companies to hold general meetings electronically, the 36th Annual General Meeting will be held virtually.

The link for the meeting is **https://www.fidelitybank.ng/agm/** and can be accessed through the Bank's website www.fidelitybank.ng and social media platforms. The meeting will also be live-streamed online on the Bank's website.

(C) Dividend

The Directors declared and paid an interim dividend of 25 Kobo per Ordinary Share of 50Kobo each on 32,000,000,000 shares amounting to N8,000,000,000.00 for the half-year period ended June 30, 2023. Withholding Tax was deducted at the time of payment.

If the proposed final dividend of **N0.60 only per Ordinary Share of 50 Kobo** each totaling N19,200,000,000.00, (bringing the total dividend for the financial year ended December 31, 2023 to N27,200,000,000.00) is approved, the final dividend will be paid on **May 16, 2024** to Shareholders whose names appear in the Register of Members at the close of business on **April 26, 2024**. The proposed final dividend is subject to withholding tax at the applicable tax rate.

Shareholders who have completed the e-Dividend mandate will receive direct credit of the dividend to their bank accounts on **May 16, 2024** net of withholding tax.

(D) Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed from **April 29, 2024** to **May 3, 2024** (both days inclusive) to enable the Registrars prepare for dividend payment.

(E) Statutory Audit Committee

In accordance with Section 404(6) of the Companies and Allied Matters Act, 2020, a Shareholder may nominate another Shareholder for election to the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting. Section 404 (5) of the Companies and Allied Matters Act 2020 provides that all the members of the Audit Committee shall be financially literate and at least one (1) member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. In addition, the Code of Corporate Governance issued by the Financial Reporting Council of Nigeria provides that members of the Audit Committee should be financially literate and able to read and interpret financial statements. Consequently, a detailed curriculum vitae affirming the nominee's qualifications should be submitted with each nomination to the Statutory Audit Committee.

(F) Unclaimed Dividend Warrants and Share Certificates

Some share certificates were returned to the Registrars as unclaimed, while some dividend warrants are yet to be presented for payment or returned for revalidation. Affected Shareholders are advised to contact the Registrar, First Registrars & Investor Services Limited **www.firstregistrarsnigeria.com**

(G) E-Dividend

Notice is hereby given to all Shareholders who are yet to mandate their dividends to their bank accounts to kindly update their records by completing the e-dividend mandate form and submitting same to the Registrars, as dividends will be credited electronically to Shareholders' accounts as directed by the Securities and Exchange Commission.

Detachable application forms for e-dividend mandate, change of address and unclaimed certificates are attached to the Annual Report for the convenience of all shareholders. The forms can also be downloaded from the Company's website at **www.fidelitybank.ng** or from the Registrar's website at **www.firstregistrarsnigeria.com**

The completed forms should be returned to First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos, or to the nearest branch of Fidelity Bank Plc.

(H) Election and Re-Election of Directors:

(i). Election of Directors

Mr. Abolore Solebo was appointed as an Executive Director on December 15, 2023, and his appointment was approved by the Central Bank of Nigeria with effect from February 1, 2024.

(ii). Re-election of Directors

In accordance with the provisions of Article 95(1)(a) of the Articles of Association of the Company, the Non-Executive Directors to retire by rotation at the 36th Annual General Meeting are **Mr. Chinedu Okeke** and **Mrs. Morohunke Bammeke**. The retiring Directors, being eligible, have offered themselves for re-election.

The profile of all the Directors including the Directors for election/re-election is in the Annual Report and on the Company's website **www.fidelitybank.ng**

(I) Right of Securities Holders to Ask Questions

Securities holders have the right to ask questions at the Annual General Meeting and may also submit written questions to the Company prior to the meeting. Such questions should be sent by electronic mail to **info.investor@fidelitybank.ng** or addressed to the Company Secretary and delivered to The Company Secretariat, Fidelity Bank Plc, Block B, No. 2, Kofo Abayomi Street, Victoria Island, Lagos on or before **May 3, 2024**.

(J) E-Annual Report

The electronic version of this notice as well as the annual report (e-annual report) for 2023 financial year can be downloaded from the Company's website **www.fidelitybank.ng**. The e-annual report will be emailed to all Shareholders who have provided their email addresses to the Registrars. Shareholders who wish to receive the e-annual report are kindly requested to send an email to **info.investor@fidelitybank.ng** or **info@firstregistrarsnigeria.com**.

(K) Website

A copy of this Notice and other information relating to the meeting can be found at **www.fidelitybank.ng**.

Chairman's Statement

Our deposits increased by an impressive 56% in the review period, from N2.6 trillion in 2022 FY to N4.0 trillion. Advances to customers rose by 46% from N2.1 trillion in 2022 FY to N3.1 trillion, while Total Assets grew by 56% from N3.9 trillion in 2022 FY to N6.2 trillion

Mustafa Chike-Obi
Chairman, *Fidelity Bank*

Chairman's Statement

A Brief Overview

My fellow shareholders, I am honored to welcome you to the 36th Annual General Meeting of Fidelity Bank PLC.

Reflecting on our journey over the years, I am delighted with our upward trajectory and the successes we have recorded. We have transitioned from a modest player in the Nigerian finance industry to a prominent and respected brand, proving our resilience and growth potential. Our story is a testament to the power of a well-crafted strategy. We have consistently surpassed industry benchmarks on crucial metrics such as deposit size, Risk Assets creation, and PBT, demonstrating our ability to deliver exceptional results.

Our deposits increased by an impressive 56% in the review period, from N2.6 trillion in 2022 FY to N4.0 trillion. Advances to customers rose by 46% from N2.1 trillion in 2022 FY to N3.1 trillion, while Total Assets grew by 56% from N3.9 trillion in 2022 FY to N6.2 trillion. In 2022 financial year, we attained a significant milestone by reporting a PBT of N53.6billion. We grew that figure by 131.5% in the review period to close at N124.3billion. Our business attained an important landmark, exceeding the N100 billion PBT mark for the first time in our history. We are excited about the future and the opportunities in our market.

Domestic Economy In Retrospect

On the macro front, the domestic economy faced the same headwinds that have plagued it over the years—high inflation, low capital importation, FX scarcity, and a depleted external reserve. However, during the year, the Government introduced several policy changes, including removing fuel subsidies and liberalizing the exchange rate.

The authorities intended these policy changes to boost capital importation, narrow divergence in exchange rates, and redirect subsidy costs to crucial capital development projects. However, supply-side issues caused the Naira to deteriorate by 90% and 58% in the official and parallel markets between June and December 2023, while the removal of subsidies increased energy costs, which is one of the factors that pushed inflation to 28.9% at the end of the year, the highest in twenty years.

In response, the Monetary authorities pursued a restrictive policy regime, increasing the policy rate from 16.5% in December 2022 to 18.75% in the review period. The Cash Reserve Ratio and the Liquidity Ratio were kept constant at 32.5% and 30.0%, respectively. The CBN's policy stance mopped up liquidity in the system and impeded the ability of Deposit Money Banks (DMBs) to create new facilities.

The economy recorded its slowest growth in three years. Real GDP growth declined by 0.36% to 2.74% in 2023 compared to 3.10% in 2022.

Outlook for the 2024 Fiscal year

Despite the headwinds, the prognosis for the Nigerian economy is favorable. The World Bank and IMF projected that the nation's GDP will grow by 3.3% in the 2024 fiscal year. The domestic economic outcome will, however, depend on how the Government handles the following perennial issues:

(i) Harmonization of fiscal and monetary policy objectives.

(ii) Exchange rate reforms.

(iii) Curbing inflation by ensuring food security.

(iv) Fiscal discipline – Reducing the budget deficit and the burden of debt repayment.

(v) Sustained investment in infrastructure.

(vi) Power sector reforms.

(vii) Intervention in key sectors of the economy.

(viii) Curtailing or elimination of crude oil theft.

Changes to the board

The following changes occurred on the Board after the last Annual General Meeting on May 23, 2023:

(i) Mr. Hassan Imam, the erstwhile Executive Director in charge of our business in the North, retired from the Board on January 10, 2024, following his appointment as the MD/CEO of another financial institution by the Central Bank of Nigeria.

We use this medium to express our sincere appreciation to Mr. Hassan Imam for his contributions to the growth and development of our Bank and for twenty-six years of meritorious service to the institution.

(ii) Mr. Abolore Solebo joined the Board on February 1, 2024, as an Executive Director with the responsibility for the Corporate Banking Directorate. The Central Bank has approved his appointment.

Abolore joined the Bank in 2008 and held key leadership positions in Corporate/Investment/Commercial/Retail and Transaction Banking before his elevation to the Board.

Looking forward

Our strategic imperatives in 2024 are to improve customer service on our network, attain growth targets in key business segments, reduce the cost to serve, maximize the value chain from our international expansion efforts, and establish Electronic Banking Business centers around the country.

We will raise additional regulatory capital to comply with the minimum requirements for holding an international banking license. The proceeds from the capital raise will be used to procure additional retail banking infrastructure, refresh our IT applications, increase our business footprints around Nigeria, and expand internationally.

Our employees are our most important asset, so talent retention is our top priority. We have instituted a robust succession program. Notably, most of the leadership changes we have made at senior and executive management levels are talents sourced from within.

We will continue to drive initiatives to enhance employee welfare and strive to make our bank the employer of choice for a discerning workforce.

Closing Remarks

I would like to express my profound gratitude to you, our esteemed stakeholders, for the patronage and loyalty that we have enjoyed over the years.

The banking industry is evolving, but we have laid the foundation for strong and sustainable growth. We are resolute and fully dedicated to maintaining our current trajectory.

We joined the elite list of banks that pay interim dividends two years ago. I would like to assure you, our treasured stakeholders, that we will sustain this practice. Our business is built on good corporate governance, effective risk management, and shareholders' value enhancement.

Your investments are in safe hands and will continue to thrive.

Mustafa Chike-Obi

Chairman, Fidelity Bank Plc.

CEO's Statement

The market responded positively to our growth story, as your Bank's share price surged by 149.9 percent, outperforming the Nigerian Stock Exchange (NSE) Banking Index and the All-Share Index, which appreciated by 114.9 percent and 45.9 percent, respectively. This led to the Nigerian Stock Exchange (NGX) reclassifying your Bank as a medium-priced stock.

Nneka Onyeali-Ikpe

MD/CEO, *Fidelity Bank*

CEO's Statement

Discussion on business operations and performance

Distinguished shareholders, esteemed members of the Board, ladies and gentlemen, it is always my pleasure to present this annual report on the key achievements of your Bank.

Our financial performance in 2023 marks a significant milestone in our Bank's history. We surpassed ₦100 billion in pre-tax profits and achieved stellar growth across all key balance sheet lines, including deposits, loans, earning assets, and total assets.

The market responded positively to our growth story, as your Bank's share price surged by 149.9 percent, outperforming the Nigerian Stock Exchange (NSE) Banking Index and the All-Share Index, which appreciated by 114.9 percent and 45.9 percent, respectively. This led to the Nigerian Stock Exchange (NGX) reclassifying your Bank as a medium-priced stock.

Before discussing our financial performance in detail, I would like to outline the strategic actions that guided our business in the 2023 financial year.

Empowering Small and Medium Enterprises (SMEs) Businesses

Your Bank is recognised as an SME-focused commercial bank. Over the years, we have expanded our services bouquet to the SME segment by offering tailored banking products and services to businesses across different sectors.

We introduced a new mass-market lending product called the Fidelity SME Term Loan (FSTL) to support our customers, given the rising inflation in the domestic economy. This product enables SMEs with quick cash flow and conversion cycles in the trading, manufacturing, and services sectors to borrow for working capital or finance the acquisition of operational assets. The tenor of the loan is up to 36 months.

We organised various trade and business matchmaking events both locally and globally. On the local front, we collaborated with agencies such as the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and the Lagos Chamber of Commerce and Industry (LCCI) to host business conferences and trade exhibitions, creating platforms for SMEs to exchange ideas and establish new buyer/supplier relationships.

Building on the success of our inaugural International Trade and Creative Connect Conference (FITCC) in London in 2022, where we exhibited over a hundred Nigerian businesses in the United Kingdom (UK), the second edition of the FITCC was held in Houston, Texas.

The event gave numerous Nigerian businesses access to the American market, fostering critical stakeholder interactions that will elevate the quality of Nigeria's exports globally. We are glad to note that the Mayor of the City of Houston, Mr. Sylvester Turner designated October 25 as "FITCC Day" in appreciation of the impact of the event.

We will continue to allocate resources to support Nigerian entrepreneurs in scaling their businesses.

Our short to medium term strategy is to set up subsidiaries in five African countries.

Expansion of Robust Export & Agribusiness Sectors

In line with our commitment to the growth and development of the Nigerian non-oil export and agribusiness sectors, we developed initiatives to provide market access to practitioners in the Agric Value chain. We also help with product enhancement.

Geographical Expansion Drive

One of our major strategic aspirations is to diversify our income base by expanding our service franchise beyond the shores of Nigeria. In July 2023, following regulatory approval from the Prudential Regulation Authority (PRA) in the United Kingdom and the Central Bank of Nigeria (CBN), your Bank completed the purchase of the former Union Bank UK PLC. The institution was renamed FidBank UK Limited in February 2024.

I am delighted that the FidBank is now part of the Fidelity Bank Group and confident that this will unlock significant benefits for the customers of both FidBank UK and Fidelity Bank Nigeria.

Our 2023 Financial Performance

We closed the financial year with double-digit growth across key income and balance sheet metrics, demonstrating our ability to deliver superior returns to shareholders.

- Profit Before Tax increased by 131.5 percent from N53.7 billion in 2022FY to N124.3 billion, resulting in a remarkable increase in Return on Average Equity (RoAE) from 15.6 percent in 2022FY to 26.5 percent.
- Net Interest Income surged by 81.6 percent to N277.4 billion, driven by a 55.5 percent increase in interest income, reflecting a consistent rise in asset yield throughout the year.

  Moreover, the average funding cost decreased by 20 basis points to 4.4 percent due to an improved deposit mix, with low-cost funds increasing from 83.6 percent in 2022FY to 97.4 percent. This combination of higher asset yield and reduced funding costs led to a rise in Net Interest Margin (NIM) from 6.3 percent in 2022FY to 8.1 percent.
- Operating expenses rose by 61.4 percent to N194.9 billion, primarily driven by regulatory charges, staff costs, technology expenses, repairs, and maintenance. However, strong revenue growth led to a decline in the Cost-to-Income Ratio from 67.1 percent in 2022FY to 50.4 percent.
- Total Deposits surpassed the N4 trillion mark as customer deposits surged by 55.6 percent from N2.6 trillion in 2022FY to N4.0 trillion.

  This growth was propelled by an 81.1 percent increase in low-cost funds (Demand, Savings, and Domiciliary), while tenured funds declined by 75.1 percent, resulting in improved margins. Foreign Currency (FCY) deposits surged by 94.1 percent and now constitute 34.3 percent of total deposits, up from 27.5 percent in 2022FY, while Local Currency (LCY) deposits increased by 41.0 percent.
- Our retail Banking business delivered impressive results as savings deposits increased by 47.0 percent to N880.9 billion, making it the 10th consecutive year of double-digit growth. Savings deposits now account for about 21.9 percent of total deposits, an attestation of our increasing market share in the retail segment.

  Retail loans grew by 13.5 percent to N76.1 billion, driven by our new digital lending products and partnership with Fintechs.
- Digital Banking gained more traction during the reporting period, with 92.0 percent of customers' transactions now done on our digital platforms, up from 91.0 percent in 2022FY, and 61.0 percent of customers now enrolled in our mobile/internet banking products. Digital banking income increased by 25.8 percent, supported by a 32.0 percent growth in our electronic banking transactions.
- Net Loans and Advances grew by 46.1 percent from N2.1 trillion in 2022FY to N3.1 trillion. However, actual growth was 7.9 percent, while the impact of Naira depreciation accounted for 38.2 percent growth in the loan book.

The Non-Performing Loans ratio (NPL) increased from 2.9 percent in 2022FY to 3.5 percent. In comparison, the Cost of Risk increased from 0.3 percent in 2022FY to 2.6 percent as we prudently augmented our impairment buffers to ensure the preservation of healthy asset quality in 2024.

- Regulatory Ratios remained well above their minimum thresholds, with the Liquidity Ratio at 45.3 percent from 39.6 percent in 2022FY and the Capital Adequacy Ratio (CAR) at 16.2 percent compared to the minimum requirement of 15.0 percent.
- We recognize the changing dynamics in the Nigerian banking space and the need to monitor and proactively manage evolving risks.

Appreciation

On behalf of the Board of Directors of Fidelity Bank Plc, I would like to extend our heartfelt gratitude to our shareholders, customers, and staff for their unwavering support and dedication. We have navigated tough challenges and emerged stronger and more resilient. As we embark on the next chapter of our journey, I am optimistic regarding the prospects that await us and confident of our capacity to generate sustained value for all our stakeholders.

Nneka Onyeali-Ikpe

Managing Director/CEO,
Fidelity Bank Plc.

Director's Profiles

A detailed presentation of Directors' profiles accompanied with report on the affairs of Fidelity Bank Plc (the Bank).

Standing (from left to right)

Alh. Isa Inuwa, Mrs. Amaka Onwughalu, Mr. Chidi Agbapu, Dr. Nneka Onyeali-Ikpe, Mr. Mustafa Chike-Obi, Mrs. Pamela Shodipo, Chief Nelson Nweke, Mr. Chinedu Okeke.

Sitting (from left to right)

Engr. Henry Obih, Mr. Kevin Uguwoke, Mrs. Ezinwa Unuigboje *(Company Secretary)*, **Dr. Kenneth Opara, Mrs. Morohunke Bammeke, Mr. Stanley Amuchie, Mr. Abolore Solebo.**

Mustafa Chike-Obi
Chairman

Nneka Onyeali-Ikpe
Managing Director/CEO

Mustafa Chike-Obi is the Executive Vice Chairman at Alpha African Advisory. He has over 41 years of experience in investment banking and the financial services sector, working with reputable global investment banking and asset management firms. He provides overall leadership at Alpha African Advisory and has direct oversight of the capital raising division.

Prior to joining Alpha African Advisory, he was the inaugural Chief Executive Officer of Asset Management Corporation of Nigeria (AMCON), a Federal Government backed institution, established to resolve the problem of non-performing loan assets of Nigerian banks after the 2008 global financial crisis.

He started his Nigerian Banking career with Chase Merchant Bank from 1980 – 1982 as Head of Treasury Department and was Founding President at Madison Advisors, a financial services advisory and consulting firm at New Jersey, specializing in hedge funds and private equity investment advice. He also served as Managing Director, Fixed Income at Shoreline Group and held senior positions at Goldman Sachs, Bear Stearns and Guggenheim Partners in the United States amongst others, where he acquired a broad knowledge base in capital market operations in mature and emerging markets, including the development and marketing of fixed income securities products to institutional investors.

His vast experience includes serving as Chairman of the Public Securities Association Trading Practice Committee of the National Association of Securities Dealers, overseeing mortgage-backed securities. Mustafa was educated at the University of Lagos and Stanford University School of Business where he obtained a Bachelor's degree in Mathematics (First Class Honours) and Master's in Business Administration (MBA) respectively. In August 2020, he was appointed as Special Envoy of Nigeria to the United States of America on a special mission on behalf of the Federal Government of Nigeria and currently serves as President of the Bank Directors Association of Nigeria (BDAN) and Chairman of Anambra State Investment Promotion and Protection Agency (ANSIPPA). Mustafa Chike-Obi joined the Board of Fidelity Bank Plc in August 2020.

Dr. Nneka Onyeali-Ikpe assumed office as Managing Director/CEO of Fidelity Bank on January 1, 2021. She was formerly Executive Director, Lagos and South-West, overseeing the Bank's business in the seven States that make up the South-West Directorate of the Bank. She led the transformation of the Directorate to profitability and sustained its impressive year-on-year growth, across key performance metrics, including contributing over 28% of the Bank's PBT, Deposits and Loans prior to her appointment as MD/CEO.

She has over 32 years of experience across various banks including Standard Chartered Bank Plc, Zenith Bank Plc and Citizens International Bank Limited, where she held management and leadership positions in Legal, Treasury, Investment Banking, Retail/Commercial Banking and Corporate Banking, in addition to serving as an Executive Director on the Board of Enterprise Bank Limited.

Nneka has been involved in the structuring of complex transactions in various sectors including Oil & Gas, Manufacturing, Aviation, Real Estate and Export. As an Executive Director at Enterprise Bank Limited, she received formal commendation from the Asset Management Corporation of Nigeria (AMCON) as a member of the management team that successfully turned around Enterprise Bank Limited.

Nneka holds Bachelor of Laws (LLB) and Master of Laws (LLM) degrees from the University of Nigeria, Nsukka and Kings College, London, respectively. She has attended executive training programs at Harvard Business School, The Wharton School University of Pennsylvania, INSEAD School of Business, Chicago Booth School of Business, London Business School and IMD amongst others. She recently completed a Diploma programme in Organizational Leadership at Said Business School, Oxford University, UK and received an Honorary Doctorate Degree in Business Administration from the University of Nigeria, Nsukka (UNN).

She is an Honorary Senior Member (HCIB) of The Chartered Institute of Bankers of Nigeria.

Kevin Ugwuoke
Executive Director

Ken Opara
Executive Director

Kevin Ugwuoke joined Fidelity Bank in 2015 as General Manager, Chief Risk Officer.

He was appointed to the Board in July 2020 and is the Executive Director Risk Management/Chief Risk Officer of the Bank. He is currently responsible for Enterprise Risk Management including Credit Risk Management, Credit Strategy and Policy, Risk Measurement, IT Risk Management, Market Risk Management and Operational Risk Management. He also serves as the Executive Compliance Officer of the Bank.

He has over 31 years of banking experience across various banks namely Citi Bank, Access Bank Plc, United Bank for Africa Plc and Mainstreet Bank Limited, where he worked in various capacities in Banking Operations, Commercial Banking, Corporate Banking and Risk Management. Over the period, he was also Chief Risk Officer of United Bank for Africa Plc and Mainstreet Bank Limited.

Kevin holds a Bachelor's degree (First Class) in Civil Engineering from the University of Nigeria, Nsukka. He also holds a Post Graduate Diploma in Management and Master of Business Administration from Edinburgh Business School of Herriot-Watt University, Edinburgh, Scotland. He has attended several executive trainings at world-class institutions, including Wharton and Harvard Business School. He is a Senior Honorary Member of the Chartered Institute of Bankers of Nigeria.

He is a Fellow of the Chartered Institute of Credit Administration, a Fellow of the Chartered Risk Management Institute of Nigeria and also its First Vice President.

Dr. Ken Opara joined the Board on January 1, 2021 as Executive Director Lagos & South West Directorate. Prior to his appointment, Dr. Opara served as General Manager/Regional Bank Head, Ikeja Region. He has over 30 years' experience in banking and worked at various financial institutions including legacy Omega Bank Plc, Equatorial Trust Bank Plc and Manny Bank Plc, before joining Fidelity Bank Plc in 2006, following its merger with Manny Bank Plc.

He has core-banking experience in diverse areas of banking including Credit, Treasury, Retail, Consumer and Commercial Banking, International Operations and Corporate Banking and has held senior management positions in the industry including Divisional Head, Managed SMEs, Multilateral Agencies & Trade Missions; Division Head, SMEs, Electronic & Consumer Banking; Head, Private & Consumer Banking, Head, Affinity Banking & Corporate Consumer Banking; and Head Consumer & Commercial Banking.

Dr. Opara has attended executive management programmes at Harvard Business School, Kellogg School of Management, Wharton, INSEAD and Lagos Business School amongst others. He is a Fellow of the Chartered Institute of Bankers of Nigeria (CIBN) and an active member of the Institute's Governing Council, where he currently serves as the President having previously served as 1st Vice President, 2nd Vice President and National Treasurer of the Institute.

He holds a Bachelor of Science (B.Sc.) degree in Finance and Master of Business Administration (MBA) from the University of Nigeria, Nsukka and a Ph.D. in Credit Management from International University of Panama.

Stanley Amuchie
Executive Director

Stanley Amuchie is the Bank's Executive Director, Chief Operations and Information Officer. He joined the Board of Fidelity Bank with impressive multi-functional work experience spanning banking, audit, risk management, corporate governance, quality control, operations and information technology, strategy, financial control, business and financial advisory, accounting, general management, business development and consulting, with over 23 years of experience in the banking and financial services industry. Stanley commenced his professional career in September 1995 at Arthur Andersen (now KPMG Professional Services) where he served until February 2000, when he joined Zenith Bank Plc. He enjoyed a sterling career spanning over 18 years at Zenith Bank Plc which culminated in his appointment as Group Chief Financial Officer in July 2015 and Group Zonal Head in June 2018, a position he held until his exit in October 2018.

While at Zenith Bank, Stanley also served as a Non-Executive Director on the Boards of Zenith Trustees Limited, Zenith Bureau De Change Limited and Zenith Nominees Limited and was Chairman of the Board of Directors of Zenith Securities Limited. Between April 2019 and February 2021, Stanley was Chief Technical Consultant at Mint Financial Technologies Limited (now Mintyn Bank, a digital bank). He was appointed as a Technical Consultant to Fidelity Bank Plc in March 2021, a position he held until his appointment to the Board as an Executive Director.

Stanley holds a Bachelor of Science Degree (First Class Honours) in Industrial Chemistry from the University of Benin, where he graduated as the Best Student in Industrial Chemistry. He obtained a Master of Science Degree in Corporate Governance from Leeds Metropolitan University (now Leeds Beckett University) United Kingdom in 2014. He has attended several leadership and executive development programmes at world-class business schools including INSEAD France, Harvard Business School and Lagos Business School. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN). He joined the Board of Fidelity Bank in January 2022.

Pamela Shodipo
Executive Director

Pamela Shodipo is the Executive Director, South Directorate. She joined the Board of Fidelity Bank Plc with over 25 years multifunctional and cross-border banking experience at leading financial institutions covering general management and business origination in diverse segments including corporate, commercial, consumer, retail and public sector.

She commenced her professional career at International Standard Insurance Limited in January 1991, from where she joined United Commercial Bank Limited (UCBL) in 1992 as a Customer Service Officer. In April 1997, Pamela joined Zenith Bank Plc where she worked until September 2007, rising to the position of Assistant General Manager, before joining United Bank for Africa Plc (UBA) as Regional Director in October 2007.

Pamela enjoyed an illustrious career at UBA and headed various Regional Banks. She was elevated to the position of General Manager in 2017 and had direct supervisory responsibility for up to 28 Branch Managers from 2017 to 2020. Between October 2020 and November 2021, she was Directorate Head, Lagos 3/Public Sector, before her appointment as Managing Director/Chief Executive Officer of UBA Benin Republic, where she served from December 2021 to November 2022. Pamela was the Head of Personal Banking for the UBA Group overseeing Nigeria and Africa until her appointment to the Board of Fidelity Bank Plc.

Pamela holds a Bachelor of Science degree in Psychology from the University of Lagos (1990) and Master's in Business Administration from University of Wales College of Cardiff, United Kingdom (1995).

She has attended several business, leadership and executive development programmes at world-class institutions including Lagos Business School, Harvard Business School and University of Oxford, United Kingdom. She is an alumna of Lagos Business School Senior Management Programme (SMP22) and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN). She joined the Board of Fidelity Bank in February 2023.

Abolore Solebo
Executive Director

Chidi Agbapu
Non-Executive Director

Abolore Solebo joined the Board of Fidelity Bank Plc on February 1, 2024 with over 24 years of extensive financial services and general management experience in Corporate, Investment, Commercial, Retail and Transaction Banking, Enterprise-Wide Risk Management, Corporate Strategy and Consulting in Nigeria and the United Kingdom. Since joining the Bank in 2008 as a Senior Manager, Abolore has held key positions including Head, Corporate Bank Directorate Analyst Group (2008); Division Head, Upstream (2010); Division Head, Energy & Power/Project Finance (2017) and serves on various Management Committees.

Abolore was Acting Head of the Corporate Bank Directorate from 2021 until his appointment as Executive Director and is the recipient of several performance awards in the Bank. Before joining the Bank, Abolore worked at Shell International Trading and Shipping Co Ltd, London as a Credit Risk QA Analyst on the Global Credit Initiative Project for its global trading operations between 2007 and 2008.

He began his career as a Trainee Banking Officer at Citizens International Bank Plc in 1999. He later moved to Broad Bank of Nigeria Plc as a Banking Officer in 2002 after which he left for the UK and returned to Nigeria in 2008 to join the Bank. Aside from being a seasoned corporate banker with experience in various sectors of the economy, he is also an Energy Sector expert. Abolore is a keynote speaker and resource person on Oil and Gas matters in Nigeria and has been involved in multibillion dollar projects/finance transactions.

He holds an MBA from London Business School (UK), an MSc in Financial Management and Economics (Middlesex University, UK) with Distinction, and a BSc in Accounting from Ogun State University. He has attended executive management and leadership programmes at international business schools including Wharton, University of Pennsylvania and London Business School.

Abolore is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria and a member of The Energy Institute UK (Nigeria Branch).

Mr. Chidi Agbapu holds a B.Sc. in Economics from the University of Nigeria, Nsukka and a Masters in Banking and Finance from the University of Lagos. He is an alumnus of the Lagos Business School (Advanced Management Program, AMP 14, 2000).

He is a Fellow of the Chartered Institute of Stockbrokers and has extensive experience in capital market operations spanning over thirty years. He served as Chief Dealer/Analyst in various capital market firms including Equator Finance & Securities Limited and Prominent Securities Limited.

He is currently the Co-CEO/Managing Director of Planet Capital Limited, product of a merger between Strategy & Arbitrage Limited and Emerging Capital Limited, both members of Nigerian Exchange Group. Agbapu was a Founding Partner/Managing Director of Emerging Capital Limited from 2004 to 2010.

Mr. Agbapu currently serves on the Boards of various companies including MTI Limited, Accra, Ghana and was a Non-Executive Director of Bendel Feeds and Flour Mills Plc, Central Securities Clearing System (CSCS) Limited and NGX Group Plc (the holding company of the Nigerian Exchange Group).

He has attended various courses on Governance, Leadership and Strategy at Wharton School of Pennsylvania and Stock Exchanges of Thailand, New York and Kuwait. Until his appointment as a Non-Executive Director of the Bank, Chidi Agbapu was the Chairman of the Statutory Audit Committee of Fidelity Bank Plc. He joined the Board in September 2018.

Isa Mohammed Inuwa
Independent Non-Executive Director

Alhaji Isa Inuwa has multi-industry work experience spanning over 35 years in the banking and oil and gas industries, with a significant portion of time spent in executive and strategic roles covering management, finance, strategy, corporate services, compliance, audit and Information Technology.

He statutorily retired in June 2019 as Chief Operating Officer/Group Executive Director, Corporate Services at the Nigerian National Petroleum Corporation (NNPC) where he worked for over a decade. He was recruited under a Business Transformation Programme at NNPC in 2005 and served in various roles as General Manager, Budget and Projects, General Manager, Finance, NAPIMS and Group General Manager, Corporate Audit.

While at NNPC he was seconded to Nigeria Liquefied and Natural Gas Limited (NLNG) in 2016 as Deputy Managing Director. As the DMD of NLNG, he served on the board of NLNG and its subsidiaries including Bonny Gas Transport Limited (BGTL) and NLNG Ship Management Limited (NSML). He was at various times a Member of the Governing Council of the Nigerian Content Development and Management Board (NCDMB), the Petroleum Training Institute, Chairman of Nigerian Pipelines and Products Storage Company Limited (NPSC) and Alternate Chairman of NNPC LNG Limited, amongst others.

In the financial services industry, his experience spans Commercial Banking, Merchant Banking and Development Finance, with requisite knowledge and experience in retail and commercial banking, operations, international trade finance, agricultural finance, treasury and corporate banking. He started out as a banker with Union Bank of Nigeria Plc where he did his mandatory youth service programme and worked at the defunct Bank for Credit and Commerce International (BCCI) and International Merchant Bank (IMB). Inuwa rose to the pinnacle of the banking profession with his appointment as Managing Director, Intercity Bank Plc, in 1991.

Upon leaving Intercity Bank, he worked briefly as a self-employed financial consultant, providing research and advisory services in project finance, process re-engineering, strategy development and public policy impact analysis, before being appointed through a formal selection process, as Executive Director, Operations, Bank of Agriculture (BoA) in 2005.

Alhaji Isa Inuwa has an active community and public service life. He was a member of the Presidential Committee on the management of the Excess Crude Account and a Member of the Bureau of Public Enterprises Committee on Reconciliation of Public Sector Debt.

He is an active fund raiser for several orphanages and Trustee of two Non-Governmental Organisations (NGOs); 'Children with Special Needs', an NGO on Autism and 'Asma'u Usman Memorial Foundation', an NGO that is involved in economic empowerment, education and poverty alleviation. Born in Kano, Inuwa was educated at Ahmadu Bello University, Zaria and Stirling University, Scotland where he obtained BSc Accounting and MSc Accounting & Finance degrees respectively. Married with children and grandchildren, he has attended several courses and executive management programmes at Wharton, Oxford University, Euromoney, INSEAD, IMD and other high profile global institutions. He joined the Board in January 2020.

Henry Obih
Independent Non-Executive Director

Engr. Henry Obih was the Group Executive Director/ Chief Operating Officer (GED/COO), Downstream, Nigerian National Petroleum Corporation (NNPC) until his retirement in 2019 and was subsequently appointed to the Board of Nigeria Liquefied Natural Gas Limited (NLNG) in July 2020. He also served on the Board of NNPC Limited from January 2022 to June 2023.

He joined the Board of Fidelity Bank with significant cross-functional work experience and exposure spanning over three (3) decades, across different climes including Africa, Europe, Asia and the Americas. He has extensive experience in project and performance management, manufacturing and operations management, sales and marketing, strategy and business planning/analysis, business development/re-engineering, general management, corporate governance and risk management.

Prior to joining NNPC as GED/COO in 2016, Engr. Obih had a stellar 22-year career at Mobil Oil Nigeria (ExxonMobil Nigeria Downstream) and held several high-profile positions in the company including Executive Director, Retail and Executive Director, Operations, Customer Service and Logistics.

His recent leadership roles include board positions at Nigeria Gas Marketing Company Limited, Pipelines and Products Marketing Company Limited, NNPC Retail Limited, NIDAS Marine Limited (a subsidiary of NNPC in joint venture with Daewoo Industries South Korea), NIKORMA Limited (a subsidiary of NNPC in joint venture with Hyundai Heavy Industries South Korea) and Duke Oil Company Inc.

Engr. Obih holds a Bachelor's degree in Mechanical Engineering from the University of Nigeria, Nsukka (UNN) and an MBA in Financial Management from the University of Bradford, Yorkshire, England.

His professional affiliations include membership of the Institute of Directors, Society for Corporate Governance and Council for the Regulation of Engineering in Nigeria (COREN); Nigerian Institute of Mechanical Engineers; Institute of Credit Administration and Fellowship of the Nigerian Society of Engineers.

He has attended executive programs in leadership, strategy, finance, corporate governance, and business management at some of the world's leading institutions including Columbia Business School, New York, Massachusetts Institute of Technology (MIT), IMD Lausanne, Switzerland, London Business School and Lagos Business School, Nigeria. He joined the Board in September 2020.

Amaka Onwughalu
Non-Executive Director

Mrs. Amaka Onwughalu has over 30 years' banking experience including over 10 years in Executive Management positions at various financial institutions, with proven expertise across diverse segments including Commercial Banking, Retail Banking, Treasury Management, Banking Operations and Corporate Banking. She was the former Group Managing Director of legacy Mainstreet Bank Limited where she led the successful integration with Skye Bank Plc where she served as Deputy Managing Director until her retirement in July 2016.

She is currently the Chief Executive Officer of Blueshield Financial Services Limited and holds a BSc Degree in Economics from the University of Buckingham, an MSc Degree in Corporate Governance from Leeds Metropolitan University, United Kingdom and an MBA from the University of Port Harcourt, Nigeria. She gained further exposure and training at the Executive Business School, INSEAD, France; IMD Business School, Lausanne, Switzerland; Judge Business School, University of Cambridge; and Columbia Business School, USA.

Mrs. Onwughalu is a Senior Fellow of the Institute of Internal Auditors of Nigeria; a Fellow of the Institute of Credit Administration (ICA); a Member of the Nigeria Institute of Management (NIM); an Honorary Member of the Chartered Institute of Bankers of Nigeria (CIBN); and a Fellow of the Institute of Directors (IoD). She is passionate about mentoring the Girl Child and committed to supporting women entrepreneurs/ professionals to contribute their quota to stimulating economic development in Nigeria. She is a Paul Harris Fellow and recipient of various prestigious awards including the National Merit Award for Accountability and Transparency (NMAT), the Award of Excellence and Distinction for Financial Management (AEDFM) and the Vocational Service Award (VSA) from the Rotary Club, Enugu. She joined the Board in December 2020.

Nelson Nweke
Non-Executive Director

Chief Nelson C. Nweke currently serves as the Managing Director of Neilville Nigeria Limited. He worked at Guinness Nigeria Plc before moving to First City Monument Bank Limited where he commenced his banking career. Thereafter, he joined legacy Intercontinental Bank Plc where he rose to the position of Executive Director. His banking industry experience covers Corporate Services, Capital Markets (Stockbroking), Operations and Public Sector business.

He holds a B.Sc. in Political Science and a Masters in Industrial and Labour Relations, both from the University of Ibadan and has attended various executive development programmes at world class business schools including INSEAD, France, the University of Michigan School of Business Administration, IMD Lausanne, Switzerland and Harvard Business School amongst others.

Chief Nweke is an Associate of the Chartered Institute of Stockbrokers (CIS), Honorary Senior Member of the Chartered Institute of Bankers and member of the Chartered Institute of Personnel Management of Nigeria (CIPM). Chief Nweke also served as a Non-Executive Director of Premium Pension Limited, member of the Governing Council of Anambra State Investment Promotion and Protection Agency and Independent Non-Executive Director of Berger Paints Plc. He joined the Board in December 2020.

Chinedu Okeke
Non-Executive Director

Mr. Chinedu Eric Okeke is the Managing Director of Azura Power West Africa Limited, an infrastructure development and operating company with special focus on emerging markets in Africa, including Nigeria. He is a member of the Board of Trustees of the Association of Power Generation Companies. Prior to joining Azura in 2014, Mr. Okeke had a stellar career spanning over nineteen years in a succession of blue-chip companies including Guinness Nigeria Plc, La Farge Plc, Schlumberger Oilfield Services, and General Electric (GE).

His areas of interest and specialization across geographies (Nigeria, France, South Africa, Vietnam and Pakistan), includes Technology, Power, Corporate Strategy, Finance, Market Analysis and International Development.

Mr. Okeke has held executive and senior management positions in various climes, with direct responsibility for teams of diverse and multicultural professionals and demonstrated ability to develop and maintain strategic client relationships and deliver quality results under complex conditions. He holds a B.Eng. Degree in Electronic Engineering from the University of Nigeria, Nsukka (UNN) and an MBA from Imperial College, London.

He has attended executive training programmes at various premier institutions including Gordon Institute of Business Science, South Africa; INSEAD, France; Graduate School of Business, Stanford, USA; College of Management, Georgia Institute of Technology, USA and GE John F. Welch Leadership Development Centre, USA. He joined the Board in January 2021.

Morohunke Bammeke
Independent Non-Executive Director

Mrs. Morohunke Bammeke was appointed to the Board of Fidelity Bank in November 2021 and is currently the Managing Director of Cedar Capital Consult Limited, a financial advisory and business consultancy firm. She has impressive multi-functional work experience and cross-border exposure spanning Nigeria and the United Kingdom with proven expertise in diverse segments including Information Technology (IT), Banking Operations, Strategy, Business Origination, Corporate and Commercial Banking, Human Resources Development, Business and Financial Advisory, Internal Audit, Accounting, Pension Fund Administration and General Management.

She has over thirty-three (33) years' experience in the financial services industry and has held key executive, leadership and management positions at notable institutions including GTBank Plc, GTBank UK Limited (as pioneer Managing Director), First Bank of Nigeria Plc (as General Manager and Group Head of Branch Operations) and Pensions Alliance Limited (a leading Pension Fund Administrator in Nigeria where she served as Managing Director). She was an Independent Non-Executive Director on the Boards of Saro Agrosciences Limited and Palton Morgan Holdings Limited and a member of the Investment Committee of Trium Networks Limited.

Mrs. Bammeke holds a Bachelor of Science degree (First Class) in Computer Science with Economics from the University of Ife, Nigeria (now Obafemi Awolowo University, Ile-Ife). She obtained a Master of Science degree in Management from London Business School, UK as a Sloan Research Fellow and British FCO Chevening Scholar and holds a Prince2 Practitioner Certification in Project Management. She is a Chartered Information Systems Auditor (CISA) and Fellow of the Institute of Chartered Accountants of Nigeria (ICAN).

She has attended leadership and executive development programmes at world class business schools including INSEAD, France; IMD, Lausanne, Switzerland; IESE Business School, Spain, Harvard Business School, USA; Lagos Business School, Nigeria; Ross School of Business, USA and Strathmore Business School, Kenya.

Management Staff

As at 31 December, 2023

Executive Management

Nneka Onyeali-Ikpe
Managing Director/Chief Executive Officer

Kevin Ugwuoke
Executive Director, Risk

Kenneth Opara
Executive Director, Lagos & South West

Stanley Amuchie
Executive Director, Chief Operations & Information Officer

Pamela Shodipo
Executive Director, South

Abolore Solebo
Executive Director, Corporate Banking
(with effect from February 1, 2024)

General Managers

Victor Abejegah
Chief Financial Officer

Adeboye Ogunmolade
Chief Compliance Officer

Richard Madiebo
Divisional Head, Public Sector & Collections

Monye Jude
Regional Bank Head

Adebayo Adeyinka
Executive Technical Assistant to the MD/CEO

Nnamdi Edekobi
Regional Bank Head

Deputy General Managers

Ezinwa Unuigboje
Company Secretary

Charles Nwachukwu
Chief Human Resources Officer

Henry Asiegbu
Divisional Head, Operations

Adebayo Ogunbiyi
Divisional Head, Conglomerates

Adewale Mesioye
Divisional Head, Utilities & Infrastructure

Mike Nnaji
Regional Bank Head

Chioma Nwankwo
Regional Bank Head

Akintoye Babalola
Head, Treasury and Financial Instituitions

Sadi Zawiya
Regional Bank Head

Chukwudi Egbuna
Regional Bank Head

Musa Tarimbuka
Regional Bank Head

Paschal Nzeribe
Regional Bank Head

Samuel Okeke
Divisional Head, Fast Moving Consumer Goods 1

Chetachi Okechukwu
Regional Bank Head

Obiajulu Okafor
Regional Bank Head

Morenike Olabisi
Regional Bank Head

Ibisiki Eretoru
Regional Bank Head

Assistant General Managers

Ovie Mukoro
Regional Bank Head

Damian Orizu
Divisional Head, Remedial and Asset Management

Chiwetalu Nwatu
Regional Bank Head

Bartholomew Okonkwo
Chief Information Officer

Osita Ede
Divisional Head, Product Development

Nnenna Ubbaonu
Divisional Head, Loan Processing

Cynthia Anyanwu
Group Head, Liquidity & Balance Sheet Management

Onyinyechi Ekweronu
Group Head, Branch Operations

Omobolaji Odubanjo
Regional Bank Head

Kingsley Ohiri
Divisional Head, Legal

Mojeed Lawal
Group Head, Corporate Credit Appraisal

Ugochi Osinigwe
Divisional Head, Internal Audit & Investigation

Vanessa Mordi
Regional Bank Head

Audifax Onuoha
Group Head, Compliance Risk Management

Mohammed Ahijo
Regional Bank Head

Christopher Onyeneke
Chief Technology Officer

Osaigbovo Omorogbe
Divisional Head, Partnership & Ecosystems

Osato Omogiafo
Chief Information Security Officer

Cynthia Erigbuem
Regional Bank Head

Afamefuna Ezekwugo
Regional Bank Head

Nosa Orumwense
Regional Bank Head

Nwabueze Mbanaso
Regional Bank Head

Nwanja Onyekwere
Divisional Head, Fintech and Telecoms

Ifeoma S. Onibuje
Group Head, Ebanking

Stephen Obasi
Group Head, Head Office Operations

Isaiah O. Ndukwe
Divisional Head, Export and Agriculture

Augustina Akabogu
Divisional Head, Credit Admin & Sustainable Banking

Adetunji Mustafa
Divisional Head, Strategy, Innovation & Business Transformation

Charles C. Nwadike
Branch Leader, Ikeja - Allen Avenue

Joyce Omotosho
Divisional Head, Loan Portfolio Monitoring and Reporting

Emeka Nkemakolam
Head, Upstream Energy & Power

Emmanuel Anyanonu
Regional Bank Head

Subsidiary Information

FIDBANK UK LIMITED

Registered Office

FidBank UK Limited
1 King's Arms Yard London EC2R 7AF
Tel: 0044 (0) 20 7920 6100
E-mail: info@fidbank.uk
www.fidbank.co.uk

Directors

Dr. Nneka Onyeali-Ikpe	*Chair of the Board*
Mr. David Forster	*Managing Director/Chief Executive*
Mrs. Ndidi Dimanochie	*Executive Director*
Mr. Emeka Okonkwo	*Non-Executive Director*
Mr. Nigel J. Richards	*Independent Non-Executive Director*
Ms. Caroline C. Bault	*Independent Non-Executive Director*
Mr. Mark V. Jarvis	*Independent Non-Executive Director*

Auditors

BDO LLP
55 Baker Street, London W1U 7EU

Report of the Directors

For the Year Ended 31 December 2023

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 Auditor's Report for the financial year ended 31 December 2023.

1. Results

Highlights of the Group's operating results for the financial year ended December 31, 2023 are as follows: :

	Group 31 Dec 2023	Group 31 Dec 2022	Bank 31 Dec 2023	Bank 31 Dec 2022
	N'million	N'million	N'million	N'million
Profit before income tax	124,260	53,677	124,338	53,677
Income tax expense	(24,806)	(6,953)	(24,806)	(6,953)
Profit after income tax	**99,454**	**46,724**	**99,532**	**46,724**
Earnings per share				
Basic and Diluted (in Kobo)	**311**	**161**	**311**	**161**

2. Dividend

The Board of Directors of the Bank, pursuant to the provisions of Section 379 of the Companies and Allied Matters Act (CAMA) 2020, propose a final dividend of N0.60 per share (31 December 2022: N0.40 per share) for the 2023 financial year. The proposed final dividend of N0.60 per share and interim dividend of N0.25 per share paid on September 22, 2023, brings the total dividend for 2023 to N0.85 per Ordinary Share (2022 FY - N0.50 per share) to be paid from the retained earnings account as at 31 December 2023. The proposed dividend will be presented for shareholders' approval at the Bank's 36th Annual General Meeting. If approved, the proposed dividend will be paid net of withholding tax at the applicable tax rate.

3. 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.

4. 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, Fidelity Bank 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.

5. Beneficial Ownership

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

6. Share Capital

The range of shareholding as at December 31, 2023 is as follows:

Range	No. of Share holders	Percentage (%) of Share holders	Share holders cumul.	Units	Units %
1 - 1,000	96,457	24.29%	96,457	80,062,687	0.25%
1,001 - 5,000	170,140	42.85%	266,597	467,487,599	1.46%
5,001 - 10,000	51,326	12.93%	317,923	420,968,085	1.32%
10,001 - 50,000	56,866	14.32%	374,789	1,349,776,549	4.22%
50,001 - 100,000	10,391	2.62%	385,180	808,049,299	2.53%
100,001 - 500,000	9,120	2.30%	394,300	1,967,600,677	6.15%
500,001 - 1,000,000	1,365	0.34%	395,665	1,007,047,371	3.15%
100,00,01 - 5,000,000	1,006	0.25%	396,671	2,090,730,371	6.53%
5,000,001 - 10,000,000	141	0.04%	396,812	1,038,421,862	3.25%
10,000,001 - 50,000,000	160	0.04%	396,972	3,261,807,799	10.19%
50,000,001 - 100,000,000	27	0.01%	396,999	1,936,048,928	6.05%
100,000,001 - 32,000,000,000	53	0.01%	397,052	17,571,998,773	54.91%
	397,052	**100%**	**-**	**32,000,000,000**	**100%**

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 year ended 31 December 2023.

6. Changes on the Board and Directors' Interests

(a) Changes On The Board

The following changes occurred on the Board after the 35th Annual General Meeting, which held on May 23, 2023:

(i) Mr. Hassan Imam, former Executive Director North, retired from the Board with effect from January 10, 2024, sequel to his appointment as the MD/CEO of another financial institution by the Central Bank of Nigeria.

The Board uses this medium to express its sincere appreciation to Mr. Hassan Imam for his meritorious service to the Bank spanning over twenty-six years including his tenure on the Board as an Executive Director.

(ii) Mr. Abolore Solebo was appointed as Executive Director, Corporate Banking with effect from February 1, 2024. The appointment was approved by the Central Bank of Nigeria.

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

The Directors who held office during the year ended 31 December 2023 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:

		As at December 31, 2023		As at December 31, 2022	
Name Of Director		Direct	Indirect	Direct	Indirect
Mr. Mustafa Chike-Obi	Chairman, Non-Executive Director	39,516,294	-	39,516,294	-
Alhaji Isa Inuwa	Independent Non-Executive Director	-	-	-	-
Engr. Henry Obih	Independent Non-Executive Director	-	-	-	-
Mr. Chidi Agbapu	Non-Executive Director	1,724,276	-	1,724,276	-
Chief Nelson C Nweke	Non-Executive Director	71,847,773	-	71,847,773	-
Mr. Chinedu Okeke	Non-Executive Director	1,040,000	-	1,040,000	-
Mrs. Amaka Onwughalu	Non-Executive Director	4,404,700	-	4,404,700	-
Mrs. Morohunke Bammeke	Independent Non-Executive Director	-	-	-	-
Dr. Nneka Onyeali-Ikpe	Managing Director/ CEO	69,644,260	-	69,644,260	-
*Mr. Hassan Imam	Executive Director	41,252,468	-	41,252,468	-
Mr. Kevin Ugwuoke	Executive Director	39,112,811	-	39,112,811	-
Dr. Ken Opara	Executive Director	39,123,921	-	39,123,921	-
Mr. Stanley Amuchie	Executive Director	15,727,272	-	3,000,000	-
Mrs. Pamela Shodipo	Executive Director	12,727,272	-	-	-

**Retired with effect from January 10, 2024.*

(c) 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.

(d) Disclosure on Directors' Remuneration

The disclosure on Directors' Remuneration is made pursuant to the Governance Guidelines 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' returns.

(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.

(e) 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 a number 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 Details
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 Details
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		Executive Directors' annual performance incentives are evaluated against the performance metrics defined in their approved individual balanced scorecard/KPIs
Benefits and Perquisites: These are the non-monetary compensation provided to the Executive Director, 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 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 benefits.*

(f) 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 in the course of 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:

Remuneration Element	Objective	Payment Mode	Programme Detail
Annual Fees	To attract individuals with relevant skills, knowledge and experience	Quarterly	Reviewed every 2 years 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 and changes made on need basis.
	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 similar to that of the Bank and makes changes as appropriate. The remuneration paid to the Directors in 2023 is disclosed in **Note 38** of the Annual Report.

7. Events After Reporting Period

The Bank is on a strong growth trajectory and requires additional capital for increased profitability, expansion (domestic and international) and enhancement of its digital capabilities. **See note 47**

8. Property, Plant and Equipment

Information relating to property, plant and equipment is given 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 year ended 31 December 2023 amounted to **N819,820,447.75 (2022 FY - N107,834,208.16)**. There were no donations to political organizations during the year.

The beneficiaries were:

S/N	Beneficiary	Donation	Amount
1	Our Lady of Perpetual Help Catholic Church, Lagos	Donation of Household Items	**6,015,700**
2	Ornament Productions, Lagos	Sponsorship of "The Witness" Stage Play	**5,000,000**
3	Misnoory Foundation, Kano	Sponsorship of Ramadan Feeding program	**10,000,000**
4	Unusual Praise, Lagos	Sponsorship of Unusual Entrepreneurs 2023	**10,000,000**
5	ICC Conference, Lagos	Sponsorship of the 7th ICC Conference	**2,940,000**
6	Healthy Heart Foundation, Lagos	Sponsorship of surgery for children with congenital heart disease	**5,000,000**
7	Nigerian Conservation Foundation, Lagos	Sponsorship of Walk for Nature	**1,500,000**
8	Our Lady of Perpetual Help Catholic Church, Abuja	Donation for Infrastructural Project	**5,000,000**
9	Asma'u Dambatta Foundation, Kano	Donation of CSR Educational Materials	**16,000,000**
10	University of Jos, Plateau State	Renovation and donation of equipment to UNIJOS School	**9,958,640**
11	Nigerian Immigration Services, Lagos	Refurbishment of vehicle	**1,666,250**
12	Steam Empowerment Foundation (SEF), Lagos	Donation of computers, printer and air conditioners for Train a Girl Child initiative	**1,500,000**
13	Onitolo Community Junior High School, Lagos	Donation of school bags, water bottles and exercise books	**444,000**
14	Owerri Girls Junior Secondary School, Owerri, Imo State	Renovation of JSS1 School Block and donation of food items	**2,600,000**
15	Holy Family Home for the Elderly, Lagos	Provision of care items for the elderly	**1,141,758**
16	St. Mary's Perpetual Help Foundation, Lagos	Provision of food items for orphanage	**500,000**
17	Ikenegbu Girls Secondary School, Owerri, Imo State	Provision of equipment for Biology, Chemistry and Physics Laboratories	**1,370,000**
18	Nigerian Correctional Service	Medical Outreach	**780,000**
19	Classic FM, Lagos	Sponsorship of poetry competition for children	**200,000**

S/N	Beneficiary	Donation	Amount
20	Girls Senior Secondary Grammar School and Boys Senior Academy, Obalende, Lagos	Donation of 3 Giant Dustbins for Recycling	400,000
21	St Patrick's Speech and Language Center, Lagos	Donation of N1million and food items for children	1,284,000
22	Indigent communities across the country	Distribution of 24,000 Fidelity Food Bank Packs to communities in need	130,000,000
23	Lagos Business School, Lagos	Sponsorship of Alumni Association Presidential Dinner	2,000,000
24	Chartered Institute of Stockbrokers, Lagos	Sponsorship of 2023 National Workshop	15,000,000
25	Dr. Chinyere Almona	Sponsorship of Book Launch for Book titled "The Future-Focused Female Leader" aimed at promoting DIVERSITY, EQUITY And INCLUSION	500,000
26	Misnoory Foundation, Kano	Donation to 5 Special Needs schools in Kano	20,000,000
27	Federal Government Girls College (FCCG) Calabar, Old Girls Association, Calabar, Cross Rivers State	Donation to infrastructural project at FGGC, Calabar	2,000,000
28	Columbia Africa, New York, USA	Sponsorship of Columbia Africa Conference	11,380,000
29	Federal Government Girls College (FCCG) Owerri, Old Girls Association, Owerri, Imo State	Donation for water project at FGGC, Owerri, Imo State	15,000,000
30	Nnokwa Progress Union, Anambra State	Security and water projects at Nnokwa Community	5,000,000
31	St. Kevin Catholic Church, Ichida, Anambra	Donation for community outreach	20,000,000
32	Christmas Outreach Initiative, Lagos	Support for Festive outreach	2,000,000
33	Anambra Anglican Fellowship, Lagos	Donation for community development	1,000,000
34	Catholic Church of Transfiguration, Lagos	Community Development	1,000,000
35	Chartered Institute of Bankers of Nigeria (CIBN), Lagos	Sponsorship of Bankers Night Raffle Draw	2,000,000
36	OKHMA Global Limited, Lagos	Sponsorship of Calabar Carnival 2023	20,000,000
37	Holy Cross Cathedral, Lagos	Community Development	4,000,000

S/N	Beneficiary	Donation	Amount
38	Ikoyi Club, Lagos	Sponsorship of the 48th Ikoyi Club Golf Ladies Open	**5,000,000**
39	Anambra Investment Summit, Anambra	Sponsorship of Anambra Investment Summit	**20,000,000**
40	Our Lady of Perpetual Help Catholic Church, Lagos	Community Development	**3,500,000**
41	Market Impact Church, Lagos	Sponsorship of Youth Empowerment Conference	**3,901,000**
42	Growthbow Solutions Limited, Lagos	Sponsorship of Afro-Jazz Festival	**2,000,000**
43	Army Childrens Model Primary School, Port Harcourt, Rivers State	Donation of 160 school bags, water bottles and exercise books	**1,112,000**
44	Garba Noma Primary School, Bauchi State	Donation of 3 Blocks of Classrooms of 3 Classrooms each, 500 uniforms and 200 new school chairs and desks	**18,935,600**
45	Federal University of Kashare, Gombe State	Installation of 15kva Inverter, Solar Panels and Deep Cycle Batteries for the School's Studio	**9,938,500**
46	Community School, Itowolo, Ikorodu, Lagos	Provision of educational materials to economically disadvantaged school children	**760,000**
47	Apostolic Church Grammar School; Kosofe Senior High; Orisigun Primary School; and Ajegunle Junior High, Lagos	Donation of 4 Giant Dustbins for Recycling to 4 schools in Lagos	**620,000**
48	Somolu Senior High School; Agnus Memorial Senior High School; Morocco Comprehensive Junior High School; and Igbobi Junior High School, Somolu, Lagos	Donation of 4 Giant Dustbins for Recycling to 4 schools at Somolu, Lagos	**632,000**
49	Internally Displaced Persons at Mangu and Barkin Ladi IDP camps, Jos, Plateau State	Provision of relief materials	**10,000,000**
50	Open Arms Orphanage Home, Isolo, Lagos	Donation of food items and educational materials	**410,000**
51	Benevolent Care Orphanage, Port Harcourt, Rivers State	Donation of food and other essential items	**420,000**
52	Isolo General Hospital, Isolo, Lagos	Donation of branded bedsheets and beds to the Children and Mothers Ward	**400,000**

S/N	Beneficiary	Donation	Amount
53	Surulere Primary Health Care Centre, Surulere, Lagos	Donation of Maternity Kits to expectant mothers	544,000
54	Iwaya Community Primary Health Care Centre, Yaba, Lagos.	Renovation of sections of the Primary Healthcare Centre	2,367,000
55	Anambra State Universal Basic Education Board (ASUBEB), Anambra State	Donation of Laptops	5,912,500
56	FGGC, Owerri Old Girls Association, Owerri, Imo State	Construction of a Games Court (Eko Court) at FGGC Owerri	24,187,500
57	Various Communities across the Country	Fidelity Food Bank Outreach Initiative	360,000,000
58	AAF Widows, Anambra	Donation of empowerment materials to widows in Anambra State	5,000,000
59	Kirikiri Prisons, Lagos	Christmas party and donation of relief materials to inmates at KiriKiri Prisons, Lagos	10,000,000
		Total	**819,820,447.75**

10. Gender Analysis as at December 31, 2023

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 at 31 December 2023 is shown below:

Gender Analysis Of Total Staff As At

	31 December 2023		31 December 2022	
Gender	Number Of Staff	Percentage Of Total Staff	Number Of Staff	Percentage Of Total Staff
Female	1,537	50.2%	1,448	48%
Male	1,526	49.8%	1,590	52%
Total	**3,063**	**100%**	**3,038**	**100%**

Gender Analysis Of Executive Management As At

	31 December 2023		31 December 2022	
Gender	Number	Percentage Of Total Staff	Number	Percentage Of Total Staff
Female	2	33%	1	29%
Male	4	67%	4	71%
Total	**6**	**100%**	**5**	**100%**

Gender Analysis Of Top Management (AGM-GM)

	31 December 2023			31 December 2022		
Grade	Male	Female	Total	Male	Female	Total
General Manager	8	0	8	5	1	6
Deputy General Manager	12	6	18	7	4	11
Assistant General Manager	22	10	32	25	7	32
Total	42	16	58	37	12	49
Percentage (%)	**72%**	**28%**	**100%**	**76%**	**24%**	**100%**

Gender Analysis Of The Board Of Directors

	31 December 2023			31 December 2022		
Grade	Male	Female	Total	Male	Female	Total
Executive Director	4	1	5	4	-	4
Managing Director	-	1	1	-	1	1
Non Executive Director	6	2	8	6	2	8
Total	**10**	**4**	**14**	**10**	**3**	**13**
Percentage (%)	**71%**	**29%**	**100%**	**76.92%**	**23.08%**	**100%**

11. 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.

12. 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. The Bank currently has in her employment five (5) persons with special needs and ensures that the work environment is accessible and conducive for them.

13. 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 as well as tips for preventing ill-health during inclement weather conditions like harmattan and rainy season.

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 by consciously making better lifestyle choices.

14. Staff health and the COVID-19 Pandemic

More recently, health awareness programmes have focused on preventing the spread of the Corona Virus. The Bank adopted several measures to ensure that staff and other stakeholders were protected from the Corona Virus. These include implementation of an onsite and remote work model, regular advisories on safety measures to prevent the spread of the virus, vaccination of staff and their dependents and ensuring safe practices in the office.

15. 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.

16. 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 particular mention, 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 5878 staff (3319 core staff and 2559 non-core), participated in various training programs as of 31 December 2023.

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

17. 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:

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

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

18. 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 2024 financial year in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. The resolution authorizing the Directors to determine their renumeration will be proposed at the 36th Annual General Meeting.

By order of the Board

Ezinwa Unuigboje
Company Secretary
FRC/2014/NBA/00000006957
Fidelity Bank Plc
No. 2 Kofo Abayomi Street
Victoria Island, Lagos.

March 11, 2024

Report of Statutory Audit Committee

For the Year Ended 31 December 2023

To The Members Of Fidelity Bank Plc

In compliance with Section 404(7) of the Companies and Allied Matters Act, 2020, we:

- Reviewed the scope and planning of the audit requirements and found them adequate.
- Reviewed the financial statements for the year ended 31 December 2023 and are satisfied with the explanations obtained.
- Reviewed the External Auditors Management Report for the year ended 31 December 2023 and are satisfied that Management is taking appropriate steps to address the issues raised.
- Ascertained that the Bank 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 year ended 31 December 2023 in accordance with the prescribed CBN format.
- Ascertained that the accounting and reporting policies of the company for the year ended 31 December 2023 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

March 12, 2024

Members of the Statutory Audit Committee are:

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 Morohunke Bammeke - Member (Director)

In attendance:

Mrs. Ezinwa Unuigboje - Company Secretary

Corporate Governance Report

For the Year Ended 31 December 2023

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 has 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) Nigerian Code of Corporate Governance ("the NCCG"), the Central Bank of Nigeria's (CBN) Corporate Governance Guidelines ("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 Codes/ Rules and submits periodic compliance reports to the CBN, SEC, NGX, FRCN and the Nigeria Deposit Insurance Corporation (NDIC).

The Codes and Rules are quite detailed and cover a wide range of issues, including Board and Management, Shareholders, Rights of other Stakeholders, Disclosure Requirements, Risk

Management, Organizational Structure, Quality of Board Membership, Board Performance Appraisal, Reporting Relationship, Ethics and Professionalism, Conflict of Interest, Sustainability, Whistle-blowing, 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

1. Key Governance Developments

(a) Board Changes

The following change occurred on the Board after the 35th Annual General Meeting, which held on May 23, 2023.

(i) Mr. Hassan Imam, former Executive Director North, retired from the Board with effect from January 10, 2024, sequel to his appointment as the MD/CEO of another financial institution by the Central Bank of Nigeria.

(ii) Mr. Abolore Solebo was appointed as Executive Director, Corporate Banking with effect from February 1, 2024. The appointment was approved by the Central Bank of Nigeria.

(b) Proposal to issue additional shares by way of Public Offer and Rights Issue

The Bank is on a strong growth trajectory and requires additional capital for increased profitability, expansion (domestic and international) and enhancement of its digital capabilities. Consequently, an Extra-Ordinary General Meeting was held on August 11, 2023 and Shareholders' approval was obtained for a capital raising exercise via a Public Offer and Rights Issue. The Bank has submitted an application to the Securities & Exchange Commission (SEC) for regulatory approval for the offer.

(c) Acquisition of Fidelity Bank UK Limited (former Union Bank UK Plc)

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

(d) New Corporate Governance Guidelines issued by the Central Bank of Nigeria

On July 14, 2023, the Central Bank of Nigeria published new Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks in Nigeria with an effective date of August 1, 2023. The Board is taking action to ensure the Bank's compliance with the provisions of the new Code.

(e) Extension of employment contract of MD/CEO

On February 8, 2024, the Board approved the extension of the employment contract of the MD/CEO, Dr. Nneka Onyeali-Ikpe from 2024 to 2026.

(A). The Board Of Directors

Board Size

The Board currently comprises of fourteen (14) Directors, six (6) 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 five (5) 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 Directors are members of the Institute of Directors of Nigeria (IoD) and 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 necessary 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 issues 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 eleven (11) times during the year ended 31 December 2023.

Details of the Directors who served on the Board during the year ended 31 December 2023 are indicated below:

No	Name of Director	Designation	Date of Appointment/ Retirement	Cumulative Period Served as at 31 December 2023
1.	Mr. Mustafa Chike-Obi	Chairman/Non-Executive Director	Aug 15, 2020	3 years/4 months
2.	Mr. Chidi Agbapu	Non-Executive Director	September 3, 2018	5 years/3 months
3.	Alhaji Isa Inuwa	Independent Non-Executive Director	January 22, 2020	3 years/11 months
4.	Engr. Henry Obih	Independent Non-Executive Director	September 21, 2020	3 years/3 months
5.	Mrs. Amaka Onwughalu	Non-Executive Director	Dec 15, 2020	3 years
6.	Chief Nelson C. Nweke	Non-Executive Director	Dec 15, 2020	3 years
7.	Mr. Chinedu Okeke	Non-Executive Director	January 4, 2021	2 years/11 months
8.	Mrs. Morohunke Bammeke	Independent Non-Executive Director	November 18, 2021	2 years /1 month
9.	Dr. 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	3 years as MD/CEO; 5 years/3 months as Executive Director
10.	*Mr. Hassan Imam	Executive Director	January 1, 2020	4 years
11.	Mr. Kevin Ugwuoke	Executive Director	July 28, 2020	3 years/5 months
12	Dr. Ken Opara	Executive Director	January 1, 2021	3 years
13.	Mr. Stanley Amuchie	Executive Director	January 27, 2022	1 year/11 months
14.	Mrs. Pamela Shodipo	Executive Director	February 3, 2023	10 months

** Retired with effect from January 10, 2024..*

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 Corporate 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.

Mrs. Pamela Shodipo was appointed to the Board on February 3, 2023, as Executive Director, South Directorate. The appointment was approved by the Central Bank and she was presented to the Shareholders for election at the 35th Annual General Meeting on May 23, 2023.

Mr. Hassan Imam, former Executive Director North, retired from the Board on January 10, 2024, sequel to his appointment as the MD/CEO of another financial institution by the Central Bank of Nigeria, while Mr. Abolore Solebo was appointed as Executive Director, Corporate Banking with effect from February 1, 2024.

Directors' Term of Office

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 a maximum of two (2) terms of four (4) years. The tenure of Executive Directors is coterminous with their respective contracts of employment. All Board appointments are also subject to the Bank's Retirement Age Policy and the CBN's tenure guidelines.

Board Induction and Continuous Education:

Given the increasing complexity of banking transactions, the demands of the operating environment and the Directors' weighty oversight responsibilities, the Board of Fidelity Bank acknowledges that its ability to effectively discharge its functions can only be enhanced by qualitative training programs. Training of individual Directors and the Board are important investments for every organization, given the strong correlation between qualitative Board training programmes and sound corporate governance practices, growth, and profitability. 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 year under review, participated in the programmes listed below:

S/N	Course	Vendor	Date	Name of Director(s)
1.	Executive Negotiation Workshop: Negotiate With Confidence.	Wharton School of Business	April 17-21, 2023	1. Mr. Chidi Agbapu 2. Mrs. Amaka Onwughalu
2.	Exploiting Disruption in the Digital Age	London Business School	May 7-12, 2023	Mr. Mustafa Chike-Obi
3.	SBS Oxford High Performance Leadership Programme	Said Business School (University of Oxford)	May 7-12, 2023	Dr. Ken Opara
4.	Business Model Innovation in The Digital Age	Wharton School of Business	May 8-12, 2023	Mrs. Morohunke Bammeke
5.	Leading Strategic Growth & Change	Columbia Business School	June 5-9, 2023	Mr. Chinedu Okeke
6.	Leading With Advanced Analytics and Artificial Intelligence)	Kellogg University	September 11-14, 2023	Alhaji Isa Inuwa
7.	Agile Organizational Change: Responding Rapidly to Emerging Opportunities and Threats' Offshore Programme	COPEX Training FZ-LCC	September 18-22, 2023	Chief Nelson Nweke
8.	The Leading Strategic Growth and Change	Columbia University USA	October 9-13, 2023	Mr. Kevin Ugwuoke
9.	The Strategic Marketing Programme Seminar (09 Oct 2023 - 13 Oct 2023) By INSEAD	INSEAD In France	October 9-13, 2023	Mr. Hassan Imam
10.	Directors' Consortium Programme	Standford Graduate School of Business	October 15-20, 2023	1. Engr. Henry Obih 2. Mrs. Amaka Onwughalu 3. Dr. Nneka Onyeali-Ikpe 4. Mrs. Pamela Shodipo

S/N	Course	Vendor	Date	Name of Director(s)
11.	Negotiation And Competitive Decision-Making Programme	Harvard University	October 29 - November 3, 2023	Mr. Stanley Amuchie
12.	Corporate Governance Effectiveness and Accountability in the Boardroom	Kellogg University	November 6-9, 2023	Mr. Chidi Agbapu
13.	Board Induction Programme	In-house (Fidelity Bank Plc)	March 15-16, 2023	Mrs. Pamela Shodipo
14.	Company Directors Course 1 for New Directors (CDC-1)	Institute of Directors of Nigeria (IOD)	June 14-15, 2023	Mrs. Pamela Shodipo
15.	Review of the CBN Corporate Governance Guidelines	KPMG	August 15-16, 2023	1. Mr. Mustafa Chike-Obi 2. Mr. Chidi Agbapu 3. Alhaji Isa Inuwa 4. Engr. Henry Obih 5. Mrs. Amaka Onwughalu 6. Chief Nelson Nweke 7. Mr. Chinedu Okeke 8. Mrs. Morohunke Bammeke. 9. Dr. Nneka Onyeali-Ikpe 10. Mr. Hassan Imam 11. Mr. Kevin Ugwuoke 12. Dr. Ken Opara 13. Mr. Stanley Amuchie 14. Mrs. Pamela Shodipo
16.	Key Imperatives for the Audit Committee in a New Age of Governance	KPMG	August 9, 2023	1. Mr. Chidi Agbapu 2. Alhaji Isa Inuwa 3. Engr. Henry Obih 4. Mrs. Amaka Onwughalu 5. Chief Nelson Nweke 6. Mr. Chinedu Okeke 7. Mrs. Morohunke Bammeke. 8. Dr. Nneka Onyeali-Ikpe 9. Mr. Hassan Imam 10. Mr. Kevin Ugwuoke 11. Dr. Ken Opara 12. Mr. Stanley Amuchie 13. Mrs. Pamela Shodipo

S/N	Course	Vendor	Date	Name of Director(s)
17.	Data Protection Act 2023 Workshop	Institute of Directors of Nigeria (IOD)	September 7, 2023	1. Mr. Chidi Agbapu 2. Mrs. Amaka Onwughalu 3. Chief Nelson Nweke 4. Mrs. Morohunke Bammeke.
18.	Audit Committee Oversight of Cybersecurity	Audit Committee Institute of Nigeria	September 6-7, 2023	1. Chief Frank Onwu 2. Dr. Christian Nwinia 3. Mr. Innocent Mmuoh
19.	Board AML/CFT/ ESG Training	H. Pierson & Associates	September 28, 2023	1. Mr. Mustafa Chike-Obi 2. Mr. Chidi Agbapu 3. Alhaji Isa Inuwa 4. Engr. Henry Obih 5. Mrs. Amaka Onwughalu 6. Chief Nelson Nweke 7. Mr. Chinedu Okeke 8. Mrs. Morohunke Bammeke. 9. Dr. Nneka Onyeali-Ikpe 10. Mr. Hassan Imam 11. Mr. Kevin Ugwuoke 12. Dr. Ken Opara 13. Mr. Stanley Amuchie 14. Mrs. Pamela Shodipo

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 their oversight responsibilities.

Independent consultants engaged during the review period include:

S/N	Consultant	Brief
1	KPMG Professional Services	Board Appraisal; Corporate Strategy; Board Consultancy Services
2	PricewaterhouseCoopers	Human Resource Services

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 2022 financial year. The Consultant's report was presented to the shareholders at the 35th Annual General Meeting on May 23, 2023.

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.

B. 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:

(i) Board Credit Committee.

(ii) Board Risk Committee.

(iii) Board Audit Committee.

(iv) Board Corporate Governance Committee.

(v) Board Finance and General Purpose Committee.

(vi) 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.

The composition of Board Committees as of 31 December 2023, was as follows:

S/N	Committee	Membership	Designation
1	Board Finance & General Purpose Committee (FGPC)	Chief Nelson Nweke	Chairman, Non-Executive Director
		Mrs. Morohunke Bammeke	Independent Non-Executive Director
		Mr. Chidi Agbapu	Non-Executive Director
		Mrs. Amaka Onwughalu	Non-Executive Director
2	Board Corporate Governance Committee (BCGC)	Engr. Henry Obih	Chairman, Independent Non-Executive Director
		Mr. Chidi Agbapu	Non-Executive Director
		Alhaji Isa Inuwa	Independent Non-Executive Director
		Mrs. Amaka Onwughalu	Non-Executive Director
		Chief Nelson Nweke	Non-Executive Director
3	Board Risk Committee (BRC)	Mrs. Amaka Onwughalu	Chairman, Non-Executive Director
		Alhaji Isa Inuwa	Independent Non-Executive Director
		Engr. Henry Obih	Independent Non-Executive Director
		Mr. Chinedu Okeke	Non-Executive Director
		Mrs. Morohunke Bammeke	Independent Non-Executive Director
		Mrs. Nneka Onyeali-Ikpe	Managing Director/CEO
		Mr. Kevin Ugwuoke	Executive Director, Chief Risk Officer
4	Board Audit Committee (BAC)	Alhaji Isa Inuwa	Chairman, Independent Non-Executive Director
		Chief Nelson Nweke	Non-Executive Director
		Mrs. Morohunke Bammeke	Independent Non-Executive Director
		Mr. Chinedu Okeke	Non-Executive Director
5	Board Credit Committee (BCC)	Mr. Chidi Agbapu	Chairman, Non-Executive Director
		Alhaji Isa Inuwa	Independent Non-Executive Director
		Engr. Henry Obih	Independent Non-Executive Director
		Mrs. Amaka Onwughalu	Non-Executive Director
		Mr. Chinedu Okeke	Non-Executive Director
		Mrs. Nneka Onyeali-Ikpe	Managing Director/CEO
6	Board Information Technology Committee (BITC)	Mrs. Morohunke Bammeke	Chairman, Independent Non- Executive Director
		Mr. Chinedu Okeke	Non-Executive Director
		Engr. Henry Obih	Independent Non-Executive Director
		Mr. Chidi Agbapu	Non-Executive Director

i. 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 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 Board approval, any Director, Shareholder and Insider-Related credits.

(h) Consider exceptions to rules or policies and counsel on unusual credit transactions.

ii. Board Risk 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 one of whom is an Independent Director, Executive Director, Chief Risk Officer 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 the 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.

iii. 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.

iv. Board Corporate Governance Committee:

The Board Corporate 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.

v. 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.

vi. 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 Chairman of the Committee is an Independent Non-Executive 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 Digitalisation.

(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.

(C). Attendance at Board and Board Committee Meetings

Records of the Directors' attendance at meetings during Year ended 31 December 2023 are provided below:

S/N	Name	Full Board	Board Credit Committee (BCC)	Board Corporate Governance Committee (BCGC)	Board Audit Committee (BAC)	Board Risk Committee (BRC)	Board Finance And General Purpose Committee (BF&GPC)	Board Information Technology Committee (BITC)
	Total Number Of Meetings	**11**	**10**	**8**	**6**	**6**	**7**	**6**
1	Mr. Mustafa Chike-Obi	11	N/A	N/A	N/A	N/A	N/A	N/A
2	Alhaji Isa Inuwa	11	10	8	N/A	6	N/A	N/A
3	Mrs. Amaka Onwughalu	11	10	8	N/A	6	7	N/A
4	Chief Nelson Nweke	11	N/A	8	N/A	N/A	7	N/A
5	Mr. Chinedu Okeke	11	10	N/A	6	6	N/A	6
6	Engr. Henry Obih	11	10	8	6	5	N/A	6
7	Mr. Chidi Agbapu	11	10	8	6	N/A	7	6
8	Mrs. Morohunke Bammeke	11	N/A	N/A	6	6	7	6
9	Dr. Nneka Onyeali-Ikpe	11	10	N/A	N/A	6	N/A	N/A
10	Mr. Hassan Imam	11	N/A	N/A	N/A	N/A	N/A	N/A
11	Mr. Kevin Ugwuoke	11	N/A	N/A	N/A	6	N/A	N/A
12	Dr. Ken Opara	11	N/A	N/A	N/A	N/A	N/A	N/A
13	Mr. Stanley Amuchie	11	NIL	N/A	N/A	N/A	N/A	N/A
14	*Mrs. Pamela Shodipo	10	N/A	N/A	N/A	N/A	N/A	N/A
15	*Mr. Abolore Solebo	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Mrs. Pamela Shodipo was appointed to the Board with effect from February 3, 2023. The first Board meeting after her appointment held on March 8, 2023.

**Mr. Abolore Solebo was appointed to the Board with effect from February 1, 2024.

The dates of Board and Board Committee meetings in the Year ended 31 December 2023 are shown below:

S/N	Full Board (11)	Board Credit Committee (BCC) (10)	Board Corporate Governance Committee (BCGC) (8)	Board Audit Committee (BAC) (6)	Board Risk Committee (BRC) (6)	Board Finance And General Purpose Committee (FGPC) (7)	Board Information Technology Committee (BITC) (6)	Board Chairman's Meeting with Non-Executive Directors (1)	Meeting of Independent Non - Executive Directors (1)
1	Jan 30, 2023	Jan 26, 2023	Jan 25, 2023	Jan 19, 2023	Jan 23, 2023	Jan 24, 2023	Jan 20, 2023	Dec 15, 2023	Dec 22, 2023
2	Mar 8, 2023	Feb 21, 2023	Apr 26, 2023	Apr 4, 2023	Jan 24, 2023	Apr 4, 2023	Jan 24, 2023		
3	Apr 4, 2023	Mar 27, 2023	Jun 6, 2023	Apr 17, 2023	Jun 8, 2023	Jun 13, 2023	Apr 18, 2023		
4	Apr 27, 2023	Apr 26, 2023	Jul 19, 2023	Jul 17, 2023	Jul 24, 2023	Jul 13, 2023	Jul 14, 2023		
5	Jun 14, 2023	May 24, 2023	Oct 23, 2023	Aug 22, 2023	Nov 15, 2023	Aug 22, 2023	Oct 27, 2023		
6	Jun 22, 2023	Jul 20, 2023	Nov 11, 2023	Oct 25, 2023	Nov 16, 2023	Nov 6, 2023	Dec 12, 2023		
7	Jul 9, 2023	Aug 17, 2023	Dec 14, 2023			Dec 12, 2023			
8	Aug 22, 2023	Oct 10, 2023	Dec 14, 2023						
9	Oct 30, 2023	Dec 5, 2023							
10	Nov 23, 2023	Dec 28, 2023							
11	Dec 15, 2023								

Notes:

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.

D. 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 year ended December 31, 2023.

The Committee's primary responsibilities include:

(i) Review the External Auditor's proposed audit scope and approach.

(ii) Monitor the activities and performance of External Auditors.

(iii) Review with the External Auditors any difficulties encountered in the course of the audit.

(iv) Review results of the half year and annual audits and discuss same with Management and the External Auditors.

(v) 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 year ended December 31, 2023 is indicated below:

S/N	Name	Designation	JAN 27	APR 4	APR 27	Aug 22	Oct 20	Number Of Meetings	Number Meetings Attended
1	Chief Frank Onwu	Chairman/ Shareholder Representative	√	√	√	√	√	5	5
2	Mr. Innocent Mmuoh	Shareholder Representative	√	√	√	√	√	5	5
3	Dr. Christian Nwinia	Shareholder Representative	√	√	√	√	√	5	5
4	Mrs. Morohunke Bammeke	Non-Executive Director	√	√	√	√	√	5	5
5	Chief Nelson Nweke	Non-Executive Director	√	√	√	√	√	5	5

E. 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.

F. 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:

i. 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.

ii. 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 capital position of the Bank.

(e) Maximize risk adjusted returns to stakeholders over the long term.

iii. 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.

iv. 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 non-performing 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.

v. 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.

vi. 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.

vii. 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 the Environmental and Social Management Systems.

(b) Oversee the implementation and management of the Bank's environmental and social footprint as it concerns:

(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 equal opportunity and diversity.

(iii) Occupational health and safety.

(iii) Grievance mechanism and related issues.

(iv) Financial inclusion and literacy.

(v) Corporate Social Responsibility.

(vi) Collaborative partnership.

(vii) Capacity building.

(d) Review the Bank's environmental and social performance and progress.

(e) To review and advise the Board on sustainability issues affeccting the Bank.

viii. 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:

(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.

ix. 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.

(G) Governance And Management

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

These include the following:

(a) Code of Business Conduct and Ethics Policy

(b) Directors Code of Conduct Policy

(c) Insider Trading Policy

(d) Whistle-blowing Policy

(e) Remuneration Policy

(f) Shareholders Complaints Management Policy

(a) 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.

(b) 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 act honestly, in good faith and in the best interest of the Bank at all times. 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.

(c) 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.

(d) Whistle-blowing Policy

Fidelity Bank Plc requires all Employees, Directors, Vendors and other Stakeholders to conduct themselves with utmost fidelity and good faith in their dealings with the Bank and its stakeholders at all times. 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:

i. Email to **ethicscommittee@fidelitybank.ng**
ii. Visit **www.fidelitybank.ng/whistle-blowing**
iii. Call **0813-984-3525** (Fidelity True Serve)

A policy statement on whistle-blowing is available on the Bank's website along with a whistle-blowing form, to ease the reporting process. These 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.

(e) 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.

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 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;

(iii) The Bank's performance-based incentive programs are aligned to individual performance and the overall performance of the Bank. This approach drives a high performance culture that rewards individual contributions and the achievement of business results that enhance shareholder value.

The Bank is in compliance 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.

(f) 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 Shareholder 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 an electronic complaints register and provide information on a quarterly basis to the NSE in line with regulations.

(ix) Protect the Bank from sanctions from regulatory bodies and ensure strict compliance by the responsible parties.

(g) Gender Diversity

Fidelity Bank is an equal opportunity employer and is committed to promoting gender diversity in the work place. 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.

(h) Fraud & Forgeries

In accordance with the CBN Corporate Governance Guidelines, frauds and forgeries recorded in 2023 were as follows:

Fraud and Forgeries Summary		
Fraud and Forgeries	**Dec 31, 2023**	**Dec 31, 2022**
Number of Fraud Incidents	3,079	2,518
Amount Involved (Naira)	3,826,666,642.69	1,008,107,121.83
Amount Involved (US Dollars)	15,706.76	8,553.68
Amount Involved (Euros)	0	100
Actual/Expected Loss (Naira)	2,094,761,449.64	237,180,343.71
Actual/Expected Loss (US Dollars)	200.00	2,450
Actual/Expected Loss (Euros)	0	100

(i) 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 Corporate Governance Guidelines issued by the Central Bank of Nigeria. The Chief Compliance Officer and the Company Secretary submit periodic returns on the various governance Guidelines to the Central Bank, Nigerian Exchange Group, Securities & Exchange Commission and Nigeria Deposit Insurance Corporation as appropriate.

(j) Foreign Subsidiary Governance

As of December 31, 2023, the Bank had one (1) wholly owned subsidiary, Fidelity Bank UK Limited, which was acquired during the year under review. 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.

(k) 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.

(l) 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.


Fidelity
Bank
without Data
use
*770#
short codes
*770*08#
Fast Loan
*770*1#
Instant banking menu
*770*01#
Open Account
*770*0#
Balance Enquiry
*770*00#
PIN change
*770*Amount#
Airtime Recharge

Sustainability & Climate Report

During the year, the Bank early adopted the International Sustainability Standards Board (ISSB) standards in line with adoption road map issued by the Financial Reporting Council of Nigeria (FRC).

Sustainability & Climate Report

2023 was a remarkable year for us at Fidelity Bank as the Bank was able to achieve significant milestones in its Sustainability and Climate journey: the Bank signed on to the United Nations Environmental Programme - Finance Initiative (UNEPFI) Principles for Responsible Banking (PRB) and the United Nations Women Empowerment Principles (WEP). Becoming a signatory to these Principles demonstrates our strong commitment to Sustainability as a critical part of our corporate strategy, and our determination to embed it in all aspects of our business operations and activities. Also, following the official launch of the IFRS Sustainability Disclosure Standards (IFRS S1 and S2) by the International Sustainability Standards Board (ISSB) in June 2023, the Bank elected to early adopt, a major milestone as we were among the global pacesetters in IFRS Sustainability and Climate related financial reporting.

We are pleased to highlight our disclosures in line with IFRS S1 and S2 alongside this audited report. We are driven by the understanding that to remain profitable as a business, we must achieve a reasonable balance between our economic, environmental, and social performance in the short, medium, and long term. We remain committed to our vision of being the number one Sustainable Bank in every market where we operate and for every branded product that we offer. We continually embrace the concept of sustainable development and seek to promote "best in class" sustainability practices in the Financial Services Industry.

First Time Adoption of the IFRS Sustainability Disclosure Standards

During the year, the Bank early adopted the International Sustainability Standards Board (ISSB) standards in line with adoption road map issued by the Financial Reporting Council of Nigeria (FRC). This financial statement of Fidelity Bank Plc for the year ended 31 December 2023 is the first ISSB compliant financial statement of the Bank and has been prepared in compliance with all applicable ISSB standards. The effects of the adoption and all the transition reliefs taken, including the permission to publish our sustainability and climate related financial disclosures after publishing this financial statement have been included in our stand-alone 2023 Sustainability Report to be published by June 30 2024.

This annual report contains highlights of the disclosures on the sustainability and climate related risks and opportunities that could reasonably be expected to affect the bank's prospects in line with the Governance, Strategy, Risk Management, Metrics, Targets and requirements of IFRS S1 and S2.

Governance

Fidelity Bank's approach to corporate governance is aligned with the Nigerian Code of Corporate Governance. The Bank has developed a corporate governance framework which consists of detailed rules and codes, managed through six Board committees for oversight on areas like sustainability and climate risk, anti-corruption, and ethics. Our Board is made up of professionals with diverse experience and skills. The Board Risk Committee is updated quarterly on sustainability and climate related issues through reports such as the Sustainable Banking Report.

At the Management level, Fidelity Bank's Sustainable Banking Governance Committee oversees the implementation of the Bank's sustainable banking policies and practices. The Head of Sustainable Banking is responsible for implementing Environmental, Social, and Governance (ESG) and climate initiatives and reports activities and performance to the Executive Director/Chief Risk Officer. The Sustainable Banking Governance Committee comprises the MD/CEO, Executive Directors, and representatives of key business divisions including Finance, Operations, Human Resources, and Product Development, among others. Additionally, we have a Sustainable Banking Data Management System that ensures streamlined data gathering from branches and business units, for ease of monitoring and reporting.

During the reporting year, the Bank started the process of updating its Governance Frameworks to include oversight of sustainability and climate-related risks and opportunities in Board and Management's responsibilities, and with a mandate to align this with IFRS S1 and S2 requirements on Governance.

Strategy

Fidelity Bank's strategy for managing Sustainability Related Risks and Opportunities (SRROs) that could reasonably be expected to affect the Bank's prospects is grounded in our understanding of our business model and value chain. Some of the SRROs that we have identified relate to ESG issues such as climate change, customer privacy, anti-corruption, diversity and equal opportunity, occupational health and safety, and human rights among others. Current and anticipated effects of the prioritized SRROs on our business model and value chain are further discussed in the following sections, while our stand-alone Sustainability report will present a robust assessment of current and anticipated financial impact as well as the resilience of our strategy and business model to these SRROs.

The Bank has considered time horizons in assessing anticipated effects of these associated risks and opportunities as the SRROs could be reasonably expected to occur over the short term (1-2 years), medium term (3-5 years) and long term (above 5 years). With respect to climate change, we understand that our financing activities represent the highest contributor to our scope 3 emissions. Consequently, we are leveraging the robust processes we implemented for environmental and social risk assessments for our lending activities to drive emissions reductions. We screened 99.97% of all our disbursed facilities during the reporting period.

We plan on initiating measures and strategic approaches to reduce absolute carbon dioxide equivalent (CO_2e) emissions across the sectors that we invest in, which include oil and gas (upstream and downstream), oil and gas services, manufacturing (including beverages production, flour mills & bakeries), transport and logistics, power, agriculture, forestry and fisheries, construction, and real estate, among others.

We reviewed the effects of climate change on our lending portfolio, identifying the sectors with the highest impact and developing adequate adaptation measures. We are setting targets to ensure that we channel significant financing to climate-friendly sectors while introducing green finance products to leverage opportunities in Nigeria's emerging sustainable finance market.

We also plan to conduct climate risk modelling, scenario analysis and stress testing to measure the resilience of our business model and strategy to climate-related risks and opportunities. Outcomes of these measures will further finetune our strategies for mitigating the anticipated risks and increase our capacity to adjust to the uncertainties arising from climate and the broader sustainability-related risks that we have identified.

As a commercial bank, our key sustainability-related opportunities are tied to climate transition. Therefore, to guide the Bank's strategy towards supporting the transition to a low carbon economy and the actualization of the Paris Agreement, the Bank has developed its Green Finance Framework aligned with the International Capital Market Association ("ICMA") Green Bond Principles ("GBP") 2021 and/or Loan Market Association ("LMA") Green Loan Principles ("GLP") 2021.

The Fidelity Bank Green Finance Framework is structured around the four core components as recommended by the ICMA Green Bond Principles and the LMA Green Loan Principles:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

The green finance framework will guide the Bank's lending to climate-friendly sectors.

Risk Management

Fidelity Bank has developed a robust framework to identify, assess, prioritize, and monitor its sustainability and climate related risks and opportunities as recommended by the IFRS S1 and S2. Our sustainability and climate related risks and opportunities management approach includes:

- Measuring where we are: by identifying and assessing our sustainability and climate related risks and opportunities through materiality assessments, assessing our greenhouse gas emissions and climate risk modelling. We have established an ongoing process for identifying potential direct and indirect risks and opportunities associated with material ESG factors. We assess their impacts on our prospects and prioritize them according to their importance using methodologies such as the Multi-Criteria Decision Analysis (MCDA).
- Embedding sustainability and climate related risks considerations into our strategy, decision-making process, and daily operations. This involves establishing a robust sustainability governance as described in the Governance Section and integrating sustainability and climate related risks considerations into our Enterprise Risk Management framework.
- Monitoring risks, scaling opportunities, tracking progress, and building trust using ESG data and disclosures: Our commitment to integrating sustainability-related risks and opportunities into our enterprise risk management process includes refining our methodologies for scenario analysis to accommodate climate change impacts.

We plan to strengthen our carbon modeling capabilities, focusing on sectors with significant carbon footprints. This strategic intent is in line with our long- term ambition to become a net-zero bank, honoring our pledge to mitigate risks associated with climate change and assuring business continuity in an ever-changing operating environment.

Metrics and Targets

Fidelity Bank is committed to disclosing metrics and targets to demonstrate its performance in relation to its sustainability and climate-related risks and opportunities, including progress made in the targets that we have set and the targets that we are required to meet by applicable laws or regulations.

For each Sustainability related risks and opportunities that the Bank identified, we considered the applicability of disclosure topics and metrics in IFRS S1, the Sustainability Accounting Standards Board (SASB) framework, and Global Reporting Initiative (GRI) Standards.

We concluded that the disclosure topics and applicable metrics in the SASB Standards for Commercial Banks are not sufficient to inform the identification and disclosures of SRROs that could reasonably be expected to affect the Bank's prospects. Therefore, we will also be referring to and considering the disclosure metrics in the GRI Standards. We will also be disclosing information on metrics and targets required by regulation such as the Nigerian Sustainable Banking Principles, NGX Sustainability Disclosure Guidelines and our performance against those commitments.

For climate-related risks and opportunities, the information to be disclosed will be aligned with the cross- industry metric categories, industry-based metrics in line with the industry-based Guidance on Implementing IFRS S2 and the bank's own climate-related targets.

In our stand-alone ISSB Standards-compliant Sustainability Report, we will be disclosing the Bank's Scope 1, Scope 2 and Scope 3 GHG emissions for 2023 in alignment with the GHG Protocol.

Fidelity Bank's climate-related targets that will be disclosed include internally set quantitative and qualitative targets and targets set by regulations.

Our Sustainability and Climate Commitment

As a leading financial institution, we understand the crucial role we play in addressing environmental, climate and social risks, and creating long-term value for the society and the communities where we operate. We firmly believe that adopting best in class environmental, social and governance (ESG) practices in our business operations and activities, is essential for achieving balanced and sustainable results for all stakeholders. Furthermore, we recognize that our business operations and activities can be conducted with less adverse environmental, climate, and social effects while enhancing benefits to our shareholders, clients, business partners and the public. We understand the need to ensure that our lending decisions meet the tripod objectives of economic viability, environmental responsibility, and social relevance. This way, we continue to ensure that the costs of economic development do not fall disproportionately on those who are poor or vulnerable; that the environment is not degraded in the process; and that natural resources are managed sustainably.

With this understanding, Fidelity Bank will continue to observe relevant local and international standards such as the Nigerian Sustainable Banking Principles (NSBP), Equator Principles, United Nations Environmental Programme - Finance Initiative (UNEPFI) Principles for Responsible Banking (PRB), United Nations Women Empowerment Principles (WEP), the International Finance Corporations (IFC) Performance Standards and other leading standards in managing environmental, climate, and social risks in our operations as well as in the operations of clients that we finance.

Managing Environmental and Social (E&S) Risks in Clients' Businesses

At Fidelity Bank, we understand that our clients' projects/operations are exposed to environmental, social, governance and climate issues hence our lending decisions could, in uncontrolled circumstances, produce unintended negative environmental, climate and social impacts. Consequently, we have developed systems and processes to identify, assess, mitigate, monitor, and report such impacts. Our comprehensive E&S and Climate Risk Management System, which is well entrenched in the Bank's Credit processes, affords the Bank the opportunity to help clients secure long- term sustenance of their businesses. By so doing, we meet our own objective of engaging in responsible banking. The Bank aspires to be a leader in the provision of sustainable financing products by ensuring Environmental, Climate, Social and Governance criteria remains major considerations in product development and all client engagements. Transactions valued at N4.08trillion were assessed for Environmental and Social Risks in the year under review. Fidelity Bank's sustainability team is focused on implementing the Bank's sustainability initiatives, driving our sustainable banking services as well as integrating sustainability and climate-related considerations in our business operations.

Compliance with Equator Principles

Equator Principles (EP) is a global risk management framework for identifying, assessing, and managing environmental and social risks in project finance. The EP framework is the financial sector's leading voluntary standards, which also builds on the International Finance Corporation's (IFC) Performance Standards (PS) and the World Bank Group's Environmental, Health & Safety (EHS) Guidelines.

Fidelity Bank joined the Equator Principles community in November 2012 and is committed to implementing the principles through internal environmental and social risk management policies. The EP has been updated over the years thereby enhancing its requirements, ensuring that it is fit for purpose, with increased focus on Sustainable Finance and Sustainability. The Equator Principles version 4, which came into effect on October 1, 2020, has been adopted by the Bank.

As part of the structure to mainstream E&S issues in our lending processes, our Sustainable Banking Department, which operates out of the Risk Management Directorate reviews project related applications above the threshold of US$10m as stipulated by the EPs, while also reviewing other applications below this threshold in line with other national and international requirements.

Fidelity Bank has continued to strengthen its environmental and social risk management systems. The environmental and social risk assessment procedures form an integral part of the Bank's credit analysis process. Every business-related credit is screened against a set of Environmental and Social Risk criteria and then classified based on category definitions. Measures to mitigate identified risks are presented as part of loan preconditions and covenants. Fidelity Bank has also instituted measures including maintaining a robust database that supports effective monitoring and reporting on credits assessed against E&S requirements. Both physical monitoring visits to project sites and regular reports from customers are employed. When engaging with our customers, we endeavor to provide education on approaches to achieving long-term sustainability through identification and management of Environmental, Climate, Social and Governance risks and opportunities.

As part of its routine roles, the Sustainable Banking Department organizes capacity building programs across the Bank, covering the Board, Management, and other employees. The Department circulates quarterly bank-wide internal communications to promote sound environmental and social risk management culture and awareness among staff. The Department also delivers Environmental, Climate and Social Risk Management training modules at all staff induction programs, the Bank's Thursday lecture series and E-Learning portal assignments and quizzes for all staff.

As a financial institution adopting the EPs, Fidelity Bank will not support projects where the borrower will not, or is unable to, comply with the environmental and social requirements arising from the application of the EPs. As part of our E&S assessment procedures, we classify projects in line with the International Finance Corporation's Performance Standards for project categorization as follows:

- Category A: Projects with potential significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented.
- Category B: Projects with potential limited adverse social or environmental impacts that are few, site- specific, reversible, and readily addressed through mitigation measures; and
- Category C: Projects with minimal or no social or environmental impacts.

Below, we report our project finance activity, in line with Equator Principles version 4 requirements for the period, January 1 to December 31, 2023. During the review period, Fidelity Bank did not participate in any project- related refinance and project-related acquisition finance, project finance related advisory services, project- related corporate loans, and bridge financing, as defined in the Equator Principles.

Project Finance - Sector Reporting

Sector	E&S Risk Categories		
	A	B	C
Mining	-	-	-
Infrastructure	-	-	-
Oil and Gas	1	-	-
Power	-	-	-
Others	-	-	-
Total	**1**	**-**	**-**

Project Finance – Regional Reporting

Region	E&S Risk Categories		
	A	B	C
Americas	-	-	-
Europe, Middle East and Africa	1	-	-
Asia and Oceania	-	-	-
Total	**1**	**0**	**0**

Project Finance – Country Designation

Designation	E&S Risk Categories		
	A	B	C
Designated Countries	-	-	-
Non-Designated Countries	1	-	-
Total	**1**	**-**	**-**

Project Finance – Independent Review

	E&S Risk Categories		
	A	B	C
Yes	1	-	-
No	-	-	-
Total	**1**	**-**	**-**

Alignment with Nigerian Sustainable Banking Principles

The Nigerian Sustainable Banking Principles are a set of nine principles that regulates and guides Sustainability/ESG in Nigerian Banks. They came into effect in September 2012. The aim is to deliver positive development and impact to society while protecting the communities and environment in which financial institutions and their clients operate. The principles regulate activities both in the Bank's business operations and business activities. Fidelity Bank abides by the principles and reports to the Central Bank of Nigeria on a Biannual basis. The Bank held its maiden Sustainability week in January 2023.

Throughout the week, there were communications and activities that drew attention to the Sustainable Development Goals (SDGs). The Bank's Thursday Lecture that week was anchored by a Guest Speaker, Solape Agagu-Hammond (the then Special Adviser to the Lagos State Governor on the Sustainable Development Goals), with the theme, "Climate Change and Implications for the Banking Sector."

Empowering the Backbone: Fidelity's SME Catalyst

Small businesses continue to serve as the backbone of Nigeria's economy, contributing significantly to GDP and employment rates. In line with our commitment to sustainability and inclusive growth, Fidelity Bank has continued to prioritize support for small and medium-sized enterprises (SMEs) as a cornerstone of our banking efforts. Throughout the year 2023, we remained dedicated to providing tailored financial products and services to empower SMEs across various sectors of the economy. Our focus on SMEs has been underscored by a series of strategic initiatives aimed at addressing their unique challenges and fostering their growth and resilience in the face of evolving economic conditions.

Through bespoke solutions tailored to SME needs, Fidelity Bank has played a crucial role in fostering entrepreneurship and economic development across the nation. Key highlights of our SME banking endeavor in 2023 include:

- In recognition of Fidelity Bank's exemplary support and impact on startups, the Bank was awarded the Development Bank of Nigeria (DBN) award in 2023, earning the title of the Partner Financial Institution with the Highest Impact on Startups. This achievement highlights the Bank's strategic partnership with DBN, which boosted its On-Lending portfolio, resulting in the disbursement of approximately N31 billion to MSMEs across diverse sectors of the economy.

- To strengthen the capital base of our customers, especially considering rising inflation, we introduced a new mass-market lending product called the Fidelity SME Term Loan (FSTL). This innovative product allows customers to borrow up to N50million for the purpose of working capital and asset finance, addressing the evolving needs of MSMEs with quick cash flow and conversion cycles in trading, manufacturing, and services. With a tenor limit of up to 36 months, the FSTL provides businesses with the flexibility and support required to thrive in today's dynamic market landscape

- To facilitate market access for SMEs, Fidelity Bank organized several trade and business matchmaking events both locally and internationally. Collaborating with agencies such as SMEDAN and the Lagos Chamber of Commerce and Industry (LCCI), the bank facilitated business conferences and trade exhibitions, providing platforms for knowledge exchange, and fostering new buyer-supplier relationships. Notably, the Bank participated in the Lagos International Trade Fair between 3rd – 12th November 2023, with its Regional Branches present at the fair and the sales team driving sales.

- In addition, over 100 Market storms were held at different Regions across the three business directorates in 2023. These storms provided avenues for financial literacy, business advisory, empowerment, and financial inclusions, empowering entrepreneurs with the knowledge and resources needed for sustainable business growth.

- Fidelity Bank's commitment to SME's empowerment transcends geographical boundaries, as evidenced by its organization of the international trade expo: Fidelity International Trade and Creative Connect (FITCC) in Houston, Texas which achieved its aim of facilitating Nigerian businesses' entry into the American market and opening new avenues for growth and expansion. FITCC not only facilitated bilateral trade between Nigeria and the USA but also garnered recognition from key stakeholders, including the Mayor of Houston, who proclaimed October 25, 2023, as FITCC Day in the City. Notably, FITCC's alignment with Sustainable Development Goal 1 on poverty reduction underscores its broader socio-economic impact.

- In addition to facilitating access to finance and markets, Fidelity Bank remains steadfast in its commitment to capacity building and skills development for MSMEs. The Fidelity SME Forum, a weekly radio program launched in 2013, continues to provide invaluable insights and expertise to budding entrepreneurs nationwide. Moreover, the Bank's series of business management trainings conducted in key commercial hubs across Nigeria have equipped thousands of MSMEs with the knowledge and tools needed to navigate the intricacies of business operations successfully.

- As a testament to its dedication to supporting Nigerian MSMEs, Fidelity Bank achieved a significant recognition in the 2023 KPMG Banking Industry Customers Satisfaction Survey report, moving seven steps up to secure the fifth position in SME, Corporate and Retail Banking. This recognition reaffirms the Bank's commitment to delivering exceptional service and driving positive outcomes for its customers and other stakeholders.

Contributing to Greenhouse Gas Emission Reduction

Fidelity Bank continues to pursue greenhouse gas emission reduction. We are committed to ensuring that newly constructed branches are designed to be environmentally friendly with adequate surface space for solar panels. The Bank also continues the adoption of Sustainable Power Solution with the installation of solar hybrid power in part of the Head Office and some Lagos Branches. To fulfil the requirements of our environmental strategy, which is geared towards the adoption of cleaner energy and efficient resource use, electronic equipment such as air conditioners are being replaced with low energy consuming variants while we continue the use of LED lighting across the Bank. The Bank also employs the use of biodegradable cash bags for dispensing cash to customers.

Fidelity increased its fleet of staff buses which now offers well over 800 members of staff free home-to-work commuting services every workday, minimizing the number of vehicles driven by staff and the associated GHG emissions. While this gesture serves to promote employee welfare, it also contributes to the Bank's overall greenhouse gas emission reduction. Staff members using individual vehicles are also encouraged to carpool to work.

The Bank will provide detailed climate-related disclosures in its stand-alone 2023 Sustainability Report.

Guided by the International Bill on Human Rights

Fidelity Bank in its commitment to uphold Human Rights has continued to identify with the International Bill on Human Rights and the conventions of the International Labour Organization. The Bank's Human Rights Policy defines its commitment to upholding human rights standards and encapsulates a non-discrimination policy which prohibits the use of child labour, forced labour and discrimination on grounds of religion, gender, race, tribe, age, physical challenge, or economic background.

To demonstrate this resolve, the Bank in dealing with employees, suppliers, and third-party contractors, ensures fair treatment without any form of discrimination or disregard for human rights. Our Diversity Policy articulates a corporate culture which not only supports workplace diversity and inclusiveness but also recognizes that employees at all levels of the Bank have a role and responsibility for fulfilling this objective.

The Bank has made considerable progress in improving gender equality, diversity and inclusiveness across our board membership, senior executives, and at all levels of employment. The representation of employees per employee category in each of the following diversity groups as of December 31 2023, are as summarized below:

Gender Distribution of Employees

Gender	Percentage Representation (%)
Female	50.2%
Male	49.8%
Total	**100%**

Board Seat - Gender Composition

Gender	Percentage Representation (%)
Female	29%
Male	71%
Total	**100%**

Age Group Distribution

Age	(%) Representation
21 - 25	9.3%
26 - 30	27.8%
31 - 35	11.2%
36 - 40	14.1%
41 - 45	22.4%
46 - 50	11.4%
51 - Above	3.8%
Total	**100%**

Fidelity Bank is committed to ensuring that our employees are appreciated and valued. We also ensure that they are recognized for their contributions. Our employee rewards, compensation and benefits are highly competitive. We continually strive to create a positive work culture and satisfactory work experience. Furthermore, we are committed to the development of an engaging and inclusive work environment with the objective of ensuring employability, skill development and fair remuneration. Our training institute, Fidelity Crest Academy, organizes different capacity building training programs for employees.

Sustainability related trainings participation in 2023 are detailed below:

Participation	Participation	Facilitation
Directors	18	External
Senior Management	97	External
Experienced and New Hires	554	Sustainable Banking Unit Fidelity Bank
All Staff	7531	Sustainable Banking Unit Fidelity Bank

To further enhance employee welfare, the Bank has a number of compensation and benefits accessible to both male and female employees which includes Share of Profit and/or Dividend, provision of Essential Commodities (Essenco), Status Car, Professional & Club Membership, Offshore Trainings, Study Leave, HMO, Reimbursement of Certification Courses Exam Fees, Burial Support, Wedding Grant, Personal Loans, Maternity Leave, Annual medical check-up, etc.

Fidelity Bank maintains effective Whistle Blowing policies, and grievance mechanism policies for prompt identification and remediation of grievances. Our HR Clinic initiative is designed to provide an interactive one-on-one meeting between the HR team and employees bank wide. The HR Clinic Initiative creates opportunity for feedback on HR processes, counselling to staff (including stress management), and promotes freedom of expression. Fidelity Bank also ensures that human rights considerations are given due attention during lending decisions and same standards are embedded in contract agreements, including the service level agreements of vendors.

Health, Safety and HIV/AIDS Policies

Occupational Health and Safety (OHS) is a cornerstone of Fidelity Bank's values and operations, reflecting our unwavering commitment to the well-being and safety of every individual within our workforce. The Bank has made significant strides in promoting a culture of safety and implementing measures to mitigate workplace hazards.

During the period under review, the Bank conducted two fire drills in Q2 and Q3. The Bank also engaged in several capacity building and training programs including:

- Thursday lecture series on these topics:

- Safety, Security and You
- Hazards - Fire and Accident

- Training of staff by experts from the State Fire Service Department and Vendors. These trainings were conducted during fire drill exercises of June 20th and September 22nd, 2023, in the under listed areas:

- Fire extinguisher usage and firefighting strategies.
- Fire safety and emergency response
- Evacuation procedures
- Hazard reporting and communication

- 20 staff were trained at the Police Headquarters, Ikeja, Lagos between June and July 2023 on how to respond to security, safety, and emergency situations.

This is to complement the role of fire wardens at each of the Bank's blocks and branches. The bank continues to comply with the requirements of the following certifications:

- ISO 45001 – Occupational Health and Safety Management System (Audit and Re-certification) - Compliant
- Fire & Safety Certificate from Lagos State Safety Commission – Compliant

Additionally, the Bank in supporting the good health and wellbeing of every employee adopts best practices that cater for their healthcare using appropriate medical intervention through HMO services, guidance and counseling, cancer care treatment, annual medical check-up, equal opportunity policy structures and workplace inclusiveness. In 2023, the Bank went into partnership with I-Fitness Centre and initiated a subsidized Gym membership subscription to build the fitness culture among staff members. This partnership has granted staff members access to subsidized gym roaming subscriptions in 18 locations in four major cities across the nation.

The Bank has continued to enforce its policy of non-discrimination against any employee or customer based on their HIV/AIDS status. Employees living with HIV/AIDS have the right to confidentiality and privacy concerning their health status. Except where required by law to disclose to specific people or with the express consent of the employee, all medical information regarding employees with HIV/AIDS are kept strictly confidential. However, the Bank's standard incapacity procedures are usually applied in the event of a noticeable deterioration in the health of an employee living with HIV/AIDS matched by a decisive impact on the employee's work ability.

During the period under review, the Bank swiftly responded to incidents and near-misses. Moving forward, we understand that it is imperative that we remain committed to prioritizing the health and safety of all individuals within our Bank. This includes training and education, regular safety inspections, and proactive measures to address emerging risks.

Empowering Women: Fidelity's Commitment to Inclusive Growth

Fidelity Bank's commitment to women's economic empowerment is exemplified through its flagship initiative, HerFidelity. In 2023, the Bank continued its efforts to support women entrepreneurs through targeted training programs and access to resources. Across states such as Kano, Imo, and Adamawa, select women received business start-up kits and underwent specialized training in fashion and design, facilitated in partnership with reputable industry centers.

The success of HerFidelity was further evident in the significant subscription rate, with over 5,000 women entrepreneurs in 2023 embracing the Bank's tailored proposition. By providing a platform for women to showcase their entrepreneurial prowess, HerFidelity has emerged as a catalyst for economic inclusion and gender equality in Nigeria's business landscape. HerFidelity graduated over 20 women empowered in different skills who have commenced their own respective businesses.

In line with its commitment to promoting gender diversity and inclusivity within its workforce, Fidelity Bank continues to prioritize the recruitment, development, and advancement of women professionals across all levels of the organization. By fostering a supportive and inclusive work environment, the Bank empowers women to achieve their full potential and contribute meaningfully to the success of the business.

Furthermore, Fidelity Bank actively supports women-owned businesses through access to finance and market opportunities. The Bank offers tailored financial products and services designed to meet the unique needs of women entrepreneurs, enabling them to access capital for business expansion and investment. In the year under review, the Bank availed loans to 22,684 female individuals and 522 women owned businesses. A total value of N4.3 billion was availed to female individuals and N26.3billion to women owned businesses. Additionally, Fidelity Bank facilitates networking and mentorship opportunities for women entrepreneurs, fostering collaboration and knowledge exchange within the ecosystem.

In conclusion, the Bank's unwavering commitment to women empowerment is reflected in its comprehensive range of initiatives aimed at supporting women entrepreneurs at every stage of their journey. By providing access to resources, skills, and opportunities, the Bank empowers women to realize their full potential as drivers of economic growth and social progress in Nigeria.

Timely Reporting and Transparent Disclosures

Fidelity Bank is guided by relevant statutes and codes on Corporate Governance as well as the Company and Allied Matters Act (2020). The Bank formally communicated its intention to adopt the newly introduced Sustainability Standards IFRS S1 and S2 to the Financial Reporting Council (FRC) of Nigeria. As part of the adoption process, Fidelity Bank engaged a competent global consultant to support the Bank through the process of implementation and reporting. Fidelity Bank seeks to provide accurate and timely information regarding its lending and advisory activities as well as more general information in accordance with its corporate governance stance.

The Bank recognizes the importance of disclosure of information, both for itself and its clients, as a means of managing environmental, climate, social and governance risks. Our disclosures also help to communicate our sustainability and climate strategy and goals. To guard against the risk of financial crime within our business, we focus on training our employees, strengthening our screening systems, and ensuring that our policies and procedures are effective and up to date.

Code Of Ethics And Insider Dealing

Fidelity Bank prides itself in its long-standing good professional and ethical reputation sustained through a combination of leading policies, systems, and cultural practices. The Bank has a Code of Business Conduct and Ethics Policy, which clearly communicates its zero tolerance to corruption, money laundering, bribery, abuse of office and similar transgressions.

The Bank's Ethics Committee, ensures that the provisions of this Policy are communicated to all staff at the start of each year and periodically during the year, followed by individual staff attestation to comply with the provisions. Trainings on ethics and bribery/anti-corruption are a part of the Bank's induction programme for new staff and periodic lectures on ethics are held to ensure ethical standards are enshrined across the business. Staff members have become increasingly aware of the need to maintain high ethical standards in pursuit of their daily activities and engagement with colleagues, customers, and stakeholders.

The Bank has also adopted integrity test techniques to test how staff will behave in certain circumstances and this is used to appraise the staff compliance to ethical standards. During the year, Fidelity Bank joined the world in celebrating the Ethics and Compliance Week by marking it with different activities that spoke to its core values and ethical standards.

Fidelity Bank has a Whistle Blowing Policy in place, which encourages internal and external stakeholders to report their concerns about any unethical behavior to enable the Bank to investigate and address such promptly. We host our Whistle Blowing Application on our internet webpage. We also offer a dedicated telephone line and email address to stakeholders for anonymous reporting of issues of concern.

The Bank has zero tolerance for employees trading its securities on the stock exchange to their advantage after having access to confidential information. To guard against the illegal practice, the Bank has an 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 Policy is communicated to all persons to whom it is applicable, and the Company Secretary periodically notifies affected persons on when trading in the Bank's securities is either 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.

Fidelity Bank's Anti-Bribery and Corruption Policies and Procedures are communicated regularly to employees and management. At the beginning of each year, all staff mandatorily sign an attestation to have read and understood the provisions of the policy. There were no fines paid by the Bank on account of any of its staff being found wanting on cases of Bribery and Corruption in 2023. The Bank also did not contravene any environmental law or regulation during the year; hence no monetary fine was paid. As a responsible Financial Institution, we will continue to embrace adaptation measures that promote sustainable investment.

Fidelity Bank is committed to being responsive to the needs and concerns of customers and ensuring that their rights are always protected in accordance with consumer protection legislation and contractual requirements. In support of this commitment, the Bank has a Consumer Protection Policy as well as a Complaints Handling Policy. Training and awareness campaigns for all staff on the provisions of the policies are held on a continuous basis. The Bank's Customer Contact Centre and Customer Complaints touchpoints are committed to always upholding these standards.

Collaborating With Partners

Fidelity Bank recognizes that it can achieve greater results with combined efforts rather than acting alone. The Bank therefore endeavors to collaborate with clients who identify and manage environmental and social risks and who pursue environmental and social opportunities and outcomes in their business activities with a view to continually improving sustainability performance. The Bank participates actively in sector-wide efforts and in international initiatives to promote sustainable development. The Bank is a signatory to the United Nations Environmental Program-Finance Initiative (UNEP-FI), United Nations Global Compact (UNGC), and Equator Principles (EP). The Bank actively participates at the Sustainable Banking Champions Industry meetings and is a member of the National Financial Inclusion Technical Committee representing the Bankers' Committee. The Bank also collaborates with the Nigerian Conservation Foundation (NCF) on environmental advocacy initiatives.

Leading By Example In E&S Footprints Management

Fidelity Bank continuously strives to lead by example in the management of environmental and social management practices. We manage the E&S concerns associated with our internal operations and undertakings by making sustainability considerations a fundamental part of everyday decision making in our offices wherever located. The Bank continues to maintain its hybrid sustainable power solution in some locations in the Bank including parts of the Head Office in furtherance of its commitment and drive towards clean and environmentally friendly energy. The Bank has about 50 ATMs solely powered by Solar Energy.

Fidelity Bank through its Sustainable Procurement Policy commits to lower environmental and social impact in its procurement and vendor onboarding and management processes. The Policy provides in clear terms specifications of green equipment/electronics acceptable to the Bank and adopted across the Bank. The Bank has continued to replace existing office equipment with the greener and more sustainable options.

Fidelity Bank understands that water scarcity remains a serious global social challenge and with this realization is committed to ensuring that it manages the use of water resource efficiently. To this end, the Bank continuously sensitizes staff members on water usage.

To drive the efficient use of paper across the bank, the Bank is developing a Document Management System (DMS). This will provide e-storage for documents with ease of access whenever required. The solution will also aid automation of paper dependent processes.

Through the Fidelity Bank Waste and Pollution Management Policy, the Bank commits to promoting good waste management practices in line with local regulation and best practice.

The Sustainable Banking Management Systems portal remains a key system used in gathering Sustainability data across the branches. It facilitates effective monitoring as well as supports internal and regulatory reporting.

Impacting our Communities Positively

We have made significant strides in contributing to the wellbeing and development of local communities. Through various initiatives, we have been able to support local businesses, fund educational programs and sponsor community events. Our commitment to fostering sustainable growth in communities is unwavering and we will continue to prioritize and expand our community outreach initiatives.

Fidelity Bank has continued through its Corporate Social Responsibility activities to strive for positive social outcomes in communities, to reduce poverty and hunger through our Fidelity Food Bank, support education, improve health, provide basic needs, and increase long-term employment through the Bank's central CSR platform, sponsorships, as well as through a platform known as the Fidelity Helping Hands Program (FHHP). The FHHP is an employee volunteer program, which allows employees contribute towards community projects, while the Bank supports with a matching fund and allows project execution. Regions, Branches, Divisions or Departments are involved in identifying the pressing needs of their immediate communities, ascertain the cost and make personal voluntary financial contributions towards execution. They work in collaboration with the Corporate Social Responsibility (CSR) team for the matching fund, execution, and commissioning of each project.

The Bank's CSR programs aim to provide value to the community in four distinct pillars - Education, Environment, Health & Social Welfare, and Youth Empowerment. In the course of the year, the Bank made the following CSR investments: Education (N122,359,115), Environment (N12,937,556.23), Youth Empowerment (N20,901,000) and Health & Social Welfare (N623,439,582.75) During our CSR project commissioning especially in Schools, we carry out mentorship programs to sensitize the pupils/students who are mostly unbanked on financial literacy. We renovated classroom blocks, donated classroom furniture and equipment, as well as giant recycle bins to promote healthy environmental practices. The Bank ensures that the desired outcomes from the investments align with the objectives of the Sustainable Development Goals (SDGs).

During the year under review, the Bank sustained its drive to achieve its environmental sustainability objectives by collaborating with some States and Local Governments to create and maintain green parks in key locations across Nigeria. The Bank actively participated in advocacy programs in partnership with the Nigerian Conservation Foundation (NCF) of which the Bank is a Gold Member. The Bank also participated in the Annual Work for Nature organized by the NCF and the Lagos State Government in October 2023. The theme for the walk was Solutions to Plastic Pollution.

Initiatives and Developments in the Financial Inclusion Space:

We understand the need to foster a deliberate financial inclusion of under-represented segments of our communities, and we aim to expand our outreach and digitalize our processes to increase account ownership and enhance financial literacy. To deepen Financial Inclusion, the Bank is focusing on the five demographics emphasized by CBN in the revised National Financial Inclusion Strategy documents. These include Youths, Women, North, MSMEs, and financially excluded/underserved locations across the country.

Youths: The Bank conducted campus activations at different tertiary institutions to include more youths (aged 18-35) in the formal financial sector by adopting the Fidelity Bank campus activation train proposition. 2023 year's program was tagged "Flex 100 Reward "and it provided financial literacy and inclusion for youths as well as a reward campaign. The campaign was aimed at rewarding youths who opened Flex accounts through any of our platforms with a minimum balance of N1,000 with an extra N1,000. The reward was opened to the first 100 youths to open a Flex account daily.

Some institutions visited during the year include Bayero University Kano, University of Calabar, College of Education Nsugbe & Benue State University. Over 2,000 new accounts were opened during these meetings.

North: The Central Bank of Nigeria appointed Fidelity Bank to participate in driving digital financial services penetration in 16 selected cash-intensive markets in Northern Nigeria. This initiative is premised on taking advantage of the CBN's Naira Redesign and Cashless policies to onboard traders and merchants in identified cash-intensive markets in Nigeria. These include livestock, grains, and other specialized markets in far-flung rural communities. The focus of the initiative is not cash evacuation, but to deepen financial inclusion and boost the adoption of alternative digital channels to minimize the use of cash in day-to-day transactions in the market segments. This initiative created a platform for financial literacy in the North, developed solutions to drive financial inclusion, educated the target market about alternative banking and payment channels and drove adoption of the same. Kiosks and Parasols were deployed at the Markets, market leaders and traders were trained, Agents and merchants were recruited and onboarded, POS Terminals were configured and a total of 8,428 new accounts were opened between Q2 – Q4 across 13 markets.

MSMEs: The Bank organized a business conference in partnership with LCCI in November for SMEs themed, "Powering Nigerian Businesses for Growth" which had over 200 people in attendance and had top experts on the panel like Ms. Tosin Ojo, CFA (Principal, Sahel Capital), Mr. Yemi Osinubi, CFA (CEO, Helf Africa), Dr. Segun Musa, Deputy National President of the Nigeria Cargo Airport Chapter of the National Association of Government Approved Freight Forwarders (NAGAFF) and Sir Elvis Emecheta (MD/CEO, Zevis Pharmaceutical Ltd).

The Bank participated in the Lagos International Trade Fair between 3rd – 12th Nov. 2023. Its Regional Branches were present at the fair with the Sales team driving sales during the Fair. Over 100 Market storms were held at different regions across the three business directorates in 2023. The storms provided avenues for financial literacy, business advisory, business empowerment, and financial inclusions.

Women: A total of over 5,000 women subscribed to the "HER FIDELITY" Women Proposition in 2023. The Bank trained and set up over 20 women as apprentices in various trades. Fidelity Bank partnered with Women's World Banking (WWB) to encourage more women to patronize and save through our Agent outlets. A Program was organized across two geographical locations to encourage women to save and enjoy low-interest loans to grow their businesses. Other inherent benefits included business education, capacity building, and discounted premium healthcare.

Financially excluded/underserved: The Bank grew the number of agents on its Agency Banking Platform (CEVA) and partnered with super-agents, agent aggregators, and agent clusters to further grow this number, drive financial inclusion, and expand the Bank's reach, especially in underserved locations. The Bank has over 30,000 Agents and over 7,000 POS Terminals to cater to the underserved segments.

Financial Literacy Day: The 2023 Financial Literacy Day with the theme, "Plan your money, plant your future", held between March and April 2023 across the country to commemorate the 11th edition of Global Money Week. Fidelity Bank visited and engaged 11 schools in 11 LGAs. This engagement attracted a total of 1,057 (male is 419 and female is 638) people into the financial inclusion space.

Corporate Social Responsibility

As a socially responsible organization, we remain committed to creating sustainable impact in our communities. Our unbridled passion for Corporate Social Responsibility (CSR) is exemplified by the commitment of all stakeholders and the unwavering desire to make positive social footprints in the society whilst creating enduring partnerships for sustainable national development.

Our CSR Pillars as outlined in our CSR Policy center around viable CSR initiatives that speak to Environmental beautification, conservation and sustainability; Quality Education; Health and Social Welfare; as well as Youth Empowerment.

These four pillars are essential for the development of clean, stable and prosperous communities.

Focusing on these pillars, the Bank allocates a significant part of its annual earnings towards supporting initiatives and transformational projects that cut across all ages, cultures and genders. Specifically, the choice of our CSR initiatives is driven by:

Our CSR initiatives are strategically chosen to:

- Reinforcing strong and healthy community relations by identifying and executing strategic projects in host communities.
- Maintaining high standards of integrity in our engagements with the Government and Community.
- Playing the lead role by ascertaining and seeking solutions to societal challenges, especially in our operating environment.

Through our CSR initiatives, we aim to continue impacting the society positively and advancing the goals of sustainable development.

Below is a summary of CSR projects facilitated by the bank in 2023:

Area of focus	Project Description
Education	**Financial Literacy Advocacy**
	Implementation of the 2023 Financial Literacy Day and World Savings Day, a Financial Inclusion Project.
	Renovations/Structural Donations:
	Renovation of JSS1 School Block and donation of food items at Owerri Girls Junior Secondary School, Owerri, Imo State.
	3 Blocks of Classrooms (3 classrooms each), 500 uniforms and 200 new school chairs and desks at Garba Noma Primary School in Bauchi.
	Sponsorship of Infrastructural project at FGGC, Calabar.

Area of focus	Project Description
	Sponsorship of School repairs at Misnoory Foundation, Kano, Kano State.
	Installation of a 15kva Inverter, Solar Panels and Deep Cycle Batteries to power the school studio at Federal University of Kashare, Gombe.
	Renovation of the Convocation Hall and donation of air conditioning units to the University of Jos, Plateau State.
	Education Support and Donations:
	Donation of 100 School Bags, 100 water bottles, 100 exercise books at Onitolo Community Junior High School, Surulere, Lagos.
	Provision of educational materials at Community School, Itowolo, Ikorodu, Lagos.
	Provision of equipment for biology, chemistry and physics lab at Ikenegbu Girls Secondary School, Owerri, Imo State.
	Donation of CSR Educational Materials at Asma'u Dambatta Foundation in Kano State.
	Donation of Laptops at Anambra State Universal Basic Education Board (ASUBEB).
	Sponsorship of Alumni Association Presidential Dinner at Lagos Business School.
	Sponsorship of the 2023 National Workshop of the Chartered Institute of Stockbrokers.
	Sponsorship of Dr Chinyere Peace Almona's book Launch titled "The Future-Focused Female Leader " to promote Diversity, Equity & Inclusion Agenda.
	Sponsorship of Infrastructural project at FGGC, Calabar.
	Sponsorship of Columbia Africa Conference, USA
Environment	**Beautification:**
	Overhaul of the Garden at Akin Adesola Roundabout, Victoria Island, Lagos.
	Maintenance of the Falomo Roundabout Garden, Ikoyi Lagos and Ibadan Secretariat, Ibadan, Oyo State
	Conservation:
	Sponsorship and participation in the 2023 Walk for Nature Event in partnership with the Nigeria Conservation Foundation and Lagos State Ministry of Environment.

Area of focus	Project Description
	Recycling & Sustainability:
	Donation of 3 Giant Dustbins for Recycling at Girls Senior Secondary Grammar School/Boys Senior Academy Obalende, Lagos.
	Donation of 4 Giant Dustbins for Recycling at Apostolic Church Grammar School, Kosofe Senior High, Orisigun Primary School & Ajegunle Junior High, Lagos.
	Donation of 4 Giant Dustbins for recycling to Somolu Senior High School, Lagos; Angus Memorial Senior High School, Somolu, Lagos; Morocco Comprehensive Junior High School, Somolu, Lagos; Igbobi Junior High School, Somolu, Lagos.
Health & Social Welfare	**Medical Interventions and Outreaches:**
	Prison Outreach at Nigerian Correctional Service, Kirikiri, Apapa, Lagos
	Donation of branded bedsheets and beds to the children and mothers' ward at Isolo General Hospital.
	Renovation of sections of the Primary Health Care Centre
	Donation of maternity kits to less privileged expectant mothers at Surulere Primary Health Care Centre.
	Sponsorship of Heart Surgeries (Congenital Cardiac Problems) for Children in need at Healthy Heart Foundation, Lagos.
	Social Interventions/Donations:
	Donation of a N1m cheque and food items to the kids at St Patrick's Speech and Language Center, Ikeja, Lagos.
	Sponsorship of water project at FGGC, Owerri at Federal Government Girls College (FCCG) Owerri, Old Girls Association.
	Distribution of Fidelity Food Bank Packs to Communities across the Country
	Refurbishment of Vehicle for Nigerian Immigration Service.
	Construction of a Games Court (Eko Court) at FGGC Owerri.
	Donation of household Items to Our Lady of Perpetual Help Catholic Church.
	Sponsorship of security and water projects at Nnokwa Community.

Area of focus	Project Description
	Support for community development activities in Anambra State.
	Support for community development for Anambra Anglican Fellowship.
	Financial Support for Catholic Church of Transfiguration.
	Donation to an infrastructural project at Our Lady of Perpetual Help Catholic Church.
	Sponsorship of Misnoory Foundation Ramadan Feeding program.
	Food & Provision Donations to the Socially Disadvantaged
	Provision of care items for the elderly at Holy Family Home for the Elderly.
	Provision of food items for an orphanage and beneficiaries at Mary's Perpetual Help Foundation.
	Provision of relief materials to Internally Displaced Persons at Mangu and Barkin Ladi IDP camps in Jos.
	Donation of food items and essential materials to Open Arms Orphanage Home.
	Donation of Food and other essential items to Benevolent Care Orphanage in Port Harcourt, Rivers State.
Youth Empowerment	**Skill Acquisition Program:**
	Sponsorship of the Witness Stage Play.
	Train a Girl Child initiative (Donation of computer systems, printer and Air conditioners) to Steam Empowerment Foundation (SEF)
	Sponsorship of the 2023 Unusual Entrepreneurs
	Donation of empowerment materials to Widows at AAF Widows.
	Sponsorship of the HerFidelity Apprenticeship Scheme in Kano, Adamawa and Imo States.
	Sponsorship of Youth Empowerment Conference at Market Impact Church
	Sponsorship of Afro jazz Festival

Education

Donation of ICT Center to Dream Catchers Academy

Donation of Educational Materials to pupils of Army Children's Model Primary School, Port Harcourt.

Donations of Educational Materials to Asma'u Dambatta Foundation

The Imo Abia Regional Bank led by Nwabueze Mbanaso renovates the blocks of Class Rooms for a school in Owerri, Imo State

Education continued

Desks donation in Calabar, Cross Rivers State

Renovation and furnishing of Classrooms at Garba Noma Primary School, Bauchi

Donation of Inverters, solar power panels to the studio of the Federal University Kashare, Gombe

The Environment

Garden Beautification at Akin Adesola Roundabout

Beautification of Falomo Roundabout, Lagos

Walk for Nature Event for the Nigeria Conservation Foundation

Environment continued

Team Fidelity takes the recycling drive to schools

Health/Social Welfare

Prison outreach at Nigeria Correctional Service, Kirikiri, Apapa, Lagos

Health/Social Welfare continued

Food stuff donation to Little Saints Orphanage

Food Bank Outreach at Markurdi IDP Camp

Youth Empowerment:

HerFidelity Apprenticeship Programme Graduation in Yola

Compliance Report

Compliance Management Philosophy and Culture

Fidelity Bank Plc strives to formulate, design, build and sustain a philosophy and culture of compliance in the bank based on best practices. The following philosophy governs the compliance management function in Fidelity Bank Plc:

- The Board, supported by the Management, sets the right 'tone-at-the-top' by creating an enabling environment where regulatory compliance thrives and is embedded into the overall corporate and strategic imperatives as well as operations.
- Adopting a risk-based approach when considering the Banks' exposure to various levels of risk;
- Compliance is a collective responsibility in the Bank therefore, every staff member has a role to play.

Regulatory Pressure

With the CBN's 2023 AML, CFT & CPF sanctions regulations, regulators across jurisdictions are sending a clear message of zero tolerance for Money Laundering, Terrorist Financing & Proliferation Financing infractions, thereby demanding proactive management of compliance risks.

This has continued to place more pressure on financial institutions, not only to put in place structures to identify, assess and understand the Money Laundering, Terrorist Financing & Proliferation risks they face and adopt measures that are commensurate with the identified risks but also to ensure that the compliance programs are adequate and robust enough to ensure compliance with all applicable laws and regulations, so as to mitigate all forms of compliance risks.

In response to these increasing and tightening regulatory obligations, the Bank regularly looks inward with a view to revalidating the compliance risk management processes and procedures to withstand the emerging pressures and is committed to continuously educating its employees, and the Board, on regulatory changes and their attendant implications on the business and our customers.

The Compliance Framework

The bank has a Compliance Division that is bestowed with the responsibility of management of compliance and related regulatory risks. The Division is responsible for promoting compliance with statutory and regulatory requirements and the Anti-Money Laundering (AML), Combating Financing of Terrorism & Proliferation (CFT&P), Know Your Customer (KYC) and other related programmes of the Bank. The Bank leverages relevant technologies to enable it cope with the ever evolving regulatory compliance environment and requirements that ensures that we deliver excellent services to our customers.

In order to strengthen Corporate Governance and achieve associated compliance management expectations, the Bank has a Compliance Risk Management Framework, an integral part of its Enterprise Risk Management Framework, which assists the Bank in the management of regulatory compliance risks.

Within this framework, the Board of Directors of the Bank has put the following in place:

- An independent Compliance Division with a Chief Compliance Officer (CCO) at senior management level and an Executive Compliance Officer (ECO) at Board level to oversee the compliance function, and report to the Board. The Bank provides sufficient human and material resources to the Compliance Division to ensure its effective management.

- An Enterprise Risk Management framework, which provides a larger frame for Compliance Risk Management incorporating AML/CFT & P risk management.
- Adequate allocation of Compliance Officers in Head Office, Regional Offices and Branches of the Bank through a cluster arrangement to effectively cover all identified risks.
- Profiling of customers, geographies, delivery channels and products & services for exposure to financial crime risks and controls. Based on the outcome of the profiling the Board approves the Bank's financial crime risk appetite.
- Well-defined compliance communication channels and feedback mechanisms for identified compliance risks to ensure corrective actions are promptly, effectively and efficiently taken.
- An effective and robust whistle-blowing framework, which encourages concerned persons to report genuine matters confidentially through active and dedicated media.
- Annual attestation by all staff to have read and understood the Bank's Code of Business Conduct and Ethics Policy, Anti Bribery and Corruption Policy, AML/CFT&P Policy and Claw Back Policy with commitment to comply.

Anti-Money Laundering and Combating the Financing of Terrorism and Countering the proliferation of weapons of mass destruction (AML/CFT/CPF) Framework

Money Laundering (Prevention and Prohibition) Act 2022; the Terrorism (Prevention and Prohibition) Act 2022; the Central Bank of Nigeria (Anti Money Laundering, Combating The Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction in Institutions) Regulations 2022, Central Bank of Nigeria (Anti Money Laundering, Combating The Financing of Terrorism & Countering Proliferation Financing of Weapons of Mass Destruction in Finanicial Institutions) Administrative Sanctions Regulation 2023, CBN Customer Due Diligence Regulation 2023, the Financial Action Task Force (FATF) recommendations and other relevant local and international principles and regulations guiding AML, CFT & CPF, guide the design of our AML, CFT & CPF framework. Our AML, CFT & CPF framework is designed such that we have adequate systems, processes and controls in place and our people are adequately trained to prevent, promptly detect and report suspicious money laundering, terrorism financing and proliferation financing activities.

We have implemented an AML solution that enables us conduct risk rating of our customers both at the point of on-boarding and continuously during the lifetime of the relationship, carry out continuous monitoring of transactions and render all the relevant regulatory and supervisory reports. We also have an automated sanction screening process that screens customers at on-boarding and on an ongoing basis as well as all transactions (local and wire transfers) against all the major sanctions lists.

We have properly documented Operations Policy and Procedural Manual (OPPM), Regulatory and Financial Crimes Framework, Compliance Operations Manual, Internal Control Process Manual, Code of Business Conduct and Ethics Policy and Know Your Customer (KYC) Policy Manual among other documents that guide our AML/CFT & CPF activities. These documents cover the following:

- Identification, assessing and understanding the bank's ML, TF & PF risks
- Scope of the AML, CFT & CPF framework.
- Board and Management roles and responsibilities.
- Reports to Board and Senior Management.
- Customer Due Diligence (CDD)/Know Your Customer (KYC) and Risk Categorization.
- Institutional Risk Assessment

- Transaction Monitoring.
- Statutory and Regulatory Reports.
- Politically Exposed Persons (PEPs).
- Sanctions Compliance Management (Sanctions screening and filtering of sanction list/ watch list).
- Employee training.
- Correspondent Banks.
- Agency Banking
- Customer records.
- Testing adequacy of the framework through independent review by Internal and External Auditors.
- Cooperation with Regulators and Law Enforcement Agencies.
- Anti-Bribery & Corruption tone at the top.
- Conflict of Interest, donations & Gift policy.
- Whistle blowing and unethical conduct reporting responsibilities and channels
- Handling of unethical conduct reports.
- Interaction and Management of vendors and third-party service providers.

Board and Management Responsibilities

The Board of Directors has oversight and overall responsibility for managing compliance in the Bank. Through the Board Audit Committee (BAC), which is a standing committee of the Board. The BAC provides supporting oversight on the management of compliance within the Bank. The Committee also has the responsibility of ensuring the implementation of the approved compliance risk policies, procedures, processes and tool-sets including annual compliance plan. The Committee receives monthly and quarterly AML/CFT & CPF reports and reviews same to ensure compliance with all statutory, regulatory and internal procedures of the Bank. The Committee in turn, submits a quarterly report to the full Board on the foregoing to give assurance.

The management of the Bank is committed to the AML/CFT & CPF framework, by ensuring that the AML/CFT & CPF framework is properly documented and approved. It also ensures constant review of the framework to incorporate new laws and guidelines. Management ensures the provision of all resources needed for implementation of the AML/CFT & CPF framework, which clearly states the roles of all employees in Customer Due Diligence, Know Your Customer, and suspicious transactions monitoring. Reporting mechanisms are also outlined with appropriate sanctions for violation.

Reports to Board and Senior Management

The following AML/CFT & CPF reports are submitted to the Board and Management:

- Monthly report on AML/CFT & CPF and other compliance related issues are presented at the Executive Committee.
- Quarterly AML/CFT & CPF reports are submitted to the Board through the Board Audit Committee.
- Routine reports to the Managing Director/Chief Executive and other Executive Committee members on contemporary AML/CFT & CPF issues or regulations, Guidelines and Circulars as may be released from time to time.

Customer Due Diligence (CDD)/Know Your Customer (KYC)/Ultimate Beneficial Owners (UBO)

Fidelity Bank continually conducts appropriate and detailed due diligence on new and existing relationships by monitoring the operation of all accounts to ensure that their activities comply with the laws and regulations which govern their operation and that no account is being used as a conduit for illicit funds . Our AML/CFT & CPF/KYC policy stipulates that an effective procedure is put in place to identify customers, screen customers against sanction lists, decline and promptly report suspicious activities or transactions to Financial Intelligence agencies and cooperate with law enforcement agencies.

In addition, the policy ensures that:

- CDD measures are applied on customers using a risk-based approach.
- Due diligence and KYC measures are carried out on all new relationships (natural and legal persons) before on-boarding them. These include obtaining proof of identity, verification of the identity using reliable independent sources, verification of address, and unveiling of ultimate beneficial owners of legal persons and arrangements.
- The Bank identifies Ultimate Beneficial Owners (UBO) for all accounts, verifies their identities and maintains an updated UBO register.
- The Bank understands the nature and purpose of business as well as the sources of funds/wealth of all its customers.
- The Bank conducts ongoing due diligence on existing business relationships and scrutinize transactions undertaken throughout the course of the relationships to ensure that the transactions being conducted are consistent with its knowledge of the customer; customer's business and risk profile; and source of funds.
- The Bank does not keep anonymous accounts or banking relationships in obviously fictitious names. Relationships are not maintained with "Shell Banks" or with correspondent foreign financial institutions that permit their accounts to be used by Shell Banks.
- The Bank takes requisite measures as required by law during on-boarding of Designated Non-Financial Businesses and Professionals (DNFBPs). Beneficial-owners of pooled-accounts held by Designated Non-Financial Businesses and Professionals (DNFBPs) are scrutinized to ensure they are consistent with the provisions of the Money Laundering (Prevention and Prohibition) Act, 2022.

Transaction Monitoring

The Bank does not only establish the identity of its customers, but also monitors account activity to determine the transactions that do not conform with the normal or expected transactions for the customer or the type of account.

The Wolfsberg Group of financial institutions (the "Wolfsberg Group") emphasized the need for appropriate and continuous monitoring of transactions and customers to identify potentially unusual or suspicious activities and transactions, and for reporting such to relevant regulatory authorities. Fidelity Bank Plc continues to carry out online real-time screening or filtering of account opening, transactions processing, and payment instructions, inclusive of wire or funds transfers, prior to their execution in order to ensure funds are not made available in breach of sanctions, embargoes and other prohibitive measures.

Apart from proactive screening, the Bank also carries out retroactive searches through the system to identify specific past transactions as well as existing and closed accounts in order to take timely decisions on further investigation and reporting where necessary.

Basic Statutory Reports

The Nigerian Financial Intelligence Unit (NFIU), the regulatory body in charge of collating financial intelligence requires that all financial institutions render routine reports in a specified format to it. In compliance with this requirement and in accordance with the relevant provisions of Sections 3, 7 and 11 of the Money Laundering Act 2022, the Bank renders the following reports respectively to the NFIU.

- Reports of all international transfer of funds and securities exceeding ten thousand dollars ($10,000) or its equivalent in other foreign currencies.
- Reports on all unusual or suspicious transactions within 24hours of the transactions.
- Section 11 of the Act requires all financial institutions to submit a report of all lodgments or transfer of funds in excess of N5 million for individual customers and N10 million and above for corporate customers.

Politically Exposed Persons (PEPs)

Before the bank enters into or where the Bank is in a business relationship with a PEP, it is required to conduct enhanced due diligence to ascertain the source of wealth, source of fund and the Ultimate Beneficial Owner (UBO) and continuously monitor the relationship to avoid being used for fraudulent activities, money laundering and financing of terrorism and proliferation.

Before the account of a Politically Exposed Person (PEP) is opened, senior management approval is obtained in line with the regulatory requirement. The Bank also maintains a comprehensive list of all PEPs and continuously updates the list. We adopt an appropriate risk-based identification of PEPs based on the FATF recommendation that defines a PEP to include current and past political office holders and all those in some form of relationship with them either by virtue of being family members or associates.

Fidelity Bank renders monthly returns on the transactions of PEPs to both the Central Bank of Nigeria and the Nigerian Financial Intelligence Unit (NFIU).

Sanctions Compliance Management (Sanctions Screening and Assets Freeze)

Fidelity Bank Plc complies with domestic (Nigerian Sanctions Committee) and international laws, regulations and regulatory directives, and actively prevents any transaction that otherwise facilitates criminal activities, money laundering or terrorism and proliferation financing. As such, Fidelity Bank Plc does not engage in any business relationship with any sanctioned individual or entity. Pursuant to this, Fidelity Bank:

1. Formulates and implements internal controls and other procedures on sanctioned individuals and entities.
2. Ensures efficient implementation of the Bank's Sanction Framework.
3. Does not in any way inhibit the implementation of the provisions of all regulations on sanctioned individuals and entities and shall cooperate with regulators and other relevant agencies within and outside Nigeria.
4. Complies promptly with regulatory requests, and requests by other competent authorities on sanctioned individuals and entities.
5. Complies with the directive of the Nigeria Sanctions Committee (NSC) on the Obligations on Nigerians Persons and Entities to implement TFS regimes for all FI's

    a. Register with the NSC to receive automated email notifications;
    b. Screen – undertake ongoing and daily checks to the UN and NSC databases to identify possible matches;

c. Apply TFS (Freezing measures & Prohibition of making funds available); and

d. Notify by immediately reporting any freezing measure taken and/or attempted transactions to the Nigeria Sanctions Committee, The Nigeria Financial Intelligence Unit, and the relevant sector regulator.

6. Renders statutory reports to appropriate authorities required by law on sanctioned individuals and entities.

7. Promptly discontinues business relationship with an existing customer upon identification of the customer as a sanctioned individual and entity.

8. Does not enter a business relationship with any prospective customer, or partner, who is a sanctioned individual or entity.

9. Immediately identifies and freezes accounts/assets belonging to designated persons.

10. Reports to the Sanctions Committee any assets frozen or actions taken.

11. Includes in its STRs, all transactions involving attempted and concluded transactions in the frozen account/asset.

Apart from keeping and regularly updating the list of watch-listed persons and entities, the Bank subscribed to the use of international screening systems like The SWIFT Sanctions Screening for screening of inbound and outbound wire transfers and Acuity (by World Compliance a LexisNexis company) for screening of customers against all lists including private and public lists from recognized third party list providers and PEPs list.

Sanction Lists

Fidelity Bank screens against the following Sanction lists:

- US Treasury Office of Foreign Assets - OFAC-SDN (Specially Designated Nationals) and FSE (Foreign Sanctions Evaders) - The main sanction list for the U.S. Government.
- United Nations Security Council Consolidated Lists - The main sanction list issued by the United Nations.
- FATF Black-List/NCCT List - The FATF (Financial Action Task Force) blacklist is also referred to as the list of "Non-Cooperative Countries and Territories" (NCCTs). This is a list of countries, which are perceived to be non-cooperative in the global fight against Money Laundering (ML) and Terrorist Financing (TF). The list is modified from time to time by either adding or deleting, based on current status of the countries.
- His Majesty's Treasury (United Kingdom).
- European Union (EU).
- Canada – Office of Superintendent of Financial Institutions – OSFI-UN.
- Australia Department of Foreign Affairs and Trade DFTA.
- The Ministry of Economy, Finance and Industry (France).
- The Nigerian List.

AML/CFT & CPF Training

Fidelity Bank conducts regular and continuous AML/CFT&P training for staff, management and the Board. Apart from being a regulatory requirement, the Bank also does this to ensure that every member of staff has a good understanding of the AML/CFT&P and KYC requirements and also understand their roles and responsibilities as well as sanctions/penalties attached to violations and failure to comply.

Sequel to the COVID -19 pandemic, our training programs are now conducted virtually via our online learning platform We also ensure that new intakes and experienced staff are trained on AML/CFT during their induction.

The basic elements of the employee training program are expected to include:

- Employee conduct, conflict of interest and ethical behaviour.
- AML/CFT&P regulations and offences.
- The nature of money laundering.
- Terrorism Financing and Proliferation red flags
- Money laundering 'red flags' and suspicious transactions, including trade-based money laundering typologies.
- Reporting requirements.
- Customer due diligence and Know Your Customer (KYC) principles
- Risk-based approach to AML/CFT&P.
- Record keeping and retention policy
- Tipping off

Correspondent Banks – AML/CFT & CPF Due Diligence

Fidelity Bank ensures that it enters into and maintains correspondent banking relationships with institutions that show evidence of robust AML/CFT&P programs and have implemented policies and procedures that ensures that they have adequately mitigated all their AML/CFT&P risks.

We regularly administer questionnaires on these institutions to assess the adequacy of their AML/CFT&P program. The Bank does not deal with shell companies and also obtains information on the beneficial owner(s) of all transactions.

Customer records

In accordance with the Statutes of Limitation and Money Laundering Act 2022 which stipulate 6 and 5 years respectively for retention of records, Fidelity Bank keeps and retains customer identification documents, account opening records and business correspondence of all customers and related documents for at least a period of five (5) years after closure of the account or severance of the relationship with the customer.

Individual financial transaction records are kept for at least five (5) years after the transaction has taken place.

Testing adequacy of the AML/CFT&P framework through independent review by Internal and External Auditors

In accordance with the Money Laundering Act 2022 and in line with best practice, the AML/CFT&P process and function is subjected to a semi-annual review by the Internal Audit Department of the Bank. The report of their findings is sent to the Board Audit Committee to ensure action on the report. The objective of the audit is to independently review the adequacy of the framework to mitigate the AML/CFT&P risks the bank is exposed to.

The AML/CFT&P framework is also reviewed by the external auditors of the bank as well as regulators during their routine examination of the bank. The Bank also at least once every three years engages an external consultant to review and test the maturity level of its compliance function and AML/CFT &P programs. The outcome of the review helps to strengthen our processes.

Cooperation with Regulators and Law Enforcement Agencies

The Bank continues to cooperate with law enforcement agencies and regulators by making records and documents available to aid their investigation at all times. All employees of the Bank are required to cooperate fully with regulators and law enforcement agencies and make available required records or documents based on the powers conferred on the agencies by their respective Acts as well as the Money Laundering Act 2022.

Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act provisions (generally referred to as "FATCA") were included in the Hiring Incentives to Restore Employment ('HIRE") Act, which was passed in March 2010. The objective of FATCA is to facilitate disclosure of assets and income of U.S taxpayers held with foreign financial institutions.

The Act requires a Foreign Financial Institution (FFI) to enter into an agreement with the Inland Revenue Services (IRS) or face a 30% withholding tax on 'withholdable payments'.

Under the agreement, the FFI is required to:

- Obtain information on account holders that is necessary to determine if their accounts are U.S. Accounts.
- Comply with any required due diligence/verification procedures and certify completion of such procedures.
- Report information on U.S. Accounts.
- Deduct and withhold 30% tax on any qualifying U.S. source income to any account holders who do not supply the required information.
- Comply with IRS information requests.

The effective date for FATCA was 1st, July 2014. Before the effective date, Fidelity Bank registered and entered into an agreement with the IRS as a Participating Foreign Financial Institution in compliance with the requirements of FATCA and was issued a Global Intermediary Identification Number (GIIN). The Bank immediately put in place mechanisms for collection of requisite information from all new and existing customers in accordance with the requirements of the Act and commenced rendering reports of U.S. Accounts from 2015 as required.

Risks Associated with Emerging Technologies

Fidelity Bank adopts new technologies with clear vision and supported by its robust IT governance process. Accordingly, these new technologies come with associated risks including risk of missed objectives, non-compliance with changing and new regulations, compromised data quality and security and more importantly, the risk of potential abuse for money laundering, terrorism and proliferation financing.

To contain these risks, the Bank adopts a robust Financial Crime Risk management framework within its broad enterprise risk management framework, powered by cutting edge technologies. There is a strong change management process, which ensures that every new technology or change in existing technology is subjected to rigorous scrutiny to among other things, identify the inherent risks and implement mitigation controls to address them.

The Bank also performs enhanced on-boarding and on-going due diligence on its FINTECH partners to ascertain their regulatory status, AML/CFT & CPF framework, and the sanction status of their beneficial owners and controllers. The FINTECHs also provide an attestation to Fidelity Bank to confirm that they will abide with all AML/CFT & CPF regulations and laws.

Virtual Asset Service Providers (VASP)

The Bank, in compliance with CBN directive does not hold, trade, or transact in virtual currencies on its own account. The Bank has put in place the necessary framework to onboard and maintain relationship with entities registered with the Corporate Affairs Commission (CAC) and licensed by the Securities and Exchange Commission (SEC) to conduct the business of digital/virtual assets service in line with CBN Guidelines on Operations of Bank Accounts for Virtual Assets Service Providers issued in December 2023. The bank has also put in place adequate controls to ensure that its platform is not used by any unlicensed entity/individual to trade in or offer virtual assets.

Subsidiaries

In compliance with international best practice, the Group ensures that its subsidiary's AML, CFT & CPF provisions are consistent with its framework. These measures are applied to the extent that the subsidiary's local laws and regulations permit; however, where there is a variance, the stricter regulation will always apply. Greater collaboration has been fostered and control measures taken based on the current international best practices. This is to ensure that the subsidiary maintains the highest standards for AML, CFT & CPF controls. The bank also implemented groupwide policies and procedures for sharing information required for the purpose of CDD and ML, TF and PF risk management.

Internal Control System

Fidelity Bank's internal control system encompasses the operating framework, practices, processes, philosophy and culture, code of conduct, disciplinary processes and actions that ensure:

- Business objectives are met.
- Effectiveness and efficiency of operations.
- Safeguard of assets.
- Reliability of financial reporting and compliance with general accounting principles.
- Compliance with applicable laws and regulations.

Our internal control framework is patterned after the Committee of Sponsoring Organizations (COSO) standards. The standard defines internal control as a process effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives. The Framework provides for three categories of objectives:

1. Operations Objectives which pertain to effectiveness and efficiency of operations, including operational and financial performance goals, and safeguarding assets against loss.
2. Reporting Objectives which pertain to internal and external financial and nonfinancial reporting and may encompass reliability, timeliness, transparency, or other terms as set forth by regulators, recognized standard setters, or the entity's policies.
3. Compliance Objectives which pertain to adherence to laws and regulations to which the entity is subject.

We have adopted the COSO framework for our control practices and also apply the five integrated components identified by the framework as our guide. The components include:

Control Environment

The control environment is the set of standards, processes, and structures that provides the basis for carrying out internal control across the organization. Management reinforces expectations at various levels in the organization.

The control environment comprises the integrity and ethical values of the organization; the parameters enabling the board of directors to carry out its governance oversight responsibilities; the organizational structure and assignment of authority and responsibility; the process for attracting, developing, and retaining competent individuals; and the rigor around performance measures, incentives, and rewards to drive accountability for performance. The resulting control environment has a pervasive impact on the overall system of internal control.

Our Board and Executive Management set the right tone from the top and ensure the right messages are passed across. The Board, through the Board Audit Committee oversees the activities of the control function. During its quarterly meetings, it obtains reports that enable it review and assess the adequacy of the Bank's internal controls.

In addition, the management Operational Risk and Service Measurement Committee meets monthly to review the adequacy of internal control processes and make recommendations for improvements. They also receive and review reports of the external auditors and regulators on the adequacy of the internal control system.

Risk Assessment

Risk assessment involves a dynamic and interactive process for identifying and assessing risks for the achievement of objectives. Risks to the achievement of these objectives from across the entity are considered relative to established risk tolerances. Thus, risk assessment forms the basis for determining how risks will be managed.

The Board and Senior Management regularly assess the risks the Bank is exposed to including credit, legal, compliance, liquidity and reputational risks and consider if the existing controls are sufficient to mitigate or reduce identified risks.

Control Activities

Control activities are performed at all levels of the Bank, at various stages within its business processes, and over the technology environment. These are preventive or detective in nature and encompass a range of manual and automated activities such as authorizations and approvals, verifications, reconciliations, and business performance reviews. Segregation of duties is typically built into the selection and development of these control activities. Where segregation of duties is not practical, Management selects and develops alternative control activities.

In Fidelity Bank, staff members in business units and support functions are the first line of defense for the Bank because they assume primary responsibility for ensuring that the controls around their processes/products are adequate and consistently applied.

Information and Communication

Information is necessary for the Bank to carry out internal control responsibilities to support the achievement of its objectives.

The Operational Risk and Service Measurement Committee meets monthly to review reports of activities from various control areas, based on which decisions are taken and communicated to all relevant stakeholders. This is a feedback session that ensures information is properly communicated for effectiveness of the internal control processes.

Monitoring Activities

The Bank uses a combination of ongoing evaluation and separate/independent evaluations to ascertain whether each of the five components of internal control, including controls to effect the principles within each component, are present and functioning.

The Bank deploys Control Officers to conduct on-going and continuous monitoring of processes and products including our information technology infrastructure to ensure that controls are not only adequate but effective and efficient.

Our internal and external auditors also conduct routine reviews of our internal control process for adequacy and submit their report of findings to the Board and management, which helps to improve our processes.

Fraud and Forgeries

The bank implemented various mitigating measures to reduce and eliminate fraud and forgeries in 2023. These include:

- Implementation of advanced analytics and monitoring tools to detect anomalies in transaction patterns and behavior, enabling early detection of potential fraud.
- Implementation of additional verification measures for high-risk transactions or customers, such as biometric authentication or enhanced KYC (Know Your Customer) processes.
- Providing ongoing training for employees to enhance their ability to detect and prevent fraud, including recognizing common fraud schemes and red flags.

- Hedging against internal and external fraud with adequate insurance cover for cash in premises/transit and the Fidelity Guarantee insurance that covers staff-related fraud.
- A robust disciplinary process to promptly address employees' disciplinary issues.
- Implementation of effective and efficient internal controls to minimize losses from fraud and armed robbery.
- Providing customers with information and resources to help them protect themselves from fraud, such as tips for recognizing phishing scams and protecting their personal information.
- Zero tolerance for fraudsters, ensuring proper follow-up with Law Enforcement Agencies for recovery and prosecution to serve as a deterrent.
- A robust and active whistleblowing process that empowers staff to anonymously report suspicious activities and transactions.
- Annual attestation by all staff members on the Code of Business Conduct and Ethics Policy to ensure adequate understanding and compliance.

Other measures implemented to mitigate the upsurge in electronic fraud are:

(i) Implementation of mandatory Personal Identification Number requirements for all POS transactions for debit cards except for hotels and web.

(ii) Implementation of One Time Password (OTP)/second factor authentication for web and Online Banking transactions.

(iii) Availability of Enterprise Fraud Risk Management solution that when implemented has capacity to build behaviour-based rules as well as monitor and block suspicious electronic transactions.

(iv) Establishment of a 24/7 Electronic Anti-Fraud Unit that monitors and takes immediate action on suspicious transaction patterns and resolves customer complaints.

(v) The Electronic Anti-Fraud Unit operates at the Security Operation Centre to increase synergy among the Cybersecurity Group.

Cybersecurity

As the Bank's operations increasingly rely on technology, the corresponding cyber threats grow in scale, frequency, and complexity. Risks stemming from inaction, employee-triggered cyberattacks, static cybersecurity defenses, data vulnerability gaps, and inadequate incident response capabilities are on the rise. Recognizing the critical importance of cybersecurity, we have aligned with the Central Bank of Nigeria's (CBN) mandatory directives. Our proactive approach involves substantial investment in a future-proof cybersecurity framework—one that is comprehensive, resilient, and continually evolving. Our goal is to ensure the confidentiality, integrity, and availability of our digital ecosystem.

To enhance our cyber intelligence capabilities, we've established a fully functional Security Operations Centre (SOC) in compliance with the CBN Risk-Based Cyber Security Framework. Our cyber operations are already underway and progressing toward maturity. This implementation empowers us to effectively thwart emerging cyber threats.

Furthermore, we've fortified our organizational structures and systems to manage, detect, analyze, and respond to cyber incidents promptly. Valuable insights and reports emerge from each situation, contributing to our ongoing learning. We've also invested in specialized security training and cutting-edge technologies to bolster our safety measures.

In navigating the digital landscape, we strike a balance between speed and security, assuring our stakeholders of a resilient and protected banking experience.

Customer complaints and feedback

At Fidelity Bank, all relationships are invaluable and the Bank considers customers' complaints a gift. This is because customer complaints are seen as an opportunity for improved services to a dissatisfied customer who could have walked away to competition.

Customer complaints can arise from people issues, system/process failures, product complexity and other factors. Fidelity Bank therefore appreciates such feedback or complaints from customers and ensures timely resolution and process/product improvement.

Complaints Channels

To ensure a seamless complaint and feedback process, the Bank has provided various communication channels for customers. These include:

- Contact through the Bank's website.
- Customer service desks in all the branches nationwide.
- 24-hour Contact Centre (Trueserve) with feedback through emails, telephone, online chat or SMS.
- Correspondence from customers.

Complaints Handling

We handle all complaints professionally taking due cognizance of the rights of our customers. The overriding target is to ensure that each complaint is resolved to the satisfaction of the customer without infringing the policies of the Bank or any regulation. Effort is made to resolve complaints at first level before escalation. All complaints are logged with tracking numbers and monitored for prompt resolution.

Customer Complaints and Protection Department

The Bank has a full-fledged department whose core mandate is to promptly resolve all customer complaints. The department is headed by a senior management staff and interfaces with the CBN and other regulators on all issues related to customer complaints and consumer protection. The department also renders support services to other departments of the Bank and branches, to ensure speedy resolution of customer complaints.

Complaints tracking and reporting

Customer complaints are carefully tracked, monitored and resolved and also used as a tool for improvement of our processes, products and services.

Independent reviews are conducted to identify the underlying causes of all customers' complaints and the learning points extracted to guard against reoccurrence in future. Updates and customer complaints reports are presented to Executive Management through the Operational Risk and Service Measurement Committee.

Reports on customer complaints are also sent to the Central Bank of Nigeria as required.

A break-down of complaints received and resolved by the Bank from January 1 to December 31, 2023 are provided in the schedule below:

S/N	Description	Number of Complaints		Amount Claimed		Amount Refunded	
		2023	2022	2023	2022	2023	2022
				Million	Million	Million	Million
1	Pending complaints b/f	80,550	54,909	4,866	1,542	N/A	N/A
2	Received complaints	1,668,004	1,162,541	88,606	29,778	N/A	N/A
3	Resolved complaints	1,552,716	1,136,900	70,774	26,454	287	904
4	Unresolved complaints escalated to CBN for intervention	95	24	2,116	1,748	N/A	N/A
5	Unresolved complaints pending with the Bank c/f	195,838	80,550	22,698	4,866	N/A	N/A

Report of the Independent Consultant

On the appraisal of the Board of Directors of Fidelity Bank Plc.

For the year ended 31 December 2023

In compliance with the guidelines of Section 10.1 of the Central Bank of Nigeria (CBN) Corporate Governance Guidelines for Commercial, Merchant, Non-interest And Payment Service Banks in Nigeria ("the CBN Guidelines") and Section 14.1 of the Nigerian Code of Corporate Governance 2018 ("NCCG"), Fidelity Bank Plc. (Fidelity Bank or "the Bank") engaged KPMG Advisory Services to carry out an appraisal of the Board of Directors ("the Board") for the year ended 31 December 2023. The CBN Guidelines mandates an annual appraisal of the Board with specific focus on the Board's structure and composition, responsibilities, processes and relationships.

We have performed the procedures agreed with Fidelity Bank in respect of the appraisal of the Board in accordance with the provisions of the CBN Guidelines and the NCCG. These procedures, which are limited in scope but sufficient for the Board's objectives in line with the CBN Guidelines and the NCCG, are different in scope from an external audit. Consequently, no opinion is expressed by us on the activities reported upon.

Our approach to the appraisal of the Board involved a review of the Bank's Board papers and minutes, key corporate governance structures, policies and practices. This included the review of the corporate governance framework and representations obtained from questionnaires and interviews with members of the Board and Senior Management.

On the basis of our review, the Bank's corporate governance practices are largely in compliance with the key provisions of the CBN Guidelines and the NCCG. Specific recommendations for further improving the Bank's governance practices have been articulated and included in our detailed report to the Board. This includes a recommendation on succession planning.

Olumide Olayinka
Partner, KPMG Advisory Services
FRC/2013/ICAN/00000000427
12 April, 2024

Statement of Corporate Responsibility

For the Financial Statements

For the year ended 31 December 2023

In line with the provision of S. 405 of CAMA 2020, the Chief Executive Officer and Chief Financial officer of Fidelity Bank Plc have reviewed the Financial Statement of the bank for the financial year ended December 31, 2023 and accept responsibility for the financial and other information within the annual report based on the following:

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

ii. The audited financial statement 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 December 31, 2023.

iii. The bank's internal controls were evaluated within 90 days of the financial reporting date and are effective as of December 31, 2023.

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 Auditors 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, summarize and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of the Audit; and that there is no fraud involving management or other employees which could have any significant impact in the bank's internal control.

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

Signed on behalf of the Directors by:
Date: March 11, 2024

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

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

Statement of Directors' Responsibilities

In Relation to the Preparation of the Financial Statements

For the year ended 31 December 2023

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 Act No. 6, 2011, 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 year. The responsibilities include ensuring that:

(a) Appropriate internal controls are established to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

(b) The Bank keeps accounting records which disclose with reasonable accuracy the financial position of the Bank and which ensure that the financial statements comply with requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the Companies and Allied Matters Act (CAMA), 2020, Banks and other Financial Institutions Act (BOFIA), 2020, the Financial Reporting Council Act No. 6, 2011, Revised Prudential Guidelines and relevant circulars issued by the Central Bank of Nigeria.

(c) The Bank 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 as issued by the International Accounting Standards Board (IASB) , the requirements of the Companies and Allied Matters Act (CAMA), 2020, Banks and other Financial Institutions Act (BOFIA), 2020, the Financial Reporting Council Act No. 6, 2011, 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 Bank and its financial performance for the year 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 will not remain a going concern for at least six months from the date of this statement.

Signed on behalf of the Directors by:
March 11 2024

Kevin Ugwuoke	**Nneka Onyeali-Ikpe**
Executive Director	Managing Director/Chief Executive Officer
FRC/2020/003/00000022290	FRC/2013/NBA/00000016998

Independent Auditors’ Report

To the Members of Fidelity Bank Plc

Deloitte.

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 **148** to **320**, which comprise the consolidated and separate statements of financial position as at 31 December 2023, 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 year 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 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 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 Matter

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.

Deloitte.

Key Audit Matter	
Impairment of Loans and advances	**How the matter was addressed in the audit**
Loans and advances make up a significant portion of the total assets of the bank. As at 31 December 2023, gross loans and advances for the Group were N3.236 trillion (2022: N2.196 trillion), Bank: N3.106 trillion (2022: N2.196) comprising local and foreign denominated loans against which total loan impairment for the Group is N143.970 billion (2022: N80.548 billion), Bank:143.927 billion (2022: N80.548) was recorded, resulting in a net loan balance of N3.092 trillion (2022: N2.116 trillion) for the Group, Bank:2.962 trillion (2022: N2.116 trillion). This value represents 47% (2022: 55%) of the total assets as at the reporting date. The basis of the impairment on loans and advances is summarized in the accounting policies (2.4) 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 stages 2 and default that require movement to stage 3. (iii). Estimation of probability of default	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 the oil and gas and power sectors. (d). We, 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,

Key Audit Matter	
Impairment of Loans and advances	**How the matter was addressed in the audit**
(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) used when determining the required impairment on off-balance sheet exposures such as undrawn facilities and guarantees. (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. .	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 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. The assumptions and judgment applied by the directors in assessing the required level of impairment of loans and advances support the related disclosures in notes 2.4, 3.2, 8 and 22 to the annual financial statements.

Deloitte.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "**Fidelity Bank Plc** Annual Report and Financial Statements for the year ended 31 December 2023", which includes the Directors' Report, the Audit Committee's Report, the Company Secretary's Report , the Report of the External Consultants on the Performance of the Board of Directors, 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 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.

Auditors' Responsibilities for the Audit of the 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.

Deloitte.

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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 explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. The Group has kept proper books of account, so far as appears from our examination of those books.

iii. The Group and 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 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 CAP B3, Laws of the Federation of Nigeria 2004 and relevant Central Bank of Nigeria Circulars during the year ended 31 December 2023.

The opinion expressed in these consolidated and separate financial statements is to enable the Bank comply with the requirement for the submission of its consolidated and separate financial statements to the Central Bank of Nigeria in accordance with Section 26 of Banks and Other Financial Institutions Act (BOFIA) 2020. Consequently, these consolidated and separate financial statements should not be distributed or made available to any third party in whole or in part pending final approval by the Central Bank of Nigeria and subsequent auditors' opinion thereon.

Signed:
Yetunde Odetayo
FRC/2013/ICAN/00000000823
For: Deloitte & Touche (Chartered Accountants)
Lagos, Nigeria.
12 April 2024

Financial Statement

A detailed presentation of report on the affairs of Fidelity Bank Plc (the Bank), together with the financial statements and External Auditors opinion for the year ended 31 December 2023.

Consolidated and Separate Statement of Profit Or Loss

and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	Group		Bank	
		2023	2022	2023	2022
		N'million	N'million	N'million	N'million
Gross Earnings		**555,830**	**337,050**	**552,765**	**337,050**
Interest & simlar income calculated using the effective interest rate method	6	434,008	278,406	431,397	278,406
Other interest and similar income	12.1	25,522	17,172	25,522	17,172
Interest & similar expense calculated using the effective interest rate method	7	(182,165)	(142,883)	(182,063)	(142,883)
Net interest income		**277,366**	**152,695**	**274,856**	**152,695**
Credit loss expense	8	(67,436)	(5,443)	(67,686)	(5,443)
Net interest income after credit loss expense		**209,929**	**147,252**	**207,170**	**147,252**
Fee and commission income	9	49,600	34,418	49,146	34,418
Fee and commission expense	9	(11,812)	(12,695)	(11,812)	(12,695)
Other operating income	11	46,700	7,054	46,700	7,054
Net gains/(losses) from financial assets at fair value through profit or loss	12	24,783	(1,568)	24,686	(1,568)
Personnel expenses	13	(52,619)	(29,731)	(50,836)	(29,731)
Depreciation and amortisation	14	(7,042)	(6,616)	(6,890)	(6,616)
Other operating expenses	15	(135,278)	(84,437)	(133,825)	(84,437)
Profit before income tax		**124,260**	**53,677**	**124,338**	**53,677**
Income tax expense	16	(24,806)	(6,953)	(24,806)	(6,953)
Profit For The Year		**99,454**	**46,724**	**99,532**	**46,724**
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**	24.3.1	**13,981**	**444**	**13,981**	**444**
Total items that will not be reclassified to profit or loss in subsequent period		**13,981**	**444**	**13,981**	**444**
Items that will be reclassified subsequently to profit or loss					
- Exchange differences on translation of foreign operations		6,050	-	-	-
- Net change in fair value during the year		9,035	(4,403)	9,035	(4,403)
- Changes in allowance for expected credit losses		428	24	428	24
- Reclassification adjustments to profit or loss	17	847	(693)	847	(693)
Total items that will be reclassifiedsubsequently to profit or loss		**16,360**	**(5,072)**	**10,310**	**(5,072)**
Other comprehensive income (loss)/for the year, net of tax		**30,341**	**(4,628)**	**24,291**	**(4,628)**
Total comprehensive income for the year, net of tax		**129,795**	**42,096**	**123,823**	**42,096**
Earnings per share:					
Basic and diluted (in kobo)	18	**310.79**	**161.32**	**311.04**	**161.32**

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

Consolidated and Separate Statement of Financial Position

As at 31 December 2023

	Notes	Group		Bank	
		2023	2022	2023	2022
ASSETS		N'million	N'million	N'million	N'million
Cash and Cash equivalent	**19**	364,177	300,345	376,595	300,345
Restricted balances with central bank	**20**	1,174,398	863,090	1,174,398	863,090
Loans and advances to customers	**22**	3,092,419	2,116,212	2,962,398	2,116,212
Derivative financial assets	**23**	10,723	4,778	10,723	4,778
Investment securities:					
Financial assets at fair value through profit or loss	**24.1**	7,684	2,036	7,684	2,036
Debt instruments at fair value through other comprehensive income	**24.2**	227,750	28,696	187,751	28,696
Equity instruments at fair value through other comprehensive income	**24.3i**	41,550	27,560	41,550	27,560
Investment in Subsidiary	**24.3ii**	-	-	63,403	
Debt instrument at amortised cost	**24.4**	818,803	479,592	818,803	479,592
Deferred tax Assets	**28.1**	22,554	5,306	22,554	5,306
Other assets	**29**	403,764	112,915	402,186	112,915
Property, plant and equipment	**25**	47,382	42,657	47,329	42,657
Right-of-use assets	**26**	3,270	1,799	1,677	1,799
Goodwill	**21**	14,650	-	-	-
Intangible assets	**27**	5,564	4,023	5,123	4,023
Total Assets		**6,234,688**	**3,989,009**	**6,122,174**	**3,989,009**
Liabilities					
Deposits from customers	**30**	4,014,811	2,580,597	3,926,842	2,580,597
Derivative financial liabilities	**23**	-	1,208	-	1,208
Current income tax payable	**16**	26,835	8,446	26,835	8,446
Deferred tax liabilities	**28.2**	22,905	5,629	22,905	5,629
Other liabilities	**31**	1,152,368	815,407	1,133,795	815,407
Provisions	**32**	3,434	1,896	3,434	1,896
Debts issued and other borrowed funds	**33**	577,028	261,466	577,028	261,466
TOTAL LIABILITIES		**5,797,381**	**3,674,649**	**5,690,839**	**3,674,649**
EQUITY					
Share capital	**34**	16,000	14,481	16,000	14,481
Share premium	**35**	113,705	101,272	113,705	101,272
Retained earnings	**35**	65,508	44,883	65,573	44,883
Other equity reserves:					
• Statutory reserve	**35**	66,270	51,352	66,282	51,352
• Small scale investment reserve (SSI)	**35**	764	764	764	764
• Non-distributable regulatory risk reserve	**35**	100,278	62,144	100,279	62,144
• Translation reserve	**35**	6,050	-	-	-
• Fair value reserve	**35**	54,310	30,019	54,310	30,019
• AGSMEIS reserve	**35**	14,422	9,445	14,422	9,445
Total equity		**437,307**	**314,360**	**431,335**	**314,360**
TOTAL LIABILITIES AND EQUITY		**6,234,688**	**3,989,009**	**6,122,174**	**3,989,009**

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 11 March 2024 and signed on its behalf by:

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

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

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

Consolidated and Separate Statement of Changes in Equity

For the year ended 31 December 2023

Group	Share capital	Share premium	Retained earnings	Statutory reserve	Small scale investment reserve	Non-distributable regulatory risk reserve	Transalation 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
As at 1 January 2023	**14,481**	**101,272**	**44,883**	**51,352**	**764**	**62,144**	**-**	**30,019**	**9,445**	**314,360**
Profit for the year	-	-	99,454	-	-	-	-	-	-	99,454
Other comprehensive income:										
- Net change in fair value during the year of FVOCI debt financial instrument	-	-		-	-	-	-	9,035	-	9,035
Fair value gains on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	13,981	-	13,981
- Changes in allowance for expected credit losses of FVOCI debt financial Instrument	-	-	-	-	-	-	-	428	-	428
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	6,050	-	-	6,050
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	-	-	-	-	-	-	-	847	-	847
	-	**-**	**99,454**	**-**	**-**	**-**	**6,050**	**24,291**	**-**	**129,795**
Proceed from Issue of Shares	1,519	12,433	-	-	-	-	-	-	-	13,952
Dividends paid	-	-	(20,800)	-	-	-	-	-		(20,800)
Transfers between reserves (Note 35) & (Note 43)	-	-	(58,029)	14,918		38,134	-	-	4,977	-
At 31 December 2023	**16,000**	**113,705**	**65,508**	**66,270**	**764**	**100,279**	**6,050**	**54,310**	**14,422**	**437,307**
Statement of changes in equity for the year ended 31 December 2022										
As at 1 January 2022	**14,481**	**101,272**	**55,241**	**44,343**	**764**	**27,440**	**-**	**34,647**	**7,109**	**285,297**
Profit for the year	-	-	46,724	-	-	-		-	-	46,724
Other comprehensive income										
Net change in fair value of debt instrument at FVOCI	-	-		-	-	-	-	(4,403)	-	(4,403)
Net change in fair value of equity instrument at FVOCI	-	-	-	-	-	-	-	444	-	444
Changes in allowance for expected credit losses	-	-	-	-	-	-	-	24	-	24
Reclassification adjustment for realised net gains	-	-	-	-	-	-	-	(693)	-	(693)
Total comprehensive income for the year	-	-	**46,724**	-	-	-	-	**(4,628)**	-	**42,096**
Dividends	-	-	(13,033)	-	-	-	-	-		(13,033)
Transfers between reserves (Note 35) & (Note 43)	-	-	(44,049)	7,009		34,704	-	-	2,336	-
At 31 December 2022	**14,481**	**101,272**	**44,883**	**51,352**	**764**	**62,144**	**-**	**30,019**	**9,445**	**314,360**

*** Income from these instruments is exempted from witholding tax*

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 year ended 31 December 2023

Bank	Share capital	Share premium	Retained earnings	Statutory reserve	Small scale investment reserve	Non-distributable regulatory risk 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
As at 1 January 2023	**14,481**	**101,272**	**44,883**	**51,352**	**764**	**62,144**	**30,019**	**9,445**	**314,360**
Profit for the year	-	-	99,532	-	-	-	-	-	99,532
Other comprehensive income:									
- Net change in fair value during the year FVOCI debt financial instrument	-	-	-	-	-	-	9,035	-	9,035
Fair value gains on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	13,981	-	13,981
- Changes in allowance for expected credit losses of FVOCI debt financial Instrument	-	-	-	-	-	-	428	-	428
- Reclassification adjustments to profit or loss of FVOCI debt financial Instrument	-	-	-	-	-	-	847	-	847
Total comprehensive income for the year	-	-	**99,532**	-	-	-	**24,291**	-	**123,823**
Proceed from Issue of Shares	1,519	12,433							13,952
Dividends paid	-	-	(20,800)	-	-	-	-		(20,800)
Transfers between reserves (Note 35) & (Note 43)	-	-	(58,041)	14,930		38,134	-	4,977	-
At 31 December 2023	**16,000**	**113,705**	**65,573**	**66,282**	**764**	**100,279**	**54,310**	**14,422**	**431,335**
Statement of changes in equity for the year ended 31 December 2022									
As at 1 January 2022	**14,481**	**101,272**	**55,241**	**44,343**	**764**	**27,440**	**34,647**	**7,109**	**285,297**
Profit for the year	-	-	46,724	-	-	-	-	-	46,724
Other comprehensive income									
Net change in fair value of debt instrument at FVOCI	-	-	-	-	-	-	(4,403)	-	(4,403)
Net change in fair value of equity instrument at FVOCI	-	-	-	-	-	-	444	-	444
Changes in allowance for expected credit losses	-	-	-	-	-	-	24	-	24
Reclassification adjustment for realised net gains	-	-	-	-	-	-	(693)	-	(693)
Total comprehensive income for the year	-	-	**46,724**	-	-	-	**(4,628)**	-	**42,096**
Dividends paid	-	-	(13,033)	-	-	-	-		(13,033)
Transfers between reserves (Note 35) & (Note 43)	-	-	(44,049)	7,009		34,704	-	2,336	-
At 31 December 2022	**14,481**	**101,272**	**44,883**	**51,352**	**764**	**62,144**	**30,019**	**9,445**	**314,360**

*** Income from these instruments is exempted from witholding tax*

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

Consolidated and Separate Statement of Cash Flows

For the year ended 31 December 2023

	Notes	Group 2023 N'million	Group 2022 N'million	Bank 2023 N'million	Bank 2022 N'million
Operating Activities					
Cash flows from operations	36	382,187	178,614	404,213	178,614
Interest received	36b	330,193	250,701	327,158	250,701
Interest paid	36c	(182,311)	(130,016)	(182,341)	(130,016)
Income tax paid	16c	(6,277)	(1,707)	(6,277)	(1,707)
Net cash flows from operating activities		**523,792**	**297,592**	**542,753**	**297,592**
Investing activities					
Purchase of property, plant and equipment	25	(9,537)	(7,124)	(9,488)	(7,124)
Proceeds from sale of property, plant and equipment	25	87	118	85	118
Purchase of intangible assets	27	(2,851)	(2,246)	(2,745)	(2,246)
Purchase of debt instruments at FVOCI	36.d	(173,688)	(27,028)	(221,229)	(27,028)
Purchase of debt instruments at amortised cost	36.e	(647,686)	(245,918)	(647,686)	(245,918)
Redemption of financial assets at amortised cost	36.e	260,952	241,715	260,952	241,715
Redemption of debt financial assets at FVOCI	36.d	16,824	77,817	16,824	77,817
Purchase of equity instruments at FVOCI	36f	-	(909)	-	(909)
Acquisition of a subsidiary	36g	(40,845)	-	-	-
Dividend received	11	2,018	397	2,018	397
Net cash flows (used in)/from investing activities		**(594,725)**	**36,822**	**(601,268)**	**36,822**
Financing activities					
Dividends paid	SCE	(20,800)	(13,033)	(20,800)	(13,033)
Unclaimed dividend payment/(receipt)	36h	1,960	(429)	1,960	(429)
Acquisition Right of Use (ROU) Assets	26	(532)	(535)	(532)	(535)
Proceeds of debts issued and other borrowed funds	33	129,906	-	129,906	-
Payment of interest portion of debts issued and other borrowed funds	33	(4,804)	(28,625)	(4,804)	(28,625)
Repayment of principal portion of debts issued and other borrowed funds	33	(15,051)	(213,379)	(15,051)	(213,379)
Net cash flows from/(used in) financing activities		**90,679**	**(256,001)**	**90,679**	**(256,001)**
Net increase/decrease in cash and cash equivalents		**19,745**	**78,413**	**32,163**	**78,413**
Net foreign exchange difference on cash and cash equivalents	11	44,087	2,680	44,087	2,680
Cash and cash equivalents at 1 January	19	**300,345**	**219,252**	**300,345**	**219,252**
Cash and cash equivalents at 31 December	19	**364,177**	**300,345**	**376,595**	**300,345**

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

Notes to the Financial Statement

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, 2, 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 Plc provides a full range of financial services including investment, commercial and retail banking.

2. Summary of Accounting Policies

2.1 Introduction to Summary of Significant 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 year ended 31 December 2023 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.

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 and amended standards and interpretations

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.

The Bank has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a. IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

b. IAS 1 and IFRS Practice Statement 2 (Amendments)

Disclosure of Accounting Policies (effective for annual reporting periods beginning on or after 1 January 2023). The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'Four-Step Materiality Process'.

The Group is currently assessing the impact of this amendment but considering the fact that the significant accounting policies disclosed in Summary of significant accounting policies" in the Annual Financial Report as at and for the period ended 31 December 2022 include all material accounting policies, The Group assess and applly this amendment (where applicable) and expect to disclose fewer accounting policies in the future.

c. IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

d. IAS 8 (Amendment): Definition of Accounting Estimates

IAS 8 (Amendment): Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 1 January 2023). The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, Accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in the financial statements to be measured in a way that involves measurement uncertainty.

The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. There was no impact on the Financial Statements from the adoption of this amendment.

e. IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

f. IAS 12 Income Taxes - Deferred Tax

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 topup 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.

g. 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.

h. IFRS 17 - Insurance Contracts

IFRS 17 (Amendment): Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023). The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for the users of financial statements. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The main features of the accounting model for insurance contracts are as follows:

- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the year under review.
- Amounts that are paid to a policyholder in all circumstances, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet.
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

2.1.3 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 held in unit trusts 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.

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 currrency gain or loss on monetary items is the difference between the amortized cost in the functional currrency 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 year.

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.

viii. Determination of Goodwill

Fidelity Bank Plc completed the acquisition of the United Kingdom component on the 26th of July 2023 from the Union bank plc (A Nigerian Parent) at a value of $50,000,000.00 with a charge of gap between the Completion net assets value and the Planned net asset value on the Purchase considration which has now been completed in the sum of $1,800,000.00 based on the Sales Purchase Agreement between the Seller and Fidelity Bank Plc, Nigeria. The purchase price paid has not been allocated to all the acquired assets and liabilities, therefore the amount below are provisional. IFRS 3 allows for a period of 12 months within which the purchase price is allocated to determine the various intangibles acquired that were not previously recognized by the seller.

The Bank acquired 100% of its United Kingdom Subsidiary. Prior to the acquisition, the United Kingdom component did not have any legal suit that required settlement. Calculation of Goodwill is presented below.

	USD'000	USD'000	Exchange rate	NGN'000
	N'million	N'million		N'million
Purchase consideration:				
Cash	50,000			
Deferred consideration	-			
Contingent consideration	-			
Other consideration adjustments	(1,800)			
		48,200		
Net asset acquired				
Assets at June 30, 2023				
Intangible assets	514			
Tangible assets	37			
Right of use of asset	1,863			
Cash in bank	5,286			
Deposits placed with bank	73,321			
Securities	32,032			
Loans & overdrafts (gross)	35,507			
ECL	(374)			
Other assets	1,395			
Liabilities at June 30, 2023				
Current deposits	(38,837)			
Call deposits	(63,603)			
Fixed deposits	(11,206)			
Other liabilities	(3,127)			
Total comprehensive income to July 26, 2023				
	(32,808)			
Goodwill at acquisition - July 26, 2023		15,392	778.84	**11,987,905**
Exchange difference (Translation reserve in OCI)				2,662,046
Goodwill at year end - December 31, 2023		15,392	951.79	**14,649,952**

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.

IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

IAS 12 (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after 1 January 2023). These amendments clarify and narrow the scope of the exemption provided by the IAS 12 “Income Taxes” standard allowing institutions to not recognise any deferred tax during the initial recognition of an asset and a liability. All leases and decommissioning obligations are excluded from the exemption scope for which companies recognise both an asset and a liability and will now have to recognise deferred taxes. From the date of first application of IFRS 16 “Leases”, the Bank have considered the right of use assets and the lease-related liabilities as a single transaction. Consequently, on the initial recognition date, the amount of deferred tax asset offsets the amount of deferred tax liability. The net temporary differences resulting from later variations in the right of use assets and lease liabilities subsequently result in a deferred tax asset as of 1 January 2023 which is subject to the recoverability criteria of IAS 12 “Income Taxes”.

There was no impact on the Financial Statements from the adoption of these amendments.

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 disclosure, as well as the disclosure of contingent liability about these assumptions and estimates that could result in outcomes that require 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 assumption 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 assumption and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption 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.

Going Concern

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

Uncertainties remain with doubts about the status of Covid -19 , Russian- Ukrain War. However, the financial situation of the group remains healthy and it does not believe that the impact of the Covid-19 pandemic 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 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 Covid-19, and 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 31 December 2022. No futher update was done in the current year.

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 current economic volatility as a result of Covid-19 variations and the impact of Russian/ Ukrain war.

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 consideration 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.

2.3.1 Standards Issued, Amendmets 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.

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 year. 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.

IAS 7 and IFRS 7 (Amendments) - Disclosures: Supplier Finance Arrangements

Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024). The amendments require companies to disclose information about their Supplier Finance Arrangements such as terms and conditions, carrying amount of financial liabilities that are part of such arrangements, ranges of payment due dates and liquidity risk information. The Group is examining the impact from the above amendments.

2.3.2 IBOR Transition

Interbank Offered Rates (IBORs) are average rates at which certain banks (Contributor Panel bank) could borrow in the interbank market. The rate range in tenors from overnight to 12 months and includes a spread reflecting the credit risk involved in lending money to banks. These rates have been a major benchmark for financial transactions since the 1980s. As at 2018, USD LIBOR and EURIBOR (types of IBOR) together represent 80% of IBOR referenced transactions (Bloomberg, 2018) worth approximately $400 trillion (The World Bank, 2021). Examples of such transactions using LIBOR as reference rates are Loans, Deposits, Bonds, Adjustable-rate Mortgages, Over-the-counter Derivatives, Securitised products, Credit Cards, and more.

There are three major administrators of these interest reference rates- Euro Interbank Offered Rate (EURIBOR), London Interbank Offered Rate (LIBOR), and Tokyo Interbank Offered Rate (TIBOR). IBORs are published in different currencies/pairs namely, GBP LIBOR, USD LIBOR, EURIBOR/EURO LIBOR, CHF LIBOR, JPY LIBOR, JPY TIBOR, EUROYENTIBOR, and for overnight (O/N), 1 week, 1 month, 2 months, 3 months, 6 months, and 12 months tenors. Globally, Transactions referencing IBOR are now being transitioned to alternative reference rates (ARR), likewise, new contracts and the alternative reference rates per currency are as follows:

IBORs	GPB LIBOR	USD LIBOR	EURIBOR, Euro LIBOR	CHF LIBOR
ARRs	Reformed Sterling Overnight Index Average (SONIA)	Secured Overnight Financing Rate (SOFR)	Euro Short-term Rate (ESTER)	Swiss Average Rate Overnight (SARON)

Key Timelines

In March 2021, the ICE Benchmark Administration (IBA), the administrator of LIBOR, announced the following cessation dates for USD, GBP, JPY, CHF, and EUR LIBOR.

- All tenors across CHF, and EUR LIBOR, as well as 1 week and 2 months USD LIBOR ceased from December 31, 2021.
- Overnight, 1 week, 2 months, 12 months GBP, and JPY LIBOR have ceased to be published from December 31, 2021.
- Overnight, 1M, 3M, 6M & 12M tenors for USD LIBOR will cease June 30, 2023. (The Intercontinental Exchange, 2021)

The Effect

All new contracts entered will either utilize a reference rate other than IBOR or have robust fallback language that includes a clearly defined ARR (Alternative Reference Rates) after IBOR's discontinuation by June 2023 (for USD LIBOR Tenors other than I week and 2 months).

For existing contracts that are indexed to an IBOR and mature after the expected cessation of the IBOR rate, the fidelity team has established policies to transition the affected contracts.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform – Phase 2

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform.

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to a RFR takes place on an economically equivalent basis with no value transfer having occurred.

Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognised in profit or loss. The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Permitted changes include redefining the hedged risk to reference an RFR and redefining the description of the hedging instruments and/or the hedged items to reflect the RFR. Entities are allowed until the end of the reporting period, during which a modification required by IBOR reform is made, to complete the changes. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 and IAS 39 to measure and recognise hedge ineffectiveness.

Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR. The cash flow hedge reserve is released to profit or loss in the same period or periods in which the hedged cash flows based on the RFR affect profit or loss. For the IAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero. This relief applies when the exception to the retrospective assessment ends.

The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued. As items within the hedged group transition at different times from IBORs to RFRs, they will be transferred to sub-groups of instruments that reference RFRs as the hedged risk.

As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform. The phase two reliefs cease to apply once all changes have been made to financial instruments and hedging relationships, as required by IBOR reform.

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. The relief allows entities upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 18 months.

Additional Disclosures - Fidelity IBOR transition:

IFRS 7 lingering impact of the Disclosures include the following:

- How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform.
- Disaggregated by each significant IBOR benchmark, quantitative information about financial instruments that have yet to transition to RFRs.
- If IBOR reform has given rise to changes in the entity's risk management strategy,

Fidelity Bank worked with leading experts to assess the impact of IBOR transition on products and financial instruments based on exposure, maturity profile, and product features, as well as the impact on legal contracts to determine the potential need for base rate and fallback language amendment, re-pricing, re-papering, and client outreach. Fidelity Bank also worked with various stakeholders and improving processes, policies, and systems that may be affected by the transition. This is done to ensure that the transition's impact is fully addressed. The Group also developed a robust communication plan to engage with customers and ensure they understand this transition and its significance to them. Client relationship managers are also prepared to further support customers on inquiries regarding the LIBOR transition.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

These amendments will currently have no impact on the financial statements of the Group.

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 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.

Amendments to IFRS 3 - Reference to the Conceptual Framework

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments did not have any impact on the financial statements of the Group in the period.

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments did not have any impact on the financial statements of the Group in the period.

Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments will currently have no impact on the financial statements of the Bank, and its effective annual reporting periods beginning on or after 1 January 2022.

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

- The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.
- An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendment.
- An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Ealier application is permitted

These amendments will currently have no impact on the financial statements of the Group.

IFRS 16 Leases Illustrative Example accompanying - Lease incentives

The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Group's current practice is in line with these amendments, the Bank does not expect any effect on its financial statements.

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.

(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.

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.

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.

2.4.2 Financial Assets - Subsequent Measurement

(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 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 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 “Interest and similar income”.

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 Bank’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 Bank 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.

(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 has 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.

The IBOR transition working group is monitoring the progress of transition from IBORs to SOFR by reviewing the total amounts of impacted contracts. The Group also considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, (referred to as an 'unreformed contract').

(e) Non-derivative financial Liabilities

The Bank has floating-rate liabilities indexed to USD LIBOR. The IBOR Transition team and the treasury team is in discussions with the counterparties of our financial liabilities to amend 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 12mECLs 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 year, 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, the Bank groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- **Stage 1:** When loans are first recognised, the Bank recognises an allowance based on 12 months expected credit losses (12mECLs). 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 Bank 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:

Stage 1

- The 12mECL 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 instruments 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 Bank 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.

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

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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 is 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 margin 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 Bank'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.

2.4.5 Financial liabilities

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.

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.

The Group assessed the potential accounting implications of decreased economic activity as a result of Covid-19 pandemic. The uncertainty in the economic environment may decrease the reliability of long-term forecasts used in the impairment testing models. Based on the current estimates of expected performance, no impairment needs were identified at the end of the period.

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.

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 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, plant 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[1]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 treated 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, if any Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to 'Other operating expenses' during the financial period in which they are incurred.

Land 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

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 income/operating expenses respectively 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 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 use or sell the software products 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.

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 recognised 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 recognised in the statement of other comprehensive income if the Company has made an offer of 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.

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 bank's securities, trading and investment decisions on asset management with a view of maximising the Group's Shareholders returns.

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 bank 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 Bank 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 and operational risk independently but in a co-coordinated manner at all relevant levels within the Bank.

(v) Incorporate the volatility in macro economic variables caused by Covid-19 in the inputs and assumptions used for the determination of expected credit losses ("ECLs").

Risk Management Governance Structure

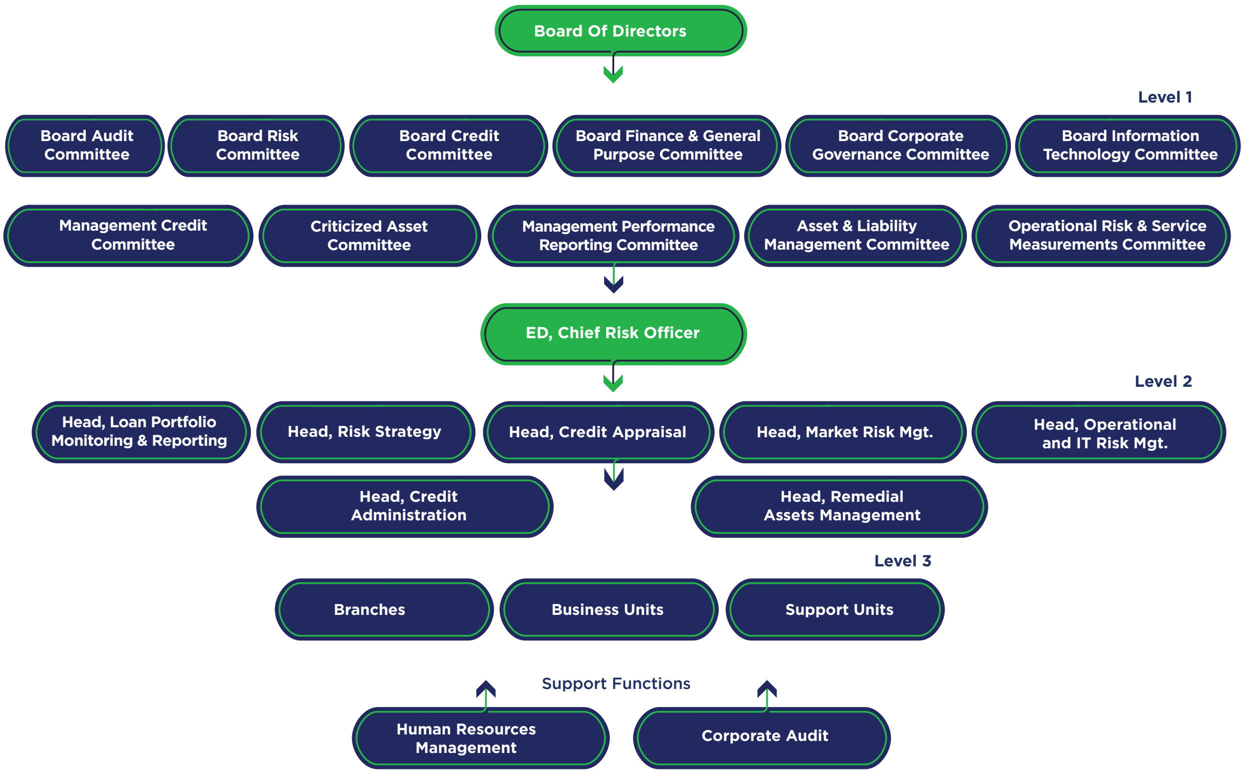
Enterprise-wide risk management roles and responsibilities are assigned to stakeholders in the Group at three levels as follows:

Level 1 - Board/Executive Management oversight is performed by the Board of Directors, Board Audit Committee, Board Risk 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 Strategy, Loan Monitoring and Portfolio Reporting, Credit Appraisal, Credit Administration, Remedial Assets Management, Market Risk Management and IT & 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 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:

Approval Authority	Approval Limit
Executive Directors	N150 million and below
Managing Director/CEO	Above N150 million but below N300 million
Management Credit and Investment Committee	Above N300 million but below N3 billion
Board Credit Committee	Above N3 billion but below N10 billion
Full Board	N10 billion and above

- 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.
- The Group's Credit Control and Loan Portfolio Monitoring & Reporting departments regularly undertake independent audit and credit quality reviews of credit portfolios held by business units.

3.2.2 Credit Risk Rating

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 it's counter-parties. The Group's programmed 9-grade rating model was developed in collaboration with Agusto & Company, a foremost rating agency in Nigeria, to enable comparism between the Group's internal ratings and the common market practice, which ensures comparability between different portfolios of the Group.

Group rating	Applicable score band	Agusto & Co.	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

We generally rate all the Bank'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 CCC	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

The table below summarizes the impairment requirement under IFRS9 (Other than purchased originated credit-impaired financial asset)

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.

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 reprice 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 meets the following criteria:

Quantitative Criteria

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

(c) Measuring ECL – Explanation of Inputs, Assumptions and Estimation Techniques

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

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

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

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

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

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

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

(d) Forward-looking Information Incorporated in the ECL Models

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

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

In addition to the base economic scenario, the Group’s strategy team also provides other possible scenarios along with scenario weightings. The number of other scenarios used is based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 1 January 2023 and 31 December 2023, the Group concluded that the scenarios appropriately captured non-linearities for all its portfolios.

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

Economic Variable Assumptions

The most significant period-end assumptions used for the ECL estimate as at 31 December 2023 are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

	6m	2024	2025	2026
Foreign exchange rate (N)				
Base Case	970	1,274	1,676	1,276
Best Case	914	1,177	1,476	1,076
Worst Case	1,142	1,778	2,078	1,878
Inflation rate				
Base Case	30.91%	28.12%	22.61%	20.35%
Best Case	23.50%	21.45%	16.61%	14.94%
Worst Case	32.10%	30.12%	28.32%	26.35%
Crude Oil ($)				
Base Case	88.01	84.28	79.68	77.25
Best Case	100.19	112.21	116.77	117.49
Worst Case	61.37	55.40	50.08	47.93
Foreign Reserves ($Bn)				
Base Case	33.10	33.26	34.99	36.89
Best Case	39.10	39.26	44.99	46.89
Worst Case	29.73	29.27	30.63	31.04
USD Index				
Base Case	107.03	106.85	107.08	108.09
Best Case	102.18	101.43	101.34	101.34
Worst Case	112.12	112.56	113.14	115.29
Unemployment rate				
Base Case	4.10%	4.10%	4.10%	4.10%
Best Case	2.43%	1.96%	1.44%	1.14%
Worst Case	6.92%	8.59%	11.67%	14.77%

(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 31 December, 2023 and 31 December 2022 is represented by the gross carrying amounts of the financial assets set out below:

31 December 2023				
	Maximum exposure	**Fair value of Collateral held**	**Surplus collateral**	**Net exposure**
Financial Assets	N'million	N'million	N'million	N'million
Balances with Central Bank	115,576	-	-	115,576
Restricted balances with central bank	1,174,398			1,174,398
Due from banks	239,804	-	-	239,804
Loans and advances to customers	3,106,324	17,394,847	14,288,523	-
Derivative financial assets	10,723		-	5,947
Investments:			-	-
Financial assets at fair value through profit or loss	7,684	-	-	7,684
Debt instruments at fair value through other comprehensive income	187,561	-	-	187,561
Equity instruments at fair value through other comprehensive income	104,953	-	-	100,763
Debt instruments at amortised cost	821,014	-	-	821,014
Other assets	394,750	-	-	394,699
	6,162,786	**17,394,847**	**14,288,523**	**3,047,446**
Financial guarantee contracts:				
Performance bonds and guarantees	730,779	-	-	730,779
Letters of credit	413,362		-	413,362
Undrawn portion of overdraft	115,650			120,292
	1,259,791	**-**	**-**	**1,264,433**

3.2.5 Maximum Exposure to credit risk (Cont'd)

31 December 2022				
	Maximum exposure	**Fair value of Collateral held**	**Surplus collateral**	**Net exposure**
Financial Assets	N'million	N'million	N'million	N'million
Balances with Central Bank	121,216	-	-	121,216
Restricted balances with central bank	863,090			863,090
Due from banks	146,101	-	-	146,101
Loans and advances to customers	2,196,759	12,562,622	10,365,863	-
Derivative assets	4,778		-	4,778
Investments:			-	-
Financial assets at fair value through profit or loss	2,036	-	-	2,036
Debt instruments at fair value through other comprehensive income	28,696	-	-	28,696
Equity instruments at fair value through other comprehensive income	27,560	-	-	27,560
Debt instruments at amortised cost	480,422	-	-	480,422
Other assets	107,505	-	-	107,505
	3,978,163	**12,562,622**	**10,365,863**	**1,781,404**
Financial guarantee contracts:				
Performance bonds and guarantees	489,618	-	-	489,618
Letters of credit	215,696		-	215,696
Undrawn portion of overdraft	74,577			74,577
	779,891	**-**	**-**	**779,891**

*Excluding equity instruments

3.2.6 Credit Concentrations

The Bank monitors concentrations of credit risk by sector and by geographical location. An analysis of concentrations of credit risk at 31 December 2023, is set out below:

31 Dec 2023					
Group	**Cash and balances with Central Bank**	**Due from banks**	**Loans and advances to customers**	**Investment securities**	**Other assets**
Financial assets with credit risk:	N'million	N'million	N'million	N'million	N'million
Carrying amount	**1,311,414**	**246,361**	**3,092,419**	**1,054,237**	**391,807**
Concentration by sector					
Agriculture	-	-	137,161	-	-
Oil and gas	-	-	1,111,294	-	-
Consumer credit	-	-	206,073	-	-
Manufacturing	-	-	357,545	-	-
Mining and Quarrying	-	-	5,631	-	-
Mortgage	-	-	-	-	-
Real estate	-	-	44,793	-	-
Construction	-	-	108,803	-	-
Finance and insurance		246,361	4,728	6,847	-
Government	-	-	240,183	989,859	-
Power	-	-	241,954	-	-
Other public utilities	-	-	-	-	-
Transportation	-	-	328,058	-	-
Communication	-	-	66,576	10,199	-
Education	-	-	13,691	-	-
Central Bank balance (restricted)	1,174,398	-	-	-	-
Other	137,016	-	369,856	49,352	394,750
Total gross amount	**1,311,414**	**246,361**	**3,236,346**	**1,056,257**	**394,750**
Concentration by location	N'million	N'million	N'million	N'million	N'million
Abroad	-	214,005	130,022	53,869	-
Nigeria:					
North East	-	-	58,371	-	-
North Central	1,289,974	-	102,225		-
North West	-	-	106,837	-	-
South East	-	-	84,225	-	-
South South	-	-	281,663	-	-
South West	21,440	32,356	2,473,003	1,002,385	394,699
Total gross amount	**1,311,414**	**246,361**	**3,236,346**	**1,056,254**	**394,699**

31 Dec 2023					
Bank	**Cash and balances with Central Bank**	**Due from banks**	**Loans and advances to customers**	**Investment securities**	**Other assets**
Financial assets with credit risk:	N'million	N'million	N'million	N'million	N'million
Carrying amount	**1,311,414**	**239,579**	**2,962,397**	**1,014,238**	**391,391**
Concentration by sector					
Agriculture	-	-	137,161	-	-
Oil and gas	-	-	1,111,294	-	-
Consumer credit	-	-	76,051	-	-
Manufacturing	-	-	357,545	-	-
Mining and Quarrying	-	-	5,631	-	-
Mortgage	-	-	-	-	-
Real estate	-	-	44,793	-	-
Construction	-	-	108,803	-	-
Finance and insurance		239,804	4,728	6,847	-
Government	-	-	240,183	989,859	-
Power	-	-	241,954	-	-
Other public utilities	-	-	-	-	-
Transportation	-	-	328,058	-	-
Communication	-	-	66,576	10,199	-
Education	-	-	13,691	-	-
Central Bank balance (restricted)	1,174,398	-	-	-	-
Other	137,016	-	369,856	9,354	394,750
Total gross amount	**1,311,414**	**239,804**	**3,106,324**	**1,016,259**	**394,750**
Concentration by location	N'million	N'million	N'million	N'million	N'million
Abroad	-	207,448	-	13,874	-
Nigeria:					
North East	-	-	58,371	-	-
North Central	1,289,974	-	102,225		-
North West	-	-	106,837	-	-
South East	-	-	84,225	-	-
South South	-	-	281,663	-	-
South West	21,440	32,356	2,473,003	1,002,385	394,750
Total gross amount	**1,311,414**	**239,804**	**3,106,324**	**1,016,259**	**394,750**

31 Dec 2022					
	Balances with Central Bank	**Due from banks**	**Loans and advances to customers**	**Investment securities**	**Other assets**
Financial assets with credit risk:	N'million	N'million	N'million	N'million	N'million
Carrying amount	**984,306**	**145,829**	**2,116,212**	**510,324**	**106,152**
Concentration by sector					
Agriculture	-	-	109,006	-	-
Oil and gas	-	-	565,913	-	-
Consumer credit	-	-	66,986	-	-
Manufacturing	-	-	341,943	-	-
Mining and Quarrying	-	-	6,229	-	-
Mortgage	-	-	-	-	-
Real estate	-	-	48,181	-	-
Construction	-	-	98,793	-	-
Finance and insurance		146,101	8,842	-	-
Government	-	-	202,183	490,374	-
Power	-	-	188,961	-	-
Other public utilities	-	-	-	-	-
Transportation	-	-	227,728	-	-
Communication	-	-	37,878	-	-
Education	-	-	12,901	-	-
Central Bank balance (restricted)	863,090	-	-	-	-
Other	121,216	-	281,217	20,780	107,505
Total gross amount	**984,306**	**146,101**	**2,196,759**	**511,154**	**107,505**

Concentration by location	N'million	N'million	N'million	N'million	N'million
Abroad	-	132,499	-	6,587	-
Nigeria:					
North East	-	-	33,574	-	-
North Central	951,007	-	91,082		-
North West	-	-	70,376	-	-
South East	-	-	73,055	-	-
South South	-	-	152,678	-	-
South West	33,300	13,602	1,775,995	504,567	107,505
Total gross amount	**984,307**	**146,101**	**2,196,759**	**511,154**	**107,505**

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 loans and advances for which an ECL allowance is recognised. The gross carrying amount of loans and advances below also represents the Bank's maximum exposure to credit risk on these assets.

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

	31 December 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Credit grade	N'million	N'million	N'million	N'million
Investment grade	153,404	-	-	153,404
Standard monitoring	1,009,250	791,680	-	1,800,930
Default	-	-	52,100	52,100
Gross carrying amount	**1,162,655**	**791,680**	**52,100**	**2,006,435**
Loss allowance	(16,668)	(56,085)	(13,442)	(86,194)
Carrying amount	**1,145,987**	**735,595**	**38,658**	**1,920,241**

	31 December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Credit grade	N'million	N'million	N'million	N'million
Investment grade	120,626	-	-	120,626
Standard monitoring	856,314	358,713	-	1,215,028
Default	-	-	17,726	17,726
Gross carrying amount	**976,941**	**358,713**	**17,726**	**1,353,380**
Loss allowance	(10,441)	(25,753)	(7,322)	(43,516)
Carrying amount	**966,500**	**332,960**	**10,404**	**1,309,863**

(b) Government, Public Sector & NBFIs Portfolio

	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Credit grade	N'million	N'million	N'million	N'million
Investment grade	20,998	-	-	20,998
Standard monitoring	179,688	43,583	-	223,271
Default	-	-	10,480	10,480
Gross carrying amount	**200,686**	**43,583**	**10,480**	**254,749**
Loss allowance	(956)	(9,427)	(6,647)	(17,029)
Carrying amount	**199,730**	**34,156**	**3,833**	**237,720**

	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Credit grade	N'million	N'million	N'million	N'million
Investment grade	16,497	-	-	16,497
Standard monitoring	193,781	728	-	194,509
Default	-	-	9,698	9,698
Gross carrying amount	**210,278**	**728**	**9,698**	**220,703**
Loss allowance	(1,128)	(0)	(8,355)	(9,484)
Carrying amount	**209,149**	**728**	**1,342**	**211,220**

(c) Transport, Communication, Commerce & General Portfolio

	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Credit grade	N'million	N'million	N'million	N'million
Investment grade	-	-	-	-
Standard monitoring	403,487	229,071	-	632,558
Default	-	-	16,741	16,741
Gross carrying amount	**403,487**	**229,071**	**16,741**	**649,299**
Loss allowance	(2,722)	(5,855)	(10,118)	(18,695)
Carrying amount	**400,765**	**223,216**	**6,623**	**630,604**

	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
Credit grade	N'million	N'million	N'million	N'million
Investment grade	54,187	-	-	54,187
Standard monitoring	358,457	57,027	-	415,484
Default	-	-	21,300	21,300
Gross carrying amount	**412,644**	**57,027**	**21,300**	**490,971**
Loss allowance	(7,077)	(2,815)	(10,028)	(19,920)
Carrying amount	**405,567**	**54,212**	**11,272**	**471,051**

(d) Automobile, Equipment & Mortgage Loans Portfolio

	31 December 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Credit grade	N'million	N'million	N'million	N'million
Investment grade	-	-	-	-
Standard monitoring	67,443	8,307	-	75,750
Default	-	-	2	2
Gross carrying amount	**67,443**	**8,307**	**2**	**75,752**
Loss allowance	(356)	(4)	(2)	(362)
Carrying amount	**67,087**	**8,303**	**0**	**75,390**

	31 December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Credit grade	N'million	N'million	N'million	N'million
Investment grade	-	-	-	-
Standard monitoring	31,369	3,705	-	35,074
Default	-	-	11	11
Gross carrying amount	**31,369**	**3,705**	**11**	**35,085**
Loss allowance	(127)	(34)	(6)	(168)
Carrying amount	**31,241**	**3,671**	**4**	**34,917**

(e) Medium and Small Scale Enterprises Portfolio

	31 December 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Credit grade	N'million	N'million	N'million	N'million
Investment grade	-	-	-	-
Standard monitoring	37,501	15	-	37,516
Default	-	-	6,523	6,523
Gross carrying amount	**37,501**	**15**	**6,523**	**44,039**
Loss allowance	(186)	(0)	(3,885)	(4,071)
Carrying amount	**37,315**	**15**	**2,638**	**39,968**

	31 December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Credit grade	N'million	N'million	N'million	N'million
Investment grade	61	-	-	61
Standard monitoring	24,999	1,854	-	26,853
Default	-	-	2,721	2,721
Gross carrying amount	**25,060**	**1,854**	**2,721**	**29,635**
Loss allowance	(93)	(10)	(2,013)	(2,116)
Carrying amount	**24,967**	**1,844**	**708**	**27,519**

(f) Personal & Employee Loans Portfolio

	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Credit grade	N'million	N'million	N'million	N'million
Investment grade	-	-	-	-
Standard monitoring	48,232	882	-	49,114
Default	-	-	26,936	26,936
Gross carrying amount	**48,232**	**882**	**26,936**	**76,051**
Loss allowance	(390)	(6)	(17,180)	(17,576)
Carrying amount	**47,842**	**876**	**9,756**	**58,475**

	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
Credit grade	N'million	N'million	N'million	N'million
Investment grade	-	-	-	-
Standard monitoring	52,634	1,163	-	53,797
Default	-	-	13,189	13,189
Gross carrying amount	**52,634**	**1,163**	**13,189**	**66,986**
Loss allowance	(511)	(81)	(4,753)	(5,345)
Carrying amount	**52,123**	**1,082**	**8,436**	**61,641**

3.2.7 Credit Quality (Contd.)

(B) Reconciliation of Allowance for Impairment by portfolio

	31 December 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Credit grade	N'million	N'million	N'million	N'million
At 1 January	(19,377)	(28,693)	(32,478)	(80,548)
Agric, Energy, Manufactur'g, Const'n & Real Estate Portfolio	(6,227)	(30,332)	(6,119)	(42,678)
Government, Public Sector & NBFIs portfolio	172	(9,426)	1,709	(7,545)
Transport, Comm, Commerce & General portfolio	4,355	(3,040)	(90)	1,225
Automobile, Equipment & Mortgage Loans portfolio	(228)	30	4	(194)
Medium and Small Scale Enterprises portfolio	(93)	10	(1,872)	(1,955)
Personal & Employee Loans portfolio	121	75	(12,427)	(12,231)
At 31 December	**(21,277)**	**(71,377)**	**(51,273)**	**(143,926)**

	31 December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Credit grade	N'million	N'million	N'million	N'million
At 1 January	(18,460)	(26,981)	(28,689)	(74,130)
Agric, Energy, Manufactur'g, Const'n & Real Estate Portfolio	(4,230)	(1,163)	(919)	(6,312)
Government, Public Sector & NBFIs portfolio	57	(0)	(2,756)	(2,700)
Transport, Comm, Commerce & General portfolio	1,903	(775)	935	2,063
Automobile, Equipment & Mortgage Loans portfolio	98	0	5	102
Medium and Small Scale Enterprises portfolio	26	(10)	(163)	(147)
Personal & Employee Loans portfolio	1,229	236	(890)	575
At 31 December	**(19,377)**	**(28,693)**	**(32,478)**	**(80,548)**

A. Maximum Exposure to Credit Risk – Financial Instruments Subject to Impairment (Cont'd)

31 Dec 2023					
	Cash and balances with Central Bank	**Due from banks**	**Loans and advances to customers**	**Debt securities**	**Other assets**
	N'million	N'million	N'million	N'million	N'million
Not Due & Not impaired	1,311,414	239,804	1,855,876	1,016,259	394,750
Past due and not impaired (0-30 days)	-		64,128		
Past due and not impaired (31-90 days)	-	-	1,073,538	-	-
Past due and impaired (aged above 90 days)	-	-	112,783	-	-
Gross	1,311,414	239,804	3,106,324	1,016,259	394,750
Impairment Allowance	-	(225)	(143,927)	(2,830)	(3,359)
Net	**1,311,414**	**239,579**	**2,962,397**	**1,013,429**	**391,391**

31 Dec 2022					
	Cash and balances with Central Bank	**Due from banks**	**Loans and advances to customers**	**Debt securities**	**Other assets**
	N'million	N'million	N'million	N'million	N'million
Not Due & Not impaired	984,306	146,101	1,695,361	511,154	107,505
Past due and not impaired (0-30 days)	-		13,564		
Past due and not impaired (31-90 days)	-	-	423,190	-	-
Past due and impaired (aged above 90 days)	-	-	64,644	-	-
Gross	984,306	146,101	2,196,759	511,154	107,505
Impairment Allowance	-	(271)	(80,548)	(830)	(1,351)
Net	**984,306**	**145,829**	**2,116,211**	**510,324**	**106,154**

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

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

	Due from Banks	Overdrafts	Term loans	Finance lease	Total loan	Other assets
31 December 2023	N'million	N'million	N'million	N'million	N'million	N'million
Grades:						
1. AAA to AA	165,044	3,967	274,568	-	278,535	-
2. A+ to A-	30,688	7,292	201,435	-	208,727	-
3. BBB+ to BB-	40,930	153,741	1,372,444	7,003	1,533,187	394,699
4. Below BB-	3,141	62,335	907,857	2,154	972,347	-
5. Unrated	-	676	68	-	745	-
	239,804	**228,011**	**2,756,372**	**9,157**	**2,993,541**	**394,699**
Collective impairment	(225)	(5,045)	(87,606)	(3)	(92,654)	(3,359)
Net Amount	**239,579**	**222,966**	**2,668,766**	**9,154**	**2,900,887**	**391,340**

	Due from Banks	Overdrafts	Term loans	Finance lease	Total loan	Other assets
31 December 2022	N'million	N'million	N'million	N'million	N'million	N'million
Grades:						
1. AAA to AA	110,052	10,508	256,655	3,312	270,476	-
2. A+ to A-	11,674	1,184	66,484	179	67,847	-
3. BBB+ to BB-	9,640	152,616	949,354	8,717	1,110,686	107,505
4. Below BB-	14,735	60,298	618,811	2,926	682,035	-
5. Unrated	-	1,072	-	-	1,072	-
	146,101	**225,678**	**1,891,303**	**15,134**	**2,132,116**	**107,505**
Collective impairment	(271)	(5,301)	(42,611)	(158)	(48,070)	(1,351)
Net Amount	**145,829**	**220,377**	**1,848,692**	**14,976**	**2,084,045**	**106,154**

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):

Maximum exposure to Credit Risk		
	2023	2022
Financial assets measured at fair value through profit or loss	N'million	N'million
Debt securities		
Federal Government bonds	1,023	351
Treasury bills	6,661	1,685
Placement	-	-
	7,684	**2,036**
Derivative financial assets	**10,723**	**4,778**

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 31 December 2023 and 31 December 2022:

Investments in Government Securities						
	Cash & cash equivalents	**Treasury bills equivalents**	**Federal govt bonds**	**State bonds equivalents**	**Corporate bonds**	**Total**
31 December 2023	N'million	N'million	N'million	N'million	N'million	N'million
AAA to AA	302,060	565,226	413,616	-	-	1,280,902
A+ to A-	30,688	-	-	11,017	26,400	68,105
BBB+ to BB-	40,930	-	-	-		40,930
Below BB-	3,141	-	-	-	-	3,141
Unrated	-	-	-	-	-	-
	376,819	**565,226**	**413,616**	**11,017**	**26,400**	**1,393,078**

Investments in Government Securities						
	Cash & cash equivalents	**Treasury bills equivalents**	**Federal govt bonds**	**State bonds equivalents**	**Corporate bonds**	**Total**
31 December 2022	N'million	N'million	N'million	N'million	N'million	N'million
AAA to AA	110,052	280,277	207,841	-	-	598,170
A+ to A-	11,674	-	-	2,256	20,780	34,710
BBB+ to BB-	9,640	-	-	-		9,640
Below BB-	14,735	-	-	-	-	14,735
Unrated	-	-	-	-	-	-
	146,101	**280,277**	**207,841**	**2,256**	**20,780**	**657,256**

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 period;
- 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 retranslations for assets denominated in foreign currencies and other movements.

3.2.8 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 collaterise 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 year 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:

	31 December 2023		31 December 2022	
	Exposure	**Collateral Value**	**Exposure**	**Collateral Value**
	N'million	N'million	N'million	
Secured against real estate	262,135	995,106	502,967	1,594,056
Secured by shares of quoted companies	-		-	
Secured by Others	2,843,447	16,399,742	1,683,724	10,968,566
Unsecured	742	-	10,069	-
Gross loans and advances to customers	**3,106,324**	**17,394,848**	**2,196,760**	**12,562,622**

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 year 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 Committee (BRC) 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 used 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.

3.3.2 Maturity Analysis

The table below analyses financial assets and liabilities of the Bank 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
31 December 2023	N'million	N'million	N'million	N'million	N'million	N'million
Non-derivative assets						
Restricted balances with central bank	-	-	-	1,174,398	-	1,174,398
Cash and Cash equivalents	362,530	21,172	-	-	-	383,702
Loans and advances to customers	235,975	515,799	867,353	1,001,318	2,013,800	4,634,245
Derivative financial assets	-		-	-	-	-
Investment securities	-	-	-	-	-	-
- Financial instrument at FVTPL	77	317	6,931	1,001	4,215	12,540
- Debt instruments at amortised	951	44,292	417,381	339,063	1,017,731	1,819,418
- Debt instruments at FVOCI	23,622	61,401	121,127	40,236	35,132	281,519
Other assets	39,589	199,524	166,432	-	-	405,545
Total financial assets	**662,744**	**842,505**	**1,579,225**	**2,556,016**	**3,070,877**	**8,711,367**
Derivative assets						
Trading:						
Gross settled		10,723		-	-	**10,723**
Net settled						
	-	**10,723**	**-**	**-**	**-**	**10,723**
Total financial assets	**662,744**	**853,228**	**1,579,225**	**2,556,016**	**3,070,877**	**8,722,090**
Financial liabilities						
Non-derivative liabilities						
Customer deposits	337,757	496,625	657,113	1,328,011	1,389,284	4,208,791
Other liabilities	122,415	172,796	248,943	360,566	281,890	1,186,609
Debt issued and other borrowed funds	85	303,773	53,379	520,491	49,049	926,777
	460,257	**973,195**	**959,434**	**2,209,068**	**1,720,223**	**6,322,177**
Derivative liabilities						
Trading:						
Gross settled	-	-	-	-	-	-
Net settled					-	
	-	**-**	**-**	**-**	**-**	**-**
Total financial liabilities	460,257	973,195	959,434	2,209,068	1,720,223	6,322,177
Gap (assets-liabilities)	202,487	(119,966)	619,791	346,948	1,350,654	
Cumulative liquidity gap	**202,487**	**82,521**	**702,312**	**1,049,259**	**2,399,913**	
Financial guarantee contract:						
Performance bonds and guarantees	38,303	132,311	284,455	169,511	106,200	730,779
Letters of credit	91,580	127,638	177,868	16,276	-	413,362
Total	**129,883**	**259,949**	**462,323**	**185,786**	**106,200**	**1,144,141**

Group	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
31 December 2022	N'million	N'million	N'million	N'million	N'million	N'million
Non-derivative assets						
Restricted balances with central bank	248,556	-	-	614,535	-	863,091
Cash and Cash equivalents	287,015	13,646	-	-	-	300,661
Loans and advances to customers	119,771	303,382	518,204	887,120	1,364,320	3,192,797
Derivative financial assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
- Financial instrument at FVTPL	228	380	1,076	293	816	2,793
- Debt instruments at amortised	17,804	22,854	248,445	133,634	353,254	775,991
- Debt instruments at FVOCI	1,094	1,472	16,782	15,733	9,386	44,467
Other assets	10,034	50,172	40,138	-	7,159	107,503
Total financial assets	**684,502**	**391,906**	**824,645**	**1,651,315**	**1,734,935**	**5,287,303**
Derivative assets						
Trading:						
Gross settled		4,778		-	-	4,778
Net settled	-					
Total financial assets	**684,502**	**396,684**	**824,645**	**1,651,315**	**1,734,935**	**5,292,081**
Financial liabilities						
Non-derivative assets						
Customer deposits	307,166	373,276	445,359	838,959	973,495	2,938,255
Other liabilities	114,904	51,075	88,571	238,776	367,464	860,790
Debt issued and other borrowed funds	67	25,942	29,418	240,383	53,431	349,241
	422,137	450,293	563,348	1,318,118	1,394,390	4,148,286
Derivative Liabilities						
Trading:						
Gross settled	-	1,208	-	-	-	1,208
Net settled						
	-	**1,208**	**-**	**-**	**-**	**1,208**
Total financial liabilities	422,137	451,501	563,348	1,318,118	1,394,390	4,149,494
Gap (assets-liabilities)	262,365	(54,817)	261,297	333,197	340,545	
Cumulative liquidity gap	**262,365**	**207,548**	**468,845**	**802,042**	**1,142,587**	
Financial guarantee contract:						
Performance bonds and guarantees	8,293	75,908	248,141	157,276	-	489,618
Letters of credit	32,840	56,001	126,856	-	-	215,697
Total	**41,133**	**131,909**	**374,997**	**157,276**	**-**	**705,315**

Bank	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
31 December 2023	N'million	N'million	N'million	N'million	N'million	N'million
Non-derivative assets						
Restricted balances with central bank	-	-	-	1,174,398	-	1,174,398
Cash and Cash equivalents	362,530	14,390	-	-	-	376,920
Loans and advances to customers	235,975	515,799	867,353	1,001,318	2,013,800	4,634,245
Derivative financial assets	-		-	-	-	-
Investment securities	-	-	-	-	-	-
- Financial instrument at FVTPL	77	317	6,931	1,001	4,215	12,540
- Debt instruments at amortised	951	44,292	417,381	339,063	1,017,731	1,819,418
- Debt instruments at FVOCI	23,622	21,402	121,127	40,236	35,132	241,520
Other assets	39,589	197,946	166,432	-	-	403,968
Total financial assets	**662,744**	**794,146**	**1,579,225**	**2,556,016**	**3,070,877**	**8,663,008**
Derivative assets						
Trading:						
Gross settled		10,723		-	-	**10,723**
Net settled						
	-	**10,723**	**-**	**-**	**-**	**10,723**
Total financial assets	**662,744**	**804,869**	**1,579,225**	**2,556,016**	**3,070,877**	**8,673,731**
Financial liabilities						
Non-derivative liabilities						
Customer deposits	337,757	373,604	657,113	1,328,011	1,389,284	4,085,770
Other liabilities	122,415	170,073	248,943	360,566	281,890	1,183,887
Debt issued and other borrowed funds	85	61,998	53,379	520,491	49,049	685,002
	460,257	**605,676**	**959,434**	**2,209,068**	**1,720,223**	**5,954,658**
Derivative liabilities						
Trading:						
Gross settled	-	-	-	-	-	-
Net settled					-	
	-	**-**	**-**	**-**	**-**	**-**
Total financial liabilities	460,257	605,676	959,434	2,209,068	1,720,223	5,954,658
Gap (assets-liabilities)	202,487	199,193	619,791	346,948	1,350,654	
Cumulative liquidity gap	**202,487**	**401,680**	**1,021,471**	**1,368,419**	**2,719,073**	
Financial guarantee contract:						
Performance bonds and guarantees	38,303	132,311	284,455	169,511	106,200	730,779
Letters of credit	91,580	127,638	177,868	16,276	-	413,362
Total	**129,883**	**259,949**	**462,323**	**185,786**	**106,200**	**1,144,141**

Bank	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
31 December 2022	N'million	N'million	N'million	N'million	N'million	N'million
Non-derivative assets						
Restricted balances with central bank	248,556	-	-	614,535	-	863,091
Cash and Cash equivalents	287,015	13,646	-	-	-	300,661
Loans and advances to customers	119,771	303,382	518,204	887,120	1,364,320	3,192,797
Derivative financial assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
- Financial instrument at FVTPL	228	380	1,076	293	816	2,793
- Debt instruments at amortised	17,804	22,854	248,445	133,634	353,254	775,991
- Debt instruments at FVOCI	1,094	1,472	16,782	15,733	9,386	44,467
Other assets	10,034	50,172	40,138	-	7,159	107,503
Total financial assets	**684,502**	**391,906**	**824,645**	**1,651,315**	**1,734,935**	**5,287,303**
Derivative assets						
Trading:						
Gross settled		4,778		-	-	4,778
Net settled	-					
Total financial assets	**684,502**	**396,684**	**824,645**	**1,651,315**	**1,734,935**	**5,292,081**
Financial liabilities						
Non-derivative assets						
Customer deposits	307,166	373,276	445,359	838,959	973,495	2,938,255
Other liabilities	114,904	51,075	88,571	238,776	367,464	860,790
Debt issued and other borrowed funds	67	25,942	29,418	240,383	53,431	349,241
	422,137	450,293	563,348	1,318,118	1,394,390	4,148,286
Derivative Liabilities						
Trading:						
Gross settled	-	1,208	-	-	-	1,208
Net settled						
	-	**1,208**	**-**	**-**	**-**	**1,208**
Total financial liabilities	422,137	451,501	563,348	1,318,118	1,394,390	4,149,494
Gap (assets-liabilities)	262,365	(54,817)	261,297	333,197	340,545	
Cumulative liquidity gap	**262,365**	**207,548**	**468,845**	**802,042**	**1,142,587**	
Financial guarantee contract:						
Performance bonds and guarantees	8,293	75,908	248,141	157,276	-	489,618
Letters of credit	32,840	56,001	126,856	-	-	215,697
Total	**41,133**	**131,909**	**374,997**	**157,276**	**-**	**705,315**

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 Committee (BRC).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 31 December 2023.

	31 December 2023				
	USD	GBP	Euro	Naira	Total
Financial assets	N'million	N'million	N'million	N'million	N'million
Restricted balances with central bank	-	-	-	1,174,398	1,174,398
Cash and Cash equivalents	199,832	8,017	20,850	147,897	376,595
Loans and advances to customers	1,425,087	4,460	10,508	1,522,343	2,962,397
Derivative financial assets	10,723				10,723
Investment securities:	-	-	-		
- Financial assets at FVTPL	-	-	-	7,684	7,684
- Debt instruments at FVOCI	18,495	-	-	169,066	187,561
- Equity instruments at FVOCI	9,507	-	-	95,446	104,953
- Debt instruments at amortised cost	-	-	-	818,803	818,803
Other financial assets	355,347	11,442	813	23,789	391,391
	2,018,991	**23,919**	**32,171**	**3,959,425**	**6,034,506**
Financial liabilities					
Customer deposits	1,243,428	24,752	20,523	2,638,139	3,926,842
Derivative liabilities	-				-
Other liabilities	247,342	2,138	2,138	882,256	1,133,874
Debt issued and other borrowed funds	511,458			65,570	577,028
	2,002,228	**26,890**	**22,660**	**3,585,966**	**5,637,744**
Net on balance sheet position	16,763	(2,971)	9,510	373,460	396,762
Net exposure	**16,763**	**(2,971)**	**9,510**	**373,460**	**396,762**

Sensitivity Analysis of Foreign Currency Statement of Financial Position			
Currency	**USD**	**GBP**	**Euro**
	N'million	N'million	N'million
Net effect on Statement of Financial Position	16,763	(2,971)	9,510
Closing Exchange Rate (Naira/Currency)	952	1,140	991
1% Currency Depreciation (+)	961	1,152	1,001
Net effect of depreciation on Profit or loss	168	(30)	95
1% Currency Appreciation (-)	942	1,129	981
Net effect of appreciation on Profit or loss	(168)	30	(95)

The table below summarises the Bank's exposure to foreign currency exchange risk at 31 December 2022.

	31 December 2022				
	USD	GBP	Euro	Naira	Total
Financial assets	N'million	N'million	N'million	N'million	N'million
Restricted balances with central bank	-	-	-	863,090	863,090
Cash and Cash equivalents	142,925	2,821	4,208	150,391	300,345
Loans and advances to customers	708,659	535	2,970	1,404,048	2,116,212
Derivative financial assets	4,778				4,778
Investment securities:	-	-	-		
- Financial assets at FVTPL	-	-	-	2,036	2,036
- Debt instruments at FVOCI	6,587	-	-	22,109	28,696
- Equity instruments at FVOCI	5,379	-	-	22,180	27,559
- Debt instruments at amortised cost	-	-	-	479,591	479,591
Other financial assets	204,439	191	302	(98,778)	106,154
	1,072,767	**3,547**	**7,480**	**2,844,666**	**3,928,461**
Financial liabilities					
Customer deposits	699,084	5,305	4,780	1,871,431	2,580,600
Derivative financial assets	1,208				1,208
Other liabilities	120,979	239	1,821	691,843	814,882
Debt issued and other borrowed funds	204,773	-	-	56,693	261,466
	1,026,044	**5,544**	**6,601**	**2,619,967**	**3,658,156**
Net exposure	**46,723**	**(1,997)**	**879**	**224,699**	**270,305**

Sensitivity Analysis of Foreign Currency Statement of Financial Position			
Currency	**USD**	**GBP**	**Euro**
	N'million	N'million	N'million
Net effect on Statement of Financial Position	46,723	(1,997)	879
Closing Exchange Rate (Naira/ Currency)	461	555	492
1% Currency Depreciation (+)	466	561	497
Net effect of depreciation on Profit or loss (pre-tax)	467	(20)	9
1% Currency Appreciation (-)	456	549	487
Net effect of appreciation on Profit or loss (pre-tax)	(467)	20	(9)

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.

3.4.3 Interest Rate Risk

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

	Carrying amount	Variable interest	Fixed interest	Non interest-bearing
31 December 2023	**N'million**	**N'million**	**N'million**	**N'million**
Financial assets				
Restricted balances with central bank	1,174,398	-	-	1,174,398
Cash and Cash equivalents	376,595	-	32,356	344,239
Loans and advances to customers	2,962,397	647,617	2,314,780	-
Derivative financial assets	10,723	-	-	10,723
Investment securities	-			-
- Financial assets at FVTPL	7,684	-	7,684	-
- Debt instruments at FVOCI	187,561	-	187,561	-
- Debt instruments at amortised cost	818,803	-	818,803	-
Other financial assets	391,391	-	-	391,391
	5,929,553	**647,617**	**3,361,185**	**1,920,751**
Financial liabilities				
Customer deposits	3,926,842	-	1,574,066	2,352,776
Derivative liabilities	-	-	-	-
Other liabilities	1,133,874	-	443,736	690,138
Debts issued and other borrowed funds	577,028	83,337	493,691	-
	5,637,744	**83,337**	**2,511,493**	**3,042,914**

	Carrying amount	Variable interest	Fixed interest	Non interest-bearing
31 December 2022	N'million		N'million	N'million
Financial assets				
Restricted balances with central bank	863,090	-	-	863,090
Cash and Cash equivalents	300,345	-	13,412	286,933
Derivative financial assets	2,116,212	308,884	1,807,328	-
Loans and advances to customers	4,778	-	-	4,778
Investment securities	-			-
- Financial assets at FVTPL	2,036	-	2,036	-
- Debt instruments at FVOCI	28,696	-	28,696	-
- Debt instruments at amortised cost	479,591	-	479,591	-
Other financial assets	106,154	-	-	106,154
	3,900,902	**308,884**	**2,331,063**	**1,260,955**
Financial liabilities				
Customer deposits	2,580,600	-	1,009,317	1,571,283
Derivative financial assets	1,208	-	-	1,208
Other liabilities	814,882	-	473,604	341,278
Debts issued and other borrowed funds	261,466	26,648	234,699	119
	3,658,156	**26,648**	**1,717,620**	**1,913,888**

(a) Interest Rate Sensitivity

Total Interest Repricing Gap

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

31 December 2023	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years	Total rate sensitive
Financial assets	N'million	N'million	N'million	N'million	N'million	N'million
Restricted balances with central bank	-	-	-	-	-	-
Cash and Cash equivalents	32,356		-			32,356
Loans and advances to customers	731,685	192,738	567,164	669,822	800,987	2,962,397
Derivative financial assets	-					-
Investment securities						-
Financial assets at FVTPL	5,627	28	758	863	407	7,684
Debt instruments at FVOCI	83,160	10,048	27,161	17,249	49,943	187,561
Debt instruments at amortised cost	532,148	-	61,227	17,836	207,592	818,804
Total assets	**1,384,977**	**202,814**	**656,310**	**705,771**	**1,058,929**	**4,008,801**
Financial liabilities						
Customer deposits	276,822	117,231	102,541	538,960	538,512	1,574,066
Derivative financial liabilities						-
Other Liabilities	7,529	15,661	23,492	161,931	235,123	443,736
Debt issued and other borrowed funds	61,683	28,594	-	444,271	42,480	577,028
Total liabilities	**346,034**	**161,485**	**126,033**	**1,145,162**	**816,115**	**2,594,830**
Net financial assets and liabilities	**1,038,943**	**41,329**	**530,277**	**(439,391)**	**242,815**	**1,413,972**

31 December 2022	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years	Total rate sensitive
Financial assets	N'million	N'million	N'million	N'million	N'million	N'million
Restricted balances with central bank	-	-	-	-	-	-
Cash and Cash equivalents	13,412		-			13,412
Loans and advances to customers	382,974	236,814	213,122	609,339	673,963	2,116,212
Derivative financial assets	-					-
Investment securities						-
- Financial assets at FVTPL	602	748	258	78	351	2,037
- Debt instruments at FVOCI	2,394	102	14,416	6,265	5,519	28,696
- Debt instruments at amortised cost	38,308	144,490	78,084	48,756	169,954	479,592
Total assets	**437,690**	**382,154**	**305,880**	**664,438**	**849,787**	**2,639,949**
Financial liabilities						
Customer deposits	267,345	92,043	78,175	285,899	285,855	1,009,317
Derivative Financial Liabilities						-
Other liabilities	11,080	1,562	13,870	130,312	316,780	473,604
Debts issued and other borrowed funds	26,170	15,746		178,125	41,425	261,466
Total liabilities	**304,595**	**109,351**	**92,045**	**594,336**	**644,060**	**1,744,387**
Net financial assets/ (liabilities)	**133,095**	**272,803**	**213,835**	**70,102**	**205,727**	**895,562**

(b) Interest Rate Sensitivity Analysis On Variable Rates Instruments On Profit And Equity

31 December 2023

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 decrease 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/-200bp	647,617	12,952	(12,952)	12,952	(12,952)
Investments:						
Debts issued and other borrowed funds	+200bp/-200bp	83,337	(1,667)	1,667	(1,667)	1,667

31 December 2022

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 decrease 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	+200/-200bp	308,884	6,178	(6,178)	6,178	(6,178)
Investments:						
Debts issued and other borrowed funds	+200/-200bp	26,648	(533)	533	(533)	533

(c) Interest Rate Sensitivity Analysis On Fixed Rates Instruments On Profit And Equity

31 December 2023						
Asset with fixed 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
Investments:						
Financial assets measured at FVTPL	+200/-200bp	7,684	154	(154)	154	(154)
Debt instruments at FVOCI*	+200/-200bp	187,561	-	-	3,751	(3,751)
31 December 2022						
Asset with fixed 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
Investments:						
Financial assets measured at FVTPL	+200/-200bp	2,036	41	(41)	41	(41)
Debt instruments at FVOCI*	+200/-200bp	29,229	-	-	585	(585)

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

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 50.8 percent (Bank - 280.8 percent) increase in the value of the Group's equity investment at FVOCI at 31 December 2023 would have increased equity by N77.4billion (December 2022: N1.53 billion). An equivalent decrease would have resulted in an equivalent but opposite impact.

3.5 Fair Value Of Financial Assets And Liabilities

Financial assets	31 December 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
	N'million	N'million	N'million	N'million
Cash and balances with Central Bank	**1,311,414**	**-**	**1,017,606**	
Cash	21,440		33,300	
Balances with central bank other than mandatory reserve deposits	115,576		121,216	
Mandatory reserve deposits with central banks	1,174,398		863,090	
Due from banks	**239,579**	**-**	**145,829**	
- Current balances with foreign banks	207,330		132,417	
- Placements with other banks and discount houses	32,249		13,412	
Loans and advances to customers	**2,962,397**	**-**	**2,116,212**	
- Term loans	2,707,023		1,866,402	
- Advances under finance lease	9,380		15,120	
- Other loans	245,994		234,690	
Derivative financial assets	**10,723**	**10,723**	**4,778**	**4,778**
Fair Value Through Profit and Loss	**7,684**	**7,684**	**2,036**	**2,036**
- Treasury bills	6,661	6,661	1,685	1,685
- Federal Government bonds	1,023	1,023	351	351
- Placement	-	-	-	-
Debt instruments at FVOCI	**187,561**	**187,561**	**28,696**	**28,696**
- Treasury bills	153,028	153,028	16,677	16,677
- Federal Government bonds	17,714	17,714	4,825	4,825
- State Government bonds	5,897	5,897	2,256	2,256
- Corporate Bonds	10,922	10,922	4,938	4,938
Equity instruments measured at FVOCI	**41,550**	**41,550**	**27,560**	**27,560**
Debt instruments at amortised	**818,804**	**-**	**479,591**	
- Treasury bills	404,734		261,847	
- Federal Government bonds	393,591		202,481	
- State Government bonds	5,103			
- Corporate Bonds	15,375		15,263	
Financial liabilities				
Deposit from customers	**1,364,702**	**-**	**1,095,538**	**-**
Term	75,999		398,793	
Domiciliary	1,288,703		696,745	
Derivative financial liabilities	**-**	**-**	**1,208**	**1,208**
Debts issued and other borrowed funds	**577,028**	**-**	**261,466**	**-**

(a) Financial Instruments Measured At Fair Value

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets	N'million	N'million	N'million	N'million
Assets measured at fair value				
Held for trading				
- Federal Government bonds	-		-	-
- State Government bonds	-	1,023	-	1,023
- Treasury bills	-	6,661	-	6,661
- Placement	-	-		-
Debt instruments measured at FVOCI				-
- Treasury bills	-	153,028	-	153,028
- Federal Government bonds	-	17,714	-	17,714
- State Government bonds	-	5,897	-	5,897
- Corporate Bonds	-	10,922		10,922
Equity instruments measured at FVOCI	**3,773**	**37,777**	**63,403**	**104,953**
Assets for which fair value are disclosed				
Loans and Advances	-	-	-	-
- Term loans	-	-	2,707,023	2,707,023
- Advances under finance lease	-	-	9,380	9,380
- Other loans and overdrafts	-	-	245,994	245,994
Derivative assets	-	10,723	-	10,723
Debt instruments at amortised cost				-
- Treasury bills	-		404,734	404,734
- Federal Government bonds	-		393,591	393,591
- State Government bonds	-		5,103	5,103
- Corporate Bonds	-		15,375	15,375

31 December 2023	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL	N'million	N'million	N'million	N'million
Derivative financial liabilities	-	24,225	-	24,225
Financial liabilities for which fair values are disclosed				
Financial liabilities carried at amortised cost				
Debt issued and other borrowed funds	-	-	577,028	577,028
Deposits from customers			1,364,702	1,364,702

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets	N'million	N'million	N'million	N'million
Financial Assets measured at fair value				
Financial assets at FVTPL				
Held for trading				
- Federal Government bonds			-	-
- State Government bonds		351	-	351
- Treasury bills			-	-
- Placement		1,685		1,685
Debt instruments measured at FVOCI				
- Treasury bills	-	16,677	-	16,677
- Federal Government bonds	-	4,825	-	4,825
- State Government bonds	-	2,256	-	2,256
- Corporate bonds	-	4,937		4,937
Equity instruments measured at FVOCI	2,334	25,226	-	27,560
Assets for which fair values are disclosed				
Loans and advances	-	-		-
- Term loans	-	-	1,908,096	1,908,096
- Advances under finance lease	-	-	18,202	18,202
- Other loans	-	-	270,462	270,462
Derivative financial assets	-	4,778	-	4,778
Debt instruments at amortised cost				
- Treasury bills	-	261,914	-	261,914
- Federal Government bonds	-	202,665	-	202,665
- State Government bonds	-	-	-	-
- Corporate bonds	-	15,843	-	15,843
Financial liabilities at FVTPL	N'million	N'million	N'million	N'million
Derivative financial liabilities	-	1,208	-	1,208
Financial liabilities for which fair values are disclosed				
Financial liabilities carried at amortised cost				
Debt issued and other borrowed funds	-	-	261,466	261,466
Deposits from customers			1,095,539	1,095,539

(b) Fair Valuation Methods And Assumptions

(i) Cash and balances with Central Bank of Nigeria

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. The positions were marked-to-model at 31 December 2023 and 31 December 2022 based on yields for identical assets. Fair value is determined using discounted cash flow model.

(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.

(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.

(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 have 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 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 situation 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. 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:

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 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 stakeholders; and

(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 internationally 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 year ended 31 December 2023 and the comparative period 31 December 2022 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 enviroment.

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 (issued and 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:

1. 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;

2. Collective impairment on loans and receivables and other financial assets no longer forms part of Tier 2 capital; and

3. Other Comprehensive Income (OCI) Reserves is recognized as part of Tier 2 capital subject to the limits on the Calculation of Regulatory Capital.

The table below summarises the composition of regulatory capital and the ratios of the Bank as at 31 December 2023 and as at 31 December 2022. During those two periods, the Bank as an entity complied with all of the externally imposed capital requirements to which it is subject to.

	31 December 2023	31 December 2022
	N'million	N'million
Tier 1 capital		
Share capital	16,000	14,481
Share premium	113,705	101,272
Retained earnings	103,708	79,587
Statutory reserve	66,282	51,352
Small scale investment reserve	15,186	10,209
Tier 1 Deductions - Intangible Assets	(5,123)	(4,023)
Total qualifying Tier 1 capital	**309,757**	**252,878**
Regulatory adjustment	38,134	34,704
Investment In Subsidiary	63,403	-
Adjusted qualifying Tier 1 capital	**208,221**	**218,174**
Tier 2 capital		
Eurobond Issue	-	-
Local Bond Issue (Discounted at 60%)	42,174	41,307
Revaluation reserve	-	-
Fair value reserve	54,310	30,019
Total Tier 2 capital	**96,484**	**71,326**
Qualifying Tier 2 Capital restricted to lower of Tier 2 and 33.33% of Tier 1 Capital	**90,541**	**71,326**
Total Tier 1 & Tier 2 Capital	**298,762**	**289,500**
Risk-weighted assets:		
Credit Risk Weighted Assets	1,459,539	1,326,811
Market Risk Weighted Assets	12,104	17,977
Operational Risk Weighted Assets	376,354	250,941
Total risk-weighted assets	**1,847,998**	**1,595,729**
Capital Adequacy Ratio (CAR)	**16.17%**	**18.14%**
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). In 2023, 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 year ended 31 December 2023 is as follows:

Group	Retail banking	Corporate banking	Investment banking	Combined
	N 'millions	N 'millions	N 'millions	N 'millions
At 31 December 2023				
Revenue derived from external customers	381,730	99,488	74,612	555,830
Revenues from other segments	-	-	-	-
Total	**381,730**	**99,488**	**74,612**	**555,830**
Interest income	293,906	96,779	68,845	459,530
Interest expense	**(106,910)**	**(47,987)**	**(27,268)**	**(182,165)**
Fees and commission income	29,388	15,725	4,488	49,600
Fee and commission expense	(7,042)	(3,526)	(1,244)	(11,812)
Operating Expense	(120,124)	(35,371)	(32,402)	(187,897)
Profit before tax	98,180	15,379	10,701	124,260
Income tax expense	(22,352)	(1,447)	(1,007)	(24,806)
Profit for the year ended 31 December 2023	75,828	13,932	9,694	99,454
	-			
Total segment assets	4,510,316	942,561	781,811	6,234,688
Total segment liabilities	4,292,151	885,461	619,769	5,797,381
Other segment information	-			
Depreciation/Amortization	**(4,433)**	**(1,568)**	**(1,041)**	**(7,042)**

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 December 2022 is as follows:

Group	Retail banking	Corporate banking	Investment banking	Combined
	N 'millions	N 'millions	N 'millions	N 'millions
At 31 December 2022				
Revenue derived from external customers	162,950	99,488	74,612	337,050
Revenues from other segments	-	-	-	-
Total	**162,950**	**99,488**	**74,612**	**337,050**
Interest income	129,954	96,779	68,845	295,578
Interest expense	**(67,628)**	**(47,987)**	**(27,268)**	**(142,883)**
Fees and commission income	19,861	11,345	3,212	34,418
Fee and commission expense	(8,263)	(3,725)	(707)	(12,695)
Operating Expense	(67,317)	(17,638)	(29,213)	(114,168)
Profit before tax	27,597	15,379	10,701	53,677
Income tax expense	(4,499)	(1,447)	(1,007)	(6,953)
Profit for the year ended 31 December 2022	**23,098**	**13,932**	**9,694**	**46,724**
	-			
Total segment assets	2,264,637	942,561	781,811	3,989,009
Total segment liabilities	2,169,419	885,461	619,769	3,674,649
Other segment information	-			
Depreciation/Amortization	**(4,007)**	**(1,568)**	**(1,041)**	**(6,616)**

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 31 December 2023 and 31 December 2022 . 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 form the United Kingdom component derives from one main activity, commercial and retail banking, which is carried out in the United Kingdom.

Bank	Retail banking	Corporate banking	Investment banking	Combined
	N 'millions	N 'millions	N 'millions	N 'millions
At 31 December 2023				
Revenue derived from external customers	329,719	126,086	96,960	552,765
Revenues from other segments	-	-	-	-
Total	**329,719**	**126,086**	**96,960**	**552,765**
Interest income	252,350	115,039	89,530	456,919
Interest expense	**(90,634)**	**(52,778)**	**(38,651)**	**(182,063)**
Fees and commission income	28,933	15,725	4,488	49,146
Fee and commission expense	(7,042)	(3,526)	(1,244)	(11,812)
Operating Expense	(116,888)	(35,371)	(32,402)	(184,661)
Profit before tax	69,758	31,656	22,924	124,338
Income tax expense	(18,879)	(3,438)	(2,490)	(24,806)
Profit for the year ended 31 December 2023	**50,879**	**28,218**	**20,434**	**99,532**
	-			
Total segment assets	3,546,324	1,470,572	1,105,278	6,122,174
Total segment liabilities	3,280,461	1,388,927	1,021,451	5,690,839
Other segment information	-			
Depreciation/Amortization	**(4,105)**	**(1,661)**	**(1,124)**	**(6,890)**

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 December 2022 is as follows:

	Retail banking	Corporate banking	Investment banking	Combined
	N 'millions	N 'millions	N 'millions	N 'millions
At 31 December 2022				
Revenue derived from external customers	162,950	99,488	74,612	337,050
Revenues from other segments	-	-	-	-
Total	**162,950**	**99,488**	**74,612**	**337,050**
Interest income	129,954	96,779	68,845	295,578
Interest expense	**(67,628)**	**(47,987)**	**(27,268)**	**(142,883)**
**Fees and commission income	19,861	11,345	3,212	34,418
**Fee and commission expense	(8,263)	(3,725)	(707)	(12,695)
Operating Expense	(67,317)	(17,638)	(29,213)	(114,168)
Profit before tax	27,597	15,379	10,701	53,677
Income tax expense	(4,499)	(1,447)	(1,007)	(6,953)
Profit for the year ended 31 December 2022	**23,098**	**13,932**	**9,694**	**46,724**
	-			
Total segment assets	2,264,637	942,561	781,811	3,989,009
Total segment liabilities	2,169,419	885,461	619,769	3,674,649
Other segment information	-			
Depreciation/Amortization	**(4,007)**	**(1,568)**	**(1,041)**	**(6,616)**

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 31 December 2023 and 31 December 2022. The cashflow information for the reporting segment is not provided to the chief operating decision maker.

Segment report by country:

The segment information by country provided to the Executive Committee for the reportable segments for the year ended 31 December 2023 is as follows:

Group by Country	Nigeria	United Kingdom	Combined
	N 'millions	N 'millions	N 'millions
At 31 December 2023			
Revenue derived from external customers	552,765	3,066	555,830
Revenues from other segments	-	-	-
Total	**552,765**	**3,066**	**555,830**
Interest income	456,919	2,611	459,530
Interest expense	(182,063)	(102)	(182,165)
Operating Expense	(184,661)	(3,236)	(187,897)
Profit before tax	124,338	(78)	124,260
Income tax expense	(24,806)	-	(24,806)
Profit for the year ended 31 December 2023	99,532	(78)	99,454
Total segment assets	6,122,174	112,515	6,234,688
Total segment liabilities	5,690,839	106,542	5,797,381
Other segment information			
Depreciation/Amortization	**(6,890)**	**(151)**	**(7,042)**

**A further breakdown of Segment Report was provided to disclose fee and commission Income and fee and commission expense lines to ensure compliance with the requirement of IFRS 8.23. These lines have been included in the segment analysis report since they are usually provided in the report to the Chief Operating Decision Maker. This error affected prior year and have been corrected in the comparative figures.

6. Interest And similar Income calculated using the effective interest rate method

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Loans and advances to customers	363,370	230,951	360,914	230,951
Advances under finance lease	2,487	4,857	2,487	4,857
Treasury bills and other investment securities:				
-Fair value through other comprehensive income	11,143	7,734	10,564	7,734
-Amortised cost	56,039	34,330	56,039	34,330
Placements and short term funds	969	534	1,393	534
	434,008	**278,406**	**431,397**	**278,406**

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 N6,190.43 million (31 December 2022: N2,214 million) in the financial Statement.

7. Interest Expense caculated using the effective interest rate method

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Term deposits	107,610	84,529	107,610	84,529
Debts issued and other borrowed funds	36,583	40,282	36,549	40,282
Savings deposits	21,799	8,800	21,799	8,800
Current accounts	7,170	4,251	7,035	4,251
Inter-bank takings	39	33	105	33
Intervention loan	8,965	4,988	8,965	4,988
	182,165	**142,883**	**182,063**	**142,883**

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 expense:

The table below shows the ECL charges on financial instruments for the period ended 31 December 2023 recorded in profit or loss:

Group	Notes	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	POCI	Total
31 Dec 2023		N'million	N'million	N'million	N'million	N'million	N'million	N'million
Due from banks	19	-	(249)	-	-	-	-	(249)
Loans and advances to customers	22	-	1,942	-	42,684	18,796	-	63,422
Debt instruments measured at FVOCI	24.6.1	-	428	-	-	-	-	428
Debt instruments measured at amortised costs	24.6.2	-	1,289	-	-	-	-	1,289
Financial guarantees	32.3.2	-	126	-	-	-		126
Letters of credit	32.3.3	-	409	-	-	-	-	409
		-	**3,945**	**-**	**42,684**	**18,796**	**-**	**65,425**
Other assets (Note 29)	29	2,011	-	-	-	-	-	2,011
		2,011	**3,945**	**-**	**42,684**	**18,796**	**-**	**67,436**

The table below shows the ECL charges on financial instruments for the period ended 31 December 2022 recorded in profit or loss:

Group	Notes	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	POCI	Total
31 Dec 2022		N'million	N'million	N'million	N'million	N'million	N'million	N'million
Due from banks	19	-	(252)	-	-	-	-	(252)
Loans and advances to customers	22	-	918	-	1,712	3,785	-	6,415
Debt instruments measured at FVOCI	24.6.1	-	24	-	-	-	-	24
Debt instruments measured at amortised costs	24.6.2	-	6	-	-	-	-	6
Financial guarantees	32.3.1	-	(29)	-	-	-		(29)
Letters of credit	32.3.2	-	(733)	-	-	-	-	(733)
		-	**(66)**	**-**	**1,712**	**3,785**	**-**	**5,431**
Other assets	29	12	-	-	-	-	-	12
		12	**(66)**	**-**	**1,712**	**3,785**	**-**	**5,443**

The table below shows the ECL charges on financial instruments for the period ended 31 December 2023 recorded in profit or loss:

Bank	Notes	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	POCI	Total
31 Dec 2023		N'million	N'million	N'million	N'million	N'million	N'million	N'million
Due from banks	19	-	(47)	-	-	-	-	(47)
Loans and advances to customers	22	-	1,899	-	42,684	18,796	-	63,379
Debt instruments measured at FVOCI	24.6.1	-	428	-	-	-	-	428
Debt instruments measured at amortised costs	24.6.2	-	1,380	-	-	-	-	1,380
Financial guarantees	32.3.1	-	126	-	-	-		126
Letters of credit	32.3.2	-	409	-	-	-	-	409
		-	**4,195**	**-**	**42,684**	**18,796**	**-**	**65,675**
Other assets (Note 29)	29	2,011	-	-	-	-	-	2,011
		2,011	**4,195**	**-**	**42,684**	**18,796**	**-**	**67,686**

The table below shows the ECL charges on financial instruments for the period ended 31 December 2022 recorded in profit or loss:

Bank	Notes	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	POCI	Total
31 Dec 2022		N'million	N'million	N'million	N'million	N'million	N'million	N'million
Due from banks	19	-	(252)	-	-	-	-	(252)
Loans and advances to customers	22	-	918	-	1,712	3,785	-	6,415
Debt instruments measured at FVOCI	24.6.1	-	24	-	-	-	-	24
Debt instruments measured at amortised costs	24	-	6	-	-	-	-	6
Financial guarantees	32.3.1	-	(29)	-	-	-		(29)
Letters of credit	32.3.2	-	(733)	-	-	-	-	(733)
		-	**(66)**	**-**	**1,712**	**3,785**	**-**	**5,431**
Other assets	29	12	-	-	-	-	-	12
		12	**(66)**	**-**	**1,712**	**3,785**	**-**	**5,443**

9. Net Fee and Commission Income

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

Group	31 December 2023			
Segments	Retail Banking	Corporate Banking	Investment Banking	Total
	N'million	N'million	N'million	N'million
Fee and commission type:				
ATM charges	6,634	3,754	-	10,388
Accounts maintenance charge	4,066	3,532	911	8,509
Commission on E-banking activities	1,953	931	751	3,635
Commission on travellers cheque and foreign bills	3,515	1,242	919	5,677
Commission on Fidelity connect	2,022	724	589	3,335
Letters of credit commissions and fees	2,932	1,497	922	5,351
Commissions on off balance sheet transactions	2,478	1,452	-	3,931
Other fees and commissions	704	109	-	812
Commission and fees on banking services	544	245	-	789
Commission and fees on NXP	222	129	95	446
Collection fees	167	114	56	337
Telex fees	915	315	236	1,466
Cheque issue fees	47	11	9	67
Remittance fees	58	34	-	92
Total revenue from contracts with customers	**26,258**	**14,089**	**4,488**	**44,834**
Other non-contract fee income:				
Credit related fees	3,130	1,636	-	4,766
Total fees and commission income	**29,388**	**15,725**	**4,488**	**49,600**
Fee and commission expense	(7,042)	(3,526)	(1,244)	(11,812)
Net fee and commission income	**22,346**	**12,199**	**3,244**	**37,788**

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.

Group	31 December 2022			
Segments	Retail Banking	Corporate Banking	Investment Banking	Total
	N'million	N'million	N'million	N'million
Fee and commission type:				
ATM charges	5,424	3,409	-	8,833
Accounts maintenance charge	2,377	2,071	594	5,042
Commission on E-banking activities	1,464	871	496	2,831
Commission on travellers cheque and foreign bills	1,850	875	487	3,212
Commission on Fidelity Connect	1,338	477	321	2,136
Letters of credit commissions and fees	1,889	644	398	2,931
Other fees and commissions	1,348	513	486	2,347
Commission and fees on banking services	463	238	-	701
Commission and fees on NXP	282	251	22	555
Collection fees	431	320	116	867
Telex fees	154	90	71	315
Cheque issue fees	628	333	221	1,182
Commissions on off balance sheet transactions	55	16	-	71
Remittance fees	85	39	-	124
Total revenue from contracts with customers	**17,788**	**10,147**	**3,212**	**31,147**
Other non-contract fee income:				
Credit related fees	2,073	1,198	-	3,271
Total fees and commission income	**19,861**	**11,345**	**3,212**	**34,418**
Fee and commission expense	(8,263)	(3,725)	(707)	(12,695)
Net fee and commission income	**11,598**	**7,620**	**2,505**	**21,723**

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.

Bank	31 December 2023			
Segments	Retail Banking	Corporate Banking	Investment Banking	Total
	N'million	N'million	N'million	N'million
Fee and commission type:				
ATM charges	6,634	3,754	-	10,388
Accounts maintenance charge	4,040	3,532	911	8,483
Commission on E-banking activities	1,896	931	751	3,577
Commission on travellers cheque and foreign bills	3,515	1,242	919	5,677
Commission on Fidelity connect	2,022	724	589	3,335
Letters of credit commissions and fees	2,566	1,497	922	4,985
Commissions on off balance sheet transactions	2,478	1,452	-	3,931
Other fees and commissions	699	109	-	807
Commission and fees on banking services	544	245	-	789
Commission and fees on NXP	222	129	95	446
Collection fees	167	114	56	337
Telex fees	915	315	236	1,466
Cheque issue fees	47	11	9	67
Remittance fees	58	34	-	92
Total revenue from contracts with customers	**25,804**	**14,089**	**4,488**	**44,380**
Other non-contract fee income:				
Credit related fees	3,130	1,636	-	4,766
Total fees and commission income	**28,933**	**15,725**	**4,488**	**49,146**
Fee and commission expense	(7,042)	(3,526)	(1,244)	(11,812)
Net fee and commission income	**21,891**	**12,199**	**3,244**	**37,334**

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.

Bank	31 December 2022			
Segments	Retail Banking	Corporate Banking	Investment Banking	Total
	N'million	N'million	N'million	N'million
Fee and commission type:				
ATM charges	5,424	3,409	-	8,833
Accounts maintenance charge	2,377	2,071	594	5,042
Commission on E-banking activities	1,464	871	496	2,831
Commission on travellers cheque and foreign bills	1,850	875	487	3,212
Commission on Fidelity Connect	1,338	477	321	2,136
Letters of credit commissions and fees	1,889	644	398	2,931
Other fees and commissions	1,348	513	486	2,347
Commission and fees on banking services	463	238	-	701
Commission and fees on NXP	282	251	22	555
Collection fees	431	320	116	867
Telex fees	154	90	71	315
Cheque issue fees	628	333	221	1,182
Commissions on off balance sheet transactions	55	16	-	71
Remittance fees	85	39	-	124
Total revenue from contracts with customers	**17,788**	**10,147**	**3,212**	**31,147**
Other non-contract fee income:				
Credit related fees	2,073	1,198	-	3,271
Total fees and commission income	**19,861**	**11,345**	**3,212**	**34,418**
Fee and commission expense	(8,263)	(3,725)	(707)	(12,695)
Net fee and commission income	**11,598**	**7,620**	**2,505**	**21,723**

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.

10. Derecognition loss on financial asset

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

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Modified Loan Assets (Carrying Amount)	-	-	-	-
Specific allowances for impairment	-	-	-	-
	-	**-**	**-**	**-**
Derecognition loss	-	-	-	-
	-	**-**	**-**	**-**

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 Nill billion (December 2023 is Nil). The financial assets is not deemed to be credit impaired..

11. Other Operating Income

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Net foreign exchange gains	44,087	2,680	44,087	2,680
Dividend income	2,018	397	2,018	397
Profit / (Loss) on disposal of property, plant and equipment	49	(56)	49	(56)
Loan Recoveries	470	3,967	470	3,967
Other income	76	66	76	66
	46,700	**7,054**	**46,700**	**7,054**

11a. Net foreign exchange gain represent unrealised gains from the revaluation of foreign currency-denominated assets and liabilities held in the non-trading books.

11b. 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.

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

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

12. Net gains/(losses) from financial assets at fair value through profit or loss

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Net (losses)/gains arising from:				
- Bonds	918	(481)	918	(481)
- Treasury bills	(18)	3	(18)	3
- Placements	97	-	-	-
- Derivatives	23,786	(1,090)	23,786	(1,090)
	24,783	**(1,568)**	**24,686**	**(1,568)**

Net gains on debt instruments financial assets reclassified from the bank's other comprehensive income amount to N847 million (31 December 2022: N693 million) in the financial Statements, Group was Nil.

12.1 Interest income on financial assets measured at FVTPL	**25,522**	**17,172**	**25,522**	**17,172**

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.

13. Personnel Expenses

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Wages and salaries	40,009	26,077	38,226	26,077
End of the year bonus (see note 32)	12,055	3,164	12,055	3,164
Pension contribution	555	490	555	490
	52,619	**29,731**	**50,836**	**29,731**

14. Depreciation and Amortisation

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Property, plant and equipment (Note 25)	4,619	3,732	4,609	3,732
Computer software (Note 27)	1,686	2,191	1,645	2,191
Depreciation of right-of-use assets (Note 26)	736	693	636	693
	7,042	**6,616**	**6,890**	**6,616**

15. Other Operating Expenses

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Marketing, communication & entertainment	22,818	21,883	22,818	21,883
Banking sector resolution cost	23,071	18,276	23,071	18,276
Outsourced cost	7,416	5,613	7,352	5,613
Deposit insurance premium	11,129	8,238	11,129	8,238
Repairs and maintenance	8,315	5,395	8,315	5,395
Other expenses	10,109	2,621	8,720	2,621
Computer expenses	16,571	4,422	16,571	4,422
Lease expense (Finance Cost)	207	45	207	45
Security expenses	1,842	1,484	1,842	1,484
Rent and rates	399	389	399	389
Cash movement expenses	976	817	976	817
Training expenses	1,606	568	1,606	568
Travelling and accommodation	2,663	1,363	2,663	1,363
Consultancy expenses	2,466	4,818	2,466	4,818
Corporate finance expenses	16,283	2,675	16,283	2,675
Legal expenses	1,594	657	1,594	657
Electricity	756	565	756	565
Office expenses	393	313	393	313
Directors' emoluments	1,044	982	1,044	982
Insurance expenses	564	411	564	411
Stationery expenses	1,092	658	1,092	658
Bank charges	2,438	1,674	2,438	1,674
Auditors' remuneration	361	185	361	185
Donations	820	108	820	108
Telephone expenses	145	124	145	124
Postage and courier expenses	200	153	200	153
Loss on disposal of property, plant and equipment	-	-	-	-
	135,278	**84,437**	**133,825**	**84,437**

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 N9.06 million.

These non-audit services were for Common Reporting Standard (CRS) Reporting (N1 million), Corporate Tax Reporting (N8.06 million). 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.

15c. The bank paid a total of N326.64 million as contribution to the Industrial Training Fund, (N298.88 million annual contribution and N17.76 million as variation payment).

16. Taxation

(a) Income tax expense	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Current taxes on income for the period (Minimum tax)	20,297	4,679	20,297	4,679
Tertiary education tax (note 16g)	2,921	1,277	2,921	1,277
Police Trust Fund (note 16e)	6	3	6	3
National Agency for science and engineering infrastructure 0.25%	311	134	311	134
Capital gains tax	-	-	-	-
Information Technology levy (note 16f)	1,243	537	1,243	537
Current income tax expense	**24,778**	**6,630**	**24,778**	**6,630**
Deferred tax expense	28	323	28	323
	24,806	**6,953**	**24,806**	**6,953**

(b) Total income tax expense in profit or loss	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Profit before income tax expense	**124,260**	**53,677**	**124,338**	**53,677**
Income tax using the domestic corporation tax rate of 32.5% (Dec 2021 : 32.5%)	**37,301**	**17,445**	**37,301**	**17,445**
Non-deductible expenses	24,419	11,854	24,419	11,854
Tax exempt income	(32,512)	(7,653)	(32,512)	(7,653)
Utilization of previously unrecognised tax losses	929	(23,851)	929	(23,851)
Balancing Charge	4	-	4	-
Income Tax expense	-	4,679		4,679
Effect of concessions (research and development and other allowances)	-	-	-	-
Tertiary education tax (note 16g)	2,921	1,277	2,921	1,277
Capital allowance	(9,845)	-	(9,845)	-
Police trust fund (note 16e)	6	3	6	3
National Agency for science and engineering infrastructure 0.25%	311	134	311	134
Information technology levy (note 16f)	1,243	537	1,243	537
Deferred Tax expense	28	-	28	-
	24,806	**6,630**	**24,806**	**6,630**

Effective tax rate: The effective income tax rate is 19.90% (31 December 2022: 12.95%).

(c) The movement in the current income tax payable is as follows:	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
At 1 January	8,446	3,523	8,446	3,523
Income tax paid	(6,277)	(1,707)	(6,277)	(1,707)
WHT recovered	(112)	-	(112)	-
Current income tax expense	24,806	6,630	24,778	6,630
At 31 December	**26,863**	**8,446**	**26,835**	**8,446**

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

(e) 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.

(f) 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.

(g) Tertiary Education Tax (TET) as amended by Finance Act 2022, stipulates that 3% (2022: 2.5%) of assessable profit of bank shall be contributed to funding of tertiary educational institutions in Nigeria. A specified rate has been provided as Tertiary Education Tax and recognized it as part of income tax for the period by the Bank.

(h) 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 a 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 weighted average number of ordinary shares in issue during the year. The diluted earnings per share is the same as basic EPS because there are no potential ordinary shares outstanding during the reporting period.

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Profit attributable to equity holders of the Bank	99,454	46,724	99,532	46,724
Weighted average number of ordinary shares in issue	32,000	28,963	32,000	28,963
Basic & diluted earnings per share (expressed in kobo per share)	**310.79**	**161.32**	**311.04**	**161.32**

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

(b). In compliance with the provisions of Section 124 of CAMA 2020, the bank issued 3,037,414,308 units of unissued shares by way of Private Placement prior to the end of the 2022 financial year to bring the issued shares to 32,000,000,000 units of 50k shares.

19. Cash and Cash equivalents

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Cash	21,440	33,300	21,440	33,300
Balances with central bank other than mandatory reserve deposits	115,576	121,216	115,576	121,216
Due from banks	227,161	145,829	239,579	145,829
Total cash and cash equivalents	**364,177**	**300,345**	**376,595**	**300,345**

19.1 Due from Banks

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Current accounts with foreign banks	194,828	132,500	207,448	132,500
Placements with other banks and discount houses	32,356	13,601	32,356	13,601
Sub-total	246,586	146,101	239,804	146,101
Less:Allowance for impairment losses	(23)	(272)	(225)	(272)
	227,161	**145,829**	**239,579**	**145,829**

19.2 Movement in allowance for impairment losses

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
At 1 Jan	272	524	272	524
Profit or Loss	(47)	(252)	(47)	(252)
At 31 December	**225**	**272**	**225**	**272**

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.

19.3 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 year-end 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.

31 December 2023				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
External rating grade Performing				
High grade	195,733	-	-	195,733
Standard grade	40,930	-	-	40,930
Sub-standard grade	3,141	-	-	3,141
Past due but not impaired	-	-	-	-
Non-performing				-
Individually impaired	-	-	-	-
Total	**239,804**	**-**	**-**	**239,804**

31 December 2022				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
External rating grade Performing				
High grade	121,725	-	-	121,725
Standard grade	19,007	-	-	19,007
Sub-standard grade	5,368	-	-	5,368
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	**146,100**	**-**	**-**	**146,100**

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

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2021	146,101	-	-	146,101
New assets originated or purchased	22,786	-	-	22,786
Assets derecognised or repaid (excluding write offs)	(4,389)	-	-	(4,389)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition				
Amounts written off	-	-	-	-
Changes in PD/LGD/EAD and Accrued Interest		-	-	
Foreign exchange adjustments	75,305	-	-	75,305
At 31 December 2023	**239,804**	**-**	**-**	**239,804**

31 December 2022	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2022	134,302	-	-	134,302
New assets originated or purchased	14,161	-	-	14,161
Assets derecognised or repaid (excluding write offs)	(12,155)	-	-	(12,155)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition				
Amounts written off	-	-	-	-
Accrued Interest	(1,715)	-	-	(1,715)
Foreign exchange adjustments	11,507	-	-	11,507
At 31 December 2022	**146,100**	**-**	**-**	**146,100**

31 December 2023				
Group	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2023	272	-	-	272
New assets originated or purchased	107	-	-	107
Assets derecognised or repaid (excluding write offs)	(432)	-	-	(432)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount		-	-	
Changes to contractual cash flows due to modifications not resulting in derecognition		-	-	
Changes to models and inputs used for ECL calculations	-	-	-	-
Changes in PD/LGD/EAD and Accrued Interest		-	-	
Amounts written off		-	-	
Foreign exchange adjustments	76	-	-	76
At 31 December 2023	**23**	**-**	**-**	**23**

31 December 2023				
Bank	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2023	272	-	-	272
New assets originated or purchased	107	-	-	107
Assets derecognised or repaid (excluding write offs)	(231)	-	-	(231)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount		-	-	
Changes to contractual cash flows due to modifications not resulting in derecognition		-	-	
Changes to models and inputs used for ECL calculations	-	-	-	-
Changes in PD/LGD/EAD and Accrued Interest		-	-	
Amounts written off		-	-	
Foreign exchange adjustments	76	-	-	76
At 31 December 2023	**225**	**-**	**-**	**225**

31 December 2022				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2022	524	-	-	524
New assets originated or purchased	190	-	-	190
Assets derecognised or repaid (excluding write offs)	(440)	-	-	(440)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount		-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition		-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	(9)	-	-	(9)
Amounts written off	-	-	-	-
Foreign exchange adjustments	7	-	-	7
At 31 December 2022	**272**	**-**	**-**	**272**

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 31 December 2023 and at 31 December 2022.

20. Restricted balances with central bank

	Group		**Bank**	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Mandatory reserve deposits with central bank (see note 20.1 below)	945,037	614,534	945,037	614,534
Special cash reserve (see note 20.2 below)	229,361	248,556	229,361	248,556
Carrying amount	**1,174,398**	**863,090**	**1,174,398**	**863,090**

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

21. Goodwill

	31 Dec 2023	31 Dec 2022
	N'million	N'million
Carrying amount	14,650	-
	14,650	**-**

21.1 Determination of Goodwill is shown in Note 2.1.3iii.

21.2 For impairment testing goodwill acquired through business combinations is allocated to a single cash generating unit (CGU), which is also a subsidiary.

The recoverable amount of the Fidelity Bank UK CGU of N129.644 billion at 31 December 2023 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the decreased demand for products and services. The pre-tax discount rate applied to cash flow projections is 10% and cash flows beyond the five-year period are extrapolated using a 3.0% growth rate . The VIU computed is assumed to approximate fair value and it is higher than the carrying value of the CGU. The VIU computed is N490.563 billion, whereas the carrying value of the CGU is N129.644 billion, which shows that the recoverable of value is higher by N360.919 billion, therefore we conclude that the CGU is not impaired. See Note 2.1.3 viii.

22. Loans and Advances to Customers

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Loans to corporate and other organisations	3,160,338	2,129,774	3,030,274	2,129,774
Loans to individuals	76,051	66,986	76,051	66,986
	3,236,389	**2,196,760**	**3,106,325**	**2,196,760**
Less: Allowance for ECL/impairment losses	(143,970)	(80,548)	(143,927)	(80,548)
	3,092,419	**2,116,212**	**2,962,398**	**2,116,212**

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Loans to corporate entities and other organisations				
Overdrafts	281,837	256,424	281,837	256,424
Term loans	2,870,144	1,856,537	2,740,080	1,856,537
Advance under finance lease	8,357	16,813	8,357	16,813
	3,160,338	**2,129,774**	**3,030,274**	**2,129,774**
Less: Allowance for ECL/impairment losses	(126,394)	(75,203)	(126,351)	(75,203)
	3,033,944	**2,054,571**	**2,903,923**	**2,054,571**
Loans to individuals				
Overdrafts	17,837	14,038	17,837	14,038
Term loans	57,165	51,559	57,165	51,559
Advance under finance lease	1,049	1,389	1,049	1,389
	76,051	**66,986**	**76,051**	**66,986**
Less: Allowance for ECL/impairment losses	(17,576)	(5,345)	(17,576)	(5,345)
	58,475	**61,641**	**58,475**	**61,641**

Movement in Allowance for ECL/impairment losses for loans to corporate entities and other organization

Net loans and advances include	**3,092,419**	**2,116,212**	**2,962,398**	**2,116,212**

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 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.

31 December 2023					
Group	Stage 1 Individual	Stage 2 Individual	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
Internal rating grade Performing					
High grade (AAA - A)	423,615	193,711	-	-	617,326
Standard grade (BBB - B)	1,398,593	874,936	-	-	2,273,529
Sub-standard grade (CCC - CC)	179,627	4,009	-	-	183,636
Past due but not impaired (C)			-	-	-
Non-performing:					-
Individually impaired	-	-	85,847	-	85,847
Total	**2,001,836**	**1,072,655**	**85,847**	**-**	**3,160,338**

31 December 2023					
Bank	Stage 1 Individual	Stage 2 Individual	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
Internal rating grade Performing					
High grade (AAA - A)	293,551	193,711	-	-	487,262
Standard grade (BBB - B)	1,398,593	874,936	-	-	2,273,529
Sub-standard grade (CCC - CC)	179,627	4,009	-	-	183,636
Past due but not impaired (C)			-	-	-
Non-performing:					-
Individually impaired	-	-	85,847	-	85,847
Total	**1,871,772**	**1,072,655**	**85,847**	**-**	**3,030,274**

31 December 2022					
	Stage 1 Individual	Stage 2 Individual	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
Internal rating grade Performing					
High grade (AAA - A)	283,833	54,489	-	-	338,322
Standard grade (BBB - B)	1,224,621	250,631	-	-	1,475,252
Sub-standard grade (CCC - CC)	147,837	116,907		-	264,745
Past due but not impaired (C)				-	-
Non- performing:					
Individually impaired	-	-	51,455	-	51,455
Total	**1,656,291**	**422,027**	**51,455**	**-**	**2,129,774**

22.1 Impairment Allowance for Loans and Advances to Customers (Cont'd)

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

31 December 2023					
	Stage 1 Individual	Stage 2 Individual	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2023	**1,656,291**	**422,027**	**51,455**	**-**	**2,129,774**
New assets originated or purchased	385,016	-	-	-	385,016
Assets derecognised or repaid (excluding write offs)	(167,077)	(1,961)	(36,470)	-	(205,508)
Transfers to Stage 1	97,613	(96,019)	(1,594)	-	-
Transfers to Stage 2	(361,004)	379,580	(18,575)	-	-
Transfers to Stage 3	(61,281)	(16,780)	78,061	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Unwind of discount	14,418	5,347	654	-	20,419
Amounts written off	-	-	(21,360)	-	(21,360)
Changes in PD/LGD/EAD Including Accrued Interest	22,633	22,838	**26,490**	-	71,961
Foreign exchange adjustments	285,163	357,624	7,186	-	649,972
At 31 December 2023	**1,871,772**	**1,072,655**	**85,847**	**-**	**3,030,274**

31 December 2022					
	Stage 1 Individual	Stage 2 Individual	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2022	**1,303,827**	**318,410**	**43,648**	**-**	**1,665,885**
New assets originated or purchased	963,441	-	-	-	963,441
Assets derecognised or repaid (excluding write offs)	(551,915)	(15,038)	(28,644)	-	(595,597)
Transfers to Stage 1	(113,979)	106,543	7,436	-	-
Transfers to Stage 2	18,319	(18,290)	(29)	-	-
Transfers to Stage 3	(2,163)	41	2,122	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Unwind of discount	12,412	8,217	401	-	21,030
Amounts written off	(50)	(86)	(490)	-	(626)
Changes in PD/LGD/EAD Including Accrued Interest	22,934	20,386	25,835	-	69,155
Foreign exchange adjustments	3,465	1,845	1,176	-	6,486
At 31 December 2022	**1,656,291**	**422,027**	**51,455**	**-**	**2,129,774**

31 December 2023					
Group	Stage 1 Collectively	Stage 2 Collectively	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2023 under IFRS 9	**18,866**	**28,612**	**27,725**	**-**	**75,203**
New assets originated or purchased	21,141	-	-	-	21,141
Assets derecognised or repaid (excluding write offs)	(28,123)	(9,434)	(1,614)	-	(39,170)
Transfers to Stage 1	2,004	(1,627)	(377)	-	-
Transfers to Stage 2	(14,218)	15,773	(1,556)	-	-
Transfers to Stage 3	(1,380)	(8,913)	10,293	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-
Unwind of discount	421	3,481	-	-	3,902
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Changes in PD/LGD/EAD Including Accrued Interest	8,473	2,955	10,204	-	21,632
Changes to models and inputs used for ECL calculations	-	-	-	-	-
Amounts written off			(21,360)	-	(21,360)
Foreign exchange adjustments	13,745	40,523	10,778	-	65,046
At 31 December 2023	**20,929**	**71,371**	**34,094**	**-**	**126,394**

31 December 2023					
Bank	Stage 1 Collectively	Stage 2 Collectively	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2023 under IFRS 9	**18,866**	**28,612**	**27,725**	**-**	**75,203**
New assets originated or purchased	21,141	-	-	-	21,141
Assets derecognised or repaid (excluding write offs)	(28,123)	(9,434)	(1,614)	-	(39,213)
Transfers to Stage 1	2,004	(1,627)	(377)	-	-
Transfers to Stage 2	(14,218)	15,773	(1,556)	-	-
Transfers to Stage 3	(1,380)	(8,913)	10,293	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-
Unwind of discount	421	3,481	-	-	3,902
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Changes in PD/LGD/EAD Including Accrued Interest	8,473	2,955	10,204	-	21,632
Changes to models and inputs used for ECL calculations	-	-	-	-	-
Amounts written off			(21,360)	-	(21,360)
Foreign exchange adjustments	13,745	40,523	10,778	-	65,046
At 31 December 2023	**20,886**	**71,371**	**34,094**	**-**	**126,351**

31 December 2022					
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2022 under IFRS 9	**16,720**	**26,663**	**24,829**	**-**	**68,213**
New assets originated or purchased	11,279	-	-	-	11,279
Assets derecognised or repaid (excluding write offs)	(2,491)	(6,417)	(3,743)	-	(12,651)
Transfers to Stage 1	(11,693)	6,166	5,527	-	-
Transfers to Stage 2	386	(376)	(10)	-	-
Transfers to Stage 3	(405)	402	3	-	-
Impact on year end ECL of exposures transferred between stages during the year				-	-
Unwind of discount	392	244	31	-	667
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Changes in PD/LGD/EAD Including Accrued Interest	4,629	1,990	1,577	-	8,197
Changes to models and inputs used for ECL calculations	-	-	-	-	-
Amount written off	(50)	(86)	(490)	-	(626)
Foreign exchange adjustments	98	26	-	-	124
At 31 December 2022	**18,866**	**28,612**	**27,725**	**-**	**75,203**

The contractual amount outstanding on loans that have been written off, but were still subject to enforcement activity was nil at 31 December 2023 (31 December 2022: 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.

31 December 2023					
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
Internal rating grade performing					
High grade (AAA - A)	-	-	-	-	-
Standard grade (BBB - B)	47,487	882	-	-	48,370
Sub-standard grade (CCC - CC)	745	-	-	-	745
Past due but not impaired (C)			-	-	-
Non- performing:				-	-
Individually impaired	-		26,936	-	26,936
Total	**48,232**	**882**	**26,936**	-	**76,051**

31 December 2022					
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
Internal rating grade performing					
High grade (AAA - A)	-	-	-	-	-
Standard grade (BBB - B)	51,504	1,163	-	-	52,667
Sub-standard grade (CCC - CC)	1,130	-		-	1,130
Past due but not impaired (C)				-	-
Non- performing:				-	-
Individually impaired	-	-	13,189	-	13,189
Total	**52,634**	**1,163**	**13,189**	-	**66,986**

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

31 December 2023					
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2023	**52,634**	**1,163**	**13,189**	-	**66,986**
New assets originated or purchased	19,363	-	-	-	19,363
Assets derecognised or repaid (excluding write offs)	(17,688)	(67)	(283)	-	(18,038)
Transfers to Stage 1	559	(166)	(393)		-
Transfers to Stage 2	(459)	468	(9)		0
Transfers to Stage 3	(12,344)	(769)	13,113		(0)
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-		-
Unwind of discount	312	204	358		874
Changes in PD/LGD/EAD Including Accrued Interest	4,312	46	1,237		5,595
Amounts written off			(285)		(285)
Foreign exchange adjustments	1,543	3	10		1,556
At 31 December 2023	**48,232**	**882**	**26,936**		**76,051**

31 December 2023					
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2023	**511**	**81**	**4,753**	-	**5,345**
New assets originated or purchased	1,428	-	-	-	1,428
Assets derecognised or repaid (excluding write offs)	(2,175)	(336)	(153)	-	(2,663)
Transfers to Stage 1	89	(7)	(82)		-
Transfers to Stage 2	(2)	7	(5)		(0)
Transfers to Stage 3	(31)	(46)	77		(0)
Impact on year end ECL of exposures transferred between stages during the year	-	-	-		-
Unwind of discount	423	168	8,432		9,023
Changes in PD/LGD/EAD Including Accrued Interest	141	136	4,329		4,606
Amount written off			(285)		(285)
Foreign exchange adjustments	6	2	115		123
At 31 December 2023	**390**	**6**	**17,180**		**17,576**

31 December 2022					
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2022	58,743	1,390	6,525	-	66,658
New assets originated or purchased	25,883	-	-	-	25,883
Assets derecognised or repaid (excluding write offs)	(19,954)	(407)	(840)	-	(21,201)
Transfers to Stage 1	293	(91)	(203)	-	-
Transfers to Stage 2	(439)	446	(8)	-	-
Transfers to Stage 3	(5,660)	(244)	5,905	-	-
Changes to contractual cash flows Other than transfer or modifications not resulting in derecognition	-	-	-	-	-
Unwind of discount	351	122	89	-	562
Changes in PD/LGD/EAD Including Accrued Interest	(6,417)	(43)	1,776	-	(4,684)
Amount written off	(166)	(10)	(133)	-	(308)
Foreign exchange adjustments	-	-	76	-	76
At 31 December 2022	**52,634**	**1,163**	**13,189**	**-**	**66,986**

31 December 2022					
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	POCI	Total
	N'million	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2022	1,740	318	3,863	-	5,921
New assets originated or purchased	1,250	-	-	-	1,250
Assets derecognised or repaid (excluding write offs)	(441)	(195)	(639)	-	(1,275)
Transfers to Stage 1	186	(4)	(182)	-	-
Transfers to Stage 2	(65)	65	(0)	-	-
Transfers to Stage 3	(1,486)	(102)	1,588	-	-
Impact on year end ECL of exposures transferred between stages during the year				-	-
Unwind of discount	21	10	3	-	34
Changes in PD/LGD/EAD Including Accrued Interest	(528)	(1)	251	-	(277)
Amounts written off	(166)	(10)	(133)	-	(308)
Foreign exchange adjustments	-	-	-	-	-
At 31 December 2022	**511**	**81**	**4,753**	**-**	**5,345**

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.

22.1.3 Advances under finance lease may be analysed as follows:

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Gross investment	N'million	N'million	N'million	N'million
- No later than 1 year	878	6,621	878	6,621
- Later than 1 year and no later than 5 years	10,147	11,448	10,147	11,448
- Later than 5 years	-	133	-	133
Less	**11,026**	**18,202**	**11,026**	**18,202**
Allowance for ECL/impairment losses	(23)	-	(23)	-
Unearned future finance income on finance leases	(53)	(70)	(53)	(70)
Net investment	**10,950**	**18,132**	**10,950**	**18,132**
The net investment may be analysed as follows:				
- No later than 1 year	878	6,616	878	6,616
- Later than 1 year and no later than 5 years	10,125	11,382	10,125	11,382
- Later than 5 years	-	134	-	134
	11,003	**18,132**	**11,003**	**18,132**

22.2 Nature of security in respect of loans and advances:

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Secured against real estate	549,781	502,967	549,781	502,967
Secured by shares of quoted companies	-	-	-	-
Secured Others	2,058,895	1,640,770	2,058,895	1,640,770
Advances under finance lease	37,523	42,954	37,523	42,954
Unsecured	100,434	10,069	100,434	10,069
Gross loans and advances to customers	**2,746,633**	**2,196,760**	**2,746,633**	**2,196,760**

23. Derivative financial instruments

The Bank entered into derivative contracts with counter parties; Total Return Swap with Standard Chartered Bank ("SCB") , Meshraq (December 2022) and Non-deliverable Forwards with the Central Bank of Nigeria ("CBN"). The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the quantity of the derivative contracts' underlying instrument (being foreign currency and treasury bills). The notional amounts indicate the volume of transactions outstanding at the year end and are not indicative of either the market or credit risk.

23a. Derivative financial Assets

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Total return swap contracts	-	4,363	-	4,363
Non-deliverable forwards	10,673	415.00	10,673.00	415.00
Futures Contracts	50	-	50	-
Total derivative financial Assets	**10,723**	**4,778**	**10,723**	**4,778**
Notional Amount				
Forward contracts	11,998	27,399	11,998	27,399
Futures Contracts	-	-	-	-
Total	**11,998**	**27,399**	**11,998**	**27,399**

23b. Derivative financial liabilities

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Total return swap contracts	-	1,208	-	1,208
Non-deliverable forwards	-	-	-	-
Futures Contracts	-	-	-	-
Total derivative financial Liabilities	**-**	**1,208**	**-**	**1,208**
Notional Amount				
Forward Contract	-	15,370	-	15,370
Futures Contracts	-	-	-	-
Total	**-**	**15,370**	**-**	**15,370**

(i) The Bank enters into currency forward 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 loss which was recognized in the statement of profit or loss and other comprehensive income , while additional liability was recognized for the liabilities.

(iii) All derivative contracts are current.

24. Investment Securities

24.1 Financial Assets at Fair Value Through Profit and Loss (FVTPL)

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Held for trading:				
Federal Government bonds	1,023	351	1,023	351
Treasury bills	6,661	1,685	6,661	1,685
Placements	-	-	-	-
Total financial assets measured at FVTPL	**7,684**	**2,036**	**7,684**	**2,036**

24.2 Debt Instruments at Fair Value Through Other Comprehensive Income (FVOCI)

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Treasury bills	193,217	16,677	153,218	16,677
Federal Government bonds	17,714	4,825	17,714	4,825
State bonds	5,897	2,256	5,897	2,256
Corporate bonds	10,922	4,938	10,922	4,938
Total debt instruments measured at FVOCI	**227,750**	**28,696**	**187,751**	**28,696**

24.3i Equity instruments at Fair Value Through Other Comprehensive income (FVOCI)

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Unquoted equity investments:				
- Pay Attitude Global	14	20	14	20
- African Finance Corporation (AFC)	8,547	4,928	8,547	4,928
- Unified Payment Services Limited (UPSL)	20,156	12,791	20,156	12,791
- Nigerian Inter Bank Settlement System (NIBBS)	6,078	4,618	6,078	4,618
- African Export-Import Bank (AFREXIM BANK)	960	452	960	452
- The Central Securities Clearing System (CSCS)	3,716	2,334	3,716	2,334
- Investment in FMDQ	2,022	2,356	2,022	2,356
Quoted equity investments:				
- Nigerian Exchange Group (NGX)	57	61	57	61
Total equity instruments at FVOCI	**41,550**	**27,560**	**41,550**	**27,560**

24.3ii Investment in Subsidiary:

- Fidelity Bank -UK	-	-	63,403	-
Total equity instruments at FVOCI	**-**	**-**	**63,403**	**-**

24.3.1 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 year ended 31 December 2023 , the Bank recognised dividends of N2,018 million (December 2022 - N397 million) from its FVOCI equities which was recorded in the profit or loss as other operating income.

24.4 Debt instruments at Amortised Cost

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Treasury bills	405,536	261,914	405,537	261,914
Federal Government bonds	394,879	202,665	394,879	202,665
State Government bonds	5,120	-	5,120	-
Corporate bonds	15,478	15,843	15,478	15,843
Sub-total	**821,013**	**480,422**	**821,014**	**480,422**
Allowance for impairment	(2,210)	(830)	(2,210)	(830)
Total debt instruments measured at amortised cost	**818,803**	**479,592**	**818,803**	**479,592**
Reconcialiation of allowance for impairment				
At the beginning of the year	(830)	(824)	(830)	(824)
Additional allowance for impairment	(1,380)	(6)	(1,380)	(6)
At the end of the year	**(2,210)**	**(830)**	**(2,210)**	**(830)**
Total Investments	**1,095,787**	**537,884**	**1,119,191**	**537,884**

24.5 Pledged Assets

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

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

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

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Treasury bills - Amortised cost	35,993	40,411	35,993	40,411
Federal Government bonds - Amortised cost	90,055	107,889	90,055	107,889

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 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:

31 December 2023				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
Internal rating grade	N'million	N'million	N'million	N'million
Performing				
High grade	170,742	-	-	170,742
Standard grade	16,818	-	-	16,818
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	**187,560**	**-**	**-**	**187,560**

31 December 2022				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
Internal rating grade	N'million	N'million	N'million	N'million
Performing				
High grade	21,503	-	-	21,503
Standard grade	7,194	-	-	7,194
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing		-	-	-
Individually impaired	-	-	-	-
Total	**28,697**	**-**	**-**	**28,697**

An analysis of Changes in the Fair Value and the Corresponding ECLs is, as Follows:

31 December 2023				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2023	28,696	-	-	**28,696**
New assets originated or purchased	159,091	-	-	**159,091**
Assets derecognised or matured (excluding write offs)	(16,825)	-	-	**(16,825)**
Change in fair value	8,682	-	-	**8,682**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Changes due to modifications not derecognised	-	-	-	**-**
Amounts written off	765	-	-	**765**
Amounts written off		-	-	**-**
Foreign exchange adjustments	7,153	-	-	**7,153**
At 31 December 2023	**187,562**	**-**	**-**	**187,562**

31 December 2023				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2023	**192**	**-**	**-**	**192**
New assets originated or purchased	279	-	-	**279**
Assets derecognised or matured (excluding write offs)	(14)	-	-	**(14)**
Impact on year end ECL of exposures transferred between stages during the period	-			**-**
Unwind of discount (recognised in interest income)	12			**12**
Changes due to modifications not resulting in derecognition	-	-	-	**-**
Changes to models and inputs used for ECL calculations	-	-	-	**-**
Recoveries	-	-	-	**-**
Amounts written off	-	-	-	**-**
Foreign exchange adjustments	151	-	-	**151**
At 31 December 2023	**620**	**-**	**-**	**620**

31 December 2022				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2022	100,009	-	-	**100,009**
New assets originated or purchased	20,138	-	-	**20,138**
Assets derecognised or mature (excluding write-offs)	(77,817)	-	-	**(77,817)**
Change in fair value	(15,097)	-	-	**(15,097)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Changes due to modifications not derecognised	-	-	-	**-**
Unwind of discount	1,214	-	-	**1,214**
Amounts written off	-	-	-	**-**
Foreign exchange adjustments	249	-	-	**249**
At 31 December 2022	**28,696**	**-**	**-**	**28,696**

31 December 2022				
	Stage 1 Collectively	**Stage 2 Collectively**	**Stage 3**	**Total**
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2022	168	-	-	**168**
New assets originated or purchased	35	-	-	**35**
Assets derecognised or repaid (excluding write offs)	(85)	-	-	**(85)**
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	**-**
Unwind of discount (recognised in interest income)	64	-	-	**64**
Changes due to modifications not resulting in derecognition		-	-	**-**
Changes to models and inputs used for ECL calculations		-	-	**-**
Recoveries	-	-	-	**-**
Amounts written off	-	-	-	**-**
Foreign exchange adjustments	10	-	-	**10**
At 31 December 2022	**192**	**-**	**-**	**192**

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:

31 December 2023				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
Internal rating grade	N'million	N'million	N'million	N'million
Performing				
High grade	800,416	-	-	**800,416**
Standard grade	20,598	-	-	**20,598**
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing	**-**	-	-	-
Individually impaired	-	-	-	-
Total	**821,014**	-	-	**821,014**

31 December 2022				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
Internal rating grade	N'million	N'million	N'million	N'million
Performing				
High grade	464,578	-	-	**464,578**
Standard grade	15,843	-	-	**15,843**
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing		-	-	-
Individually impaired	-	-	-	-
Total	**480,421**	-	-	**480,421**

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

31 December 2023				
	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2023	480,422	-	-	**480,422**
New assets originated or purchased	592,111	-	-	**592,111**
Assets derecognised or matured (excluding write-offs)	(260,952)	-	-	**(260,952)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Changes due to modifications not derecognised	-	-	-	**-**
Unwind of Discount	9,433	-	-	**9,433**
Amounts written off		-	-	**-**
Foreign exchange adjustments	-	-	-	**-**
At 31 December 2023	**821,014**	-	-	**821,014**

31 December 2023				
Group	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2023	830	-	-	**830**
New assets purchased	1,264	-	-	**1,264**
Assets derecognised or matured (excluding write-offs)	(155)	-	-	**(155)**
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)	180			**180**
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 2023	**2,119**	-	-	**2,119**

31 December 2023				
Bank	Stage 1 Collectively	Stage 2 Collectively	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2023	830	-	-	**830**
New assets purchased	1,264	-	-	**1,264**
Assets derecognised or matured (excluding write-offs)	(64)	-	-	**(64)**
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)	180			**180**
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 2023	**2,210**	-	-	**2,210**

31 December 2022				
	Stage 1 Collectively	**Stage 2 Collectively**	**Stage 3**	**Total**
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2022	442,277	-	-	**442,277**
New assets originated or purchased	277,011	-	-	**277,011**
Assets derecognised or matured (excluding write-offs)	(241,715)	-	-	**(241,715)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Changes Other than modifications not derecognised	-	-	-	**-**
Unwind of Discount	2,849	-	-	**2,849**
Amounts written off		-	-	**-**
Foreign exchange adjustments	-			**-**
At 31 December 2022	**480,422**	**-**	**-**	**480,422**

31 December 2022				
	Stage 1 Collectively	**Stage 2 Collectively**	**Stage 3**	**Total**
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2022	824	-	-	**824**
New assets purchased	282	-	-	**282**
Assets derecognised or matured (excluding write-offs)	(359)	-	-	**(359)**
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)	83	-	-	**83**
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 2022	**830**	-	-	**830**

25. Property, Plant and Equipment

Group			
Property, Plant and Equipment	Land	Buildings	Leasehold improvements
		N'million	N'million
Cost			
At 1 January 2023 (Bank)	**15,679**	**18,312**	**3,929**
Acquisition of a subsidiary	-	-	15
Additions	63	304	304
Reclassifications	(7)	269	10
Disposals	(22)	-	-
At 31 December 2023	**15,713**	**18,885**	**4,259**
Accumulated depreciation			
At 1 January 2023	-	**(4,144)**	**(3,069)**
Charge for the period	-	(372)	(225)
Reclassifications		-	-
Disposals	-	-	-
At 31 December 2023	-	**(4,516)**	**(3,294)**
Carrying amount at 31 December 2023	**15,713**	**14,369**	**965**
Cost			
At 1 January 2022	**15,669**	**17,379**	**3,852**
Additions	355	573	77
Reclassifications	(345)	366	17
Disposals	-	(6)	(17)
At 30 December 2022	**15,679**	**18,312**	**3,929**
Accumulated depreciation			
At 1 January 2022	**-**	**(3,785)**	**(2,877)**
Charge for the period	**-**	(353)	(204)
Reclassifications		(8)	(1)
Disposals	**-**	**2**	**13**
At 31 December 2022	**-**	**(4,144)**	**(3,069)**
Carrying amount at 31 December 2022	**15,679**	**14,168**	**860**

Office equipment	Furniture, fittings	Computer equipment	Motor vehicles	Work in progress	Total
N'million	N'million	N'million	N'million	N'million	N'million
7,388	**1,896**	**15,842**	**5,466**	**3,264**	**71,776**
26	-	-	-	-	42
1,505	205	1,337	2,022	3,796	9,537
133	67	1,720	-	(2,360)	(168)
(27)	(1)	(9)	(22)	-	(81)
9,026	**2,167**	**18,890**	**7,466**	**4,700**	**81,105**
(5,758)	**(1,588)**	**(10,782)**	**(3,779)**	-	**(29,120)**
(892)	(119)	(2,096)	(943)	-	(4,646)
12	(12)	-	-	-	-
28	1	6	9	-	43
(6,610)	**(1,718)**	**(12,872)**	**(4,713)**	-	**(33,723)**
2,415	**449**	**6,018**	**2,753**	**4,700**	**47,382**
6,638	**1,744**	**13,706**	**4,936**	**1,402**	**65,326**
625	167	1,913	907	2,507	7,124
259	-	348	-	(645)	-
(134)	(15)	(125)	(377)	-	(674)
7,388	**1,896**	**15,842**	**5,466**	**3,264**	**71,776**
(5,258)	**(1,507)**	**(9,083)**	**(3,377)**	**-**	**(25,887)**
(639)	(95)	(1,793)	(648)	-	(3,732)
8	-	-	-		
131	14	94	246	-	500
(5,758)	**(1,588)**	**(10,782)**	**(3,779)**	**-**	**(29,119)**
1,630	**308**	**5,060**	**1,687**	**3,264**	**42,657**

25. Property, Plant and Equipment

Bank			
Property, Plant and Equipment	Land	Buildings	Leasehold improvements
		N'million	N'million
Cost			
At 1 January 2023	**15,679**	**18,312**	**3,929**
Additions	63	304	281
Reclassifications	(7)	269	10
Disposals	(22)	-	-
At 31 December 2023	**15,713**	**18,885**	**4,220**
Accumulated depreciation			
At 1 January 2023	-	**(4,144)**	**(3,069)**
Charge for the period	-	(372)	(207)
Reclassifications		-	-
Disposals	-	-	-
At 31 December 2023	-	**(4,516)**	**(3,276)**
Carrying amount at 31 December 2023	**15,713**	**14,369**	**944**
Cost			
At 1 January 2022	**15,669**	**17,379**	**3,852**
Additions	355	573	77
Reclassifications	(345)	366	17
Disposals	-	(6)	(17)
At 30 December 2022	**15,679**	**18,312**	**3,929**
Accumulated depreciation			
At 1 January 2022	**-**	**(3,785)**	**(2,877)**
Charge for the period	**-**	(353)	(204)
Reclassifications		(8)	(1)
Disposals	**-**	**2**	**13**
At 31 December 2022	**-**	**(4,144)**	**(3,069)**
Carrying amount at 31 December 2022	**15,679**	**14,168**	**860**

(a) Work in progress relates to capital cost incured in setting up new branches. When completed and available for use, they are transfered 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.

Office equipment	Furniture, fittings	Computer equipment	Motor vehicles	Work in progress	Total
N'million	N'million	N'million	N'million	N'million	N'million
7,388	**1,896**	**15,842**	**5,466**	**3,264**	**71,776**
1,480	205	1,337	2,022	3,796	9,488
133	67	1,720	-	(2,360)	(168)
(15)	(1)	(9)	(22)	-	(69)
8,986	**2,167**	**18,890**	**7,466**	**4,700**	**81,027**
(5,758)	**(1,588)**	**(10,782)**	**(3,779)**	-	**(29,120)**
(874)	(119)	(2,096)	(943)	-	(4,611)
12	(12)	-	-	-	
17	1	6	9	-	33
(6,603)	**(1,718)**	**(12,872)**	**(4,713)**	-	**(33,698)**
2,383	**449**	**6,018**	**2,753**	**4,700**	**47,329**
6,638	**1,744**	**13,706**	**4,936**	**1,402**	**65,326**
625	167	1,913	907	2,507	7,124
259	-	348	-	(645)	-
(134)	(15)	(125)	(377)	-	(674)
7,388	**1,896**	**15,842**	**5,466**	**3,264**	**71,776**
(5,258)	**(1,507)**	**(9,083)**	**(3,377)**	**-**	**(25,887)**
(639)	(95)	(1,793)	(648)	-	(3,732)
8	-	-	-		
131	14	94	246	-	500
(5,758)	**(1,588)**	**(10,782)**	**(3,779)**	**-**	**(29,119)**
1,630	**308**	**5,060**	**1,687**	**3,264**	**42,657**

(c) There were no impairment losses on any class of property , plant and equipment during the year (31 December 2022: Nil).

(d) There were no pledged assets in any class of property, plant and equipment during the year (31 December 2022: Nil).

26. Right-of-Use Assets

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Cost				
Balance at the beginning of year (Bank)	4,481	3,466	4,481	3,466
Acquisition of a subsidiary	1,953	-	-	-
Additions	532	535	532	535
Additions/Reclassifications during the year	167	480	167	480
Disposal during the year	(1,803)	-	(1,803)	-
Balance	**5,330**	**4,481**	**3,377**	**4,481**
Accumulated depreciation				
Balance at beginning of year	**(2,682)**	**(1,989)**	**(2,682)**	**(1,989)**
Depreciaiton for the year	(996)	(693)	(636)	(693)
Disposal during the year	1,618	-	1,618	-
Balance	(2,060)	(2,682)	(1,700)	(2,682)
Carrying amount	**3,270**	**1,799**	**1,677**	**1,799**

Expense of Low value Item:

The expense for low value items and short term leases is N161.88million (31 December 2022: N389.30 million).

27. Intangible Assets - Computer Software

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Cost				
Balance at 1 January (Bank)	9,361	7,410	9,361	7,410
Acquisition of a subsidiary	483	-	-	-
Additions	2,851	2,246	2,745	2,246
Disposal during the year	(3,126)	(295)	(3,126)	(295)
Balance as at 31 December	**9,569**	**9,361**	**8,980**	**9,361**
Accumulated amortization				
Balance at 1 January	(5,338)	(3,442)	(5,338)	(3,442)
Amortisation for the year	(1,793)	(2,191)	(1,645)	(2,191)
Disposal during the year	3,126	295	3,126	295
Balance at 31 December	(4,005)	(5,338)	(3,857)	(5,338)
Carrying amount	**5,564**	**4,023**	**5,123**	**4,023**

These relate to purchased softwares

All intangible assets are non-current with finite useful life and are amortised over the period . The amortisation of intangible asset recognised in depreciation and amortisation in profit or loss was N1,645 bn (Group -N1,793 bn)for the year ended 31 December 2023 (31 December 2022: N2,191 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.

Deferred taxes are calculated on all temporary differences under the liability method using a statutory tax rate of 30% or 33% as applicable (31 December 2022: 30% or 32.5%).

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

28.1 Deferred Tax Assets

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Deferred tax assets				
Property, plant and equipment	-		-	
Allowances for loan losses	22,554	15,753	22,554	15,753
Tax loss carried forward	-	-	-	-
Unutilised tax credits (capital allowances)	-	6,793	-	6,793
	22,554	**22,546**	**22,554**	**22,546**
Unrecognised deferred tax asset	**-**	**(17,240)**	**-**	**(17,240)**
Net	22,554	5,306	22,554	5,306

28.2 Deferred Tax Liabilities

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Deferred tax Liabilities				
Property, plant and equipment	6,913	5,585	6,913	5,585
Foreign exchange diffence (Unrealized)	14,549	-	14,549	-
Fair value adjustments	1,443	44	1,443	44
	22,905	**5,629**	**22,905**	**5,629**

28.3 Movements in temporary differences during the year 2023:

	1 Jan 2023	Recognised in P&L	Recognised in OCI	31 Dec 2023
	N'million	N'million	N'million	N'million
Accelerated tax depreciation	(5,585)	(1,328)	-	(6,913)
Unutilised capitalised allowance	6,793	(6,793)	-	-
Allowances for loan losses	15,754	6,800	-	22,554
Tax loss carry forward	-	-	-	-
Foreign exchange diffence (Unrealized)	-	(14,549)	-	(14,549)
Fair value adjustments	(44)	(1,399)	-	(1,443)
	16,918	**(17,269)**	**-**	**(351)**

Movements in temporary differences during the year 2022:

	1 Jan 2022	Recognised in P&L	Recognised in OCI	31 Dec 2022
	N'million	N'million	N'million	N'million
Accelerated tax depreciation	(5,376)	(209)	-	(5,585)
Unutilised capitalised allowance	14,599	-	-	6,793
Allowances for loan losses	9,240	-	-	15,754
Tax loss carry forward	440	-	-	-
	18,903	**(209)**	**-**	**16,918**

29. Other Assets

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Financial assets	N'million	N'million	N'million	N'million
Sundry receivables	141,512	24,921	141,512	24,921
Electronic payment receivables	244,159	75,423	243,743	75,423
Investments in SMESIS	9,445	7,109	9,445	7,109
Shared Agent Network Expansion Facility (SANEF)	50	50	50	50
	395,166	**107,503**	**394,750**	**107,503**
Less:				
Specific allowances for impairment	(3,359)	(1,351)	(3,359)	(1,351)
	391,807	**106,152**	**391,391**	**106,152**
Non financial assets				
Prepayments	8,845	5,259	8,367	5,259
Others	184	414	184	414
Other non financial assets	2,928	1,090	2,244	1,090
	11,957	**6,763**	**10,795**	**6,763**
Total	**403,764**	**112,915**	**402,186**	**112,915**

Reconciliation of Allowance for Impairment

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
At 1 January	1,351	1,648	1,351	1,648
Charge for the year	2,011	12	2,011	12
Reversal of provision	0	-		-
Write-off during the the year	(4)	(309)	(4)	(309)
At 31 December	**3,359**	**1,351**	**3,359**	**1,351**

(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.

(d) The Shared Agent Network Facility (SANEF) is an intervention fund under the MSME Development Fund to provide ten (10) year loans to CBN Licensed and pre-qualified Mobile Money and Super- Agent operators for the purposes of rolling out of a Shared Agent Network. The objective of the Shared Agent Network is to deepen financial inclusion in the country with the offering of basic financial services such as Cash-in, Cash-out, Funds, Bills Payments, Airtime Purchase, Government disbursements as well as remote enrollment on BMS infrastructure (BVN).

30. Deposits from Customers

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Demand	1,652,267	862,425	1,652,267	862,425
Savings	880,905	599,331	880,905	599,331
Term	75,999	398,793	75,999	398,793
Domiciliary	1,376,672	696,745	1,288,703	696,745
Others	28,968	23,303	28,968	23,303
	4,014,811	**2,580,597**	**3,926,842**	**2,580,597**
Current	1,491,496	1,125,801	1,368,474	1,125,801
Non-current	2,523,315	1,454,796	2,558,368	1,454,796
	4,014,811	**2,580,597**	**3,926,842**	**2,580,597**

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

31. Other Liabilities

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Customer deposits for letters of credit (see note 31.1)	46,856	57,221	46,856	57,221
Accounts payable (see note 31.2)	391,476	202,980	375,489	202,980
FGN Intervention fund (see note 31.3)	443,736	473,604	443,736	473,604
Manager's cheque	4,827	4,256	4,827	4,256
Payable on E-banking transactions (see note 31.4)	246,453	74,981	246,453	74,981
Other liabilities/credit balances (see note 31.5)	4,555	(1,324)	3,873	(1,324)
Accruals for year end bonus (see note 31.6)	12,055	3,164	12,055	3,164
Lease liability (see note 31.8)	2,410	525	506	525
	1,152,368	**815,407**	**1,133,795**	**815,407**

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)

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
CBN State bailout fund	79,824	82,065	79,824	82,065
Real Sector Support Facility - Differentiated Cash Reserves Requirement - (DCRR)	188,204	211,001	188,204	211,001
Real Sector Support Facility - (RSSF)	4,954	10,941	4,954	10,941
Commercial Agricuture Credit Scheme - (CACS)	6,503	8,089	6,503	8,089
Bank of Industry BG backed	105,324	80,981	105,324	80,981
Bank of Industry - Restructured and Refinance scheme	192	297	192	297
Bank of Industry on lending	1	67	1	67
Development Bank of Nigeria - (DBN)	32,661	40,015	32,661	40,015
Nigeria Export Import Bank - (NEXIM)	18,483	19,613	18,483	19,613
Power Airline Intervention Fund - (PAIF)	1,628	3,871	1,628	3,871
CBN Paddy Agegate Scheme (PAS) Funds	0	5,000	-	5,000
Accelerated Agriculture Credit Scheme - (AADS)	0	-	-	-
CBN 100 for 100 PPP - (Policy on Production and Productivity)	5,945	11,644	5,945	11,644
Nigerian Incentive-based Risk Sharing system for Agricultural Lending - (NIRSAL)	17	19	17	19
	443,736	**473,603**	**443,736**	**473,603**

(a) FGN Intervention fund is CBN Bailout Fund of N79.82billion (31 Dec 2023: N82.07 billion). 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 (B0I) - 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.

(e) 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.

(f) 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.

(g) 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.

(h) Accelerated Agricultural Development Scheme (AADS) was established by the Central Bank of Nigeria to help states develop at least 2 crops/agricultural commodities in which they have comparative advantage. The fund is disbursed to the Bank at 2% per annum. Each state is availed the facility at 9% per annum and repayments are made via ISPO deductions.

(i) 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.

(j) 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.

(k) 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.

(L) 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.

Movement in provision for year end bonus	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
At 1 January	3,164	1,014	3,164	1,014
Arising during the year	19,709	3,164	19,709	3,164
Utilised	(10,818)	(1,014)	(10,818)	(1,014)
At 31 December	**12,055**	**3,164**	**12,055**	**3,164**

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 N713 million . (31 December 2022: N570 million) for Bank.

The future minimum lease payments on the lease liabilities extend over a number of years. This is analysed as follows:

Movement in provision for year end bonus	31 Dec 2023	31 Dec 2022
	N'million	N'million
Not more than 1 year	-	-
Over one year but less than five years	506	525
More than five years	-	-
At end of the year	506	525

32. Provision

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Provisions for litigations and claims	1,886	883	1,886	883
Provision for guarantees and letters of credit (Note 32.3.1 - 32.3.2)	1,548	1,013	1,548	1,013
	3,434	**1,896**	**3,434**	**1,896**

32.1 Movement in provision for litigations and claims

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
At 1 January	883	623	883	623
Arising during the year	1,003	260	1,003	260
Utilised	-	-	-	-
At 30 June/31 December	**1,886**	**883**	**1,886**	**883**
32.2				
Current provisions	1,548	1,013	1,548	1,013
Non-current provisions	1,886	883	1,886	883
	3,434	**1,896**	**3,434**	**1,896**

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.

31 December 2023				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	9,583	-	-	9,583
Standard grade	675,626	-	-	675,626
Sub-standard grade	45,569	-	-	45,569
Past due but not impaired	-	-	-	-
Non-performing:	-			-
Individually impaired	-	-	-	**-**
Total	**730,778**	**-**	**-**	**730,779**

31 December 2022				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Internal rating grade				
Performing				
High grade	10,042	-	-	10,042
Standard grade	474,101	-	-	474,101
Sub-standard grade	5,475	-	-	5,475
Past due but not impaired	-	-	-	-
Non- performing:	-			-
Individually impaired	-	-	-	**-**
Total	**489,618**	**-**	**-**	**489,618**

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

31 December 2023				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2023	489,617	-	-	489,617
New exposures	552,551	-	-	552,551
Exposure derecognised or matured/lapsed (excluding write-offs)	(371,381)	-	-	(371,381)
Changes due to modifications not resulting in derecognition	**-**			**-**
Amounts written off	-	-	-	-
Foreign exchange adjustments	59,992	-	-	59,992
At 31 December 2023	**730,779**	**-**	**-**	**730,779**

31 December 2023				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2023	329	-	-	329
New exposures	230	-	-	230
Exposure derecognised or matured/lapsed (excluding write-offs)	(141)	-	-	(141)
Impact on year end ECL of exposures transferred between stages during the period				
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	37	-	-	37
At 31 December 2023	**455**	**-**	**-**	**455**

31 December 2022				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2022	287,993	-	-	287,993
New exposures	387,908	-	-	387,908
Exposure derecognised or matured/lapsed (excluding write-offs)	(188,042)	-	-	(188,042)
Changes due to modifications not resulting in derecognition		-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	1,758	-	-	1,758
At 31 December 2022	**489,617**	**-**	**-**	**489,617**

31 December 2022				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2022	359	-	-	359
New exposures	245	-	-	245
Exposure derecognised or matured/lapsed (excluding write-offs)	(343)	-	-	(343)
Impact on year end ECL of exposures transferred between stages during the year		-	-	-
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	69	-	-	69
At 31 December 2022	**330**	**-**	**-**	**330**

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.

31 December 2023				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Internal rating grade Performing				
High grade	22,868	-	-	**22,868**
Standard grade	329,595	-	-	**329,595**
Sub-standard grade	60,898	-	-	**60,898**
Past due but not impaired	-	-	-	**-**
Non-performing	-			**-**
Individually impaired	-	-	-	**-**
Total	**413,361**	**-**	**-**	**413,361**

31 December 2022				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Internal grading Performing				
High grade	63,940	-	-	**63,940**
Standard grade	150,254	-	-	**150,254**
Sub-standard grade	1,503	-	-	**1,503**
Past due but not impaired	-	-	-	**-**
Non- performing				**-**
Individually impaired	-	-	-	**-**
Total	**215,697**	**-**	**-**	**215,697**

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

31 December 2023				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2023	215,696	-	-	215,696
New exposures	331,454	-	-	331,454
Exposure derecognised or matured/ lapsed (excluding write-offs)	(166,214)	-	-	(166,214)
Changes due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	32,426	-	-	32,426
At 31 December 2023	**413,362**	**-**	**-**	**413,362**

31 December 2023				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2023	684	-	-	684
New exposures	341	-	-	341
Exposure derecognised or matured/lapsed (excluding write-offs)	(495)	-	-	(495)
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
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	563	-	-	563
At 31 December 2023	**1,093**	**-**	**-**	**1,093**

31 December 2022				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
Gross carrying amount as at 1 January 2022	153,725	-	-	153,725
New exposures	177,400	-	-	177,400
Exposure derecognised or matured/lapsed (excluding write-offs)	(122,896)	-	-	(122,896)
Changes due to modifications not resulting in derecognition		-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	7,467	-	-	7,467
At 31 December 2022	**215,696**	**-**	**-**	**215,696**

31 December 2022				
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'million	N'million	N'million	N'million
ECL allowance as at 1 January 2022	1,417	-	-	1,417
New exposures	614	-	-	614
Exposure derecognised or matured/lapsed (excluding write-offs)	(1,564)	-	-	(1,564)
Impact on year end ECL of exposures transferred between stages during the period	-	-	-	-
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	217	-	-	217
At 31 December 2022	**684**	**-**	**-**	**684**

33. Debts Issued And Other Borrowed Funds

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Long term loan from African Development Bank (ADB) (see note 33.1)	24,791	16,671	24,791	16,671
European Investment Bank Luxembourg (see note 33.2)	0	640	-	640
$400 Million Euro Bond issued (see note 33.4)	382,422	178,242	382,422	178,242
Local Bond issued (see note 33.5)	42,174	41,307	42,174	41,307
Bank One (see note 33.8)	22,389	-	22,389	-
Rand Merchant Bank (see note 33.6)	48,810	-	48,810	-
Development Bank of Nigeria (see note 33.7)	20,285	15,268	20,285	15,268
Afrexim (see note 33.3)	36,157	9,338	36,157	9,338
	577,028	**261,466**	**577,028**	**261,466**

Reconciliation of debt issued and other borrowed funds:

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
At 1 January	261,466	468,415	261,466	468,415
Additions during the year	129,906	-	129,906	-
Accrued interest	10,747	25,796	10,747	25,796
Payment of interest	(4,804)	(28,625)	(4,804)	(28,625)
Repayment of principal during the period	(15,051)	(213,379)	(15,051)	(213,379)
Foreign exchange difference	194,764	9,259	194,764	9,259
At 31 December	**577,028**	**261,466**	**577,028**	**261,466**

33.1 The amount of N24,791.26 billion (31 Dec 2022: N16,670.68 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 an interest rate of Libor plus 4.5% per annum. Interest and principal is repaid semi-annually. The borrowing is an unsecured borrowing.

33.2 The amount of N639.72 billion - 31 Dec 2022: represents the amortised cost balance in the on-lending facility of $21.946 million granted to the Bank by European Investment Bank on 13 April 2015 to mature 2 March, 2023 at an interest rate of Libor plus 3.99% per annum. Interest is repaid quarterly, with principal repayment at maturity. The borrowing has been fully repaid.

33.3 The amount of N36,157.76 billion, (31 Dec 2022: N9,337.63 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 N382,422.31 billion represents the amortised cost of the Issued Notes as at 31 December 2023; N178,124.86 billion represents the amortised cost at the end of the financial year 2022 (December 31 , 2022).

33.5 The amount of N42,174.32 billion (31 Dec 2022 : N41,306.78billion) 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 N48,810.52 billion of represent the Amortised cost the short term liability with Rand Merchant Bank. ($50m) as at 31 December 2023 at an Interest rate of 9.97% to mature March 2024.

33.7 The amount of N20,285.62 billion (31 Dec 2022: N15,267.71 billion) represents the amortised cost of a N20 billion of wholesale borrowing from Development Bank of Nigeria, to mature 27th April, 2024 at an interest rate of 10% per annum. Interest is paid semi-annually, with principal repayment after 1 year moratorium period, effective 27th October 2022 to maturity. The borrowing is an unsecured borrowing.

33.8 The amount of N22,388.83 billion represents the amortised cost of a $23 million wholesale borrowing from Bank One Mauritius, to mature 27 March 2024 at an interest rate of 10.97% ($15m) and 10.98% ($8m) per annum repectively. Interest is paid semi-annually, with principal repayment at maturity. The borrowing is an unsecured borrowing.

33.9 Maturity Analysis is presented in Note 44.

34. Share Capital

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Authorised				
32 billion ordinary shares of 50k each (2022: 32 billion ordinary shares)	16,000	14,481	16,000	14,481
Issued and fully paid				
32,000 million ordinary shares of 50k each (31 December 2022: 28,963 million ordinary shares)	16,000	14,481	16,000	14,481

34a In compliance with the provisions of Section 124 of CAMA 2020, the bank issued 3,037,414,308 units of unissued shares by way of Private Placement after the end of the 2022 financial year to bring the issued shares to 32,000,000,000 units of 50k shares.

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 share premium.

Retained Earnings

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

a. **Dividends**

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

	31 Dec 2023	31 Dec 2022
	N'million	N'million
Balance, begining of year	-	-
Final dividend declared	12,800	-
Interim dividend declared	8,000.00	2,896
Payment during the year	(20,800)	(2,896)
Balance, end of year	-	-

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 N14,975 million to statutory reserves during the period ended 31 December 2023 (31 December 2022: N7,009 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 regulatory risk reserve.

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

	Notes	Group		Bank	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		N'million	N'million	N'million	N'million
Profit before income tax		124,260	53,677	124,338	53,677
Adjustments for:					
– Depreciation and amortisation	14	7,042	6,616	6,890	6,616
– Profit/(Loss) on disposal of property, plant and equipment	11	(49)	56	(49)	56
– Net foreign exchange difference	36a	150,677	6,579	150,677	6,579
– Net gains from financial assets at fair value through profit or loss	12	(24,783)	1,568	(24,686)	1,568
– Increase in provisions	32	1,538	(503)	1,538	(503)
– Credit loss expense	8	67,436	5,443	67,686	5,443
– Impairment reversal/charge on other assets	8	-4.00	(309)	(4)	(309)
– Dividend income	11	(2,018)	(397)	(2,018)	(397)
– Gain on debt instruments measured at FVOCI reclassified from equity	17	847	(693)	847	(693)
– Net interest income	SOCI	(277,366)	(152,695)	(274,856)	(152,695)
			-	-	-
		47,584	**(80,658)**	**50,363**	**(80,658)**
Changes in operating assets					
– Cash and balances with the Central Bank (restricted cash)	20	(311,308)	(176,993)	(311,308)	(176,993)
– Loans and advances to customers	22	(846,446)	(412,924)	(716,424)	(412,924)
– Financial assets held for trading	23	(17,355)	47,182	11,885	47,182
– Other assets	29	(290,848)	(63,558)	(289,271)	(63,558)
Changes in operating liabilities					
– Deposits from customers	30	1,463,601	545,755	1,340,580	545,755
– Other liabilities	31	336,962	319,810	318,388	319,810
Cash flows from/(used in) operations		**382,187**	**178,614**	**404,213**	**178,614**

36a. Net foreign exchange

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Unrealized Foreign exchange gain	194,764	9,259	194,764	9,259
Unrealized Foreign exchange loss	(150,677)	(6,579)	(150,677)	(6,579)
	-		-	
Net foreign exchange gains	**44,087**	**2,680**	**44,087**	**2,680**

36b. Interest received

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Opening interest receivable	137,451	92,575	137,451	92,575
Interest income	459,954	295,578	456,919	295,578
Closing interest receivable	(267,212)	(137,451)	(267,212)	(137,451)
Interest received	**330,193**	**250,702**	**327,158**	**250,702**

36c. Interest paid

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Opening interest payable	23,303	13,264	23,303	13,264
Interest expense	(182,589)	142,883	(182,063)	142,883
Interest paid on debt and borrowed fund	(4,804)	(28,625)	(4,804)	(28,625)
Accrued Interest	10,747	25,797	10,747	25,797
Closing interest payable	(28,968)	(23,303)	(28,968)	(23,303)
Interest received	**(182,311)**	**130,016**	**181,785**	**130,016**

36d. Debt instrument at FVOCI

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Opening balance	28,696	100,009	28,696	100,009
New assets purchase (by cash)	173,688	27,028	221,229	27,028
Assets derecognised (cash received)	(16,825)	(77,817)	(16,824)	(77,817)
Accrued Interest	656	301	656	301
Change in fair value	41,535	(20,824)	(46,006)	(20,824)
Closing balance	**227,559**	**28,697**	**187,751**	**28,697**

36e. Debt instrument at amortised cost

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Opening balance	480,422	442,277	480,422	442,277
New assets purchase (by cash)	647,686	245,918	647,686	245,918
Assets derecognised (cash received)	(260,952)	(241,715)	(260,952)	(241,715)
Accrued Interest	11,443	6,960	11,443	6,960
Change in fair value	(59,795)	26,982	(59,795)	26,982
Closing balance	**818,804**	**480,422**	**818,804**	**480,422**

36f. Equity instruments at FVOCI

	Bank	
	31 Dec 2023	31 Dec 2022
	N'million	N'million
Opening balance	27,560	26,207
New assets purchase (by cash)	63,403	909
Assets derecognised (cash received)	-	-
Change in fair value	(49,412)	444
Closing balance	**41,551**	**27,560**

36g. Acquisition of a subsidairy

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Purchase consideration (Acquisition of UK office)	(45,876)	-	-	-
Cash in bank	5,031	-	-	-
	(40,845)	**-**	**-**	**-**

36h. Unclaimed dividend Receipt/(Payment)

	Bank	
	31 Dec 2023	31 Dec 2022
	N'million	N'million
Unclaimed Dividend from First Registrars	-	1
Unclaimed Dividend from First Registrars	-	945
Unclaimed Dividend payment	-	(1,376)
Unclaimed Dividend from First Registrars	7	-
Unclaimed Dividend from First Registrars	1,218	-
Unclaimed Dividend from First Registrars	0	-
Unclaimed Dividend from First Registrars	734	-
	1,959	**(430)**

37. Contingent Liabilities and Commitments

37.1 Capital Commitments

At the reporting date, the Bank had capital commitments amounting to N4.10 billion (31 Dec 2022: N5.24billion). 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		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Performance bonds and guarantees (Note 32.3.1)	730,779	489,618	730,779	489,618
Letters of credit (Note 32.3.2)	413,362	215,697	413,362	215,697
AGSMEIS Disbursement		1	-	1
	1,144,141	**705,316**	**1,144,141**	**705,316**

Included in Performance bonds and guarantees is N104.46 bn (31 December 2022: N80.19billion) 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.

As at reporting date, the Bank is currently involved in 65 cases as defendant (31 December 2022 - 58) and 7 cases as Plaintiff (31 December 2022 - 15). The total amount claimed against the Bank is estimated at N11.74 billion as at December 31, 2023 (31 Dec 2022: N12.06 billion) while the amount in the 7 cases instituted by the Bank is N3.95 billion as at 31 December 2023 (31 Dec 2022: N5.19 billion, 15 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 N1.886 billion (31 Dec 2022: N883 million) upon conclusion of the cases. A provision for the potential loss of N1.886 billion is shown in note 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 year-end are disclosed below:

b. **Subsidiaries**: Transactions between Fidelity Bank Plc and its subsidiary also meet the definition of related party transactions. Transactions with Fidelity Bank UK Limited have been eliminated on consolidation. During the year, Fidelity Bank Plc earned a total interest income of N424 million from Fidelity Bank Uk Limited. And as 31 December 2023 a total amount of N35 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 year.

38.1 Deposits/Interest Expense From Related Parties

Entity Controlled by key Management Personnel	Related party	Nature of relationship	Deposits at 31 Dec 2023	Interest expense 2023	Deposits at 31 Dec 2022	Interest expense 31 Dec 2022
		N	N	N	N	N
Cy Incorporated Nig Ltd (DSRA)	Insider related	Former Director	56,191	-	31,886	-
Equipment Solutions and Logistics Services Limited	Insider related	Former Director	55,061	-	63,942	-
The Genesis Restaurant Limited	Insider related	Former Director	94,152,427	-	4,146,727	-
John Holt Plc	Insider related	Former Director	11,288,719	-	356,686,651	-
Tenderville Ltd	Insider related	Former Director	362,675	-	359,030	-
Genesis Hub Limited	Insider related	Former Director	24,462,347	-	20,427,560	-
Genesis Deluxe Cinemas	Insider related	Former Director	1,874,612	301	3,526,896	301
SUB-TOTAL			**132,252,032**	**301**	**385,242,692**	**301**
A-Z Petroleum Products Limited	Insider related	Former Director	1,357,832,373	492,784	77,322,045	-
Neconde Energy Limited	Insider related	Former Director	552,750,949	-	258,628,141	-
Dangote Industries Limited	Insider related	Former Director	71,782,429	-	927,721	-
Agric Int'l Tech and Trade	Insider related	Former Director	2,206,541	-	2,983,292	-
Mr. Mustafa Chike-Obi	Insider related	Current Director	67,754,782	-	52,331,219	-
Pastor Kings C. Akuma	Insider related	Former Director	17,758,943	8,883	44,816,681	-
Chief Charles Chidebe Umolu	Insider related	Former Director	103,468,311	11,911	14,830,659	-
Mr. Okeke Ezechukwu Michael	Insider related	Former Director	5,446,237	3,289	1,266,268	-
Alhaji Isa Inuwa	Insider related	Current Director	22,416,087	5,702,931	9,811,386	-
Mr. Alex Chinelo Ojukwu	Insider related	Former Director	72,181	9,336	263,304	-
Mr. Chidi Agbapu	Insider related	Current Director	5,840,004	2,403,177	40,679,192	-
Mr. Chinedu Okeke	Insider related	Current Director	7,216,279	35,126	49,268,305	4,242
Engr. Henry Obih	Insider related	Current Director	219,652,354	2,692,603	128,090,805	-
Mrs. Amaka Onwughalu	Insider related	Current Director	24,828,030	362,696	12,942,161	7,844
Chief Nelson C, Nweke	Insider related	Current Director	147,391,712	816	67,067,335	-
Mrs. Morohunke Bammeke	Insider related	Current Director	1,801,761	64,407	6,666,010	-
SUB-TOTAL			**2,608,218,973**	**11,787,959**	**767,894,524**	**12,086**
Transactions with Key Management Personnel	Insider Related		287,168,331	43,084,309	319,919,876	-
TOTAL			**3,027,639,336**	**54,872,569**	**1,473,057,092**	**12,387**

38.2 Loans and Advances/Interest Income from Related Parties

Entity Controlled by Key Management Personnel	Related Party	Nature of Relationship	Loan Amount Outstanding
			31 Dec 2023
			N
Cy Incorporated Nig Ltd	Mrs. Onome Olaolu	Former Director	313,087,308
Equipment Solutions And Logistics Services Ltd	Mr. Ik Mbagwu	Former Director	767,029,435
The Genesis Restaurant Ltd	Ichie Nnaeto Orazulike	Former Director	-
Genesis Deluxe Cinemas	Ichie Nnaeto Orazulike	Former Director	-
Genesis Hub Ltd	Ichie Nnaeto Orazulike	Former Director	-
Genesis Food Nigeria Ltd	Ichie Nnaeto Orazulike	Former Director	-
Genesis F&B Nigeria Limited	Ichie Nnaeto Orazulike	Former Director	-
Genesis Sojourner Ltd	Ichie Nnaeto Orazulike	Former Director	-
Genesis Technical Company Limited	Ichie Nnaeto Orazulike	Former Director	-
A-Z Petroleum Products Ltd	Mr. Alex Ojukwu	Former Director	-
Agric Int'l Tech and Trade	Mr. Ernest Ebi	Former Director	400,000,000
Dangote Industries Ltd	Mr. Ernest Ebi	Former Director	-
Dangote Fertilizer Ltd	Mr. Ernest Ebi	Former Director	-
Dangote Oil Refining Company Ltd	Mr. Ernest Ebi	Former Director	-
Dangote Cement Plc - Obajana Plant	Mr. Ernest Ebi	Former Director	-
Dangote Sugar Refinery PLC	Mr. Ernest Ebi	Former Director	-
SUB-TOTAL			**1,480,116,743**

	Interest Income	Loan Amount Outstanding	Interest Income	Facility Type	Status	Collateral Status
	31 Dec 2023	31 Dec 2022	31 Dec 2022			
	N	N	N			
	26,811,241.81	286,276,066	-	Finance Lease/ Overdraft	Lost	Perfected
	-	767,029,435	-	Term Loan/ Overdraft	Lost	Perfected
	-	98,999,888	20,577,418	Term Loan/ Overdraft	Performing	Perfected
	-	154,281,689	19,193,045	Term Loan/ Overdraft	Performing	Perfected
	-	17,851,522	4,588,399	Term Loan/ Overdraft	Performing	Perfected
	-	647,987,746	58,981,475	Term Loan/ Overdraft	Performing	Perfected
	-	312,433,504	20,355,586	Term Loan/ Overdraft	Performing	Perfected
	-	1,031,204,957	73,555,912	Term Loan/ Overdraft	Performing	Perfected
	-	600,000,000	-	Term Loan/ Overdraft	Performing	Perfected
	-	2,575,466,736	413,584,415	Term Loan/ Overdraft	Performing	Perfected
	55,405,479.45	800,000,000	62,375,342	Term Loan	Performing	Perfected
	-	47,463,109,162	4,194,290,480	Term Loan	Performing	Perfected
	-	1,017,518	1,494,738	Term Loan	Performing	Perfected
	-	3,750,000,000	272,465,753	Term Loan/ Overdraft	Performing	Perfected
	-	29,504,809,611	2,514,033,399	Term Loan	Performing	Perfected
	-	3,371,600,084	5,754,290	Term Loan	Performing	Perfected
	82,216,721	**91,382,067,918**	**7,661,250,252**			

Entity Controlled by Key Management Personnel	Related Party	Loan Amount Outstanding	Interest Income
	Key Management Personnel/Related Party	31 Dec 2023	31 Dec 2023
		₦	₦
Onyeali-Ikpe Nneka Chinwe	Managing Director	104,343,868	3,835,705
Hassan Imam Galadanchi	Former Director	79,660,508	3,069,792
Kevin Chukwuma Ugwuoke	Executive Director	65,744,966	2,914,160
Kenneth Onyewuchi Opara	Executive Director	80,415,584	4,363,839
Pamela Iyabo Shodipo	Executive Director	67,122,342	1,713,905
Kings Chukwu Akuma	Former Director	1,746,787	210,974
Chidozie Bethram Agbapu	Non Executive Director	41,506	4,310
Ikemefuna A. Mbagwu	Former Director	1,481,692	278,781
Ichie Nnaeto Orazulike	Former Director	-	-
Chief Charles Chidebe Umolu	Former Director	14,322	13,189
Okonkwo Nnamdi John	Former Director	100,080,026	2,655,773
Odinkemelu Aku	Former Director	-	1,312,075
Adegbolahan Simisola Joshua	Former Director	-	-
Obaro Alfred Odeghe	Former Director	75,428,572	3,288,906
Yahaya Umar Imam	Former Director	29,401,024	6,437,947
SUB-TOTAL		605,481,197	30,099,356
TOTAL		**2,085,597,940**	**112,316,077**

*****A-Z Petroleum Limited , Dangote Group and Genesis group who were related parties as at 31 December 2022 exited the Related party relationship post 2022 financial year in line with CBN requirement.*

	Loan Amount Outstanding	Interest Income	Facility Type	Status	Collateral Status
	31 Dec 2022	31 Dec 2022			
	₦	₦			
	137,108,499	4,337,829	Term Loan/Credit Card	Performing	Perfected
	98,126,107	4,475,974	Term Loan/Credit Card	Performing	Perfected
	101,348,758	3,880,819	Term Loan/Credit Card	Performing	Perfected
	109,037,100	4,543,507	Term Loan/Credit Card	Performing	Perfected
			Term Loan	Performing	Perfected
	684,284	316,003	Credit Card	Performing	Perfected
	76,246,279	10,471,746	Overdraft/Credit Card	Performing	Perfected
	669,181	54,123	Credit Card	Performing	Perfected
	9,956,970	1,667,467	Credit Card	Performing	Perfected
	752,869	93,523	Credit Card	Performing	Perfected
	85,583,727	3,588,980	Term Loan/Credit Card	Performing	Perfected
	77,173,753	2,884,237	Term Loan	Performing	Perfected
	97,714,286	3,810,575	Term Loan	Performing	Perfected
	102,819,445	5,084,627	Term Loan	Performing	Perfected
	29,213,405	4,671,755	Overdraft/Credit Card	Performing	Perfected
	926,434,663	49,881,165			
	92,308,502,581	**7,711,131,417**			

38.3 Bank Guarantees in Favour of Key Management Personnel

December 2023				
Beneficiary Name	Related Entity	Name Of Related Party	Position In Bank	Amount (N)
NIL	NIL	NIL	NIL	NIL
				NIL

December 2022				
Beneficiary Name	Related Entity	Name of Related Party	Position In Bank	Amount (N)
BOI	Genesis Deluxe Cinemas	Ichie Nnaeto Orazulike	Former Director	144,975,738
BOI	Genesis Foods Nigeria Limited	Ichie Nnaeto Orazulike	Former Director	629,086,327
BOI	Genesis Sojourner Limited	Ichie Nnaeto Orazulike	Former Director	1,004,374,482
Ogun State Property And Investment Company Limited	A-Z Petroleum Products Limited - Operational Account	Mr. Alex Ojukwu	Former Director	1,000,000,000
Trustees Under The Note Issuing Programme	A-Z Petroleum Products Limited - Operational Account	Mr. Alex Ojukwu	Former Director	5,000,000,000
				7,778,436,547

38.4 Key Management Compensation

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Salaries and other short-term employee benefits (Executive directors only)	507	430	507	430
Pension cost	30	16	30	16
Post-employment benefits paid- Gratuity	-	-	-	-
Post-employment benefits paid- Retirement	-	-	-	-
Other employment benefits paid	168	139	168	139
	705	**585**	**705**	**585**

38.5 Loan and Advances to Staff members

	Bank	
	31 Dec 2023	31 Dec 2022
At start of the year	11,777	12,019
Granted during the Year	5,147	2,950
Repayment during the Year	(2,807)	(3,192)
At end of the year	**14,117**	**11,777**

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 year was as follows:

	Bank	
	31 Dec 2023	31 Dec 2022
Executive Directors	6	5
Management	441	453
Non-management	2,616	2,580
	3,063	**3,038**

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

	Bank	
	31 Dec 2023	31 Dec 2022
N300,000 - N2,000,000	17	7
N2,000,001 - N2,800,000	-	6
N2,800,001 - N3,500,000		
N3,500,001 - N6,500,000	1,044	1,654
N6,500,001 - N7,800,000	-	306
N7,800,001 - N10,000,000	660	606
N10,000,001 and above	1,342	459
	3,063	**3,038**

40. Directors' Emoluments

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

	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'million	N'million	N'million	N'million
Fees and sitting allowances	257	138	361	138
Executive compensation	256	260	256	260
Other director expenses	427	301	427	301
	940	**699**	**1,044**	**699**

Fees and other emoluments disclosed above include amounts paid to:

Chairman	40	40	40	40
Highest paid director	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	14	14	14	14
	14	**14**	**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 year ended 31 December 2023.

Schedule Of Regulatory Contraventions As At 31 December 2023	Amount
Nature Of Contravention	(N'000)
Penalty - NEMSF Infraction - CBN	26,261
Penalty - late returns - CBN	4,000
Penalty - AML/CFT/CPT - CBN	10,000
Penalty - Report Filing - NGX	2,700
	42,961

Schedule Of Regulatory Contraventions As At 31 December 2022	Amount
Nature Of Contravention	**(N'000)**
Penalty - Cryptocurrecy Infraction - CBN	85,714
Penalty - late returns - CBN	5,000
Penalty - Employment Infraction - CBN	10,000
	100,714

41.2 In line with circular FDR/DIR/CIR/GEN/01/20, the returns on customers' complaints for the year ended 31 December 2023 is set as below:

S/N	Description	Number		Amount Claimed		Amount Refunded	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
				Million	Million	Million	Million
1	Pending complaints b/f	80,550	54,909	4,866	1,542	N/A	N/A
2	Received complaints	1,668,004	1,162,541	88,606	29,778	N/A	N/A
3	Resolved complaints	1,552,716	1,136,900	70,774	26,454	287	904
4	Unresolved complaints escalated to CBN for intervention	95	24	2,116	1,748	N/A	N/A
5	Unresolved complaints pending with the Bank c/f	195,838	80,550	22,698	4,866	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 year ended 31 December 2023.

42. Gender Diversity

31 December 2023					
	Women		Men		Total
	Number	%	Number	%	
Board Members	4	29%	10	71%	14
Management staff (AGM & Above)	16	28%	42	72%	58
Total	**20**		**52**		**72**

31 December 2022					
	Women		Men		Total
	Number	%	Number	%	
Board Members	3	23%	10	77%	13
Management staff (AGM & Above)	12	24%	37	76%	49
Total	**15**		**47**		**62**

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 N100.3 billion as at 31 December 2023 (31 December 2022 - N62.1billion).

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	31 Dec 2023	31 Decr 2022
	N'million	N'million
Transfer to regulatory reserve		
Prudential provision:		
Specific provision	206,155	110,782
General provision	38,690	33,606
Provision for other assets	3,613	2,846
Provision for litigations and claims	1,199	-
Provision for investments	2,936	-
Provision for off-balance sheet exposure	1,460	-
Total prudential provision (A)	**254,053**	**147,234**
IFRS provision:		
Specific impairment (see note 22)	51,273	32,478
Collective impairment	92,654	48,070
Provision for other assets (see note 28)	3,359	1,351
Provision for litigations and claims (see note 31)	1,886	883
Provision for investments (see note 24)	3,055	1,294
Provision for off-balance sheet exposure	1,548	1,013
Total IFRS provision (B)	**153,775**	**85,089**
Difference between prudential and IFRS	**100,278**	**62,145**
Movement in Non-Distributable Regulatory Risk Reserve (RRR)		
Opening balance in RRR	62,144	27,440
Net changes in the year	38,134	34,704
Balance in RRR at the end of the year	**100,278**	**62,144**

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 31 December 2023		
	Maturing within	Maturing after	Total
	12 months	12 months	
ASSETS	N'million	N'million	N'million
Cash and Cash equivalents	383,702	-	383,702
Restricted balances with central bank	1,174,398	-	1,174,398
Loans and advances to customers	1,619,127	3,015,118	4,634,245
Derivative financial assets	10,723	-	10,723
Investments:			
Financial assets at fair value through profit or loss	7,325	5,215	12,540
Debt instruments at fair value through other comprehensive income	206,151	75,368	281,519
Equity instruments at fair value through other comprehensive income	-	41,550	41,550
Debt instruments at amortised cost	462,624	1,356,794	1,819,418
Deferred tax Assets	22,554	-	22,554
Other assets	405,545	-	405,545
Property, Plant and equipment	-	47,382	47,382
Right-of-use assets	-	3,270	3,270
Goodwill	14,650	-	14,650
Intangible assets	-	5,564	5,564
TOTAL ASSETS	**4,306,799**	**4,550,261**	**8,857,060**
LIABILITIES	N'million	N'million	N'million
Deposits from customers	1,491,495	2,717,295	4,208,791
Derivative financial liabilities	-		-
Current income tax liability	4,208,791	(4,181,956)	26,835
Deferred tax liabilities	22,905	-	22,905
Other liabilities	544,153	642,456	1,186,609
Provision	1,548	1,886	3,434
Debt issued and other borrowed funds	357,237	569,540	926,777
TOTAL LIABILITIES	**6,626,129**	**(250,779)**	**6,375,351**

Group	As at 31 December 2022		
	Maturing within 12 months	Maturing after 12 months	Total
ASSETS	N'million	N'million	N'million
Cash and Cash equivalents	300,661	-	300,661
Restricted balances with central bank	248,556	614,535	863,091
Loans and advances to customers	941,357	2,251,440	3,192,797
Derivative financial assets	4,778	-	4,778
Investments:			-
- Financial assets at fair value through profit or loss	1,684	1,109	2,793
- Debt instruments at fair value through other comprehensive income	19,348	25,119	44,467
- Equity instruments at fair value through other comprehensive income	-	27,560	27,560
- Debt instruments at amortised cost	289,103	486,888	775,991
Other assets	100,344	7,159	107,503
Property, Plant and equipment	-	42,657	42,657
Right-of-use assets	-	1,799	1,799
Intangible assets	-	4,023	4,023
TOTAL ASSETS	**1,905,831**	**3,462,289**	**5,368,120**
LIABILITIES			
Deposits from customers	1,125,801	1,812,454	2,938,255
Derivative financial liabilities	1,208		1,208
Current income tax liability	8,446	-	8,446
Other liabilities	254,550	606,240	860,790
Provision	1,013	883	1,896
Debt issued and other borrowed funds	55,427	293,814	349,241
TOTAL LIABILITIES	**1,446,445**	**2,713,391**	**4,159,836**

Bank	As at 31 December 2023		
	Maturing within	Maturing after	Total
	12 months	12 months	
ASSETS	N'million	N'million	N'million
Cash and Cash equivalents	376,920	-	376,920
Restricted balances with central bank	-	1,174,398	1,174,398
Loans and advances to customers	1,619,127	3,015,118	4,634,245
Derivative financial assets	10,723	-	10,723
Investments:			
Financial assets at fair value through profit or loss	7,325	5,215	12,540
Debt instruments at fair value through other comprehensive income	166,152	75,368	241,520
Equity instruments at fair value through other comprehensive income	-	41,550	41,550
Debt instruments at amortised cost	462,624	1,356,794	1,819,418
Deferred tax Assets	22,554	-	22,554
Other assets	403,968	-	403,968
Property, Plant and equipment	-	47,329	47,329
Right-of-use assets	-	1,677	1,677
Goodwill		-	
Intangible assets	-	5,123	5,123
TOTAL ASSETS	**3,069,393**	**5,722,572**	**8,791,965**
LIABILITIES	N'million	N'million	N'million
Deposits from customers	1,368,474	2,717,295	4,085,770
Derivative financial liabilities	-	-	-
Current income tax liability	4,085,770	(4,058,935)	26,835
Deferred tax liabilities	-	-	
Other liabilities	26,835	1,157,052	1,183,887
Provision	1,548	1,886	3,434
Debt issued and other borrowed funds	115,462	569,540	685,002
TOTAL LIABILITIES	**5,598,089**	**386,838**	**5,984,928**

Bank	As at 31 December 2022		
	Maturing within	Maturing after	Total
	12 months	12 months	
ASSETS	N'million	N'million	N'million
Cash and Cash equivalents	300,661	-	300,661
Restricted balances with central bank	248,556	614,535	863,091
Loans and advances to customers	941,357	2,251,440	3,192,797
Derivative financial assets	4,778	-	4,778
Investments:			-
- Financial assets at fair value through profit or loss	1,684	1,109	2,793
- Debt instruments at fair value through other comprehensive income	19,348	25,119	44,467
- Equity instruments at fair value through other comprehensive income	-	27,560	27,560
- Debt instruments at amortised cost	289,103	486,888	775,991
Other assets	100,344	7,159	107,503
Property, Plant and equipment	-	42,657	42,657
Right-of-use assets	-	1,799	1,799
Intangible assets	-	4,023	4,023
TOTAL ASSETS	**1,905,831**	**3,462,289**	**5,368,120**
LIABILITIES			
Deposits from customers	1,125,801	1,812,454	2,938,255
Derivative financial liabilities	1,208		1,208
Current income tax liability	8,446	-	8,446
Other liabilities	254,550	606,240	860,790
Provision	1,013	883	1,896
Debt issued and other borrowed funds	55,427	293,814	349,241
TOTAL LIABILITIES	**1,446,445**	**2,713,391**	**4,159,836**

45. Reclassifications 2023

During the year 2022, all electronic payment related receivables were seperated from Sundry receivables to Electronic payment receivables as a seperate line item on Note 29 - Other Assets as well as Provision for year-end bonus which was reclassified from Provision to Other Liabilities . These disaggregations were done to comply with the requirement of Financial Reporting Council of Nigeria (FRCN) and IAS 38 (Provisions, Contingent Liabilities and Contingent Assets) respectively which was adopted in the financial Statement of year ended 31 December 2023.

46. Restatements

There were no significant events requiring restatements during the reporting year which could have had a material effect on the financial position of the Bank as at 31 December 2023 and on the profit or loss and other comprehensive income for the year then ended.

47. Events after reporting period

The Bank is on a strong growth trajectory and requires additional capital for increased profitability, expansion (domestic and international) and enhancement of its digital capabilities. Consequently, an Extra-Ordinary General Meeting was held on August 11, 2023 and Shareholders' approval was obtained for a capital raising exercise via a Public Offer and Rights Issue. The Bank has submitted an application to the Securities & Exchange Commission (SEC) for regulatory approval for the offer.

The Bank upon approval of Central Bank of Nigeria (CBN) announced the appointment of the Mr. Abolore Solebo as Executive Director on the 2nd of February 2024. The appointment is in furtherance of the Bank's strategic objectives and that Mr. Abolore Solebo will make significant contributions to the growth and development of the Group.

The Board of Directors of Fidelity Bank approved the extension of the tenure of the Managing Director/Chief Executive Officer Dr. Nneka Onyeali-Ikpe to 2026.

Other National Disclosures

Presentation of disclosures as it relates to Fidelity Bank Plc. This section includes Value added statements. Five-year financial summary, etc.

Value Added Statements

For the year ended 31 December 2023

Group	2023		2022	
	N'million	%	N'million	%
Interest and similar income	459,530	250	295,578	327
Interest and similar expense	(182,165)	(99)	(142,883)	(175)
	277,366	**151**	**152,695**	**153**
Bought in services	(93,280)	(51)	(50,095)	(53)
Value added	**184,086**	**100**	**102,599**	**100**
Distribution				
Employees:				
Salaries and benefits	52,619	29	29,731	29
Shareholders:				
Dividend paid during the year	20,800	11	13,033	13
Government:				
- Income tax	-	-	4,679	5
- Tertiary education tax	2,921	2	1,277	1
- Police trust fund levy	6	0	3	-
- Information technology levy	1,243	1	537	1
The future:				
- Asset replacement (depreciation and amortisation)	7,042	4	6,616	6
- Profit retained for the year (transfers to reserves)	99,454	54	46,724	46
	184,086	**100**	**102,599**	**100**

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.

Group	2023		2022	
	N'million	%	N'million	%
Interest and similar income	456,919	226	295,578	327
Interest and similar expense	(182,063)	(90)	(142,883)	(175)
	274,856	**136**	**152,695**	**153**
Bought in services	(72,330)	(36)	(50,095)	(53)
Value added	**202,526**	**100**	**102,599**	**100**
Distribution				
Employees:				
Salaries and benefits	50,836	25	29,731	29
Shareholders:				
Dividend paid during the year	20,800	10	13,033	13
Government:				
- Income tax	20,297	10	4,679	5
- Tertiary education tax	2,921	1	1,277	1
- Police trust fund levy	6	0	3	-
- Information technology levy	1,243	1	537	1
The future:				
- Asset replacement (depreciation and amortisation)	6,890	3	6,616	6
- Profit retained for the year (transfers to reserves)	99,532	49	46,724	46
	202,526	**100**	**102,599**	**100**

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	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
	N'million	N'million	N'million	N'million	N'million
Assets:					
Cash and Cash equivalents	364,177	300,345	219,253	328,493	259,915
Restricted balances with central bank	1,174,398	863,090	686,097	540,129	343,346
Loans and advances to customers	3,092,419	2,116,212	1,658,412	1,326,106	1,126,974
Derivative financial assets	10,723	4,778	49,574	7,072	-
Investments:					
Financial assets at fair value through profit or loss	7,684	2,036	5,207	47,118	45,538
Debt instruments at fair value through other comprehensive income	227,750	28,696	100,009	265,980	134,846
Equity instruments at fair value through other comprehensive income	41,550	27,560	26,207	17,685	14,536
Debt instruments at amortised cost	818,803	479,592	441,452	137,804	118,569
Deferred tax Assets	22,554	5,306	-	-	-
Other assets	403,763	112,915	49,357	44,380	28,756
Property, plant and equipment	47,382	42,657	39,441	38,446	38,392
Right-of-use assets	3,270	1,799	1,477	1,652	1,529
Goodwill	14,650	-	-	-	-
Intangible assets	5,564	4,023	3,968	3,283	1,636
Total Assets	**6,234,688**	**3,989,009**	**3,280,454**	**2,758,148**	**2,114,037**
Liabilities					
Deposits from customers	4,014,811	2,580,597	2,024,803	1,699,026	1,225,213
Derivative financial liabilities	-	1,208	425	1,143	-
Current income tax liability	26,835	8,446	3,523	2,307	2,339
Deferred income tax liabilities	22,905	5,629	-	-	-
Other liabilities	1,152,369	815,407	495,597	517,093	397,074
Provision	3,434	1,896	2,399	4,075	3,795
Debts issued and other borrowed funds	577,028	261,466	468,413	260,971	251,586
Total Liabilities	**5,797,381**	**3,674,649**	**2,995,160**	**2,484,615**	**1,880,007**
Equity					
Share capital	16,000	14,481	14,481	14,481	14,481
Share premium	113,705	101,272	101,272	101,272	101,272
Retained earnings	65,508	44,883	55,241	66,700	43,642
Statutory reserve	66,270	51,352	44,343	39,006	35,008
Small scale investment reserve (SSI)	764	764	764	764	764
Non-distributable regulatory reserve (NDR)	100,279	62,144	27,440	6,365	13,897
Translation reserve	6,050	-	-	-	-
Fair value reserve/ Remeasurement reserve	54,310	30,019	34,644	39,615	20,969
AGSMEIS reserve	14,422	9,445	7,109	5,330	3,997
Total Equity	**437,307**	**314,360**	**285,294**	**273,533**	**234,030**
Total Liabilities and Equity	**6,234,688**	**3,989,009**	**3,280,454**	**2,758,148**	**2,114,037**

Bank **Statement of Financial Position as at**	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
	N'million	N'million	N'million	N'million	N'million
Assets:					
Cash and Cash equivalents	376,595	300,345	219,253	328,493	259,915
Restricted balances with central bank	1,174,398	863,090	686,097	540,129	343,346
Loans and advances to customers	2,962,397	2,116,212	1,658,412	1,326,106	1,126,974
Derivative financial assets	10,723	4,778	49,574	7,072	-
Investments:					
Financial assets at fair value through profit or loss	7,684	2,036	5,207	47,118	45,538
Debt instruments at fair value through other comprehensive income	187,751	28,696	100,009	265,980	134,846
Equity instruments at fair value through other comprehensive income	41,550	27,560	26,207	17,685	14,536
Investment in Subsidiary:	63,403	-	-	-	-
Debt instruments at amortised cost	818,803	479,592	441,452	137,804	118,569
Deferred tax Assets	22,554	5,306	-	-	-
Other assets	402,186	112,915	49,357	44,380	28,756
Property, plant and equipment	47,329	42,657	39,440	38,446	38,392
Right-of-use assets	1,677	1,799	1,477	1,652	1,529
Intangible assets	5,123	4,023	3,968	3,283	1,636
Total Assets	**6,122,174**	**3,989,009**	**3,280,453**	**2,758,148**	**2,114,037**
Liabilities					
Deposits from customers	3,926,842	2,580,597	2,024,803	1,699,026	1,225,213
Derivative financial liabilities	-	1,208	425	1,143	-
Current income tax liability	26,835	8,446	3,523	2,307	2,339
Deferred income tax liabilities	22,905	5,629	-	-	-
Other liabilities	1,133,795	815,407	495,597	517,093	397,074
Provision	3,434	1,896	2,399	4,075	3,795
Debts issued and other borrowed funds	577,028	261,466	468,413	260,971	251,586
Total Liabilities	**5,690,839**	**3,674,649**	**2,995,160**	**2,484,615**	**1,880,007**
Equity					
Share capital	16,000	14,481	14,481	14,481	14,481
Share premium	113,705	101,272	101,272	101,272	101,272
Retained earnings	65,573	44,883	55,241	66,700	43,642
Statutory reserve	66,282	51,352	44,343	39,006	35,008
Small scale investment reserve (SSI)	764	764	764	764	764
Non-distributable regulatory reserve (NDR)	100,279	62,144	27,440	6,365	13,897
Fair value reserve/ Remeasurement reserve	54,310	30,019	34,644	39,615	20,969
AGSMEIS reserve	14,422	9,445	7,109	5,330	3,997
Total Equity	**431,335**	**314,360**	**285,294**	**273,533**	**234,030**
Total Liabilities and Equity	**6,122,174**	**3,989,009**	**3,280,454**	**2,758,148**	**2,114,037**

Statement of Profit Or Loss and Other Comprehensive Income

For the Year Ended

Group	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
	N'million	N'million	N'million	N'million	N'million
Operating income					
Net interest income	277,366	152,695	94,877	104,123	83,055
Impairment charge for credit losses	(67,436)	(5,443)	(7,035)	(16,858)	5,292
Net interest income after impairment charge for credit losses	**209,929**	**147,252**	**87,842**	**87,265**	**88,347**
Commission and other operating income	109,271	27,209	33,681	30,566	33,971
Modification loss on financial asset	-	-	-	-	-
Other operating expenses	(194,939)	(120,784)	(96,308)	(89,777)	(91,965)
Profit before income tax	**124,260**	**53,677**	**25,215**	**28,054**	**30,353**
Income tax expense	(24,806)	(6,953)	(2,111)	(1,404)	(1,928)
Profit after tax	**99,454**	**46,724**	**23,104**	**26,650**	**28,425**
Other comprehensive income	30,341	(4,628)	(4,971)	18,646	14,375
Total comprehensive income for the year	**129,795**	**42,096**	**18,133**	**45,296**	**42,800**
Per share data in kobo:					
Earnings per share (basic & diluted)	**311k**	**161k**	**79k**	**92k**	**98k**
Net assets per share	**1,366k**	**1,086k**	**985k**	**944k**	**808k**

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 year .

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

Bank	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
	N'million	N'million	N'million	N'million	N'million
Operating income					
Net interest income	277,366	152,695	94,877	104,123	83,055
Impairment charge for credit losses	(67,436)	(5,443)	(7,035)	(16,858)	5,292
Net interest income after impairment charge for credit losses	**207,170**	**147,252**	**87,842**	**87,265**	**88,347**
Commission and other operating income	108,720	27,209	33,681	30,566	33,971
Modification loss on financial asset	-	-	-	-	-
Other operating expenses	(191,551)	(120,784)	(96,308)	(89,777)	(91,965)
Profit before income tax	**124,338**	**53,677**	**25,215**	**28,054**	**30,353**
Income tax expense	(24,806)	(6,953)	(2,111)	(1,404)	(1,928)
Profit after tax	**99,532**	**46,724**	**23,104**	**26,650**	**28,425**
Other comprehensive income	24,291	(4,628)	(4,971)	18,646	14,375
Total comprehensive income for the year	**123,823**	**42,096**	**18,133**	**45,296**	**42,800**
Per share data in kobo:					
Earnings per share (basic & diluted)	**311k**	**161k**	**79k**	**92k**	**98k**
Net assets per share	**1,347k**	**1,086k**	**985k**	**944k**	**808k**

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 year .

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

Stakeholder's Engagement

Introduction

The Board and Management of Fidelity Bank Plc recognise that effective shareholder engagement and dialogue can and often leads to improved corporate policies, more sustainable business practices, and greater transparency and responsibility. The Bank is therefore open to change especially if same has the potential to enhance the sustainability of our business by minimizing risk and protecting shareholder value.

Share Capital Structure

As at December 31, 2023, Fidelity Bank's Issued and Paid-Up Capital was N16,000,000,000.00 divided into 32,000,000,000 Ordinary shares of 50 kobo each. The shares are widely held and the Bank had over 390,000 shareholders as at December 31, 2023.

Relations with Shareholders

The Bank is committed to building and maintaining constructive and long-lasting relationships with shareholders and other stakeholders through regular meetings, forums and targeted group engagements. The Board recognizes the importance of a dual-way communication channel with the Bank's shareholders. The general meeting which is the primary avenue for interaction between the Shareholders, Management and the Board, is utilized effectively for this purpose.

The Board ensures that all shareholders are treated fairly, given equal access to information about the Bank as well as notices of shareholders' meetings. General meetings are conducted in an open manner allowing for free discussions on all issues on the agenda. The Board also ensures that the venue of the general meeting is accessible and that shareholders are not disenfranchised from attending the meeting on account of choice of venue.

As a result, the Bank's Annual General Meetings are well attended and shareholders who are unable to attend are encouraged to use the proxy cards sent with the Notice of Meeting. Proceedings at general meetings are monitored by the representatives of the Central Bank of Nigeria, Securities and Exchange Commission and the Nigerian Exchange Group, amongst others.

Fidelity believes that the key to positive engagement is for the Board and stakeholders, including shareholders, customers and analysts, to interact in a way that is mutually beneficial, promotes constructive dialogue and ensures that legitimate concerns are raised and addressed. Thus apart from the statutory general meetings, other engagement forums offer an opportunity for shareholders and other stakeholders to deliberate and seek understanding of the Bank's financial results and strategic direction.

These consultations enable the Board and Management of the Bank understand the expectations of shareholders concerning the Bank's overall financial performance and future plans. Feedback from shareholder engagements assist in guiding the implementation of the Bank's corporate objectives. Furthermore, the quarterly, half-yearly and annual financial results are published in widely read national newspapers as well as on the Bank's website - **www.fidelitybank.ng** and Issuers Portal of the Nigerian Exchange Group.

Protection of Shareholders' Rights

The Board ensures that Shareholders' rights are protected. In particular, the right to attend and vote at general meetings is effectively maintained without restrictions. All shareholders are treated equally regardless of size of shareholding or status. The Board also ensures that the Bank promptly renders to shareholders, documentary evidence of their ownership interest in the Bank including secure electronic remittances (e-dividend and Central Securities Clearing System [CSCS] transfers).

Investor Relations Desk

The Bank has a robust Investor Relations Team that, in liaison with the Company Secretary, engages individual Shareholders, Institutional Investors, Fund Managers and Analysts. The Team, on a regular basis, publishes information on the Bank's strategic direction and provides in-depth analysis of published financial results and performance targets of the Bank through several channels including:

- Investors/Analysts Conference Calls.
- One-on-One Meetings with Investors/Analysts.
- Press Releases.
- Financial Results Presentations.
- Investor Conferences.
- Non-Deal Roadshows.
- Newspaper Publications.
- Investor Relations Portal on the Bank's website.
- Annual Report and Accounts.

The Team has an annual programme of meetings with institutional investors. Management participates actively in these meetings and the Bank is able to develop an understanding of issues that are of concern to investors.

Fidelity continues to raise the level of its activities to enhance information disclosure with focus on disclosure of business and financial information and creating opportunities for dialogue, while taking into consideration the needs and expectations of its shareholders, investors and all stakeholders.

Investor Presentations which are prepared on a bi-annual basis are published on the Investor Realtions Section of the Bank's website. The Section also hosts Frequently Asked Questions (FAQs) to enable stakeholders obtain answers to critical questions.

Interested stakeholders may contact our Investor Relations Team on:

Telephone: **+234 700 3433 5489**
Email: **info.investor@fidelitybank.ng**
Website: **www.fidelitybank.ng**

Share Capital History

Year	Authorized (Additional)	Authorized (Cumulative)	Issued And Fully Paid (Additional)	Issued And Fully Paid (Cumulative)	Consideration
	N	N	N	N	
1988	3,000,000	3,000,000	1,865,000	1,865,000	Cash
1989	9,000,000	12,000,000	5,822,000	7,687,000	Bonus/Cash
1989	-	12,000,000	-	7,687,000	-
1990	3,000,000	15,000,000	1,153,050	8,840,050	Bonus/Cash
1991	25,000,000	40,000,000	4,959,950	13,800,000	Bonus/Cash
1992	20,000,000	60,000,000	13,800,000	27,600,000	Cash
1993	40,000,000	100,000,000	12,703,000	40,303,000	Bonus/Cash
1994	50,000,000	150,000,000	51,830,000	92,133,000	Bonus/Cash
1995	-	150,000,000	21,737,000	113,870,000	Bonus
1997	650,000,000	800,000,000	272,247,000	386,117,000	Bonus/Cash
1998	-	800,000,000	151,472,000	537,589,000	Bonus/Cash
2000	700,000,000	1,500,000,000	6,458,920	544,047,920	Cash
2001	-	1,500,000,000		544,047,920	
2001	500,000,000	2,000,000,000	272,023,960	816,071,880	Bonus
2002	-	2,000,000,000	36,501,911	852,573,791	Cash
2003	-	2,000,000,000	336,602,981	1,189,176,772	Cash
2004		2,000,000,000	344,554,220	1,533,730,992	Bonus/Cash
2004	4,000,000,000	6,000,000,000	519,088,134	2,052,819,126	Bonus
2005	2,000,000,000	8,000,000,000	2,222,101,272	4,274,920,398	Cash
2005	2,000,000,000	10,000,000,000	3,956,922,658	8,231,843,056	Merger/Cash
2007	2,500,000,000	12,500,000,000	249,449,790	8,481,292,846	Rights
2007	3,500,000,000	16,000,000,000	6,000,000,000	14,481,292,846	Public Offer
2023	-	16,000,000,000	3,037,414,308	1,518,707,154	Private Placement

Unclaimed Dividend Report

Unclaimed Dividend As At December 31, 2023

Payt. No	Amount Of Dividend Declared ₦	Total Dividend Paid (Jun 30 - Dec. 31, 2023) ₦	Total Dividend Paid Up To Jun 30, 2023 ₦	Total Dividend Paid Up To Dec 31, 2023 ₦	Date Of Payment	Unclaimed Dividend ₦	Total Amount Returned To Company After 15 Months
7	3,649,285,796.40	-	3,519,762,057.45	3,519,762,057.45	09/05/2012	276,498.19	129,247,240.76
8	5,492,037,855.15	-	5,300,631,211.64	5,300,631,211.64	21/05/2013	1,136,776.55	190,269,866.96
9	3,661,087,989.94	3,396,878.19	3,331,863,764.43	3,335,260,642.62	02/05/2014	14,673,291.32	311,154,056.00
10	4,722,504,209.50	68,978.50	4,330,498,956.26	4,330,567,934.76	07/05/2015	12,505,880.83	379,430,393.91
11	4,197,866,869.25	62,772.57	3,815,183,940.87	3,815,246,713.44	05/05/2016	27,896,621.29	354,723,534.52
12	3,671,368,473.32	6,744,240.40	3,269,585,546.11	3,276,329,786.51	04/05/2017	14,708,582.34	380,330,104.47
13	2,867,295,983.51	8,168.72	2,456,835,450.83	2,456,843,619.55	25/05/2018	39,338,117.01	371,114,246.95
14	2,884,492,658.99	9,638,770.13	2,449,981,827.25	2,459,620,597.38	4/26/2019	23,709,538.77	401,162,522.84
15	5,250,154,407.50	17,861,296.76	4,463,486,979.32	4,481,348,276.08	30/04/2020	88,687,831.44	680,118,299.98
16	5,769,836,357.81	20,209,578.73	4,907,016,400.89	4,927,225,979.62	30/04/2021	(102,885,128.12)	945,495,506.31
17	9,181,329,790.50	17,546,876.74	7,817,531,027.35	7,835,077,904.09	05/05/2022	127,853,114.38	1,218,398,772.03
18	2,629,471,918.71	170,833,882.61	1,642,961,111.28	1,813,794,993.89	20/09/2022	81,361,411.81	734,315,513.01
19	11,610,248,938.88	867,706,855.80	9,062,525,835.20	9,930,232,691.00	23/05/2023	1,680,016,247.88	
	65,586,981,249.46			**57,481,942,408.03**		**2,009,278,783.68**	**6,095,760,057.76**

Recommendations & Explanatory Notes

Relating to the Business to be conducted at the 36th Annual General Meeting on May 16, 2024

Resolution 1

To lay before the members, the Audited Financial Statements for the year ended December 31, 2023, the Reports of the Directors, External Auditors and Audit Committee thereon.

Rationale:

Section 388(1) of the Companies and Allied Matters Act (CAMA), 2020 requires the Directors to lay before the Shareholders in General Meeting each year, the Company's Financial Statements which have been prepared by them in compliance with Section 404(1) of CAMA.

The Financial Statements include the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Notes to the Accounts, Five Year Financial Summary, Report of the Directors as well as the Reports of the Independent Auditors and Statutory Audit Committee. The Financial Statements are prepared in compliance with specific regulatory requirements and accounting standards issued from time to time by the Nigerian Accounting Standards Board and present a true and fair view of the Company's business undertaking during the period under review.

The Directors Report contains important information on the financial performance of the Company, the amount (if any) recommended for payment as Dividend, details of the persons who held office as Directors during the year and the Directors' interest (direct or indirect) in the shares of the Company, amongst others. The Chairman will therefore lay the Company's Audited Financial Statements for the year ended December 31, 2023, before members at the Annual General Meeting.During the meeting, representatives of the independent External Auditors, Board Appraisal Consultants and Statutory Audit Committee will present their reports and recommendations to Shareholders, as these form part of the Financial Statements.

Request:

Shareholders are requested to approve the resolution to lay before the members, the Audited Financial Statements for the year ended December 31, 2023, the Reports of the Directors, External Auditors and Audit Committee thereon.

Resolution 2

To declare a Dividend of 60 Kobo per Ordinary Share.

Rationale:

The Directors recommend payment of a final dividend of 60 Kobo only per Ordinary Share of 50 Kobo each. The Company had earlier paid an interim dividend of 25 Kobo per share on September 15, 2023. This will bring the total dividend for the financial year ended December 31, 2023, to 85 Kobo per share.

If the recommended dividend is approved, payment of the final dividend will be made on May 16, 2024 to Shareholders whose names appear in the Register of Members at the close of business on April 26, 2024. Shareholders who have mandated their dividend to their bank accounts will be credited on the same date. The proposed final dividend is subject to withholding tax at the applicable tax rate.

Request:

Shareholders are requested to vote in favour of the resolution to declare a final dividend of 60 Kobo per Ordinary Share, to enable the Directors pay the recommended dividend.

Resolution 3

To elect the following Directors who were appointed since the last Annual General Meeting:

(a). Mr. Abolore Solebo was appointed as Executive Director on December 15, 2023. His appointment was approved by the Central Bank of Nigeria on February 1, 2024.

Rationale:

Mr. Abolore Solebo was appointed as Executive Director with oversight responsibility for the Bank's Corporate Banking Directorate in accordance with the Bank's Board Appointment and Directors' Selection Criteria Policy.

His appointment has been approved by the Central Bank of Nigeria. The new Director brings to the Board robust multifunctional and cross-border banking experience garnered from leading institutions as detailed in his profile below. This information is also available on the Bank's website at www.fidelitybank.ng. Mr. Abolore Solebo will be presented for election at the 36th AGM.

Profile of Mr. Abolore Solebo

Abolore Solebo joins the Board of Fidelity Bank Plc with over 24 years of extensive financial services and general management experience in Corporate, Investment, Commercial, Retail and Transaction Banking, Enterprise-Wide Risk Management, Corporate Strategy and Consulting in Nigeria and the United Kingdom.

Since joining the Bank in 2008 as a Senior Manager, Abolore has held key positions including Head, Corporate Bank Directorate Analyst Group (2008); Division Head, Upstream (2010); Division Head, Energy & Power/Project Finance (2017) and serves on various Management Committees. Abolore was Acting Head of the Corporate Bank Directorate from 2021 until his appointment as Executive Director and is the recipient of several performance awards in the Bank. Before joining the Bank, Abolore worked at Shell International Trading and Shipping Co Ltd, London as a Credit Risk QA Analyst on the Global Credit Initiative Project for its global trading operations between 2007 and 2008.

He began his career as a Trainee Banking Officer at Citizens International Bank Plc in 1999. He later moved to Broad Bank of Nigeria Plc as a Banking Officer in 2002 after which he left for the UK and returned to Nigeria in 2008 to join the Bank. Aside from being a seasoned corporate banker with experience in various sectors of the economy, he is also an Energy Sector expert. Abolore is a keynote speaker and resource person on Oil and Gas matters in Nigeria and has been involved in multibillion dollar projects/finance transactions.

He holds an MBA from London Business School (UK), an MSc in Financial Management and Economics (Middlesex University, UK) with Distinction, and a BSc in Accounting from Ogun State University. He has attended executive management and leadership programmes at international business schools including Wharton, University of Pennsylvania and London Business School. Abolore is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria and a member of The Energy Institute UK (Nigeria Branch).

Request:

Shareholders are requested to vote in favour of the resolution for election of Mr. Abolore Solebo as Executive Director.

Resolution 4

Re-election of Mr. Chinedu Okeke and Mrs. Morohunke Bammeke as Non-Executive Directors.

Rationale:

In accordance with Section 285 of CAMA 2020 and Article 95(1) of the Company's Articles of Association, one-third of the Non-Executive Directors for the time being (or the number closest to it) are required to retire from office at each Annual General Meeting and if eligible, offer themselves for re-election at the same meeting.

The Directors to retire by rotation every year are those who have served longest in office since their last election. To give effect to the foregoing provisions, Mr. Chinedu Okeke and Mrs. Morohunke Bammeke shall retire by rotation at the 36th Annual General Meeting and being eligible, have offered themselves for re-election. The Board confirms that a formal evaluation was conducted to assess the performance of these Directors and recommends their re-election.

The profile of the Directors standing for re-election are detailed below and also available on the Bank's website at www.fidelitybank.ng.

Profile of Chinedu Okeke, Non- Executive Director

Chinedu Eric Okeke was appointed to the Board of Fidelity Bank as a Non-Executive Director in February 2021. He currently serves as the Managing Director of Azura Power West Africa Limited, an infrastructure development and operating company with special focus on emerging markets in Africa, including Nigeria and is a member of the Board of Trustees of the Association of Power Generation Companies.

Prior to joining Azura in 2014, Mr. Okeke had a stellar career spanning over nineteen years in a succession of blue-chip companies including Guinness Nigeria Plc, La Farge Plc, Schlumberger Oilfield Services, and General Electric (GE). His areas of interest and specialization across geographies (Nigeria, France, South Africa, Vietnam and Pakistan), includes Technology, Power, Corporate Strategy, Finance, Market Analysis and International Development.

Mr. Okeke has held executive and senior management positions in various climes, with direct responsibility for teams of diverse and multicultural professionals and demonstrated ability to develop and maintain strategic client relationships and deliver quality results under complex conditions. He holds a B.Eng. Degree in Electronic Engineering from the University of Nigeria, Nsukka (UNN) and an MBA from Imperial College, London. He has attended executive training programmes at various premier institutions including Gordon Institute of Business Science, South Africa; INSEAD, France; Graduate School of Business, Stanford, USA; College of Management, Georgia Institute of Technology, USA and GE John F. Welch Leadership Development Centre, USA.

Profile of Mrs. Morohunke Bammeke, Independent Non-Executive Director

Mrs. Morohunke Bammeke was appointed to the Board of Fidelity Bank in November 2021 and is currently the Managing Director of Cedar Capital Consult Limited, a financial advisory and business consultancy firm. She has impressive multi-functional work experience and cross-border exposure spanning Nigeria and the United Kingdom with proven expertise in diverse segments including Information Technology (IT), Banking Operations, Strategy, Business Origination, Corporate and Commercial Banking, Human Resources Development, Business and Financial Advisory, Internal Audit, Accounting, Pension Fund Administration and General Management. She has over thirty-three (33) years' experience in the financial services industry and has held key executive, leadership and management positions at notable institutions including GTBank Plc, GTBank UK Limited (as pioneer Managing Director), First Bank of Nigeria Plc (as General Manager and Group Head of Branch Operations) and Pensions

Alliance Limited (a leading Pension Fund Administrator in Nigeria where she served as Managing Director). She was an Independent Non-Executive Director on the Boards of Saro Agrosciences Limited and Palton Morgan Holdings Limited and a member of the Investment Committee of Trium Networks Limited.

Mrs. Bammeke holds a Bachelor of Science degree (First Class) in Computer Science with Economics from the University of Ife, Nigeria (now Obafemi Awolowo University, Ile-Ife). She obtained a Master of Science degree in Management from London Business School, UK as a Sloan Research Fellow and British FCO Chevening Scholar and holds a Prince2 Practitioner Certification in Project Management. She is a Chartered Information Systems Auditor (CISA) and Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). She has attended leadership and executive development programmes at world class business schools including INSEAD, France; IMD, Lausanne, Switzerland; IESE Business School, Spain, Harvard Business School, USA; Lagos Business School, Nigeria; Ross School of Business, USA and Strathmore Business School, Kenya.

Request:

Given their extensive experience, skills, background and impactful contributions during the year under review, the Board believes that Mr. Chinedu Okeke and Mrs. Morohunke Bammeke will continue to add value to the Board and the Company and requests that Shareholders should vote in favour of the resolution for their re-election.

Resolution 5

To authorize the Directors to fix the remuneration of the Auditors:

Rationale:

Section 408(1) (b) of CAMA provides that the remuneration of the Auditors shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine.

A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine the remuneration of the Auditors for the period of the appointment. In this regard, the Directors will be guided by the provisions of Section 404(7)(e) of CAMA which authorizes the Audit Committee to make recommendations to the Board on the appointment, removal and remuneration of the external auditors of the Company.

Request:

Shareholders are requested to vote in favour of the resolution authorizing the Directors to fix the remuneration of the Auditors for the financial year ending 31 December 2024.

Resolution 6

To disclose the renumeration of the Managers of the Company:

Rationale:

Sections 238 and 257 of CAMA provide that the ordinary business for Annual General Meetings should include an item on disclosure of the remuneration of the Managers of the Company. Premised on the foregoing, Shareholders are informed that the remuneration of the Managers of the Company is disclosed in Note 39 of the audited accounts for 2023.

Resolution 7

To elect members of the Statutory Audit Committee

Rationale:

By virtue of Section 404(2) of CAMA, all public limited companies are mandated to establish Audit Committees. The Act also requires that the Committee should be composed of a maximum of five (5) members, three Shareholders and two Non-Executive Directors.

Section 404(6) of CAMA specifically provides that a Shareholder may nominate another Shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

The responsibilities of the Audit Committee include the following:

(a) Ascertain whether the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices;

(b) Review the scope and planning of audit requirements;

(c) Review the findings on management matters in conjunction with the external auditor and departmental responses thereon;

(d) Keep under review the effectiveness of the company's system of accounting and internal control;

(e) Make recommendations to the board with regard to the appointment, removal and remuneration of the external auditors of the company; and

(f) Authorise the internal auditor to carry out investigations into any activities of the company which may be of interest or concern to the committee.

Shareholders are requested to vote at the meeting, to elect three members on the Audit Committee. The nominees would be presented to the meeting. Voting on this resolution will be conducted strictly by a show of hands in compliance with the provisions of Section 248(1) of CAMA or electronically.

Request:

Shareholders are requested to vote on the resolution to elect three (3) representatives to the Audit Committee for the 2024 financial year.

Resolution 8

To consider and if thought fit, pass the following as an Ordinary Resolution:

"That Directors' remuneration for the financial year ending December 31, 2024 and for succeeding years until reviewed by the Company at an Annual General meeting, be and is hereby fixed at N40,000,000.00 only for each Non-Executive Director and N60,000,000.00 for the Chairman of the Board of Directors".

Rationale:

Non-Executive Directors' remuneration is required to be approved by members at the Annual General Meeting in line with the provisions of Section 293 of CAMA. The remuneration of Directors is reviewed periodically to ensure that the Bank continues to attract individuals with the professional backgrounds, skills, experience and competencies that would complement the Board, support the achievement of the Bank's strategy, enrich deliberations of the Board and its Committees and improve the overall effectiveness of the Board.

The proposal for review of Directors' remuneration was preceded by a comprehensive industry survey undertaken in 2023 at the instance of the Board by the Bank's independent External Consultants on corporate governance (KPMG Advisory Services).

Request:

Shareholders are requested to vote in favour of the resolution for review of Non-Executive Directors' remuneration as detailed above.

Communications Policy

The Bank has a formal Communications Policy which complies with the Laws, Rules and Regulations guiding the Nigerian Banking Industry as well as the Codes of Corporate Governance issued by its primary and other Regulators. These includes the Banks and Other Financial Institutions Act (BOFIA), 2020 Companies and Allied Matters Act (CAMA), 2020 and the Corporate Governance Guidelines issued by the Central Bank of Nigeria and the Securities and Exchange Commission (SEC) Attention is also drawn to the following:

(a) **Efficiency**: The Bank uses modern communication technologies in a timely manner to convey its messages to target groups, while building synergies and strategic alliances across multi-media platforms.

(b) **Cultural Awareness**: The Bank operates in a multi-cultural environment and recognises the need to be sensitive to the cultural peculiarities of its operating environment.

(c) **Feedback**: The Bank actively and regularly seeks feedback on its image and communication activities not only from the media and target groups but also the general public.

Information Dissemination

The Bank's Brand and Communications Division oversees the implementation of the Communications Policy as well as the process of dissemination of information from the Bank. The Chief Human Resources Officer is responsible for ensuring that a copy of the Policy is available to each Fidelity Bank employee via the Bank's intranet while the Chief Audit Executive ensures compliance.

POS Agent List

As at March 7th 2024

S/N	Agent Name	Address	States
1	Amarachi Emmanuella Ejimofor	99 St Michael Road, Owerri	Abia
2	Orji Obinna Ukah	No 7 Urualla Street, O/Hills Aba	Abia
3	Kes Diagnostics And Clinical Support Centre Limited	98 Ikot Ekpene Road, Aba	Abia
4	Janeth Nwanne Chisom	No 91 Pound Road Aba	Abia
5	Emmanuel Nzenwata	Zone 3h Ubani Main Market Umuahia	Abia
6	Chinwe Martha Ukachukwu	3, West Of Mind Jos	North Central
7	Oliver Chimezie Onuoha	Mile 7 Nepa Zaria Road Jos	North Central
8	Charity Ijeoma Ogenyi	4/5 Museum Street Opp. Former Nitel ,Jos	North Central
9	Abraham Sado	Abundant Grace Medical Family Centre	North Central
10	Benjamin Oloche Agada	Nim Tree By Area 1 , Rayfield	North Central
11	Rabiu Isa Abdullahi	No 83 Dilimi Street Jos	North Central
12	Chinagorom Mercy Onwukaeme	Obinkita Arochukwu	Abia
13	Clinton Nmesoma Leonard	No 1 Plantation Avenue By Slaughter Old Express Aba	Abia
14	Oluchi Victoria Ekeh	No 9 Bolingo Plaza Cemetery Msrket Off Asa Road Abaabe	Enugu-Ebonyi
15	Oluchi Victoria Ekeh	No 9 Bolingo Plaza Cemetry Market Off Asa Road Aba	Enugu-Ebonyi
16	Bernice Motunrayo Oluwayemi	Lagos Road Abule Otun Lafenwa Abeokuta	South West I
17	Balikis Omobolaji Lateef	Araromi Street Isabo Abeokuta	South West I
18	Adebayo Samuel Alani	No 2 Oloruntele,Abeokuta Garage	Ikoyi
19	Blessing Idowu Balogun	9 Itesiwajuoluwa Cda Obada	South West I
20	Victoria Opeyemi Adelabu	10 Obe Compound Oke Arugba Abeokuta	Mainland III
21	Sulaimon Wasiu Opeyemi	No 7 Sagilogbe Agooko Abeokuta	South West I
22	Odesomi Adejoke Busirat	13, Ayinke Sodimu Street Abeokuta	South West I
23	Afolabi Oluwaseun Shade	No 74 Isabo Road Abeokuta	South West I
24	Dong Kangnian	Block 13, Plot 1,3,5, Ota Industrial Estate, Ogun State	South West I
25	Nurudeen Akanji Shorunke	9 Old Ayinla Road	Mainland Iii
26	Babatunde Francis Asabi	No5,Balogun Street Ilara,Ogun State	Ikoyi

To view comprehensive schedule; please visit **www.fidelitybank.ng/areakonnect/agent-locations/**

S/N	Agent Name	Address	States
27	Chibueze Clement Obi	54 Pipeline Road Ajuwon Ifo Ogun State	Ikeja
28	Ospa Ayotunrayo Ventures	118 Ibogun Street	Mainland III
29	Bilikisu Abike Mutalibi	Irepodun Cda, Arepo, Awela, Ijoko	South West I
30	Arafat Bukola Akinpelu	Francisca Street, Ayede Ifo C/S	South West I
31	Abiodun Abike Olakitan	No 62, Ifeloju Gasline	South West I
32	Micheal Abidemi Olorungbohunmi	02 Gbohunmi Close Ogun State	Ikoyi
33	Mujeeb Adewale Ibrahim	#5 Kelvin Street,	Mainland I
34	Olorungbohunmi Micheal Abidemi	No. 2 Gbohunmi Close Ogun State	Ikoyi
35	Olorungbohunmi Micheal Abidemi	No.2 Gbohunmi Close Ogun State	Ikoyi
36	Alice Amaka Okonkwo	26 Olatunji Crescent, Giwa Bus Stop	Ikeja
37	Tijani Bakare Ganiyu	No 8 Arinlowe Street Ifo Lagos	Ikoyi
38	Adepemi Shola Helen	K4 Kolawole Bamidele Mowe Ibafo	Ikeja
39	Balogun Omotayo Emmanuel	Elepete Babadisa Bus Stop	Victoria Island Lekki
40	Taiwo Joshua Nofiu	02, Adegbite Okearo	Mainland III
41	Temitope Samuel Ajibola	! Ajibola Street Kara	Ikeja
42	James Ekpem	35 Onipede Street	Ikeja
43	Olanrewaju David Ojo	22 Jehovah Sharma Close,Akute Ifo	Ikoyi
44	Olubusayo Esther Adeyemi	1 Unity Avenue Osere	Mainland Iii
45	Grace Olabisi Aribo	Agbegishe Olomu Road Ifo	South West I
46	Igbekele Emmanuel Egbuwalo	7 Sobode Street Tiper Garage Ifo Ogun State	Mainland Iii
47	Chinwe Theresa Okemefuna	20 Adaramodu Street	Mainland III
48	Philip Ayodeji	8 Ifesowapo Taiwo Bustop	Mainland III
49	Chidimma Augustine Kalu	Ani Sunday Compound, Off Njang Assam Street, Ikom.	Cross River Akwa Ibom
50	Precious Amarachi Okoro	No 77 Ibb Way, Calabar	Cross River Akwa Ibom
51	Uka Iroha	210cameroun Road Aba	Abia
52	Obumuneme Matthew Ugwuja	Zone A1 Block C Onuimo Market Imo State	Abia
53	Ikedichi Lucky Chukwu	Chief Fine Country Ekpos Compound	Abia
54	Ikechi Nwachinemere	Asika Ben Compound Umuagu Umuahia	Abia

To view comprehensive schedule; please visit **www.fidelitybank.ng/areakonnect/agent-locations/**

Forms & Detachables

A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his stead. All forms should be deposited at the registered office of the Registrar (as in the Notice) not later than 48 hours before the meeting.

Notes

Fidelity Bank Plc

Proxy Form

Fidelity

36th Annual General Meeting of **members of Fidelity Bank Plc.** to be held **virtually via https://www.fidelitybank.ng/AGM/** at **10.00a.m** on **Thursday, May 16, 2024.**

I/We____of__________________________________ being a Shareholder(s) of Fidelity Bank Plc hereby appoint Mr. Mustafa Chike-Obi or failing him, Mrs. Nneka Onyeali-Ikpe as my/our Proxy to act and vote for me/us on my/our behalf at the 36th Annual General Meeting to be held on the 16th day of May 2024 and at any adjournment thereof.

Dated this____________ day of___________________2024

Shareholder's Signature__________________________________ Account No. __________________________________

	NO	ORDINARY BUSINESS	FOR	AGAINST
I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (strike out whichever is not required).	1.	To receive the Audited Financial Statement for the year ended December 31, 2023, and the Reports of the Directors, Auditors and Audit Committee thereon.		
	2.	To declare a Dividend.		
	3.	To elect Mr. Abolore Solebo who was appointed as an Executive Director since the last Annual General Meeting.		
	4.	(a). To re-elect Mr. Chinedu Okeke as a Non-Executive Director.		
		(b). To re-elect Mrs. Morohunke Bammeke as an Independent Non-Executive Director.		
	5.	To authorize the Directors to fix the remuneration of the External Auditors for 2024 financial year.		
	6.	To disclose the remuneration of the managers of the Company		
	7.	To elect the members of the Statutory Audit Committee		
	NO	**SPECIAL BUSINESS**	**FOR**	**AGAINST**
	8.	*To consider and if thought fit, pass the following as an Ordinary Resolution*: That Directors' remuneration for the financial year ending December 31, 2024 and for succeeding years until reviewed by the Company at an Annual General meeting, be and is hereby fixed at N40,000,000.00 only for each Non-Executive Director and N60,000,000.00 for the Chairman of the Board of Directors.		

Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his discretion.

Signature of Person Attending ____

This proxy form should NOT be completed and sent to the registered office of the Registrar if the Shareholder will be attending the meeting.

Notes

(i) A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his stead. All proxy forms should be deposited at the registered office of the Registrar (as in the Notice) not later than 48 hours before the meeting.

(ii) In the case of Joint Shareholders, any of them may complete the form, but the names of all Joint Shareholders must be stated.

(iii) If the Shareholder is a corporation, this form must be executed under its Common Seal or under the hand of some of its officers or an attorney duly authorized.

(iv) The Proxy must produce the Admission Card sent with the Notice of the meeting to be admitted to the meeting.

(v) It is a legal requirement that all instruments of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of Shareholders must bear appropriate stamp duty from the Stamp Duties Office (not adhesive postage stamps).

Fidelity

Fidelity Bank Plc

Admission Card

For the 36th Annual General Meeting to be held virtually via https://www.fidelitybank.ng/AGM/
at 10:00a.m. on Thursday May 16, 2024

Please admit ______________________________ to the 36th Annual General Meeting of Fidelity Bank Plc.

Name of Shareholder: ______________________________

Account Number: | | | | | | | | | | |

Number of Shares Held: ______________________________

Signature of person attending ______________________________

- This admission card should be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
- You are requested to sign this card at the entrance in the presence of the Company Secretary or her Nominee on the day of the Annual General Meeting.

Fidelity Bank Plc RC103022

Fidelity

Fidelity Bank Plc

Admission Card

For the 36th Annual General Meeting to be held virtually via https://www.fidelitybank.ng/AGM/
at 10:00a.m. on Thursday May 16, 2024

Please admit ______________________________ to the 36th Annual General Meeting of Fidelity Bank Plc.

Name of Shareholder: ______________________________

Account Number: | | | | | | | | | | |

Number of Shares Held: ______________________________

Signature of person attending ______________________________

- This admission card should be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
- You are requested to sign this card at the entrance in the presence of the Company Secretary or her Nominee on the day of the Annual General Meeting.

Fidelity Bank Plc RC103022

Change Of Address/Shareholder's Data Update Form

Instructions: Please fill the form and return to the address below:

The Registrar,
First Registrars & Investor Services Limited,
2, Abebe Village Road, Iganmu,
P. M. B. 12692, Lagos, Nigeria.

Request For Change of Address

Kindly change my/our address in respect of my/our holdings in the company indicated below:

Fidelity Bank Plc ☐

Shareholder's Account Number (If Known)

Shareholder's Account Information

Surname/Company

Other Names

Previous Address

City

State

Present/New Address

City

State

Mobile Telephone

Email Address

Shareholder's Signature/Thumb Print

Joint/Corporate Shareholder(s) Signature
& Company Seal

NOTES

(a) When completed on behalf of a corporate body, each signatory should state the representative capacity, e.g. Company Secretary, Director, etc.
(b) When the holding is in more than one name, all of the security holders must sign.
(c) Please note that this request would not be processed if the signature(s) herein differs from that which appears in the Registrar's records.
(d) Please attach a copy of your CSCS Statement to this form as evidence that a CSCS Account has been opened for you.

The Registrar,
First Registrars & Investor Services Limited,
2, Abebe Village Road, Iganmu,
P. M. B. 12692 Lagos, Nigeria,

Fidelity

Affix A Recent Passport Photograph (individual)

Mandate For E-Dividend Payment

I/We hereby request that from now on, all Dividends due to me/us from my/our holdings in Fidelity Bank Plc should be paid directly to my/our Bank below:

Date (DD/MM/YY)

D	D	M	M	Y	Y	Y	Y

Item

(1) Fidelity Bank Plc

Shareholder's Account Number (If Known)

(2)*Surname/Company's Name (whichever is applicable)

(2.2) *Other Names

(2.3)* City

State

(2.4) Email Address

(2.5) Mobile Phone Number

(3)*Bank Name

(3.1)*Branch Address

(3.2)*Bank Account Number (10 Digit NUBAN Number)

(3.3)*Bank Sort Code (very Important)

(4)* Shareholder's Signature/Thumb Print

Joint/Corporate Shareholder(s) /Company Signatures

Company Seal/Incorporation Number (Corporate Shareholder)

(5)* **Authorised Signatures and Stamp of Banker**

The branch stamp and signatures of the authorised signatories of your bank are required to confirm that the signature(s) in box 4 is/are that of the shareholder(s) or an authorised signatory

NOTES

a) When completed on behalf of a corporate body, each signatory should state the representative capacity, e.g. Company Secretary, Director, etc.

b) When the holding is in more than one name, all of the security holders must sign.

c) All asterisked fields must be completed.

The Registrar,
First Registrars & Investor Services Limited,
2, Abebe Village Road, Iganmu,
P. M. B. 12692 Lagos, Nigeria,

Affix A Recent Passport Photograph (individual)

Unclaimed/Stale Dividend Warrant

I/We declare that i/we am/are the registered holder(s) of Fidelity Bank Plc shares. Till date, I/we am/are yet to receive my/our dividend warrant(s) payments no(s) .... (Please specify). In view of this, I/we request and authorise you to cancel the original dividend warrant(s) and credit my/our account below:

Item

Shareholder's Account Number (If known)

Date (DD/MM/YY)

D	D	M	M	Y	Y	Y	Y

(1) *Surname/Company's Name (whichever is applicable)

(1.1) *Other Names

(1.2) Address

(1.3) *Email Address

(1.4) *Mobile (GSM) Phone Number

(2) *Bank Name And Branch

(2.1) *Bank Account Number (10 digit NUBAN number)

Branch Sort Code

(3) I/We hereby authorise that the re-issued/re-validated dividend(s) be paid into my/our current account as indicated above.

(3.1) I/We hereby indemnify the company and registrar against all losses, actions, proceedings, demands, costs and expenses whatsoever which may be made, incurred or brought against them by reason of compliance with this request.

(4) Shareholder's Signature/Thumb Print

Joint/Corporate Shareholder(s) /Company Signatures

Company Seal/Incorporation Number (Corporate Shareholder)

The branch stamp and signature of the authorized signatories of your bank is required to confirm that the signature(s) in box 4 is/are that of the shareholder(s) or an authorised signatory.

NOTES

* When completed on behalf of a corporate body, each signatory should state the representative capacity, e.g. Company Secretary, Director, etc.
* When the holding is in more than one name, all of the security holders must sign.
* Please note that this request would not be processed if the signature(s) herein differs from that which appears in the Registrar's records.

Form For E-Bonus Shares

To:
The Registrar,
First Registrars & Investor Services Limited,
2, Abebe Village Road, Iganmu,
P. M. B. 12692 Lagos, Nigeria,

Re: Authority to credit CSCS A/C with Bonus Shares

Please take this as my/our authority to credit my/our under-mentioned account with Central Securities Clearing Systems (CSCS) Limited with all subsequent allotments and bonuses due on my/our shareholding(s) in Fidelity Bank Plc, from the date hereof.

1. Shareholder's Surname/Company's Name (Whichever is applicable)

Other Names

(First Name) (Other Names)

2. Shareholder's Account Number (If Known)
(As it appears on either your dividend warrant stub or share certificate)

3. Shareholder's CSCS Clearing House Number

4. Shareholder's Stockbroker

5. Shareholder's Mobile Telephone Number

6. Shareholder's E-mail Address:

Signature**
(Individual Shareholder)

Signature**
(Joint/Corporate Shareholders)

Company Seal

Dated this ______________ day of ______________________________ 20 ______

NOTES

a) When completed on behalf of a corporate body, each signatory should state the representative capacity, e.g. Company Secretary, Director, etc.
b) When the holding is in more than one name, all of the security holders must sign.
c) Please note that this request would not be processed if the signature(s) herein differs from that in the Registrar's records.
d) Please attach a copy of your CSCS Statement to this form as evidence that a CSCS Account has been opened for you.

www.fidelitybank.ng