GREENWICH
MERCHANT BANK

ANNUAL REPORT & ACCOUNTS 2021

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CORPORATE INFORMATION

DIRECTORS	
Mr. Kayode Falowo	Chairman
Mr. Bayo Rotimi	Managing Director
Mr. Benson Ogundeji	Executive Director
Mr. Tony Uponi	Non-Executive Director
Mrs Vivienne Bamgboye	Non-Executive Director
Mr. Segun Oloketuyi	Non-Executive Director
Dr. Olutoyin Okeowo	Non-Executive Director
Dr. Umar Faruk	Non-Executive Director
Ms. Daisy Ekineh	Independent Non-Executive Director
Mr. Philip Ikeazor	Independent Non-Executive Director
Mr. Anselm Orazulike	Non-Executive Director
Company Secretary:	
	Mrs. Omobola Makinde Plot 1698A, Oyin Jolayemi Street Victoria Island Lagos
RC. No.	
	Rc189502
TIN No.	
	00090444-0001
Registered Office:	
	Plot 1698A, Oyin Jolayemi Street Victoria Island Lagos
Bankers:	
	Access Bank Plc Ecobank Nigeria Plc Guaranty Trust Bank Plc Keystone Bank Limited Polaris Bank Limited United Bank for Africa Plc Wema Bank Plc Zenith Bank Plc
Solicitors:	
	Tokunbo Orimobi LP Banwo & Ighodalo Adedeji & Owotomo LLP
Auditor:	
	PricewaterhouseCoopers Chartered Accountants Landmark Towers 5B Water Corporation Road Victoria Island

BOARD OF DIRECTORS

Mr. Kayode Falowo
Chairman

He is a seasoned Investment Banker. He holds a BSc. (Hons) in Agricultural Engineering from the University of Ife (now Obafemi Awolowo University, Ile Ife) Oyo State in 1982 and an MBA (Finance) from the University of Benin.

He was a Council member of the Nigerian Stock Exchange and once served as the Chairman of the Capital Market Committee on Products and Business Development. He currently sits on the Board of the National Association of Securities Dealers (NASD) Plc., where he is also the Chairman of the Rules Committee.

Kayode Falowo is an active member of numerous professional and industry associations. He is a distinguished Fellow of the Chartered Institute of Stockbrokers, a Fellow of the Association of Investment Advisers and Portfolio Managers, a Fellow of the Association of Pension Funds of Nigeria, and a Fellow of the Certi ed Pension Institute of Nigeria. He is also a member of the Nigerian Economic Summit Group, the Lagos Chamber of Commerce & Industry, the Institute of Directors (IoD) Nigeria, the Institute of Management Consultants, and the Nigerian Institute of Management.
Council on Privatisation, member of the sub-committee on the Extractive Industry of the Bureau of Public Enterprises and a member of the National Bond Steering Committee.

He is the immediate past President and Chairman of Council of the Nigerian-British Chamber of Commerce (NBCC). He is also a Council Member of the Nigerian-Malaysian Business Council.

Mr. Falowo is the Chairman of Greenwich Registrars and Data Solutions Limited, Chairman of GTL Trustees Limited and Chairman of Meyer Plc. He sits on the Board of the Olusegun Agagu Foundation, and on the Board of Trustees at the University College Hospital Foundation Ibadan and the Ondo State Cancer Foundation.
Mr. Falowo is a Paul Harris Fellow and a major donor of the Rotary International Club. He is also a Member of the Metropolitan Club, Ikeja Golf Club, the Lagos Motorboat Club and the Ikoyi Club, Lagos.

Mr. Bayo Rotimi
Managing Director

Bayo has over 27 years' experience as an investment banking professional; having previously worked at Fountain Trust Merchant Bank, Lead Merchant Bank and FCMB Capital Markets Limited, where he rose to the position of Chief Executive Officer in 2008 before leaving to establish his own boutique Investment Banking Firm. He was previously the Chairman of the Investment Committee of ARM's Discovery Aggressive Growth, Ethical, Money Market, Fixed Income and Eurobond Funds with over N110 billion under management.

He holds a Bachelors Degree in Economics from the University of Lagos (1990) and a Masters Degree from the University of Sheffield, UK (1992). He has acquired significant experience over the years and has led the execution of numerous landmark transactions cutting across Corporate Finance, Capital Raising (debt, equities, and hybrids) and Financial Advisory services (Mergers & Acquisitions, Corporate Restructuring, Privatization Advisory and Project Finance).

Bayo is a Member of the Institute of Directors; Associate of the Certified Pension Institute; Member, Chartered Institute of Bankers and Member of the Advisory Board of the Enterprise Development Centre (EDC) of the Pan Atlantic University.

He taught Strategic Planning at the EDC and actively supports its Experts-in-Residence program that mentors emerging businesses. Bayo was an External member of Faculty at the Lagos Business School between 2009 and 2013. He also continues to serve on various market development-focused committees inaugurated by the Securities and Exchange Commission to facilitate the development of the Nigerian Financial markets.

Bayo Rotimi, as MD/CEO, provides leadership and direction to the Management Team and is responsible for driving the Company's overall strategic objectives and operational performance towards optimal value for stakeholders in line with global best practice.

BOARD OF DIRECTORS

Mr. Benson Ogundeji
Executive Director

He holds a first degree in Banking and Finance from Ogun State University, Ago-Iwoye. He is a Fellow of both the Chartered Institute of Bankers of Nigeria and Institute of Chartered Accountants of Nigeria. He has attended several training programmes both in Nigeria and overseas, including Competitive Strategy at INSEAD Singapore.

Benson Ogundeji is a consummate banker with 30 years' experience with various banks in Nigeria, including Nigerian American Merchant Bank Limited, MBC International Bank Limited, First Bank of Nigeria PLC, Guaranty Trust Bank PLC and Ecobank Nigeria Limited.

Prior to his joining Greenwich as an Executive Director, he was a General Manager at Ecobank and at various times, acted as the Business Head of Corporate Bank at Ecobank. He was also a Regional Account Manager with responsibility for account management across Africa with direct responsibility and oversight for several Relationship Managers within theEcobank Group.

Benson has at various times been a member of both the Annual Dinner and Membership Committees of the Chartered Institute of Bankers of Nigeria.

Over the years, Benson has led various teams either as Team Leader or Group Head in Corporate Bank covering several market sectors, including food and beverages, flour, cement and building materials, aviation/transportation, construction, soft commodities, oil and gas, healthcare and personal care, plastics and packaging, fertilizer and agriculture, trading, and logistics.

Benson is currently a Non Executive Director with Greenwich Asset Management Limited.

Dr. Olutoyin Okeowo
Non-Executive Director

Dr. Olutoyin Okeowo is the Managing Director/Chief Executive Officer of Metropolitan Motors Ltd. He has a wide range of experience having served on the board of several companies, including VT Leasing Limited, Meyer Plc., Greenwich Trustees Limited, Funds Electronic Transfer Systems Limited, Kabelmetal Nigeria Plc., Oasis Insurance Plc and TMJ Properties Limited. He started his career as a lecturer in the faculty of Business Administration, University of Lagos before he resigned to join the family business in 1986.
Dr. Okeowo is the Chairman of the Equipment Leasing Association of Nigeria (ELAN) and Chairman of the Board of Trustees of the University College Hospital (UCH) Ibadan Foundation. He is a member of the Governing Council of several institutions including the Nigerian Institute of Management (NIM), Ajayi Crowther University, Oyo State and Immanuel College of Theology, Ibadan. In recognition for his unwavering and outstanding dedication to the service, in 2019, he was conferred the honorary degree of Doctor of Science (D.Sc) Business Administration by Ajayi Crowther University.

He holds a master's degree in Management Science and Technology from the University of Wales, UK, Institute of Science and Technology. He is an alumnus of Lagos Business School and a Fellow of the Institute of Directors of Nigeria (IoD).

He is a member of Metropolitan Club, Victoria Island, Lagos.

BOARD OF DIRECTORS

Ms. Daisy Ekineh
Independent
Non-Executive Director

Ms. Daisy Ekineh holds a Bachelor of Arts in Economics and a Master of Arts in Development Studies, both from the Ohio University, Athens, Ohio, USA.

She has over thirty (30) years professional experience in the capital market with a strong focus in research, capital market development, corporate finance, mergers and acquisitions, financial reporting, corporate governance, and capital market regulation.

She has been a member of various committees, such as the Technical Committee of the Bond Market Steering Committee, Regulation and Capital Market Committees of the Financial Sector Strategy, Information Sharing Sub-Committee of the Financial Services Regulation Coordination Committee (FSRCC), amongst others.

She is currently the Chief Executive Officer at DSE Advisory Services Limited. Prior to that, she was Chief Operating Officer (COO) at Global Mandate Consulting Limited and the Commissioner-in-charge of Operations at the Securities and Exchange Commission, Nigeria. She was also the Acting Director-General of SEC from May 2009 to January 2010.

Dr. Faruk Umar
Non-Executive Director

A Harvard Business School Certified Corporate Director and a Fellow of the Institute of Directors (IoD), Dr Umar is an alumnus of Insead Institute, and Ahmadu Bello University, Zaria where he obtained his Bachelor and Masters degrees in Education and Educational Psychology in 1976 and 1979 respectively. He also obtained his Doctorate degree in Educational Psychology from University of Wisconsin, USA, in 1987.

Dr. Umar started his working carrier at the School of Preliminary Studies, Kano as a Lecturer in 1977. Between 1983 and 1984, he served as the Permanent Secretary, Special Duties, with Kano State Government and later worked as Manager, Research and Educational Services, at Kano State Foundation from 1988 to 1991. A Boardroom guru, Dr. Umar had served as a member on the Boards of Ashaka Cement Plc, Union Homes Savings and Loans Plc , CCNN Plc ,1004 Estates Limited and Nahco Plc among others. He is currently the Chairman , Board of Governors , Pearls Awards Nigeria .

Dr. Umar was a member of several Audit Committees and now serves on the Audit Committees of Seplat Plc , and Nascon Plc

Dr Umar has attended several Executive courses organized by Euro Money Solutions and a course on Accounting and Finance for Non – accounting Executives at Stanford University in the USA .Dr Umar was a member, Finance Committee, Vision 20:2020 and also a member of the Committee that reviewed the Investment and Securities Act, as well as the Committee that reviewed the Companies and Allied Matters Act (CAMA)and Trustees Investment Act (TIA).

Dr. Umar was the National President of Rumfa Old Boys Association from 2009-2011 and currently the President of the ABC/ABU Alumni Association He currently holds the title of Babalaje of Inisa Land. Dr Umar has also been appointed as a Non-Executive Director of the Nigerian Exchange Limited.

BOARD OF DIRECTORS

Mr. Tony Uponi
Non-Executive Director

Mr. Tony Uponi graduated with a Bachelor of Laws (LL.B Hons) degree from the University of Benin in 1986, and immediately proceeded to the Nigerian Law School where he graduated with a second class upper and was accordingly called to Bar in October 1987. He subsequently pursued a postgraduate programme leading to the award to him, of a Master of Laws (LL.M) degree (with specialisation in Company Law) from the University of Lagos in 1992.

Upon completion of his postgraduate programme, Mr. Tony Uponi established the Law Firm of Marriot Solicitors where he has been the Principal Partner since 1992.

He has over the past 32 years, been fully engaged in private legal practice. He was conferred the status of a Notary Public by the Supreme Court of Nigeria in Year 2009.
Mr. Tony Uponi is registered as a Capital Market Consultant by the Securities & Exchange Commission and is a member of the Capital Market Solicitors Association.

He has played an active role as a Solicitor and Legal Consultant on several landmark mergers, acquisitions, capital raising and other transactions in the financial services sector.

He presently sits as a Director in several reputable Companies including Meyer Plc, Citadel Nominees Limited,Greenwich Trustees Limited, and Davennis Limited.

He has attended several local and international seminars as well as training programs organised for Directors.

Mrs. Vivienne Bamgboye
Non-Executive Director

Vivienne Bamgboye holds a BA in English and Drama (Ahmadu Bello University) and an LLB (University of Ibadan). She was called to the Nigerian Bar in 1989. She is a certified PRINCE2 project manager and holds a PGD in Youth Social Work (Goldsmiths College, University of London). She also has a certificate in Executive Coaching from the University of Cape Town and The Coaching Academy, UK.

Vivienne is an organisational and human capacity development practitioner with 30 years' experience that spans corporate and public law, policy advisory and development consulting both in Nigeria and the UK. She has a track record of designing consulting solutions for organizational transformation or institutional change.

She started her professional career as a practice attorney at the Rhodes & Rhodes law firm before moving to public law advocacy in the UK. She has also served as team leader for capacity building in the Federal Ministry of Education and Team Lead for the advisory team at the Federal Ministry of Agriculture & Rural Development.

As Lead Consultant at the Oye Centre for Learning & Development, she has led project teams to oversee high impact people development and organisational restructuring projects for private sector clients & multinationals.

BOARD OF DIRECTORS

Mr. Segun Oloketuyi
Non-Executive Director

Mr. Segun Oloketuyi is a consummate banker with over three decades of banking and managerial experience. He was the Managing Director/Chief Executive Officer of Wema Bank Plc until his retirement in September 2018.

Segun is a Fellow of the Institute of Chartered Accounts of Nigeria (ICAN), a graduate of Chemistry and a post-graduate diploma holder in Chemical Engineering both from the University of Lagos. He started out in 1985 as an Audit Trainee with the then Akintola Williams and Co. (Chartered Accountants), now Deloitte & Touche. He is an MBA Alumnus of the Lagos Business School and the Advanced Management Programme of INSEAD, Fontainebleau, France.

A 2007 recipient of the Distinguished Alumni Merit Award of the University of Lagos and 2015 Deloitte Distinguished Alumni Award, he holds the Fellowships of the Institute of Directors and the Chartered Institute of Bankers of Nigeria.

He is a member of Ikoyi Club.

Mr. Philip Ikeazor
Independent Non-Executive Director

Philip Ikeazor has over 30 years' experience in the financial services industry. He has held various board positions notably as the CEO of Keystone Bank Limited, CEO of Ecobank Kenya Limited, Executive Director, Union Bank Nigeria, Director of Union Bank UK PLC, and Director of the Orient Bank Uganda. Philip also served as a member of the governing board of ICRISAT –International Crop Research Institute for the Semi-Arid Tropics, India (a member of the World Bank-led Consultative Group on International Agric. Research).

Philip has a BSc. Economics from the University of Buckingham UK. He is an Alumnus of Wharton-CEIBS-IESE Business School Global CEO Programme and attended executive programmes at Harvard Business School and Wharton School of Business.

He is a Fellow of the Institute of Chartered Accountants of Nigeria, Fellow Chartered Institute of Bankers of Nigeria, and a Fellow of the Chartered Institute of Taxation of Nigeria.

BOARD OF DIRECTORS

Mr. Anselm Orazulike
Non-Executive Director

Mr. Anselm Orazulike holds a BSc. Hons in Finance (Second Class Upper division) from the University of Nigeria, Nsukka, and Masters in Business Administration (MBA) also in Finance from the University of Lagos.

He has over 23 years' experience in banking covering Investment Banking, Development Banking, Corporate Banking, Commercial Banking, Retail Banking, Branch Banking, Public Sector, Treasury and Money Market and Risk Management.

After rising to the highest level of Executive Management in both FSB International Bank (now Fidelity Bank) and Equitorial Trust Bank (now Sterling Bank), he voluntarily left the banking industry in late 2009 to set up the Spectrum Group in early 2010 which is an emerging local conglomerate with diverse interests in investment services, consulting and project management, marine and shipping, oil and gas services and real estate.

He served as a member of the Technical Committee set up by the Federal Government of Nigeria that crafted the Vision 2010 agenda in the middle to late 1990s

He was a pioneer member of the Nigerian Economic Summit Group (NESG) representing FSB International Bank Plc (a think-tank group set up by the organized private sector to advise government on key national and economic issues).

Apart from core banking courses, seminars, and attachments he attended in such banks as Bank of America, USA, Midland Bank London, and Euromoney/DC Gardner London, Mr. Orazulike is a widely travelled person and has attended several executive and high-level management programs in Nigeria, Europe and USA. He is an alumnus of Institute for Business Education (INSEAD) Fontainebleau France, International Institute for Management Development (IMD) Lausanne, Switzerland and Harvard Business School, Boston Massachusetts, USA.

Mr. Orazulike is a Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN), Fellow of the Nigerian Institute of Management (FNIM), Fellow of the Institute of Management Consultants (FIMC), Certified Management Consultant (CMC), and Associate Fellow of the African Institute for Applied Economics (FAIAE now Heritage Institute).

Apart from being a Director of Greenwich Merchant Bank Limited, where he is the Chairman of the Board's Committee on Risk Management as well as a member of the Board's Audit Committee, he also serves on the Board of a few other companies.

He also gives back to society through his ANSELM ORAZULIKE FOUNDATION. Mr Orazulike is married with children and is a member of the Ikoyi Club 1938 and Lagos Motor-Boat Club, Ikoyi, Lagos.

EXECUTIVE MANAGEMENT TEAM

Bayo Rotimi
MD/CEO

Mr. Benson Ogundeji
Executive Director

Mr. Tubosun Falowo
Chief Operating Officer

Mrs. Omobola Makinde
Company Secretary

Mrs. Ebuwa Babajide
Head, HCM & Admin.

Mr. Adewale Adeniyi
Chief Finance Officer

Mr. Kenneth Ero
Head, Investment Banking

Mr. Ayobami Babalola
Chief Risk Officer

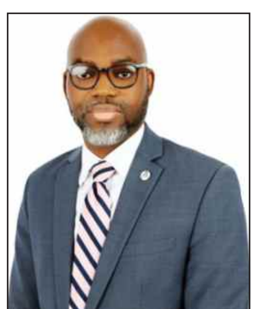
Ms. Eniola Osula
MD Greenwich Securities Limited

Mrs. Kehinde Olomojobi
Treasurer

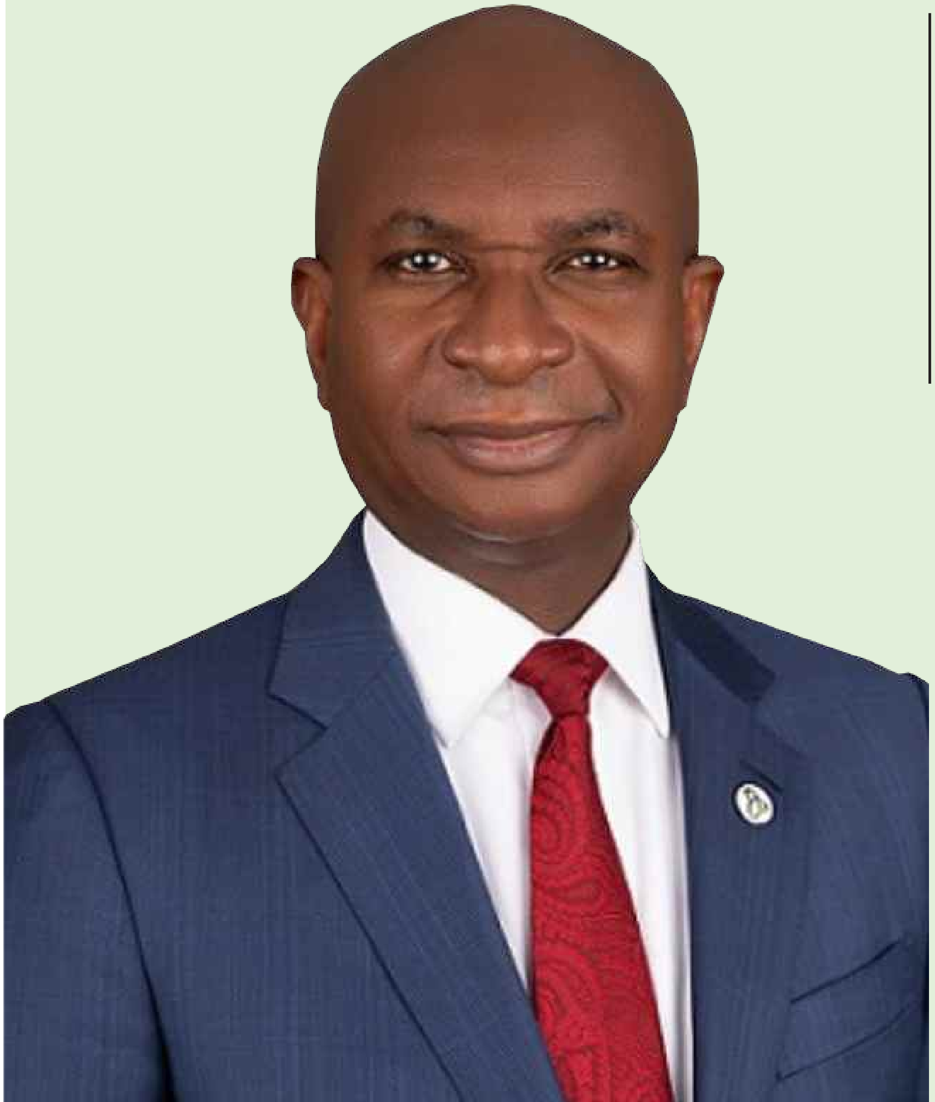
Mr. Obus Orovwuje
Divisional Head, Corporate Banking

Mr. Femi Aderibigbe
Chief Information Officer

Mr. Rasaq Alawode
Ag. Chief Internal Auditor



Mr. Tayo Lawal
Ag. Chief Compliance Officer



CHAIRMAN'S STATEMENT

Distinguished Shareholders, Members of the Board of Directors, Ladies and Gentlemen, It is with great pleasure that I welcome you to our 27th Annual General Meeting as a Company and 2nd Annual General Meeting as a Merchant Bank. I present to you the Annual Report and Financial Statements for the financial year ended December 31, 2021.

First, I would like to congratulate you all as our institution marked its one-year anniversary as a merchant bank on October 2, 2021. Your continued support and dedication over the past year has enabled us to emerge a stronger and better institution regardless of the economic and health challenges that we faced in the past 2 years.

MACROECONOMIC REVIEW

In 2021, the global economy rebounded strongly from the shocks induced by the Covid-19 pandemic. This was as a result of the rapid development and rollout of vaccines and an unprecedented level of support from governments and multilateral organizations. The easing of lockdown measures led to improved economic activities which translated into increased production activities, energy demand and commodity demand. Conversely, world economies experienced record levels of inflation, arising from robust consumer demand, the ripple effect of several fiscal stimulus packages and higher global commodities prices resulting from supply chain disruptions.

CHAIRMAN'S STATEMENT cont'd

Nigeria witnessed improved economic activities which translated into a resounding economic growth performance in all four (4) quarters of the year, as reported by the National Bureau of Statistics (NBS). Following the reversal of the recession in Q4 2020, the economy grew by 0.51%, 5.01%, 4.03% and 3.98% in Q1, Q2, Q3 and Q4 respectively. Overall, in 2021, the annual growth of the GDP stood at 3.40% from -1.92% recorded in 2020.

This remarkable performance was attributable mainly to growth in the non-oil sector, specifically the Trade, Telecommunication, Financial Institutions, Manufacturing and Agricultural sectors. The Manufacturing Purchasing Managers' Index (PMI) closed the year above the 50-index point benchmark, recording 52.0 points in December 2021 from 44.9 points in January 2021.

This indicated a gradual recovery of output growth, driven largely by the increase in new orders associated with rising aggregate demand and an upward swing in business activities. The Non-Manufacturing PMI improved significantly but still remained below the 50-index point benchmark and recording 48.0 index points in December 2021.

In a bid to sustain the flow of credit to productive sectors of the economy, the Central Bank of Nigeria (CBN), through the Monetary Policy Committee (MPC), maintained its stance, retaining all parameters throughout the year with the Monetary Policy Rate (MPR) and Cash Reserve Ratio (CRR) closing at 11.50% and 27.50% respectively. The CBN had cut the benchmark interest rate in September 2020 as part of strategies to aggressively boost credit to the real sector and stimulate output growth in the face of economic recession triggered by the COVID-19 pandemic.

During the year, Nigeria experienced very high levels of inflation, with its headline inflation rate reaching as high as 18.17% YoY at the end of the first quarter in 2021, having trended upwards for twenty (20) consecutive months. According to the NBS, the average inflation rate in 2021 stood at 16.98% compared to 13.21% recorded in 2020.The rising inflation trajectory was anchored on higher food prices locally and exacerbated by the imported food component of the Consumer Price Index (CPI), which in turn reflected the volatile exchange rate environment. However, we saw moderation after March 2021, setting the stage for a straight eight-month deceleration up till November with an index of 15.40%. The inflation rate was at 15.92% in March 2022.

The exchange rate saw multiple instances of sharp depreciation over the course of the year. The parallel market experienced the worst of it, with a 22.8% depreciation putting it at NGN565/USD on the last day of December 2021. This was driven by high demand for dollars amidst the low supply. The lack of supply was further aggravated by the CBN's decision to stop the sale of dollars to Bureau De Change Operators (BDCs) citing that they were operating contrary to existing agreements that guided their sales and thus contributing to the manipulation of exchange rates. In May 2021 the CBN adopted the Nigerian autonomous foreign exchange (NAFEX) rate as the official exchange (interbank) rate. However, the rates remained under pressure as the interbank rate averaged at N412/USD and rates on the Investor's and Exporter's FX Window (I&EW) weakened to NGN435/USD in December 2021 from January's NGN394/USD.

Nigeria's foreign reserve witnessed significant growth of 14.6% to close the year at $40.52 billion. The rise in reserves above the $40 billion mark can be attributable to the Special Drawing Rights (SDR) of $3.35 billion allocated to Nigeria in August 2021 and the issuance of a $4 billion Eurobond in September 2021. The CBN had also introduced other strategies such as the 'Naira 4 Dollar' Scheme and the licensing of new International Money Transfer Operators (IMTOs) to support foreign exchange inflow, particularly through diaspora remittances. It is also hoped that Nigeria would be able to attract significant foreign investments in 2022 following the implementation of the Petroleum Industry Act. The equities market continued to witness improved liquidity in the system with an associated decline in yields. This sufficiently placed the equities market on the bullish side in 2021.

CHAIRMAN'S STATEMENT cont'd

The participation of domestic investors improved significantly compared to 2020, as domestic participation accounted for 77.12% of the market against 66.37% in 2020. The reopening of businesses and normalisation of economic activities, associated with revenue diversification in Nigeria drove positive sentiments in the equities market. Therefore, the Exchange closed the year with 6.07% growth despite fears that the Omicron variant will take a heavy toll on stock investors' risk appetites.

At the end of December 2021, the Primary Market Auction stop rates on government treasury bills were 2.49%, 3.45% and 4.90% for the 91-day, 182-day and 364-day bills, respectively, as compared to the January 2021 figures of 0.50%, 1.00% and 1.50%. The average yield in the fixed income space rose to 10.2% YTD as of December 2021, up from 5.1% in FY-2020.

This was largely supported by increased domestic debt financing, and demand for higher rates from private sector money managers.

PERFORMANCE REVIEW

Despite the challenging environment in 2021, we were able to leverage the inherent opportunities within the business environment to record a performance that futher attests to our resilience as a brand. The group's gross earnings grew by 102% to N6.48 billion from N3.21 billion in 2020. As a result, we recorded an operating income of N4.95 billion, representing an increase of 66% from N2.98 billion in 2020. Profit Before Tax (PBT) increased by 87.6% to NGN2.43 billion from NGN1.3 billion recorded in 2020 while Profit After Tax (PAT) rose by 86.2% to close the year at NGN2.15 billion from NGN1.16bn in 2020. The total deposit for the year 2021 was NGN47.6 billion, representing a 9247% increase over the previous year's figure of NGN509.8 million. In addition, the group's total asset rose by 196.89% to NGN103.1 billion from N34.73 billion recorded in 2020, while Shareholder's fund was up by 3.29% to NGN26.56 billion from NGN25.72 billion recorded in December 2020.

Following due consideration of the financial performance, the Board hereby proposes a final dividend of N0.17 kobo per share for the year 2021.

GOVERNANCE

As a Bank committed to strong corporate governance standards, we ensure all our Board appointments are in line with international best practices and global regulatory standards. During the year, the DCSL Corporate Services Limited was engaged to conduct a Board evaluation and corporate governance audit on the Group. The report showed that the Group substantially complied with the provisions of the Corporate Governance codes and that the activities of the Board and the Group significantly aligned with corporate governance best practices.

Governance of the Bank's subsidiaries is a key part of the Bank's risk management and compliance framework. The governance framework is implemented through the creation of robust systems and processes. These mechanisms ensure that subsidiary entities reflect similar values, ethics, processes and controls as the parent company, while remaining independent in the conduct of their business. The Boards of the subsidiaries (Greenwich Securities Limited and Greenwich Asset Management Limited) were reconstituted and strengthened during the year as we received the Securities and Exchange Commission's "No Objection" approval on the appointment of new directors for the Boards of the subsidiaries. There were no changes to the composition of the Board of the Bank during the period under review.

INVESTMENT IN TECHNOLOGY

As an innovation driven Bank, we acquired majority of our IT resources within our first year as a merchant bank. Some of these IT resources include corporate internet banking, NIP Inwards, NIBSS Automated Payment System, eBillsPay Portal for Collections, Remita STP, NIP In-Branch - Single Debit Multiple Credit (SDMC) and Single Transfer, FX Purchase Integration and Portal, Finacle FI RestFul API amongst many others. We remain committed to leveraging technology to deploy innovative products and services that will cater to the varied appetites of our customers in a constantly changing world, as well as create value for our highly esteemed shareholders.

CORPORATE SOCIAL RESPONSIBILITY

At Greenwich Merchant Bank, we are passionate about the role we play in empowering people and driving societal progress. As a result, our Bank in collaboration with other associate companies within the Greenwich Group birthed the Greenwich Foundation during the year under review. The Foundation was incorporated on July 6, 2021, with a vision to impact lives positively. It is established solely for the purpose of promoting public good with its aims and objectives centred on Education, Health, and the Girl Child. In 2021, the Foundation implemented some CSR projects with our support and that of other funding partners.

OUTLOOK FOR 2022

Although the outlook for the global and domestic economies remains largely uncertain due to the resurgence of new variants of COVID-19, most economic projections suggest continuous growth in 2022 supported by vaccine rollout and continued supportive financial conditions across economies. The World Bank expects global economic output to expand by 4.1% in 2022, while the International Monetary Fund (IMF) projects a more optimistic growth rate of 4.4% in 2022.

The Nigerian economy is expected to continue on its expansionary trajectory despite it being a pre-election year and possible uncertainties arising from political tensions. The IMF has projected a growth rate of 2.7% for Nigeria in 2022 while the Federal government projects a more optimistic growth rate of 4.2%. The continued intervention by the CBN, early implementation of the 2022 budget, government expenditure on capital projects and intensified credit facilities to the private sector is set to spur the performance and growth in the non-oil sector, especially in the Trades, Manufacturing, and Agricultural sectors. Also, the improved activities in the global oil market which have elevated global oil prices is expected to buoy the nation's revenue generation. However, contemporary structural issues such as lack of infrastructure, insecurity, oil bunkering, weak consumer spending, etc. still linger and may put a cap on the economic performance of the country.

The work we have done in strengthening our governance structures groupwide, and in improving our business and operating models in 2021, position our Bank to benefit from these expansionary trends and to achieve significant market share gains across our operations. The Board is committed to growing the businesses within the Group in a sustainable and innovative way by taking advantage of these opportunities in order to sustain earnings and improve profitability as we strive to become a world-class and modern financial enterprise.

APPRECIATION

In closing, I would like to sincerely appreciate our customers for their unflinching loyalty, our Management and Staff for their dedication and our regulators for their support and understanding. I also wish to thank our esteemed directors for their vision and exemplary leadership in ensuring that your Bank does not falter in the pursuit of its mission and objectives. Last but certainly not the least, I wish to commend our distinguished Shareholders for your understanding and support over the years.

Thank you and God Bless

KAYODE FALOWO
Chairman
FRC/2014/CISN/00000007051

CEO'S STATEMENT

Esteemed Shareholders,

It is with great pleasure that I present our Annual Report and Accounts for the year ended 31st December 2021. For us at Greenwich Merchant Bank Limited, 2020 remains indelible in our minds as we completed the transition to a full-fledged Merchant Bank and are positioned to sustainably deliver value to our stakeholders and meaningfully contribute to economic advancement in Nigeria.

The year 2021 was critical to us as it was the first yardstick to evaluate our long-term viability in the Nigerian financial sector. I am delighted to share that we recorded notable transactions, onboarded new customers, facilitated strategic partnerships, expanded our investor base, and strengthened our regulatory relationships during the period.

We supported the Federal Government to raise the largest Sukuk Bond in the history of Nigeria. This landmark transaction generated N846bn in subscriptions while N250bn worth of bonds were allotted. The Sukuk was issued to support the construction and rehabilitation of critical economic infrastructure across the Nigeria's six geopolitical zones.

CEO'S STATEMENT cont'd

REVIEW OF BUSINESS ENVIRONMENT

The global economy recovered strongly from the impact of the pandemic in 2021 due to the robust fiscal and monetary policies in major economies, the ongoing deployment of vaccines, rise in consumer demand and increased investments. Hence, the IMF recorded a global GDP growth of 6.1% for 2021, a significant improvement from -3.1% recorded in 2020.

In 2021, global crude production averaged 27.88 mb/d with major output growth recorded from Angola, Saudi Arabia, Iraq, and UAE whereas production declined in Libya and Nigeria. Nigeria recorded a decline in crude oil production of 1.38 million bpd in 2021, down from the 1.58 million bpd recorded at the end of 2020. On the other hand, global demand for crude oil continued its strong recovery due to expansion in COVID-19 vaccination rates and relaxed pandemic-related restrictions. At the beginning of the year, the spot price for Brent crude stood at $50.67 per barrel and increased to a year high of $86.21 per barrel in late October before experiencing declines in the final weeks of the year. An annual average price of $71.09 per barrel was recorded during the year indicating the highest price level in the last three years.

Likewise, the global markets witnessed a steady rise as equities ended the year 2021 with an aggregate return of 22.35%; whereas developed stock markets rose by 19.04%, emerging markets declined by -2.22%.

Notwithstanding the notable economic growth recorded in 2021, some significant challenges persisted; noteworthy of which was the supply chain challenges that led to an uptick in core-inflation across major economies. The supply chain crisis also resulted in labour shortages, disrupted production, and created an imbalance in demand and supply of goods. The shortage of ships and containers at major seaports around the world also led to increased freight cost on routes from Asia to Europe as well as from China to the West Coast of the United States.

Within the year, the Nigerian economy which plunged into recession in Q3: 2020 on account of the pandemic rebounded in 2021 and closed with a GDP growth rate of 3.65%. On the Foreign exchange front, the Naira continued to decline due to increased demand amidst low dollar supply. The currency was adjusted to NGN379/USD at the beginning of the year and thereafter reached a year high of NGN414.29/USD. At the Investors and Exporters FX Window (I&EW) the Naira weakened by 10.32% as it opened the year with NGN394.30/USD and fell to NGN435/USD at the end of the year.

The Monetary Policy Committee (MPC) of the Central Bank kept the Monetary Policy Rate (MPR) at 11.5% all year-round in its bid to support economic recovery, engender price stability, and long-term growth. However, Nigeria's significant fiscal deficit resulted in increased borrowing to finance the budget shortfalls. In 2021, the Federal Government of Nigeria (FGN) took on additional debt of NGN6.7trn, increasing the Country's total debt stock to NGN39.6trn by year end.

THE BANKING INDUSTRY

The apex regulator continues to implement policies and initiatives aimed at stimulating the economy and maintaining steady exchange rates for the Naira. To drive the growth of diaspora remittances and curb sharp practices in foreign exchange market, CBN implemented measures including stopping of the sale of foreign currencies to Bureau De Change for retail transactions, mandating of payment of diaspora remittances directly into beneficiaries' accounts, and payment of N5/$ incentive on diaspora remittances.

To promote export earnings, CBN introduced the 100 for 100 initiative for provision of 100-day finance for selected 100 companies with projects that have potentials to significantly increase domestic productivity, reduce imports, increase non-oil exports, and create improvements in the foreign exchange generating capacity of the economy. The introduction of the guidelines for the Agricultural Credit Guarantee Scheme Fund for loans granted by lending banks for agricultural purposes was targeted at increasing the level of bank credits to the agricultural sector.

CEO'S STATEMENT cont'd

At the tail end of the year, CBN rolled out eNaira, the Country's first digital currency. It made a debut on the 25th of October 2021 and successfully completed N46.3 million worth of transactions in less than two weeks of launch.

CAPITAL MARKET PERFORMANCE

In 2021, the equities market maintained its positive trajectory. Specifically, the All-Share Index (ASI) rose by 6.07% in 2021 to 42,716.4 while the market capitalization stood at NGN22.3trn. However, this was lower than the gains attained in 2020 when the ASI rose by 50.03% to close at 40,270.72.
On the sector indices, Oil and Gas (+31.9%), Insurance (+10.6%) and Consumer Goods (+2.5%) closed in the green while the Banking (-31.5%) and Industrial (-2.4%) ended the year bearish.
With a tight system liquidity, yields were mostly high all through 2021.

The Primary Market Auction (PMA), 91-day, 182-day and 364-day NT-bills closed at stop rates of 2.49%, 3.45% and 4.90% from a year low of 0.5%, 1.00% and 1.50% at the first auction in 2021. In the secondary market as well, average yield rose by 0.84%, 8.58% and 8.57% in the Bond, OMO and NT-bills market, to end the year at an average of 11.55%, 4.43% and 5.5% respectively.

2021 FINANCIAL REVIEW AND PERFORMANCE

The Bank Group recorded a significant growth delivering a 102.39% increase in topline revenue of NGN6.49bn in 2021 compared to NGN3.21bn in 2020. Net interest income growth doubled from its previous figure by 104.8% from NGN1.2bn to NGN2.5bn. Unlike 2020, the non-interest income went up by 45.34%, driving the figure from NGN1.9bn to NGN2.8bn. Also, operating income rose by 66.08% from NGN3.0bn to approximately NGN5.0bn while operating expenses surged by 49.52%. Consequently, this resulted in 86.2% increase in Profit After Tax from NGN1.2bn from the previous year to NGN2.2bn.

Total assets of the Group rose by 196.89% to NGN103.10 bn in 2021 from NGN34.73 bn in 2020. Similarly, the total liabilities of the Group rose by 749.56% to NGN76.54bn from NGN9.01bn while total equity increased by 3.29% to NGN26.56bn from NGN 25.72bn.

At the Bank level, the result showed a healthy performance with a strong Capital Adequacy ratio of 131.68% and a Liquidity ratio of 134.59%.

CONCLUSION

As the Country prepares for the 2023 general elections, we envisage cautious optimism from global and local investors especially with regard to capital projects and fund raising. However, by aligning technology to refined business processes, Greenwich Merchant Bank remains committed to seeking out opportunities that ensure rapid growth of its Strategic Business Units and improved revenue streams.

Finally, my profound appreciation goes to the members of the Board for their unflinching support in the year 2021. We also could not have achieved these impressive results without the unparalleled commitment of the Management and Staff of Greenwich Merchant Bank and those of her subsidiaries.

To our clients, shareholders, partners, and associates, we thank you for the confidence you have reposed in our ability to sustainably deliver value.

Bayo Rotimi
Managing Director/Chief Executive Officer

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting of **GREENWICH MERCHANT BANK LIMITED** will hold virtually at Plot 1698A, Oyin Jolayemi Street, Victoria Island, Lagos on Thursday, May 19, 2022, at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the year ended December 31, 2021, together with the report of the Directors and Auditor's thereon.

2. To declare a dividend.

3. To re-elect retiring Directors.

4. To authorise the Directors to fix the renumeration of the Auditors.

5. To disclose the remuneration of Managers of the Bank.

SPECIAL BUSINESS

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

6. "That the Director's fees for the financial year ending December 31, 2022, be and is hereby fixed at N15,000,000 (Fifteen Million Naira only) for the Chairman and N12,000,000 (Twelve Million Naira only) for other Non-Executive Directors".

To consider, and if thought fit, pass the following resolutions as Special Resolutions of the Bank:

7. "That the Directors be and are hereby authorized to give effect to Regulation 13 of the Companies Regulations 2021 and the Corporate Affairs Commission (CAC)'s extension granted on April 16, 2021 which requires that any share capital of a company that remains unissued after December 31, 2022 shall not be recognized as forming part of the share capital of the Company until the share capital of the Company is fully issued or reduced accordingly", by carrying out any of the following options:

a. To issue in part or in whole the unissued shares of the Company as a Rights Issue to shareholders of the Company according to the proportion of their shareholding.
b. To issue in part or in whole the unissued shares of the Company as Bonus shares to the shareholders of the Company according to the proportion of their shareholding.
c. To offer for subscription the unissued shares in part or in whole to new investors subject to the Memorandum and Articles of Association of the Company.
d. To cancel in part or in whole any of the unissued shares of the Company."

8. That the Articles of Association of the Company be amended by the addition of the following provisions set out below and that the Articles of Association of the Company as amended be adopted in substitution for, and to the exclusion of the existing Articles of Association:

EMPLOYEE SHARE OPTION PLAN

a. The Company may create, offer, allot and issue shares to its employees including its directors as the applicable rules and regulations may allow, under an employee share option plan or any other incentive plan, subject to regulatory approvals (if applicable); the rules, terms and conditions of the employee share option plan (as may be amended from time to time); and the applicable guidelines made there under, by whatever name called.

b. Notwithstanding anything contained in these Articles and subject to the provisions of the Companies and Allied Matters Act (as amended or modified from time to time), the Company may purchase its own shares or other specified securities for the purpose of an employee share option plan. The powers conferred under these provisions or Article may be exercised by the Board of Directors, at any time and from time to time, where and to the extent permitted by applicable laws.

c. The Board of Directors on behalf of the Company shall have the authority to evolve, bring into effect the employee share option plan, allot shares in relation thereto and make any modifications, changes, variations, alterations,

NOTICE OF ANNUAL GENERAL MEETING cont'd

or revisions in the said plan from time to time and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose.

d. Any pre-emptive rights and provision whereunder the Company's shares must first be offered to existing shareholders shall not apply to any purchase, issue, or subscription of shares, being a purchase, issue, or subscription of shares under an employee share option plan.

e. The rights, interest, restriction, and limitation attached to the shares issued or subscribed to under the employee share option plan shall be without prejudice to statutory provisions and be subject to the rules, terms, and conditions of the employee share option plan."

Dated this 28th day of April 2022
BY ORDER OF THE BOARD

OMOBOLA MAKINDE
Company Secretary
FRC/2015/NBA/00000011773
Greenwich Merchant Bank Limited
Plot 1698A, Oyin Jolayemi Street
Victoria Island, Lagos.

Notes

(a) Proxy
A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A form of proxy is attached. All instruments of proxy should be stamped and deposited at the registered office address of the Company not later than 48 hours before the time fixed for the meeting.

(b) Closure of Register of Members
The Register of Members will be closed from Thursday, May 12, 2022, to Friday, May 13, 2022 (both dates inclusive) for the purpose of preparing and updating the Register of Members.

(c) The Board of Directors have recommended a dividend of N0:17kobo per share, which shall be subject to withholding tax at the appropriate rate, to Shareholders of the Company whose names appear on the Company's Register of Members as at the close of business on Friday, May 13, 2022. The Dividend shall be payable on Thursday, May 19, 2022.

(d) Virtual Link
The Annual General Meeting of the Company shall be held virtually in line with Section 240(2) of the Companies and Allied Matters Act 2020. A link would be shared to members of the Company to join the meeting electronically.

(e) Profiles of Directors for Re-election
The profiles of the Directors, Mr. Kayode Falowo, Dr. Olutoyin Okeowo and Dr. Faruk Umar who will be retiring by rotation and would be presenting themselves for re-election are amongst the profiles of Directors that are provided in the Annual Report.

CORPORATE GOVERNANCE REPORT

Greenwich Merchant Bank Limited ("GMB" or "the Bank") maintains its commitment to the highest standards of Corporate Governance practices and ethical conduct in every area of its business operations.

The Board recognizes that effective corporate governance is a key imperative to achieving sustainable growth of the business and ensures a careful implementation of high standards of corporate governance across the Bank. Accordingly, the Bank's governance framework is designed to ensure on-going compliance with the requirements of the Central Bank of Nigeria (CBN) Revised Code of Corporate Governance 2014 for Banks and Discount Houses, the Nigerian Code of Corporate Governance 2018, the Securities and Exchange Commission (SEC) Code of Corporate Governance and the SEC's Corporate Governance Guidelines (SCGG) 2020 structured along the Principles of the Nigerian Code of Corporate Governance 2018.

The Bank has adopted the inalienable principle of taking a long-term approach to strategic decision making and has developed adequate control measures and risk management systems to safeguard all its processes. These principles recognize the interests of all stakeholders as they ensure sustainability and transparency.

Board Composition

The Board's composition is aligned with global best practice on the ratio of Non-Executive Directors to Executive Directors. In the Financial Year 2021, the Board had more Non-Executive Directors than Executive Directors. As of December 31, 2021, the Board consisted of eleven (11) members which includes a Non-Executive Chairman, eight (8) other Non-Executive Directors (which includes two (2) Independent Non-Executive Directors), and two (2) Executive Directors (which includes the MD/CEO).

The Board is composed of experienced and knowledgeable professionals who have made their mark in key sectors of the economy. The Non-Executive Directors have the requisite skills and integrity to bring independent judgement to bear on Board meetings and deliberations. The position of the Chairman of the Board is separate from the position of the Managing Director/Chief Executive Officer and therefore both positions are not occupied by the same person.

The Board is made up of the following members:

	NAME	DESIGNATION
1	Mr. Kayode Falowo	Chairman
2	Mr. Bayo Rotimi	Managing Director
3	Mr. Benson Ogundeji	Executive Director
4	Mr. Tony Uponi	Non-Executive Director
5	Mrs Vivienne Bamgboye	Non-Executive Director
6	Mr. Segun Oloketuyi	Non-Executive Director
7	Dr. Olutoyin Okeowo	Non-Executive Director
8	Dr. Umar Faruk	Non-Executive Director
9	Ms. Daisy Ekineh	Independent Non-Executive Director
10	Mr. Philip Ikeazor	Independent Non-Executive Director
11	Mr. Anslem Orazulike	Non Executive Director

Diversity

The Board promotes diversity in its membership for better decision-making, independent judgment, and effective governance. There is an appropriate balance of skills and diversity (age, culture, and gender) without compromising competence, independence, and integrity. There are currently two (2) female Directors on the Board with the plan to appoint additional female members in due course. This demonstrates commitment by the Board towards gender diversity.

Responsibility

The Board is accountable to shareholders and is responsible for the management of the Bank's relationships with various stakeholders. It provides effective oversight over the operations of the Bank and is ultimately responsible for the performance of the Bank. The duties of the Board are spelt out in the Board Charter. They include but are not limited to:

- Approve the Bank's strategy objectives and monitor the implementation of same.
- Define a framework for the delegation of authority, clearly specifying matters delegated to management and those reserved for the Board.
- Oversee the establishment, implementation, and monitoring of an Enterprise-Wide Risk Management Framework to identify, assess and manage risks facing the Bank.
- Ensure the integrity of financial reporting and that ethical standards are always maintained.
- Definition of the Bank's risk appetite.
- Ensure the efficiency of the Internal Audit functions and that there are other means of obtaining sufficient assurance of regular review or appraisal of the system of Internal Controls in the Bank.
- Ensure the development of a robust compliance framework that will protect the Bank from incurring any significant financial loss or suffer any loss of reputation due to failure to comply with rules & regulations of any regulatory authority.
- Approve the appointment, remuneration, promotion, and termination of the Senior Management Staff in the Bank on the recommendation of the Governance and Nomination Committee.
- Ensure the existence of a good succession planning system.
- Monitor the effectiveness of the Bank's Corporate Governance practices and make changes as necessary or appropriate for the Bank; including adopting policies to guide corporate conduct and compliance with statutory laws and ethics.

Training and Induction

The Bank is committed to developing the skills and capacity of all its Directors to enable them perform their responsibilities as Board members. Newly appointed Board members are also exposed to the Bank's structured induction and development programmes. All Directors of the Bank participate in periodic, requisite continuing education programmes as stipulated by the Central Bank of Nigeria to update their knowledge and skills and keep them informed of new developments in the Bank's business. The Directors in turn apply the acquired skill in the discharge of their responsibilities.

In accordance with extant Codes of Corporate Governance and the Bank's governance charters, the trainings for Board members are included in the annual training plan for the Bank further to training nominations by the Board Governance & Nominations Committee. The annual training plan are thereafter approved along with the annual budget.

Board Evaluation

The Board members attended the following training programs during the period under review:

S/N	Training Program	Faculty	Date
1	Annual AML/CFT Training	Ernst & Young	15th December 2021
2	Sustainable Banking Principles Training	Internally Facilitated	15th December, 2021
3	Corporate Governance Masterclass for Directors	Institute of Directors	27th November 2021
4	Nasdaq Board vantage Training	NASDAQ	19th of August 2021

CORPORATE GOVERNANCE REPORT cont'd

The Board engaged the services of an Independent Consultant DCSL Corporate Services Limited to carry out its annual Board Evaluation exercise for the Financial Year 2021. The evaluation exercise covered the following amongst others:

- The assessment of the effectiveness of the Board of Directors.
- An assessment of the effectiveness of each of the Board Committees.
- A 360° peer reviews of individual Directors' performance and contributions.
- A 360° peer review of the Chairman's leadership and contribution.
- An assessment of the Board's compliance with Corporate Governance best practices; and
- An assessment of the Company Secretary's performance of her role in promoting good Corporate Governance.

The Consultant confirmed that the Board was an effective Board. It noted that the Board and individual Directors displayed laudable commitment to enhancing the Bank's growth, developing, and monitoring corporate strategy to achieve sustainable growth. The summary result of the independent evaluation is included in this Annual Report.

Corporate Governance Review

In compliance with the extant Codes of Corporate Governance, the Board engaged the services of an Independent Consultant DCSL Corporate Services Limited to conduct a Corporate Governance Review of compliance with relevant Codes of Corporate Governance and in particular the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks and Discount Houses in Nigeria, Nigerian Code of Corporate Governance, 2018 and the Securities and Exchange Commission Corporate Governance Guidelines, the Bank and other Financial Institution Act (BOFIA), Companies and Allied Matters Act 2020 (CAMA) and international best practices. The result confirmed that the Bank had substantially complied with the highlighted codes and laws. The summary result of the independent evaluation is included in this Annual Report.

Retirement and Re-Election

In accordance with the Bank's Articles of Association, one-third of all Non-Executive Directors are offered for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting. The Directors to retire every year shall be those who have been longest in office since their last appointment. In line with the above requirement, Mr. Kayode Falowo, Dr. Olutoyin Okeowo and Dr. Faruk Umar shall retire by rotation and being eligible for re-election will submit themselves for re-election. The Board is convinced that the Directors standing for re-election will continue to add value to the Bank.

The details of the Directors standing for re-election are contained in this Annual Report.

CORPORATE GOVERNANCE REPORT cont'd

BOARD MEETINGS
Attendance at Board Meetings during the Year under review are set out below:

S/N	Name	2020 AGM	Board Meetings	Strategy Session	Total Attendance
1.	Mr. Kayode Falowo, **Chairman**	1	6	2	9
2.	*Mr. Bayo Rotimi, **Managing Director**	1	5	2	8
3.	Mr. Benson Ogundeji **Executive Director**	1	6	2	9
4.	Mr. Tony Uponi, **Non- Executive Director**	1	6	2	9
5.	Dr. Olutoyin Okeowo, **Non- Executive Director**	1	6	2	9
6.	Mr. Segun Oloketuyi, **Non- Executive Director**	1	6	2	9
7.	Mr. Philip Ikeazor, **Independent Non- Executive Director**	1	6	2	9
8.	Ms. Daisy Ekineh, **Independent Non- Executive Director**	1	6	2	9
9.	Mrs. Vivienne Bamgboye, **Non- Executive Director**	1	6	2	9
10.	Dr. Faruk Umar, **Non- Executive Director**	1	6	2	9
11.	Mr. Anselm Orazulike, **Non- Executive Director**	1	6	2	9

* *The Managing Director was appointed on the 26th of February 2021.*

The Board carries out its oversight function through its Committees, each of which has a charter that clearly defines its purpose, composition, and structure, as well as frequency of meetings, duties, tenure, and reporting lines to the Board. In adherence to the CBN Code and best practice, the Chairman of the Board does not sit on any of the Committees. There are currently five (5) Standing Committees and one (1) Ad-hoc Committee of the Board.

BOARD COMMITTEES
The 5 Standing Committees are:

- Board Governance & Nominations Committee
- Board Audit Committee
- Board Strategy & Finance Committee
- Board Risk Management Committee
- Board Credit Committee

Whilst the Ad-Hoc Committee is:

- Board Branding & Communications Committee

CORPORATE GOVERNANCE REPORT cont'd

The Board Governance & Nominations Committee
The Committee members are:

S/N	Name	Designation
1	Mr. Philip Ikeazor	Chairman (Independent Non-Executive Director)
2	Mr. Tony Uponi	Member
3	Mrs. Vivienne Bamgboye	Member
4	Dr. Faruk Umar	Member

- Develop criteria for selection of members to the Board in accordance with applicable laws and regulatory requirements relating to Corporate Governance.
- Periodically review the effectiveness of the criteria for the selection and removal of members to the Board and make recommendations thereto for the consideration of the Board.
- Develop a Succession Plan for the Board and regularly review the plan.
- Undertake the annual assessment of the independent status of each INED, identify, assess, and enhance Director's competencies and make recommendation to the Board as appropriate.
- Periodically review the charter, composition and performance of each Committee of the Board and make recommendations to the Board for the creation of additional committees or the elimination of Committees of the Board.
- Monitor the Bank's adherence with applicable legal and regulatory requirements relating to Corporate Governance; and make recommendations to the Board as appropriate.
- Develop and recommend to the Board Corporate Governance Guidelines which shall at a minimum address the following;
  - i. Directors' qualification standards
  - ii. Directors' responsibilities
  - iii. Directors' compensation
  - iv. Directors' orientation and continuing education
  - v. Annual performance evaluation
- Develop a formal, clear and transparent framework for the Bank's remuneration policies and procedures.
- Provide inputs to the Annual Report of the Bank in respect of compensation for Directors.

The Company Secretary, Head of Legal Services and Head of Human Capital Management and Administration present reports at every sitting of the Committee.

The duties of the Board Committee are summarised as below:

BOARD GOVERNANCE & NOMINATIONS COMMITTEE MEETINGS								
S/N	Name	15-Feb-21	5 -May-21	31-May-21	24-Jun-21	20-Sept-21	2-Dec-21	Total Attendance
1.	Mr. Philip Ikeazor	P	P	P	P	P	P	6
2.	Dr. Faruk Umar	P	P	P	P	P	P	6
3.	Mr. Tony Uponi	P	P	P	P	P	P	6
4.	Mrs. Vivienne Bamgboye	P	P	P	P	P	P	6

Keys:

P	Present
X	Absent
N/A	Not Applicable

CORPORATE GOVERNANCE REPORT cont'd

The Board Audit Committee
The Committee members are:

S/N	Name	Designation
1	Ms. Daisy Ekineh	Chairman (Independent Non-Executive Director)
2	Mr. Anselm Orazulike	Member
3	Mrs. Vivienne Bamgboye	Member
4	Mr. Segun Oloketuyi	Member

- Ensuring the establishment of effective systems and processes for the preparation of the Bank's financial statements.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- Ensure the development of a comprehensive internal control framework for the Company, obtain appropriate (internal and/or external) assurance and report annually in the Company's audited financial report, on the design and operating effectiveness of the Company's internal controls over the financial reporting systems.
- Oversee the process for the identification of fraud risks across the Company and ensure that adequate prevention, detection, and reporting mechanisms are in place.
- Reviewing and monitoring the performance of external auditors and recommending to the Board on the appointment and discharge of external auditors.
- Ensure that an Internal Audit function is in place, which is empowered to provide assurance to the Board on the effectiveness of the system of Internal Controls within the Bank.

  The Internal Audit Department, which is independent of Management, reports directly to the Audit Committee.

BOARD AUDIT COMMITTEE MEETINGS

S/N	Name	26-Jan-21	11-Feb-21	22-Feb-21	27-Apr-21	28-Jun-21	5-July-21	22-Sept-21	8-Dec-21	Total Attendance
1	Ms. Daisy Ekineh	P	P	P	P	P	P	P	P	8
2	Mr. Anselm Orazulike	P	P	P	P	P	P	P	P	8
3	Mrs. Vivienne Bamgboye	P	P	P	P	P	P	P	P	8
4	*Mr. Segun Oloketuyi	N/A	N/A	N/A	P	P	P	P	P	5

* Mr. Segun Oloketuyi was appointed a member of the Board Audit Committee (BAC) on the 26th of February 2021 in compliance with the Financial Reporting Council of Nigeria (FRCN) Act, 2011

The Board Risk Management Committee
The Committee members are:

The duties of the Board Committee are as summarised below:

S/N	Name	Designation
1	Mr. Anselm Orazulike	Chairman
2	Dr. Olutoyin Okeowo	Member
3	Dr. Faruk Umar	Member
4	Mr. Bayo Rotimi	Member
5	Mr. Benson Ogundeji	Member

- Review and recommend to the Board for approval the Risk Philosophy, Risk Appetite and Tolerance Limits for the Bank.
- Annually review and assess the adequacy of the Bank's risk management programs and recommend to the Board for its approval any changes to such programs.
- Meet periodically with Management to discuss and provide oversight with respect to the processes, including guidelines and policies, established by the Bank to identify, assess, monitor, manage, mitigate, and report the Bank's significant risk exposures (whether financial, operational, or otherwise).
- Monitor the Bank's plans and progress in meeting regulatory Risk-based Supervision requirements and conform to the CBN's Basel II/III requirements.
- Monitor the Banks capital adequacy levels and capital management process, ensuring compliance with global best-practice standards such as the Central Bank of Nigeria's Basel II/III.
- Receive reports from Management, review and provide feedback to Management on the categories of significant risk the Bank faces.
- Ensuring a robust Contingency Planning and Continuity of business imperatives with in-built capabilities for disruption minimization in the event that mission critical threats crystallize.
- Recommend the Information Technology IT governance framework for the Bank and delegate to the Management the responsibility for the implementation of the IT governance framework.
- Ensure that IT risk management includes disaster recovery planning, IT legal risks, compliance with laws, rules, codes, and standards.
- Ensure the Bank has a comprehensive Compliance Framework for regulations and guidelines of money laundering and financial crimes.

The Risk Management Department, which is independent of the operating departments, the Information Security Department, Compliance department, the Information Technology department presents regular reports to the Risk Management Committee.

BOARD RISK MANAGEMENT COMMITTEE MEETINGS							
S/N	Name	16-Feb-21	16-Apr-21	22-June-21	23-Sept-21	9 – Dec - 21	Total Attendance
1.	Mr. Anselm Orazulike	P	P	P	P	P	5
2.	Dr. Olutoyin Okeowo	P	P	P	P	P	5
3.	Dr. Faruk Umar	P	P	P	P	P	5
4.	*Mr. Bayo Rotimi	N/A	P	P	P	P	4
5.	Mr. Benson Ogundeji	P	P	P	P	P	5

The Managing Director was appointed on the 26th of February 2021.

CORPORATE GOVERNANCE REPORT cont'd

THE BOARD CREDIT COMMITTEE

The Committee members are:

S/N	Name	Designation
1	Mr. Segun Oloketuyi	Chairman
2	Mr. Tony Uponi	Member
3	Ms. Daisy Ekineh	Member
4	Mr. Bayo Rotimi	Member
5	Mr. Benson Ogundeji	Member

The duties of the Board Committee are as summarised below:

- Review and oversee establishment of policies and guidelines, to be adopted by the Board, articulating the Bank's tolerances with respect to credit risk, and shall oversee management's administration of, and compliance with, these policies and guidelines.
- Periodically review strategies, policies, and procedures for managing credit risk, including credit quality administration, underwriting standards, and the establishment and testing of allowances for credit losses.
- Review and recommend for Board approval on an annual basis the credit philosophy, risk appetite, risk tolerance and other material credit risk policies for the Bank.
- Monitor the aggregate credit risk profile of the Bank including changes in portfolio risk characteristics, capital usage, portfolio management limits, and portfolio performance across sectors.
- Recommend on an annual basis, for the Board's approval, a sector review schedule through which the Management Credit Committee can use to monitor the credit risk profile of business sectors including changes in credit risk concentrations, capital usage, portfolio management limits and portfolio performance characteristics.
- Review and assess the adequacy of the allowance for credit losses. In making its assessment, the Committee may review such measures of the adequacy of the reserve as it deems appropriate and shall periodically review the methodology used in computing the adequacy of the reserves.
- Review and approve credit products above the level of Executive Management.

BOARD CREDIT COMMITTEE MEETINGS										
Name	3-Feb-21	22-Apr-21	3- June-21	30-June-21	16-Aug-21	20-Aug-21	3-Sept-21	21-Sept-21	6-Dec-21	Total Attendance
Mr. Segun Oloketuyi	P	P	P	P	P	P	P	P	P	9
Ms. Daisy Ekineh	P	P	P	P	P	P	P	P	P	9
Mr. Tony Uponi	P	P	P	P	P	P	P	P	P	9
*Mr. Bayo Rotimi	N/A	P	P	P	P	X	P	P	P	7
Mr. Benson Ogundeji	P	P	P	P	P	P	P	P	P	9

* ***The Managing Director was appointed on the 26th of February 2021.***

CORPORATE GOVERNANCE REPORT cont'd

THE BOARD STRATEGY & FINANCE COMMITTEE

The Committee members are:

S/N	Name	Designation
1	Dr. Olutoyin Okeowo	Chairman
2	Mr. Philip Ikeazor	Member
3	Mr. Segun Oloketuyi	Member
4	Mr. Bayo Rotimi	Member
5	Mr. Benson Ogundeji	Member

The duties of the Board Committee are as summarised below:

- Ensure that the Banks' strategic plan and budget are adequately monitored and to consider any proposals for significant subsequent amendments to the budget during the year.
- To review and recommend to the Board the Bank's budget on an annual cycle in the context of the Bank's overall strategy.
- Review and report to the Board on the Bank's financial projections, capital and operating budgets, progress of key initiatives, including actual financial results against targets and projections.
- Review major expense lines, as warranted, approve expenditure within the Committee's approved limits, review and recommend for Board approval, any expenditures beyond the Committee's approved limits.
- Review and recommend to the Board the Bank's annual plan for the allocation of capital and material changes during the year.
- Formulate guidelines from time to time on cost control and reduction, consistent with maximum efficiency, and make appropriate recommendations to the Board thereto.
- Conduct quarterly business reviews with Management and the Board and review any new business initiative by the Bank and make recommendations to the Board for approval.

BOARD STRATEGY & FINANCE COMMITTEE						
S/N	Name	18-Feb-21	30-June-21	27-Sept-21	22-Nov-21	Total Attendance
1.	Dr. Olutoyin Okeowo	P	P	P	P	5
2.	Mr. Philip Ikeazor	P	P	P	P	5
3.	Mr. Segun Oloketuyi	P	P	P	P	5
4.	*Mr. Bayo Rotimi	N/A	P	P	P	5
5.	Mr. Benson Ogundeji	P	P	P	P	5

** The Managing Director was appointed on the 26th of February 2021.*

THE BOARD BRANDING & COMMUNICATION COMMITTEE

The Committee members are:

S/N	Name	Designation
1	Mr. Tony Uponi	Chairman
2	Mrs. Vivienne Bamgboye	Member
3	Mr. Bayo Rotimi	Member

CORPORATE GOVERNANCE REPORT cont'd

The duties of the Board Committee are as summarised below:

- As an Ad hoc Committee, it oversees the overall branding framework of the Bank and making recommendations to the Board for approval accordingly.
- Assist the Board in setting the Bank's strategic brand focus, oversee the Management's branding development activities and make recommendations to the Board on the Banks branding and communications matters.
- Develops and implements a branding and communications strategy for the Bank.
- Superintends over all matters that have a bearing on the branding and image of the Bank.
- Conducts periodic review of the Bank's communications, whether in written, electronic or oral form, towards ensuring consistency with the Bank's vision, mission and core values.
- Oversee and provide oversight on the development of the internal and external communications plan that articulates key deliverables that align to the Bank' goals and budget.

BOARD BRANDING & COMMUNICATIONS COMMITTEE MEETINGS						
Name	**27 Jan 21**	**13 April 21**	**2 July 21**	**28 Sept 21**	**30 Nov 21**	**Total Attendance**
Mr. Tony Uponi	P	P	P	P	P	5
Mrs. Vivienne Bamgboye	P	P	P	P	P	5
*Mr. Bayo Rotimi	N/A	X	P	P	P	5

* ***The Managing Director was appointed on the 26th of February 2021.***

INDEPENDENT PROFFESSIONAL ADVICE

All Directors are aware that they may take independent professional advice at the expense of the Bank, in the furtherance of their duties. They all have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that all governance matters are complied with and assists with professional development as required.

MANAGEMENT

The Executive Management is accountable to the Board and is charged with the day-to-day running of the Bank, developing, and implementing board approved strategies and policies. It is headed by the Managing Director, who is also the Chief Executive Officer (CEO). He is supported by the Executive Director and heads of departments. In addition, the Bank makes use of standing committees in the performance of certain key functions whose processes cut across different departments. The standing committees are:

- Executive Management Committee
- Asset and Liability Committee
- Risk Management Committee
- Management Credit Committee
- IT Steering Committee
- Information Security Steering Committee
- Procurement Committee
- Cost Optimization Committee
- Editorial Committee

CORPORATE GOVERNANCE REPORT cont'd

CONTROL ENVIRONMENT

The Board has continued to place emphasis on risk management as an essential tool for achieving the Bank's objectives. Towards this end, it has ensured that the Bank has in place robust risk management policies and mechanisms to ensure identification of risk and effective control. The Board approves the annual budget for the Bank and ensures that a robust budgetary process is operated with adequate authorization levels put in place to regulate capital expenditure.

SHAREHOLDER RIGHTS

The Board of Greenwich Merchant Bank has always placed considerable importance on effective communication with its shareholders. It ensures that the rights of shareholders are always protected. Notice of meetings and all other statutory notices and information are communicated to the shareholders regularly.

REPORT OF THE BOARD AUDIT COMMITTEE

To members of Greenwich Merchant Bank Limited

In accordance with the provision of Section 404(7) of the Companies and Allied Matters Act of the Federation of Nigeria 2020, we the members of the Board Audit Committee hereby report as follows:

I. We confirm that we have seen the Audit Plan and Scope, and the Management Letter on the Audit of Greenwich Merchant Bank Limited's Financial Statements for the year ended December 31, 2021, and the responses to the said letter.

ii. In our opinion, the Plan & Scope of the Audit for the year ended December 31, 2021, were adequate. We have reviewed the Auditors' findings and we are satisfied with the Management responses thereon.

iii. We also confirm that the accounting and reporting policies of the Bank are in accordance with legal requirements and ethical practices.

Iv As required by the provisions of the Central Bank of Nigeria Circular BSD/1/2004 dated February 18, 2004, on Disclosure of Insider-Related Credits in Financial Statements", we reviewed the insider-related credits of the Bank and found them to be as analysed in the Financial Statements for the year ended December 31, 2021

Ms. Daisy Ekineh
FRC/2019/IODN/00000019013
7th April 2022
Chairman, Board Audit Committee

Members of the Audit Committee are:
a. Ms. Daisy Ekineh: Chairman/Independent Non-Executive Director
b. Mr. Anselm Orazulike: Non-Executive Director
c. Mr. Segun Oloketuyi: Non-Executive Director
d. Mrs. Vivienne Bamgboye : Non-Exécutive Director

THE DIRECTORS' REPORT

The Directors present their report on the affairs of Greenwich Merchant Bank Limited ("the Bank"), together with the audited financial statements of the Bank Group for the year ended 31 December 2021.

Legal form and principal activities
Greenwich Merchant Bank was formerly known as Greenwich Trust Limited (GTL), a foremost financial solutions provider duly registered with the Securities & Exchange Commission (SEC) as an Issuing House. The firm was incorporated on 25th February 1992 and commenced operations in June 1994. It evolved into an award-winning market leader in the financial sub-sector of the Nigerian economy and converted into a Merchant Bank following receipt of a merchant banking licence from the Central Bank of Nigeria (CBN) in September 2020.

The Bank Group is comprised of Greenwich Merchant Bank Limited ("the Bank") and its two wholly owned subsidiaries namely Greenwich Securities Limited and Greenwich Asset Management Limited.

The operations of the Bank Group covers Corporate Banking, Private Banking, Investment Banking, Asset & Wealth Management, Treasury & Global Markets and Securities Trading.

Operating results
The following is a summary of the Bank's operating results:

	Group 2021 N'000	Group 2020 N'000	Bank 2021 N'000	Bank 2020 N'000
Gross earnings	6,487,514	3,205,531	5,852,872	2,510,461
Profit before taxation	2,432,372	1,296,547	2,062,210	1,281,311
Income tax (expense)/credit	(279,745)	(140,159)	(256,902)	(73,828)
Profit after taxation	2,152,627	1,156,388	1,805,308	1,207,483

Directors shareholding
The interests of the Directors in the issued share capital of the Bank are recorded in the register of Director's Shareholding as at 31 December, 2021 as follows:

	31-Dec-21 DIRECT	31-Dec-21 INDIRECT	31-Dec-20 DIRECT	31-Dec-20 INDIRECT
Mr. Kayode Falowo	NIL	2,289,181,973	NIL	1,628,553,775
Mr. Bayo Rotimi	NIL	NIL	NIL	NIL
Mr. Benson Ogundeji	NIL	NIL	NIL	NIL
Mr. Tony Uponi	1,033,770,144	NIL	1,033,770,144	NIL
Mrs Vivienne Ochee Bamgboye	NIL	NIL	NIL	NIL
Mr. Segun Oloketuyi	12,150,668	NIL	12,150,668	NIL
Dr. Olutoyin Okeowo	NIL	57,772,734	NIL	124,284,922
Dr. Umar Faruk	161,567,436	3,607,176	161,567,436	NIL
Ms. Daisy Ekineh	NIL	NIL	NIL	NIL
Mr. Philip Ikeazor	NIL	NIL	NIL	NIL
Mr. Anslem Orazulike	1,000,000	NIL	NIL	NIL

Directors interests in contracts
The Directors do not have any interest required to be disclosed under Section 275 of the Companies and Allied Matters Act of Nigeria. In accordance with Section 277 of Companies and Allied Matters Act of Nigeria, none of the Directors have notified the Bank of any declarable interests in contracts with the Bank.

Property, plant and equipment
Information relating to changes in property, plant and equipment is disclosed in Notes 28 to the financial statements.

Analysis of shareholding
The share capital of the Bank as at the year end was held as follows:

Shareholders, Issued and fully paid	Number of holdings Units('000)	Percentage of holders %	Number of holdings Units('000)	Percentage of holders %
	31-Dec-21	31-Dec-21	31-Dec-20	31-Dec-20
Hoakland Ventures Nigeria Limited	2,714,256	51.3%	2,714,256	51.3%
Tony Uponi	1,033,770	19.5%	1,033,770	19.5%
Greenwich Registrars & Data Solutions Limited	772,397	14.6%	772,397	14.6%
Others with shareholdings less than 5%	773,714	14.6%	773,714	14.6%
	5,294,137	100%	5,294,137	100%

Charitable gifts and other donations
The value of donations made by the Group during the year amounted to N12,965,470 for Warif Women Empowerment Program and Medical bills at Federal Medical Centre (FMC) Ebutte Meta (2020: N18,000,000).

Report/Statement on Fraud and Forgeries
In the 2021 financial year, there were no cases of fraud and forgeries detected or reported through any channel including the whistle blowing line. Accordingly, nil monthly return on fraud and forgeries was rendered to the Central Bank of Nigeria (CBN) during the year ended 31st December 2021 (December 2020 : Nil).

Events after the reporting period

Finance Act 2021
The Finance Bill was signed into law on 31st December 2021, with effective date of 1st January 2022. The signing into law of the Finance Bill qualifies as an adjusting event as the bill had been in existence as at the end of the financial year. In view of this development, the Bank has reviewed the provisions of the Act and have made appropriate adjustments to the financial estimates disclosed in the financial statement, in line with the relevant provisions of the Finance Act.

FGN Sukuk Bond 13% December 2031
The Bank received N 2,880,506 billion allotment of the Federal Government of Nigeria (FGN) 250 billion series IV series sukuk issuance due by 2031 in February 2022, with issue date of 29 December 2021 and rental rate of 13% per annum .

Group's strategy against the impact of Covid-19
The Group has considered the impact of Covid-19 on its business operations and has put in place appropriate safeguards to minimize negative impact of of Covid-19 pandemic on its business.

The Group continues to make adjustments to the way and manner in which it renders banking and other financial services to its customers in order to cope with the challenges posed by the Covid-19 pandemic. Critical areas of the bank's business and operation which are closely monitored vis-a-vis the threat posedby Covid-19 are:

a. Protection of the bank's cashflow,
b. Protection of the bank's human resources and,
c. Enhancement of the digital & electronic platforms of the bank to facilitate fast and seamless services to its customers.

THE DIRECTORS' REPORT cont'd

Protection of the Group's cashflow
In order to protect the cashflow of the Group and prevent a drop in the Group's earnings , profit and asset quality, the Group has adopted the following strategies:

- Engaging the bank's customers in key sectors of the economy to better understand their current challenges and provide effective and bespoke actions to alleviate their hardships while preserving shareholder's funds.
- Continous adoption of a complete and integrated approach to risk management that is driven from the Board level to the operational activities of the bank.
- Continous review of the bank's loan book in order to closely monitor all assets and liabilities classes and ensure that the bank has sufficient liquidity to meet its finanacial obligations.
- **Protection of the Group's Human Resources**
  The Group has put in place measures to protect its employees, customers and other stakeholders of the bank. Some of the measures are:
- Setting a clear direction and communicated this effectively to all staff and other stakeholders in accordance with our Business Continuity Plan (BCP). The Group continues to encourage remote working and electronic self-services for our traditional banking services.
- Constant review and strengthening of the Group's Business Continuity Plan (BCP) to reflect the current and potential impacts of Covid-19 pandemic.

Employment and employees
Employment of physically challenged persons
The Group has no physically challenged person in its employment (2021: Nil). However, applications for employment by physically challenged persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Bank continues and that appropriate training is arranged. It is the policy of the Bank that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with that of other employees.

Health, safety and welfare at work
The Group places a high premium on the health, safety and welfare of its employees in the place of work. To this end, the Group has various forms of insurance policies, including workmen's compensation and group life insurance, to adequately secure and protect its employees.

Employee consultation and training
The Group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Group. Employees are consulted regularly on a wide range of matters affecting their current and future interests. The Group regularly organizes on-the-job training for its staff using in-house training facilities complemented, when and where necessary, with other external facilities, training, seminars and workshops.

BY ORDER OF THE BOARD
Omobola Josephine Makinde
Company Secretary
FRC/2015/NBA/00000011773
10 March, 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Companies and Allied Matters Act requires that the Directors prepare the financial statements that present fairly the financial position of the Group as at 31 December 2021, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS"), and in the manner required by the Companies and Allied Matters Act of Nigeria and the Federal Reporting Council of Nigeria Act, 2011.

The responsibilities include ensuring that the Group:

i) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act;

ii) Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

iii) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with:

- International Financial Reporting Standards;
- Prudential guidelines for Licenced Banks;
- Relevant circulars issued by Central Bank of Nigeria;
- The requirements of the Banks and Other Financial Institutions Act;
- The requirements of the Companies and Allied Matters Act; and
- The requirements of the Financial Reporting Council of Nigeria Act.

The Directors are of the opinion that the financial statements give a true and fair position of the financial affairs of the Group and of its profit for the year. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

In line with the requirements of the International Accounting Standards (IAS 1.25), we have conducted the going concern assessment of the company as of 31st December 2021.

The positive equity position of ₦26,569m for the group and ₦25,354m for the bank as of December 31, 2021, which was 76% above the regulatory minimum capital is a strong indication of a company that will continue as a going concern into the foreseeable future.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Olukayode Akintunde Falowo	Mr. Bayo Rotimi
(Chairman)	(Managing Director)
FRC/2014/CISN/00000007051	FRC/2021/003/00000023171
10 March, 2022	10 March, 2022

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE AUDITED FINANCIAL STATEMENTS

For The Year Ended 31 December 2021

In accordance with the provision of S.405 of CAMA 2020, we have reviewed the audited financial statements of the Group for the year ended December 31, 2021 and based on our knowledge confirm as follows:

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

ii) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the period ended December 31, 2021.

iii) The group has put in place effective internal controls to ensure material information relating to the control environment are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.

(iv) The effectiveness of the group's internal controls have been evaluated within 90 days prior to 31st December 2021.

(v) The group's internal controls are effective as at 31 December 2021.

We have disclosed as follows to the group's auditors and audit committee the following information:

- There were no significant deficiencies in the design or operation of the group's internal controls which could adversely affect the group's ability to record, process, summarise and report financial data. Furthermore, there were no identified material weaknesses in the group's internal control systems.
- There were no fraud events involving management or other employees which could have any significant role in the group's internal control.
- There were no significant changes in internal controls or in other factors that could significantly affect the adequacy and effectiveness of the controls subsequent to the date of the evaluation.

SIGNED BY:

Mr. Adewale Adeniyi
Chief Financial Officer
FRC/2012/ICAN/00000000275
10 March, 2022

Mr. Bayo Rotimi
(Managing Director)
FRC/2021/003/00000023171
10 March, 2022

REPORT OF EXTERNAL CONSULTANT ON THE PERFORMANCE OF THE BOARD OF DIRECTORS

DCSL Corporate Services Limited
235, Ikorodu Road
Ilupeju
P. O. Box 6315, Marina
Lagos, Nigeria.

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Central Business District,
Abuja, Nigeria
Tel: +234 8090381862

17th March 2022

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF GREENWICH MERCHANT BANK LIMITED FOR THE YEAR-ENDED DECEMBER 31, 2021.

DCSL Corporate Services Limited ("DCSL") was engaged by Greenwich Merchant Bank Limited to carry out a performance evaluation of the Board of Directors for the year ended December 31, 2021, in line with the provisions of the Nigerian Code of Corporate Governance, 2018 (NCCG), the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks and Discount Houses in Nigeria as well as global best practices on Corporate Governance.

The appraisal entailed a review of the Bank's Corporate and Statutory documents, Minutes of Board and Committee meetings, Policies and other ancillary documents made available to us and the administration of questionnaires as well as interviews with Directors.

To ascertain the extent of compliance with relevant corporate governance principles, and appraise the performance of the Board, we benchmarked the Bank's corporate governance structures, policies and processes against the above-mentioned Codes as well as global Best Practices and considered the following seven key corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Corporate Citizenship; and
7. Transparency and Disclosure.

The Board has the responsibility of putting in place adequate corporate governance structures and practices and approving policies that will ensure the Bank carries on its business in accordance with its Memorandum and Articles of Association, Policies as well as in conformity with applicable laws, codes and regulations to guarantee sustainability.

Subsequent to the conclusion of the Performance Evaluation Engagement, we confirm that the Board and Bank substantially complied with the provisions of the applicable Codes and corporate governance best practice. In our opinion, the Board and individual Directors have displayed laudable commitments to enhancing the Bank's growth, developing and monitoring corporate strategy to achieve sustainable growth. The commendable attendance recorded by Directors at Board and Committee meetings held during the period is a clear indication of the dedication and genuine interest of the Board in the Bank's affairs and overall success.

We have proffered recommendations to address the gaps identified during the appraisal exercise and have the Board's assurances that these would be addressed.

Yours faithfully,
For: DCSL Corporate Services Limited

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Directors: Abel Ajayi (Chairman) Obi Ogbechi Adeniyi Obe Adebisi Adeyemi (Managing Director)

REPORT OF EXTERNAL CONSULTANT ON THE CORPORATE GOVERNANCE AUDIT

DCSL Corporate Services Limited
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April 1, 2022

REPORT OF THE EXTERNAL CONSULTANTS ON THE CORPORATE GOVERNANCE AUDIT OF GREENWICH MERCHANT BANK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021

Pursuant to the provisions of Principle 15.1 of the Nigerian Code of Corporate Governance 2018, DCSL Corporate Services Limited was engaged by Greenwich Merchant Bank Limited to undertake an appraisal of its Corporate Governance Compliance for the year-ended 31st December 2021. Our appraisal entailed a review of the Bank's corporate and statutory documents, the Minutes of Board and Committee meetings, policies in place and other ancillary documents made available to us.

The objective of the review was to ascertain the Bank's corporate governance practices and compliance with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks and Discount Houses in Nigeria (CBN Code), the Bank and other Financial Institution Act (BOFIA), Companies and Allied Matters Act 2020 (CAMA) and international best practices, and covered the following seven key corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Transparency and Disclosure.
7. Corporate Citizenship

Subsequent to the conclusion of the governance audit exercise, we confirm that the Bank and the Board of Directors substantially complied with the provisions of the NCCG, CBN Code, BOFIA and CAMA, and that the activities of the Board and the Bank are to a large extent in compliance with corporate governance best practice.

We have proffered recommendations to address the gaps identified during the exercise and have the Board's assurance that these would be addressed.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Directors: Abel Ajayi (Chairman) Obi Ogbechi Adeniyi Obe Adebisi Adeyemi (Managing Director)

DCSL

SUSTAINABILITY BANKING REPORT

The Bank adopts a two-pronged approach to sustainability through:

- actions the Bank commits to take to embed sustainability into its business practices and policies and;
- actions intended to influence other stakeholders to promote sustainability.

At GMB, we understand that our business activities and operations impact on the environment and the society in which we operate. Hence, our sustainability approach has been tailored to proactively incorporate sustainability principles into our business dealings with our clients as well as our internal practices and operations. This approach has enabled us to effectively manage the environmental and social risks associated with our business interactions and internal operations.

OUR SUSTAINABILITY GOALS

For the financial year 2021, the Board approved the Bank's Sustainability Goals which covered the following themes:

a. **Cut emissions**

Efforts to achieve this as approved by the Board include the following:

- Reducing our business travel emissions by 50%
- Sourcing 100% renewable energy and energy saving initiatives for our buildings
- Plan to convert of our fleet to hybrid and electric vehicles as these vehicles become more available in the country
- Engaging with our major suppliers with the goal of having two-thirds of them meeting carbon emission reduction targets
- Investing in environment sustaining market solutions for emissions we cannot eliminate

b. **Embed Sustainability**

The Bank recognizes that appropriate tone at the top, Board and Senior Management support as well as appropriate governance structure is key to the successful operationalization of the Sustainable Banking Principles. We recognize that we must align our climate policies, practices, and actions across our organization.

The Board approved the following action plans to achieve this goal:

- Designating a Board member to be responsible for sustainability initiatives across the Bank
- Prioritizing discussion of climate change on executive agendas
- Considering gender-inclusive workplace culture in the Human Capital Policy
- Embedding climate-smart considerations into decisions on office operations, real estate, and investments
- Continuing to report our annual emissions externally for transparency and accountability
- Development of Sustainability Policy and Sustainability Committee Charter to drive the implementation of the sustainable banking principles.

c. **Empower individuals: Educate and inspire staff of the Bank to act on climate change**

By engaging and educating our employees on climate change impacts—decisions about what they consume, use, and buy, we will enable our people to make positive climate choices at home and at work, and amplify these through their personal networks.

The Bank organized a training on sustainability for all employees of the Bank on the 7th of December 2021 to create awareness with regards to the Bank's sustainability initiatives and the responsibilities of each employee. The Bank intends to have more of such sessions in the coming years.

SUSTAINABILITY BANKING REPORT

d. **Collaborate with clients, alliance partners, NGOs, industry groups, suppliers, and others on sustainability initiatives.**
The Bank recognizes the importance of collaborating with others in driving the sustainability efforts rather than acting alone. To achieve this goal, the Board has approved a plan to ensure collaboration with clients, alliance partners, NGOs, industry groups, suppliers, and others to:

- Increase demand for responsible products and services
- Remove roadblocks that get in the way of enacting change and
- Support efforts geared at creating innovative climate solutions at a systems and operations level

Other Sustainability Achievements in 2021

a. **Reduction in Greenhouse Emissions**
The Bank is progressing with implementing the sustainable banking principles and currently building structures that will support the achievement of the sustainability goals, the Bank was able to reduce its environmental footprints emanating from its business operations during the year through the following actions:

- **Energy efficiency and reduction in carbon emissions:**
  - As a result of the COVID-19 Pandemic, the Bank implemented the remote working arrangement during the year which led to reduction in the usage of cars and by implication, reduction in carbon emissions.
  - The Bank also invested in the use of energy saving electrical appliances such as energy-efficient bulbs. The energy saving requirements are also currently being built into the Bank's procurement process.
- **Paper reduction:** The Bank was able to cut down on paper usage and printing during the year. This was mainly driven through staff awareness, launch of the Board Effect solution for board e-papers as well as remote working.

b. **Our Employees**
We recognize our employees as our most valuable asset. Employees are key to the achievement of the Bank's strategic initiatives as well as driving the implementation of the Bank's sustainability efforts. During the year, the staff of the Bank were engaged in the following ways:

- **Training**: In line with its strategic objective, the Bank promotes a healthy learning culture by deploying various forms of blended learning towards improving the competencies of its workforce
- **Gender-inclusive workforce:** The Bank is an equal opportunity employer and continues to make efforts to create opportunities for women in the workplace. The Bank also strives towards achieving a gender-inclusive workplace. The Bank currently has a workforce made up of 34% female gender.
- **Health and Safety:** The Bank recognises the impact of healthy employees on its overall performance and has existing structures that support health and safety in the workplace. The Bank, through its Human Resources Policy, guides the activities of staff to ensure a safe and healthy workplace. Staff benefits from health services through registered Health Maintenance Organisations (HMOs). There are also established procedures that supports timely mitigation of risks of occupational and workplace hazards.

Our Corporate Social Investment (CSI) Initiatives
The Bank recognises that economic empowerment is necessary for community development. In line with the Bank's commitment to collaborate with clients, alliance partners, NGOs, industry groups, suppliers, and others towards driving the sustainability initiatives, the Bank identified and provided financial support to the following bodies during the Year under review:

- **Federal Medical Centre, Ebute Meta** – The Bank provided financial assistance by paying the medical bills of some indigent patients admitted at the hospital during the year.
- **Warif Employment Programme –** The Bank collaborated with Warif Women Programme by providing financial support towards empowerment of women in rural areas. The program aims to empower women through vocational skills acquisition, basic financial literacy, and information on preventing and reporting gender-based violence.
- **Visit and donation to Living Fountain Orphanage -** Inspired by the sustainability initiative and as part of the 2021 end-of-the-year celebrations, employees of the Bank made voluntary donations to support the Living Fountain Orphanage at Oniru Lagos. The proceeds from the donation were used to purchase consumables for the orphaned children.

pwc

Independent auditor's report

To the Members of Greenwich Merchant Bank Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Greenwich Merchant Bank Limited ("the bank") and its subsidiaries (together "the group") as at 31 December 2021, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Greenwich Merchant Bank Limited's consolidated and separate financial statements comprise:

- the consolidated and separate statements of comprehensive income for the year ended 31 December 2021;
- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

pwc

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Impairment allowances on loans and advances to customers and off balance sheet credit (refer to notes 3.28, 6.1a, 11, 25, 32 and 38) The gross balance of loans and advances to customers as at 31 December 2021 was N7.3 billion for the group and bank respectively. The associated impairment allowance on loans and advances to customers (including off balance sheet credit) was N73.85 million for the group and bank respectively. The expected credit losses (ECL) on loans and advances to customers is considered to be a key audit matter because the measurement of impairment allowance is highly subjective and involves the exercise of significant judgements and the use of complex models and assumptions. The key areas of significant judgment in the calculation of ECL include: • definition of default and determination of the criteria for assessing significant increase in credit risk (SICR); • input assumptions and judgments applied in estimating probability of default (PD), Loss Given Default (LGD), and Exposure At Default (EAD) which are key parameters in the ECL model; and • methodology applied in weighting forward-looking information using multiple macroeconomic scenarios. This is considered a key audit matter in the consolidated and separate financial statements.	We understood management's process and evaluated and tested key controls around the determination of allowance for expected credit loss. We evaluated management's default definition against the 90 days past due rebuttable presumption and performed a detailed review of selected customer files and account statements to assess the appropriateness of the days past due on sampled loan accounts. We assessed the classification of loan accounts into the various stages by reviewing the identified indicators of SICR for selected exposures. With the assistance of our modelling experts, we: • evaluated the appropriateness of the IFRS 9 impairment methodology; • evaluated the appropriateness and accuracy of the probability of default methodology and checked proxy probability of default applied against independent external sources. • assessed the approach for estimating LGD including recovery rates used for unsecured exposures; • assessed assumptions around the present value of collateral and tested the collateral values by comparing the values to underlying records. • checked the accuracy of EAD computation by performing an independent calculation for a selected sample of exposures using the customer contractual cash flows. For the off-balance sheet exposures, we checked the reasonableness of the credit conversion factor applied in determining the EAD; • assessed the reasonableness of management's assumptions around weightings used for multiple economic scenarios by comparing historical and forecast macroeconomic data to publicly available sources and recomputing the probability weights; and

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- checked the accuracy of ECL computation by performing an independent computation on the entire loan exposures.

We assessed the reasonableness and adequacy of the disclosures in the financial statements in accordance with IFRS 9.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report are Corporate Information, The Directors' Report, Statement of Directors' Responsibilities in Relation to the Financial Statements, Statement of Corporate Responsibility for the Audited Financial Statements for the year ended 31 December 2021, Value Added Statement and Five-Year Financial Summary but 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 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 that we 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 and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institutions Act, 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 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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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- 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 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 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 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 and separate 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 those charged with governance 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.

From the matters communicated with those charged with governance, 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

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the bank has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

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iii) the bank's statement of financial position and statement of comprehensive income are in agreement with the books of account and returns;

iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 39 to the consolidated and separate financial statements; and

v) as disclosed in Note 44 to the consolidated and separate financial statements, the bank did not pay penalties in respect of contraventions of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2021.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
1162083

Obioma Ubah

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

30 March 2022

Engagement Partner: Obioma N. Ubah
FRC/2013/ICAN/00000002002

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

		Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
In thousands of Nigerian Naira	**Note**				
Interest income at amortised cost	9	3,275,160	985,873	3,108,201	887,708
Interest income on financial assets at FVTPL	9	336,600	33,418	336,600	33,418
Interest income on financial assets at FVTOCI	9	52,047	229,537	6,163	2,448
Interest expense	10	(1,153,974)	(23,449)	(1,160,903)	(20,258)
Net interest income		**2,509,833**	**1,225,379**	**2,290,061**	**903,316**
Impairment charges	11	(329,186)	(150,464)	(278,717)	(94,069)
Net interest income after impairment charge for credit losses		**2,180,647**	**1,074,915**	**2,011,344**	**809,247**
Fee and commission income	12	1,393,875	960,839	1,155,546	691,023
Net gains on foreign exchange	12a	3,750	4,154	-	-
Net gains on financial assets at FVTPL	12b	799,525	262,935	799,525	261,131
Other operating income	13	573,082	678,106	394,260	592,393
Operating income		**4,950,879**	**2,980,949**	**4,360,675**	**2,353,794**
Personnel expenses	15	(1,235,253)	(822,045)	(1,118,591)	(541,649)
Depreciation of property and equipment	28	(129,933)	(101,377)	(128,653)	(96,439)
Amortisation of intangible assets	29	(100,895)	(20,554)	(97,171)	(15,477)
Other operating expenses	14	(1,052,426)	(740,426)	(954,050)	(418,918)
Operating expenses		**(2,518,507)**	**(1,684,402)**	**(2,298,465)**	**(1,072,483)**
Profit before tax		2,432,372	1,296,547	2,062,210	1,281,311
Income tax expense	16	(279,745)	(140,159)	(256,902)	(73,828)
Profit for the year		**2,152,627**	**1,156,388**	**1,805,308**	**1,207,483**
Other comprehensive income:					
Items that may not be reclassified subsequently to profit or loss:					
Net fair value gain/(loss) on financial assets at FVOCI		(1,307,692)	1,158,700	(1,611,644)	1,729,839
Other comprehensive income/(loss) for the year, net of taxes		**(1,307,692)**	**1,158,700**	**(1,611,644)**	**1,729,839**
Total comprehensive income/(loss) for the year		**844,935**	**2,315,088**	**193,664**	**2,937,322**
Basic/diluted earnings per share (kobo)	16	41	22	34	23

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

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As At 31 December 2021

In thousands of Nigerian Naira	Note	Group 31 December 2021	Group 31 December 2020	Bank 31 December 2021	Bank 31 December 2020
ASSETS					
Cash and balances with Central Bank of Nigeria	18	16,858,584	658,119	16,858,584	658,119
Due from other banks	19	55,396,848	19,365,195	45,059,475	15,446,282
Financial assets at fair value through profit or loss	21	5,784	969,385	5,784	969,385
Investment securities:					
Fair value through OCI	22	7,538,044	6,584,771	5,011,751	5,002,564
Debt securities at amortised cost	23	5,804,907	4,252,733	510,750	-
Pledged assets	24	8,447,871	-	8,447,871	-
Loans and advances to customers	25	7,328,969	-	7,328,969	-
Other assets	26	811,496	1,892,474	625,527	1,718,809
Investment in subsidiaries	27	-	-	1,500,000	1,500,000
Property and equipment	28	412,849	513,425	408,629	507,926
Intangible assets	29	441,863	422,139	437,479	414,029
Deferred tax asset	30	57,488	69,893	-	-
Total assets		**103,104,703**	**34,728,134**	**86,194,819**	**26,217,114**
LIABILITIES					
Due to banks	31a	4,287,659	-	4,287,659	-
Due to customers	31b	47,624,900	509,804	38,752,624	509,804
Current tax liability	16	497,949	418,417	123,296	52,448
Other liabilities	32	23,979,458	7,853,773	17,528,072	269,020
Borrowings	33	5,527	191,468	5,527	191,468
Deferred tax liability	30	145,657	36,054	145,657	36,054
Total liabilities		**76,541,150**	**9,009,516**	**60,842,835**	**1,058,794**
EQUITY					
Share capital	34	5,294,137	5,294,137	5,294,137	5,294,137
Share premium	35	12,140,034	12,140,034	12,140,034	12,140,034
Retained earnings	35	11,016,204	9,557,298	7,002,048	5,885,619
Statutory reserve	35	903,837	362,245	903,837	362,245
Regulatory risk reserve	35	137,671	-	137,671	-
Fair value reserve	37	(2,928,330)	(1,635,096)	(125,743)	1,476,285
Total equity		**26,563,553**	**25,718,618**	**25,351,984**	**25,158,320**
Total equity and liabilities		**103,104,703**	**34,728,134**	**86,194,819**	**26,217,114**

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

The financial statements were approved and authorised for issue by the Board of Directors on 10 March, 2022 and signed on its behalf by:

Mr. Olukayode Akintunde Falowo
(Chairman)
FRC/2014/CISN/00000007051

Mr. Bayo Rotimi
(Managing Director)
FRC/2021/003/00000023171

Mr. Adewale Adeniyi
(Chief Financial Officer)
FRC/2012/ICAN/00000000275

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2021

Group *In thousands of Nigerian Naira*	**Notes**	**Share capital**	**Share premium**	**Fair value reserve**	**Retained earnings**	**Statutory reserve**	**Regulatory risk reserve**	**Total equity**
Balance at 1 January 2021		5,294,137	12,140,034	(1,635,096)	9,557,299	362,245		25,718,619
Issue of new shares		-	-		-			-
Profit for the year					2,152,627			2,152,627
Other comprehensive income								
Net Fair value gain/(loss)on financial asset at FVOCI				(1,298,076)	(9,616)			(1,307,692)
Total comprehensive income on financial assets								
Transfer from fair value reserve				4,842	(4,842)		-	-
Transfer to statutory reserve					(541,592)	541,592		-
Transfer to regulatory reserve					(137,671)		137,671	-
At 31 December 2021		**5,294,137**	**12,140,034**	**(2,928,330)**	**11,016,204**	**903,837**	**137,671**	**26,563,553**
Balance at 1 January 2020		2,500,000	-	(2,177,973)	9,159,952			9,481,979
Issue of new shares		2,794,137	12,140,034	-	-			14,934,171
Transfer between reserves				(615,825)	228,204			(387,621)
Profit for the year					1,156,388			1,156,388
								-
Other comprehensive income		-	-	-	-			-
Fair value movement on financial asset at FVOCI	22			1,158,700				1,158,700
								-
Total comprehensive income on financial assets		-	-	-	-			-
Transfers during the period		-	-	-	(362,245)	362,245		-
Dividend payment		-	-	-	(625,000)			(625,000)
At 31 December 2020		**5,294,137**	**12,140,034**	**(1,635,096)**	**9,557,299**	**362,245**		**25,718,618**

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2021

Bank *In thousands of Nigerian Naira*	**Notes**	**Share capital**	**Share premium**	**Fair value reserve**	**Retained earnings**	**Statutory reserve**	**Regulatory risk reserve**	**Total equity**
Balance at 1 January 2021		5,294,137	12,140,034	1,476,285	5,885,619	362,245		25,158,320
Issue of new shares		-	-	-	-			-
Profit for the year					1,805,308			1,805,308
Other comprehensive income								
Fair value movement on financial asset at FVOCI				(1,602,028)	(9,616)			(1,611,644)
Total comprehensive income on financial assets								
Transfer to statutory reserve					(541,592)	541,592		-
Transfer to regulatory risk reserve					(137,671)		137,671	
At 31 December 2021		**5,294,137**	**12,140,034**	**(125,743)**	**7,002,048**	**903,837**	**137,671**	**25,351,984**
Balance at 1 January 2020		2,500,000	-	(253,554)	5,665,381			7,911,827
								-
Issue of new shares		2,794,137	12,140,034					14,934,171
Profit for the year					1,207,483			1,207,483
								-
					-			-
								-
Other comprehensive income								-
Fair value movement on financial asset at FVOCI				1,729,839				1,729,839
								-
Total comprehensive income on financial assets								-
Transfers during the period					(362,245)	362,245		-
Dividend payment					(625,000)			(625,000)
At 31 December 2020		**5,294,137**	**12,140,034**	**1,476,285**	**5,885,619**	**362,245**		**25,158,320**

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021

		Group		Bank	
In thousands of Nigerian Naira	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Cash flows from operating activities					
Profit before tax for the period		2,432,372	1,296,547	2,062,210	1,281,311
Items not affecting cash:					
Depreciation of property and equipment	28	129,933	101,377	128,653	96,439
Amortisation of intangible assets	29	100,895	20,554	97,171	15,477
Impairment of margin loans	11	9,090	-	9,090	-
Impairment of other assets	11	211,878	65,324	174,759	13,514
Impairment of investment securities	11	28,453	4,295	15,103	4,295
Impairment on off-balance sheet	11	64,757	-	64,757	-
Impairment of other financial assets	11	8,417	80,845	8,417	76,260
Net interest income		(2,509,833)	(1,225,379)	(2,290,061)	(903,316)
Gain on disposal of assets	13	(6,214)	-	(6,214)	-
Unrealised loss from FVTPL		26,315	-	26,315	-
Dividend income	13	(493,125)	(669,233)	(358,442)	(590,747)
Withholding tax credit notes utilised		(59,510)	-	(57,756)	-
		(56,571)	**(325,671)**	**(125,998)**	**(6,767)**
Changes in non-cash working capital balances					
Changes in loans and advances	24	(7,338,059)	165,062	(7,338,059)	75,717
Changes in financial assets FVTPL	21	937,286	(870,090)	937,286	(969,385)
Changes in financial assets FVTOCI	22	(2,289,417)	(292,648)	(1,635,934)	372,141
Changes in due to banks	31a	4,287,659	-	4,287,659	-
Changes in pledged assets		(8,447,871)	-	(8,447,871)	-
Changes in other assets and prepayments	26	860,683	(208,919)	910,106	(879,202)
Changes in due to customers	31b	47,115,096	509,804	38,242,820	509,804
Changes in other liabilities	32	16,060,928	(2,412,185)	17,194,295	213,867
		51,129,734	**(3,434,648)**	**44,024,304**	**(683,825)**
Interest received	9	3,663,807	1,248,828	3,450,964	923,574
Interest paid	10	(1,153,974)	(23,449)	(1,160,903)	(20,258)
Income tax paid/WHT utilised	16	(18,695)	(51,126)	(18,695)	(51,126)
Net cash (out)/inflows from operating activities		**53,620,872**	**(2,260,395)**	**46,295,670**	**168,365**
Cash flows from investing activities					
Purchase of property and equipment	28	(34,146)	(531,181)	(34,146)	(530,861)
Proceed from disposal of property, plant & equipment		11,003	469,854	11,003	469,854
Purchase of intangible	29	(120,620)	(419,890)	(120,620)	(419,890)
Dividend received	13	493,125	669,233	358,442	590,747
Purchase of debt instruments at amortised cost		(1,552,175)	5,934,250	(510,750)	-
Net cash(out)/inflows from investing activities		**(1,202,814)**	**6,122,266**	**(296,072)**	**109,851**
Cash flows from financing activities					
Dividend paid	36b	-	(625,000)	-	(625,000)
Borrowing	33	(185,941)	191,468	(185,941)	191,468
Issue of shares	34,35	-	14,934,171	-	14,934,171
Net cash (out)/inflows from financing activities		**(185,941)**	**14,500,639**	**(185,941)**	**14,500,639**
Net (decrease)/increase in cash and cash equivalents		52,232,115	18,362,511	45,813,655	14,778,853
Cash and cash equivalents at 1 January		20,023,313	1,660,802	16,104,401	1,325,549
Cash and cash equivalents at 31 December	20	**72,255,432**	**20,023,313**	**61,918,059**	**16,104,401**

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 General Information

Reporting Entity

These financial statements are the consolidated financial statements of the Parent, Greenwich Merchant Bank Limited "the Bank", and its subsidiaries hereafter referred to as("the Group"). Greenwich Merchant Bank Limited (formerly called Greenwich Trust Limited) was initially incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company on 25 February, 1992. The Central Bank of Nigeria (CBN) license for merchant banking was obtained in September 2020 while merchant banking operations commenced on 02 October, 2020.

The principal activity of the group is provision of treasury management services, corporate banking and advisory services in areas such as capital raising, financial advisory services, structured finance and asset management. The Bank subsidiaries carry on businesses as stockbrokers and asset managers.

Greenwich Merchant Bank is a limited liability company incorporated and domiciled in Nigeria. The address of its registered office is as follows:

Plot 1698A Oyin Jolayemi St,
Victoria Island,
Lagos.

The financial statements for the year ended 31 Decemebr 2021 were authorised for issue by the Board of Directors on 10 March, 2022

2 Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

2.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standard (IFRS) 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 consolidated statement of financial position are presented in order of liquidity.

The Directors believe that the underlying assumptions are appropriate and that the group's consolidated financial statements therefore present the financial position and results fairly.

3.1 Basis of measurement

These financial statements have been prepared based on historical cost basis, except for the following:

-
- Derivative financial instruments which are measured at fair value.
- Financial assets measured at fair value through profit or loss.
- Loans and receivables which are measured at amortised cost.
- Financial liabilities which are measured at amortised cost.

Financial instruments measured at fair value through other comprehensive income.

3.2 Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Nigerian Naira(N) which is the bank's functional currency and the group's presentation currency.

3.3 Use of estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. There were no material changes in management's estimates during the period.

3.4 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the group. Control exists when the group has rights to variable returns from its involvement in an entity and has the ability to affect those returns through its power over the entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. Subsidiaries are fully consolidated from the date in which control is transferred to the group. They are deconsolidated from the date control ceases.

The accounting policies of subsidiaries have been changed, where necessary, to align with the policies adopted by the group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests.

In the separate financial statements, investments in subsidiaries are carried at cost less impairment.

(b) Business combinations

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The results of the subsidiaries consolidated financial statements from the effective acquisition acquired or disposed of during the year are included in the date and or up to the effective date on which control ceases, as appropriate. The integration of the subsidiaries into the consolidated financial statements is based on consistent accounting and valuation methods for similar transactions and other occurrences under similar circumstances.

Business combinations are accounted for using the acquisition method.
The group measures goodwill at the acquisition date as the total of:

- The fair value of the consideration transferred; plus
- The amount of any non-controlling interest in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;
- Less the net amount of the identifiable assets acquired and liabilities assumed (generally fair value).

When this total is negative, a bargain purchase gain is recognised in the income statement.

Non-controlling interests 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.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.
If the business combination is achieved in stages, the acquisition date carrying value of any previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains or losses or incomes and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.5 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the net fair value gains on financial assets at FVTPL of the income statement.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the year end translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

All foreign exchange gains and losses recognised in the Income statement are presented net in the Income statement within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

Revenue Recognition

3.6 Interest income and interest expense

Interest income and expense for all interest-bearing financial instruments, except for those classified at fair value through profit or loss, are recognised within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability.

The calculation of the effective interest rate includes all transaction costs and fees 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 liability.

3.7 Fees and commissions income and expenses

Fees and commission are generally recognised on an accrual basis, when the service has been provided.

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income, including financial advisory fees, structured finance fees, arrangement fees, account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. Other fees and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received. A contract with a customer, that results in a recognised financial instrument in the Group's financial statement may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. if this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual. Other fees and commission expenses relate mainly to transaction and service fees, which are expensed as services are received. Dividend income is recognised when the right to receive income is established. Usually, this is the ex.dividend date for quoted equity securities. Dividends are presented in net trading gains, or other income based on the underlying classification of the equity investment.

Dividends on equity instruments designated as at FVOCI that clearly represent a recovery of part of the cost of the investment are presented in OCI. Income on cash handling relates to services provided to customers in processing cash withdrawal and deposits above the regulated limit, provided by the Central Bank of Nigeria. Income is recognised as the service is provided. Fees and commission income are recognised at point in time and over time. Fees recognised over time relate to credit related fees (concerning participation fee and invoice discounting), corporate finance fees, account maintenance fees, account servicing fee. Fees recognised at a point in time relate credit related fees other that those recognised over time, e.g account servicing fee, arrangement fees.

3.8 Net trading and foreign exchange income

Net trading income and foreign exchange income comprises gains less losses related to trading assets and liabilities and includes all realised and unrealised fair value changes and foreign exchange differences. Net gains or losses on derivative financial instruments measured at fair value through profit or loss are also included in net trading income.

3.9 Dividend income

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other operating income and recognised gross of the associated withholding tax. The withholding tax expense is included as a component of taxation charge for the relevant period.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates, and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

3.10 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax liability is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.11 Cash and bank balances

Cash and bank balances include notes and coins on hand, current balances with other banks, balances held with central banks and placements with banks which are used by the Group in the management of its short-term commitments.

Cash and bank balances are carried at amortised cost in the statement of financial position.
Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non-restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

3.12 Trading assets

Trading assets are those assets that the Group acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short term profit or position taking.

Trading assets are measured at fair value with changes in fair value recognised as part of net trading and foreign exchange income in profit or loss.

3.13 Derivative financial instruments

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions and valuation techniques. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are separately accounted for at fair value with changes in fair value recognised in the income statement unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

3.14 Property and equipment

(a) Recognition and measurement

Items of property and equipment are recognised when available for use and are carried at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or is recognised if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

(c) Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held-for-sale in accordance with IFRS 5 Non-current assets-held-for-sale and discontinued operations.

The estimated useful lives for the current and comparative period are as follows:

	2021	**2020**
Freehold Land	Not depreciated	Not depreciated
Freehold buildings	50 years	50 years
Motor vehicles	5 years	5 years
Office improvement	5 years	5 years
Furniture and Fittings	5 years	6 years
Office equipment	5 years	5 years
Work in progress	Not depreciated	Not depreciated
Computer equipment	5 years	3 years

The Bank reviewed the economic useful live of its assets in 2021 for the following: Furniture & Fittings now

5years (2020: 6years) while Computer equipment was also reviewed to 5years as against (2020: 3years). Work in progress represents costs incurred on assets that are not available for use. Work in progress is carried at cost less any required impairment. Depreciation starts when assets are available for use. An impairment loss is recognised, if the assets's recoverable amount is less than cost. The asset is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Once the items are available for use, the related amounts are transferred to the appropriate category of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

(d) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

3.15 Intangible assets

(a) Goodwill

Goodwill represents the excess of consideration over the group's interest in net fair value of net identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition. When the excess is negative, it is recognised immediately in profit or loss. Goodwill is measured at cost less accumulated impairment losses.

Subsequent measurement

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cashflows from a cash generating unit with the carrying value of its net assets, including attributable goodwill. Impairment losses on goodwill are not reversed.

(b) Software

Software acquired by the group is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognized as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life not exceeding five years, from the date that it is available for use. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

Work in progress for intangible assets are not amortized, until they are available for use. Once items are available for use, the related amounts are transferred to the appropriate category of intangible assets.

3.16 Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an assetis required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement. Impairment losses relating to goodwill are not reversed in future periods.

3.17 Repossessed collateral

Repossessed collateral represents financial and non-financial assets acquired by the group in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in the relevant assets depending on the nature and the group's intention in respect of recovery of these assets; and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets. Where repossessed collateral results in acquiring control over a business, the business combination is accounted for using the acquisition method of accounting with fair value of the settled loan representing the cost of acquisition(refer to the accounting policy for consolidation).

3.18 Deposits and debt securities issued

The group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Debt securities issued are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the group chooses to carry the liabilities at fair value through profit or loss.

3.19 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for. A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.20 Financial guarantee contracts

Financial guarantee contracts are contracts that require the group (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the expected credit loss provision and the unamortised premium. Financial guarantees are included within other liabilities.

3.21 Employee benefits

Post-employment benefits

Defined contribution plans

The group operates defined contribution pension scheme. A defined contribution plan is a pension plan under which the group makes fixed contributions on contractual basis. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

The bank pays contributions to publicly or privately administered pension plans on a manadatory basis. The bank and subsidiaries has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments available.
The contribution by employees and the employing entities are 8% and 10% respectively of the employee's basic salary, housing and transport allowances. The contributions made by the group last year were not below the minimum provisions of the Pension Reform Act, 2014.

Termination benefits

The group recognises termination benefits as an expense when the Group 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. The Group settles termination benefits within twelve months and are accounted for as short-term benefits.

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.22 Share capital and reserves

(a) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(b) Dividend on ordinary shares

Dividends on the group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the group's shareholders.

(c) Treasury shares

Where the group or any member of the group purchases the group's shares, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

3.23 Earnings per share

The group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.24 Fiduciary activities

The group commonly acts as trustees in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and incomes arising thereon are excluded from these financial statements, as they are not assets of the group.

3.25 Stock of consumables

Stock of consumables comprise materials to be consumed in the process of rendering of services as well as banking accessories held for subsequent issuance to customers. They are measured at the lower of cost and net realisable value. Cost comprises costs of purchase and other costs incurred in bringing the items of stock to their present location and condition. Net realisable value is the estimated issuance price. When items of stock are issued to customers, their carrying amount is recognised as an expense in the period in which the related revenue is recognised.

3.26 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Chief Executive Officer of the Group, being the chief operating decision maker, to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned, while indirect costs are allocated based on the benefits derived from such cost.

3.27 IFRS 9: Financial instruments

Financial Assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as fair value through profit or loss(FVTPL), available for sale(AFS), loans and receivables and held to maturity investments as appropriate. The company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace regular way trades are recognized on the trade date, i.e, the date that the Company commits to purchase or sell the asset.

The company's financial assets include quoted and unquoted equities, treasury bills, government bonds, cash and short term deposits, trade and other receivables, loans and advances.

Financial Instruments - Policy from 1 January, 2019
The bank's accounting policies complies with IFRS 9. IFRS 9 replaces the provisions of IAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments,impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

3.27.1 Classification and measurement
Financial assets
It is the Bank's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit of loss.

Classification and subsequent measurement is dependent on the Bank's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Bank may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

The Bank classifies its financial assets into the following categories in line with the provisions of IFRS 9:

(a) those to be measured at fair value through profit or loss (FVTPL)

(b) those to be measured at amortised cost; and

(c) those to be measured at fair value through other comprehensive income (FVOCI)

The classification depends on the Bank's business model (i.e business model test) for managing financial assets and the contractual terms of the financial assets cash flows (i.e. solely payments of principal and interest - SPPI test.)

The Bank also classify its financial liabilities as liabilities at fair value through profit or loss and liabilities at amortised cost. Management determines the classification of the financial instruments at initial recognition.

Classification of Financial Assets

(a) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

i The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

ii The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'investment income'.

The amortised cost of a financial instrument is defined as the amount at which it was measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the 'effective interest method' of any difference between that initial amount and the maturity amount, and minus any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's net carrying amount.

(b) Financial assets measured at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in fair value of a debt investment that is subsequently measured at fair value through profit and loss and its not part of a hedging relationship is included directly in the profit or loss and reported as 'Net fair value gain/(loss) in the period in which it arises. Interest income from these financial assets is recognized in profit or loss as 'Investment income'.

In addition, the Bank may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that could otherwise arise. This is done on initial recognition of the instrument.

(c) Financial assets measured at FVOCI

The Bank subsequently measures all equity investment at fair value. For equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basics at the initial recognition of the instrument. Where the Bank's management has elected to present fair value gains and losses to profit or loss. Dividends from such investments continue to be recognized in profit and loss as dividend income when the Bank's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. All other financial assets are classified as measured at FVTPL. Changes in the fair value of financial assets at fair value through profit or loss are recognized in Net fair value gain/(loss) in the profit or loss.

3.27.2 Business Model Assessment

The Bank assesses the objective of a business model in which as 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:

i 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 realizing cash flows through the sale of the assets;

ii. How the performance of the portfolio is evaluated and reported to management;

iii. 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;

iv. 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; and

v. 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 the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking worst case or stress case scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of whether contractual cash flows are solely payments of principal and interest on principal amount outstanding

As a second step of its classification process, the Bank assesses the contractual terms of financial to identify whether they meet the SPPI test.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). '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.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgment and considers relevant factors such as the currency inwhich the financial asset is dominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than 'the minimum' exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank 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:

i Contingent events that would change the amount and timing of cash flows;
ii Leverage features;
iii Prepayment and extension terms;
iv. Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse a s s e t arrangements)
v. Features that modify consideration of the time value of money e.g periodical reset of interest rates.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cashflows are solely payment of principal and interest.

3.27.3 Classification of Financial Liabilities

Financial liabilities shall be classified into one of the following measurement categories;

(a) Fair Value through Profit or Loss (FVTPL)

(b) Amortised cost

(a) Financial Liabilities at fair value through profit or loss

Financial liabilities accounted for at fair value through profit or loss fall into two categories:

Financial liabilities held for trading and financial liabilities designed at a fair value through profit and loss on inception.

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- Financial liabilities at fair value through profit and loss shall be financial liabilities held for trading. A financial liabilities shall be classified as held for trading if it shall be incurred principally for the purpose of repurchasing it in the near term or if it shall be part of a portfolio of identified financial instruments that shall be managed together and for which they shall be evidence of a recent actual pattern of profit-taking. Derivatives shall also be categorized as held for trading unless they shall be designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading shall be included in the income statement and shall be reported as Net gains/(losses) on financial instruments classified as held for trading. Interest expenses on financial liabilities held for trading shall be included in 'Net interest income'

Financial Liabilities shall be designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value shall be recognized in the consolidated Statement of Income, except for changes in fair hearing arising from changes in the Bank's own credit risk which shall be recognized in OCI. Changes in fair value of liabilities due to changes in the Bank's own credit risk, which are recognized in OCI, shall not be subsequently reclassified to the Consolidated Statement of Income upon derecognition/extinguishment of the liabilities.

(b) Financial Liabilities at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and shall be measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost shall be debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

Reclassifications

The Bank reclassifies financial assets when and only when its business model for managing those assets changes. The reclassifications takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and must be significant to the Bank's operations. When reclassification occurs, the bank reclassifies all affected financial assets in accordance with new business model. Reclassification date is the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not restated when reclassification occurs.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business occurs only when the Bank either begins or ceases to perform an activity that is significant to its operations (e.g.via acquisition or disposal of a business line).

The following are not considered to be changes in the business model:

A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)

A temporary disappearance of a particular market for financial assets.

- A transfer of financial assets between parts of the entity with different business models.

- Financial liabilities are not reclassified after initial classification.

- Financial assets under the amortised cost classification (i.e. business model whose objective is to collect the contractual cash flows) can still be held as such even when there are sales within the portfolio as long as the sales are infrequent (even if significant in value) or insignificant in value both individual and in aggregate (even if frequent).

However, if more than an infrequent number of sales are made out of a portfolio and those sale are more than insignificant in value (either individually or in aggregate), the Bank will assess whether and how much sales are consistent with an objective of collecting contractual cash flows.

The Bank has defined the following factors which will be considered in concluding on the significant a n d frequency of sale:

Classification of Financial Liabilities (Continued)

Definition of Insignificance: The Bank considers the sale of assets within the BM1 as insignificant if the total sales constitute a value that is less than or equal to 15% of the current amortised cost portfolio per annum or a 5% per quarter subject to a maximum of 15% per annum threshold.

Definition of Infrequent: The Bank has decided that any sale not more that once a quarter would be considered as an infrequent sale.

Definition of Closeness to maturity: The Bank defines close to maturity as instruments with three months to maturity.

3.27.4 Modifications of financial assets and financial liabilities

1. Financial Assets

If the terms of a financial assets are modified, the Bank 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. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit and loss as 'gain and losses arising from the derecognition of financial assets measured at amortised cost.

If the cash flows of the modified asset carried at amortised cost are not substantially different, the modification does not result in derecognition of the financial assets. In this case, the Bank recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchase originated credit-impaired financial assets). The amount arising from adjusting the gross carrying amount is recognised as a modification gain or loss in profit or loss as part of impairment loss on financial assets for the period.

In determining when a modification to terms of a financial asset is substantial or not to the existing terms, the Bank will consider the following non-exhaustive criteria:

Qualitative criteria

Scenarios where modifications could lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, are:

- Change in frequency of repayments i.e. change of monthly repayments to quarterly or yearly repayments

- Reduction of Financial asset's tenor

Modifications of financial assets and financial liabilities (continued)

- Extension of financial asset's tenor
- Reduction in repayment of principals and interest
- Capitalisation of overdue repayments into a new principal amount.

On occurrence of any of the above factors, the Bank will perform a test to determine whether or not the modification is substantial.

Quantitative criteria
A modification would lead to derecognition of existing financial asset and recognition of a new financial asset. That means, substantial modification if:

The discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

A modification would not lead to derecognition of existing financial asset if:
The discounted present value of the cash flows under the new terms, including any fees received net of any paid and discounted using the original effective interest rate, is less than 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

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 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 assets are included in calculating the cash shortfalls from the existing assets.

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.

Modification gain or loss shall be included as part of impairment loss on financial assets for each financial period.

Financial liabilities
The Bank derecognizes a financial liability when its terms are modofied and the cash flows of the modified liability are substantially different. This occurs when 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 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. 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 (i.e. the modified liability is not substantially different), any costs of fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

3.28 Impairment of financial assets

(a) Overview of the Expected Credit Losses (ECL) Principles

The Bank recognizes allowance for expected credit losses on the following financial instruments that are not measured at FVTPL

- Cash and cash equivalents
- Debt instrument at amortised cost
- Other receivables

The instruments mentioned above are all referred to as 'financial instrument' or 'assets'. 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 LT ECL), 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 (12m ECL) as outlined.

The 12m ECL is the portion of LT ECLs 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 LT ECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for accounts receivable are always measured at an amount equal to lifetime ECL. The Bank has established a policy to perform a assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its financial instruments into stage 1, stage 2, State 3 and POCI, as described below:

Stage 1: When financial assets are first recognised, the Bank recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2.

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Bank records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.

Stage 3: Financial assets considered credit-impaired. The Bank records an allowance for the LTECLs.

POCI: Purchase 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.

Impairment of financial assets (Continued)

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime - stage 2 or stage 3 of the ECL bucket, the Bank would continue to monitor such financial asset for a probationary period of 90 days to confirm if the risk of default has decrease sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12 months ECL (Stage 1). In addition to the 90 days probationary period above, the Bank will also observe a further probationary period of 90 days to upgrade from Stage 3 to 2. This means a probationary period of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12 months ECL (Stage 1).

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced.

This is considered a (partial) derecognition of the financial asset.

(b) The calculation of ECLs

Expected credit losses are probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are the present value of the expected cash shortfalls.

The measurement of the expected credit losses should reflect:

- An unbiased and probability weighted amount;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort.

IFRS 9 does not prescribe a single method for measuring expected credit losses. Rather, it acknowledges that the method used to measure expected credit loss may vary based on the type of the financial asset and the information available.

The Bank calculates the ECLs based on three probability- weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between 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 calculation 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 facility has not previously derecognised and still in the portfolio.
- **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 calculation of ECLs (Continued)

- **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 differences 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.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will cure and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12m ECL is calculated as the portion of LT ECLs 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 Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

- Stage 2: When an asset has shown a significant increase in credit risk since origination, the Bank records an allowance for LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, 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 assets considered credit-impaired, the Bank recognizes the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

POCI: POCI asset are financial assets that are credit impaired on initial recognition. The Bank only recognizes the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

(c) Debt instruments measured at fair through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of there financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

(d) Purchased or originated credit impaired financial assets (POCI)

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more event have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The calculation of ECLs (Continued)

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

An asset that has been renegotiated due to a deterioration in the borrower's 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.

For POCI financial assets, the Bank only recognises the cumulative changes in LT ECL since initial recognition in the loss allowance.

(e) Presentation of allowance for ECL in the statement of Financial position

Loan allowance 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;

Debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of the asset is its fair value. However, the loss allowance is disclosed and recognised in the fair value reserve in equity (through OCI).

(f) Write - off

After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

- Continued contact with the customer is impossible;
- Recovery cost is expected to be higher than outstanding debt;
- Amount obtained from realization of credit collateral security leaves a business of the debt; or
- It is reasonably determined that no further recovery on the facility is possible. All credit acility write-offs require endorsement by the Board Risk Management Committee, as defined by the Bank. Credit writ-off approval is documented in writing and properly initiated by the Board Risk Management Committee.

Write - off (continued)

A write-off constitute a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

(g) Forward looking information

In its ECL model, the Bank relies on a broad range of forward looking information as economic inputs, such as, GDP growth, Unemployment rates, Inflation rates and crude oil prices.

3.28.1 Derecognition of financial asset

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the final asset. Any interest in such derecognized asset financial asset that is created or retained by the Bank is recognised as a separate asset or liability. impaired debts are de-recognised when they are assessed as uncollectible.

3.28.2 Derecognition of Financial Liabilities

The Bank de-reognises financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in profit or loss.

3.28.3 Write off-policy

The Bank writes off a financial asset (and any related allowances for impairment losses) when the Bank's Credit determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issue's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3.28.4 These are the various categories as classified according to IFRS 9: Financial instruments

Category (as defined by IFRS 9)		Classes as determined by the Group	Subclasses
Financial asset	Financial assets held for trading	Debt securities	Treasury Bills
			Promissory Notes
			Federal Government of Nigeria Bonds
		Derivative financial instruments	Foreign exchange forward contracts
			Convertible loans
		Equity securities	Quoted Equity Securities
		Mutual funds	Listed Mutual funds
	Financial assets at fair value through other comprehensive income (FVOCI)	Debt Securities	Promissory Notes
			Treasury Bills
			State & Federal Government of Nigeria Bonds
			Corporate Bonds
			Unquoted equities
	Amortised Cost	Investment securities	Treasury Bills
		Cash and Group balances	Cash
			Bank Balances with CBN
			Bank Balances in Nigeria
			Bank Balances outside Nigeria
		Loand and advances to Groups	Placements with Groups and discount houses
			Placement with other financial institutions
		Loans and advances to customers	Term loans, overdrafts
			Commercial bills
			Staff loans
Financial liabilities	Financial liabilities at fair value through profit or loss	Derivative financial instrument liabilities	Foreign exchange forward contracts
	Financial liabilities at amortised cost	Due to Banks	Tenored inter-bank deposits
		Due to Customers	Demand deposits
			Term deposits
		Other liabilities	Accounts payable
			Sundry accounts
		Borrowings	Bank loan
			Other financing loan

4.0 Deferred Tax

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

5.0 Expense Recognition
Finance cost

Interest paid is recognized in the income statemnet as it accrues and is calculated by using the effective interest rate method.

5.1 Impairment of Intangible Assets

Intangible assets with indefinite useful lives are tested for impairment annually at 31 December, either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

5.2 Investment Properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the group, are classified as investment properties. Investment properties comprise mainly of a residential project constructed with the aim of leasing out to tenants.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the statement of financial position. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is obtained from professional third party valuators contracted to perform valuations on behalf of the Bank. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

6 Changes to accounting policies

(a) Except as noted below, the Group has consistently applied the accounting policies as set out in Note 6(b) to all periods presented in these consolidated and separate financial statements. The Group has adopted the following amendments including any consequential amendments to other standards with initial date of application of January 1, 2021. "See amendments to IFRS 9, IAS 39 and IFRS 7 disclosures below".

Significant accounting policies:

(b) Except as noted in Note 6(a), the Group has consistently applied the accounting policies to all periods presented in these consolidated and separate financial statements, unless otherwise stated.

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period.

Standards and interpretations effective during the reporting period

Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2021. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

Reference to the Conceptual Framework -Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 levels. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

The amendment has no impact on the Group financial statements of the year.

Amendment to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is material accounting policy information and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. if it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendment has no impact on the Group financial statements of the year.

Amendment to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Error clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.
The effective date is 1 January 2023.

The amendment has no impact on the Group financial statements of the year.

Amendments to IFRS 9, IAS 39, Financial Instrument and IFRS 7 Financial instruments: Disclosures-Interest Rate Benchmark Reform

In September 2019, the IASB issued amendments to IFRS 7, IFRS 9 and IAS 39, which represents the completion of the first-phase to address the effects of Interest rate benchmark reform on financial reporting.

The amendments that are mandatory include several reliefs which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.
Phase '2' of the amendments requires that, for financial instruments measured using amortised cost measurement (that is, financial instruments classified as amortised cost and debt financial assets classified as FVOCI), the changes to the basis for determining contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate.

The London Inter-Bank Offered Rate (LIBOR) has essentially been one of the main interest rate benchmarks used in financial markets, determining interest rates for financial contracts around the world. However, after December 31, 2021, it is no longer the available reference rate reference rate. This is in line with announcements from the Financial Conduct Authority (FCA), publication of 24 of the 35 LIBOR settings. Financial markets are gradually making their way out of this worldwide commonly used interest rate benchmark.

The rate is mostly used to hedge general level of interest rates charged to borrowers on products including commercial loans, adjustable-rate mortgages, credit cards, and many others. Currently, there is no harmonization on the acceptable benchmark that will succeed LIBOR in the long run. There are many other potential replacements, but those widely used by the market are the secured overnight financing rate (SOFR), U.S. Prime Rate, Bloomberg Short-Term Bank Yield Index, ICE Bank Yield Index, and AMERIBOR.

Greenwich Merchant Bank currently has no direct assets or liabilities under LIBOR. The bank derives loans from offshore banks with LIBOR as the benchmark rate and gives out to its customers at the same benchmark rate. Although included in its offer letter to customers is a clause informing them that the loan rate is subject to market conditions whereby it changes according to the benchmark rate applied by the offshore bank. Greenwich Merchant Bank is considering possible LIBOR alternatives that are acceptable as the new benchmark which will be consistent with accepted market practices and substantially equivalent to the LIBOR index rate.

The bank does not envisage in the future that, there will be a change in their risk management policies, hedging policies have already been put in place to hedge against risks.

As at December 31st Greenwich Merchant bank has in its books the following balances that are benchmarked against LIBOR:

	₦'000
Assets	
Loan and advances	1,487,695
Liabilities	
Due to banks	1,487,695

Amendment to IFRS 16

In May 2020, the IASB issued amendment to IFRS 16 on Leases to address the accounting and reporting issues arising from Covid 19-Related Rent Concessions such as rent holidays, temporary rent reductions and rent waivers granted to Lessees. The amendment applies to annual reporting periods beginning on or after 1 June 2020 with earlier application permitted.

The amendment provide relief to lessee in accounting for rent concessions arising as direct consequence of the Covid-19 pandemic. A lessee that applies the optional practical expedient may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. The Practical expedient will only be applied if the following conditions are met:

- The revised consideration is substantially the same or less than the original consideration.
- The reduction in lease payments relates to payments originally due on or before 30 June 2021.
- There are no substantive changes to other terms and conditions of the lease.

No practical expedient is provided for Lessors. Lessors are required to apply the existing requirements of IFRS 16.

This amendment has no impact on the Group.

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

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lesees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets(to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities, and

- Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable.

The effective date is 1 January 2023

This amendment has no impact on the Group.

(c) Standards and interpretations issued/amended but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2021:

Standard	Content	Effective Date
IAS 16	Amendment to IAS 16 Property, Plant and Equipment	1 Jan 2022
IAS 37	Amendment to IAS 37 Provisions, Contingent liabilities and Contingent assets	1 Jan 2022
IAS 1	Amendment to IAS 1 Presentation of Financial Statements	1 Jan 2023
IFRS 17	Insurance Contracts	1 Jan 2023

The Group has not applied the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates. Commentaries on these new standards/amendments are provided below.

Amendment to IAS 16 – Property, Plant and Equipment

The IASB issued amendment to IAS 16 – Property, Plant and Equipment which is effective for annual reporting periods beginning on or after 1 January 2022. The amendment prohibits the deduction from the cost to an item of property, plant and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognize the sale proceeds and related production cost of those items in Profit or loss. The amendment is not expected to have any impact on the Group.

Amendment to IAS 37 – Provisions, Contingent liabilities and Contingent assets

The IASB published amendment to IAS 37– Provisions, Contingent liabilities and Contingent assets in May 2020. The amendment which is effective for annual reporting periods beginning on or after 1 January 2022 specifies the costs an entity needs to include when assessing whether a contract is onerous.
The amendment clarifies that the costs that relate to a contract comprise both incremental costs of fulfilling the contract and an allocation of other direct costs related to the contract activities. The amendment does not have any material impact on the Group.

Standards and interpretations issued/amended but not yet effective(continued)

IFRS 17 – Insurance Contracts

The IASB issued IFRS 17 in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard.

The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the Group in anyway as the Bank and its subsidiary companies do not engage in insurance business.

Amendment to IAS 1 – Presentation of Financial Statements

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendment clarifies:

- 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.

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

The amendment does not have any material impact on the Group.

6.1 Use of estimates and judgements
These disclosures supplement the commentary on financial risk management

(a) Key sources of estimation uncertainty

Measurement of the expected credit losses
The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, especially in the application of forward-looking information, the estimation of the amount and timing of future cashflows and collateral values when determining impairment losses and the assessment

of a significant increase in credit risk. These estimates are driven by several factors which can result in different levels of allowances.
The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVTOCI is as discussed in the accounting policy 3.28

Assessing fair values
The assessment of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3.27. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(b) Critical accounting judgements in applying the group's accounting policies

The critical accounting judgements made in applying the group's accounting policies include:

Financial asset and liability classification

The group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

(1) In classifying financial assets as measured at amortized cost, the group has determined that it meets the description of financial assets set out in accounting policy 3.27.

(2) In designating financial assets as measured at FVOCI, the group has determined that it has met the criteria for this designation set out in accounting policy 3.27.

(3) In classifying financial assets as measured at FVTPL, the group has determined that it meets the description of financial assets set out in accounting policy 3.27.

(4) In accounting for financial liabilities as FVTPL, the group has determined that it meets the description of financial liabilities set out in accounting policy 3.27.

(5) In carrying financial liabilities at amortized cost, the group has determined that it meets the description of financial liabilities set out in accounting policy 3.27.

Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

Valuation of equity financial instruments
The group's accounting policy on fair value measurements is discussed under note 3.27.

The group measures fair values using the following hierarchy of methods.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily quoted equity and debt investments classified as trading securities or available for sale.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:
- Quoted market prices or dealer quotes for similar instruments;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.
Valuation techniques include net present value and discounted cashflow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rate, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market 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. The Group's valuation methodology for unquoted securities uses a discounted cash flow methodology and dividend discount methodology. The methodologies are often used by market participants to price similar securities.

For more complex instruments, if any, the group uses proprietary valuation models, which are usually developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors such as liquidity risk or model uncertainties, to the extent that the group believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate.

If the group measures portfolios of financial assets and financial liabilities on the basis of net exposures to market risks, then it applies judgment in determining appropriate portfolio-level adjustments such as bid-ask spreads and relevant risk premiums.

The group has an established control framework with respect to the measurement of fair values. This framework includes the Investment Banking unit taking over the valuation of financial assets under level 2 and 3. Their valuations are independent of the carrying amounts under the purview of Chief Financial Officer who has overall responsibility for valuations. There is also the Risk Measurement unit responsible for independently verifying the results of valuations from other Units.

When third party information, such as broker quotes or pricing services, is used to measure fair value, the risk measurement unit assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- Verifying that the broker or pricing service is approved by the group for use in pricing the relevant type of financial instrument;
- Understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- When prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- If a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements are recurring.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Use of estimates and judgements (continued)

Financial instruments measured at fair value:

Group:
2021

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	21				
Government bonds		-	-	-	-
Treasury bills		5,784	-	-	5,784
Investment securities at FVOCI	22				
Commercial paper		-	-	-	-
Bonds		-	2,934,623	-	2,934,623
Treasury bills		-	1,108,541	-	1,108,541
Equity investments		2,524,278	970,601	-	3,494,880
Investment securities at amortized cost					
Treasury bills		3,528,497			3,528,497
Eurobonds		892,551			892,551
Total assets		**6,951,111**	**5,013,765**	**-**	**11,964,876**

Bank:
2021

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	21				
Government bonds		-	-	-	-
Treasury Bills		5,784	-	-	5,784
Investment securities at FVOCI	22				
Commercial paper		-	-	-	-
Bonds		-	2,934,623	-	2,934,623
Treasury bills		-	1,108,541	-	1,108,541
Equity investments		-	968,587	-	968,587
		5,784	**5,011,751**	**-**	**5,017,535**

Financial instruments measured at fair value

Group:
2020

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	21				
Government Bond		969,385	-	-	969,385
					-
					-
Investment securities at FVOCI	22				-
Commercial Paper		-	51,040	-	51,040
Bonds		-	66,576	-	66,576
Equity investments		1,579,404	4,892,047	-	6,471,451
Investment securities at amortized cost					
Treasury bills		4,252,733			4,252,733
Total assets		**6,801,522**	**5,009,663**	**-**	**11,811,185**

Bank:
2020

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	21				
Government bonds		969,385	-	-	969,385
Investment securities at FVOCI	22				
Commercial paper		-	51,040	-	51,040
Bonds		-	66,576	-	66,576
Equity investments		-	4,889,244	-	4,889,244
		969,385	**5,006,860**	**-**	**5,976,245**

All valuation processes and techniques are subject to review and approval by the Board Finance and General Purpose Committee. There was no change in the group's valuation technique during the period.

(c) Valuation technique and input used in Level 2 Fair Value Measurement

Where there is limited trading activity in financial instruments, the group uses valuation models, consensus pricing information from third party pricing services and quotes to determine an appropriate valuation.

7.0 Enterprise Risk Management Review

The Group's Enterprise Risk Management process is focused on long-term sustainability and value creation. Greenwich Merchant Bank adopts a risk-intelligent approach to the identification, measurement, mitigation and monitoring of risks across the Bank. Our risk-intelligent and integrated approach seeks to minimize the downside risk and maximize the upside risk inherent in our businesses. The Bank ensures that the business maintains the right balance in terms of the risk-return trade-off whilst limiting the negative variations that could impact the Bank's capital, earnings, risk assets and appetite levels in a constantly changing and dynamic operating environment.

The key elements of Greenwich Merchant Bank Limited 's Enterprise Risk Management are as follows:

The Bank's Risk Philosophy, Culture and Objectives

The Board of Greenwich Merchant Bank Limited sets the tone for risk management and ensures that the Bank's risk frameworks, culture and policies reflect our risk management philosophy. The Bank's risk philosophy is to be a risk-intelligent financial institution that avoids aggressive risk-taking. This philosophy guides strategy formulation and business decisions across the Bank.

Risk Management Governance Framework

The Board is ultimately responsible for risk management in the Bank. The Bank adopts the three-lines-of-defense model with regards to risk management which guarantees risk ownership and accountability across the Bank. The first line of defense is the business units and process owners who are responsible for identification, measurement, and mitigation of risks inherent in their business units and processes. The first line of defense ensures that adequate controls are put in place to mitigate risks and that the Bank does not undertake transactions where the risks cannot be mitigated to an acceptable level within its risk appetite. The second line of defense (Risk, Compliance, and Internal Control) reviews and challenges as well as provides oversight and advisory functions; and the third line (Internal Audit) provides assurance that control processes are fit for purpose.

Specific Board committees that are responsible for risk management include the Board Credit Committee, Board Risk Management Committee, and the Board Audit Committee. These committees are supported by the following Management committees: Risk Management Committee, Asset and Liability Committee and Management Credit Committee. Each of the Board and Management committees is governed by mandates that set out the expected committee's terms of reference.

Risk Management Policies and Procedures

Greenwich Merchant Bank manages risks in accordance with a set of governance standards, frameworks and policies approved by the Board which align with the global and industry best practices. The Bank has developed a set of policies for the management of risks including credit, market, operational, technology, liquidity, and compliance risks. The policies define the acceptable conditions for the assumption of risks and ensure alignment and consistency in the way these risks are identified, measured, managed, controlled and reported, across the Bank.

7.1 Risk Appetite

Greenwich Merchant Bank Limited's risk appetite guides the Bank in the pursuit of its strategic objectives. There is consistency between the Bank's risk appetite and strategic objectives and the Bank has set its risk appetite at a level that ensures capital protection. The Bank's risk appetite reflects the capacity to sustain losses and continues to meet its obligations as they fall due, under both normal and a range of stress conditions.

- The Risk Appetite Policy approved by the Board of Directors:

- Defines the amount of risk that Greenwich Merchant Bank is willing to accept in pursuit of its objectives.
- Sets risk limits to guide Management in the day-to-day operations of the Bank.
- Provides a basis for measuring the risk-adjusted return and for linking performance to the amount of risk taken in achieving it.

Ensures strong risk management culture across the Bank.
Defines the risk-taking capacity of the Bank and ensures that the Bank does not take on risk beyond its risk-taking capacity.

The Bank expresses its risk appetite using qualitative and quantitative terms. Qualitative risk appetite statements serve as a guide for embedding the Risk Appetite Policy across the Bank and to support strategic and operational decision-making.

The following are covered by qualitative statements:

Credit Risk: The Bank adopts a conservative approach to credit risk taking. Our credit risk mitigation and control techniques involve preventive and remedial controls. This ensures that identified risks are prevented to the greatest extent possible, and where such risks crystallize, remedial actions are available to reduce the eventual loss to the Bank.

Operational Risk: The Bank's appetite for operational risk is low. Greenwich Merchant Bank will not carry-on business where the operational risk cannot be managed to an acceptable low level.

Capital Position: The Bank aims to have a strong capital adequacy position measured by regulatory capital adequacy ratios. Capital levels are managed to support business growth, maintain depositor and creditor confidence, create value for shareholders and ensure regulatory compliance.

Liquidity and funding management: The Bank's approach to liquidity risk management is governed by prudence, in accordance with the applicable laws and regulations and considers, the competitive environment in which the Bank operates. Greenwich Merchant Bank Limited manages liquidity risk on a self-sufficient basis.

Earnings volatility: The Bank aims to have sustainable and well diversified earning streams to minimize earnings volatility through business cycles.

Greenwich Merchant Bank uses quantitative risk appetite to measure capital adequacy under normal market conditions and stressed market conditions.

We have set quantitative measures for the following:

- Total regulatory capital
- Common equity capital (CET1)
- Tier 1 Capital
- Leverage Ratio (LER)
- Non-Performing Loans Ratio
- Liquidity ratio
- Liquidity gap

Each quantitative risk appetite statement has two defined threshold levels:

The risk appetite trigger serves as an early warning trigger. The risk appetite trigger is set at a level that considers the scope and nature of available management actions and ensures that corrective management actions can take effect and prevent a risk tolerance limit breach.

The **risk tolerance limit** is the maximum amount of risk the Bank is prepared to tolerate above its risk appetite.

Risk appetite is expressed in specific limits and triggers to provide assurance that day-to-day decisions do not result in outcomes that threaten compliance or result in a breach of regulations.

7.2 Stress testing

The Bank employs stress testing which involves a set of plausible but severe stress conditions to test its liquidity, market, and credit risk exposures. Stress testing serves as a diagnostic and forward-looking tool to improve the Bank's understanding of its risk profile under event-based scenarios.
Mitigating actions are immediately activated to minimize and manage the impact of the risks that emerge from the stress testing. Residual risk is then evaluated against the risk appetite.
Highlights of the Bank's methodology for managing major risks to which the Bank is exposed are explained below:

7.3 Credit Risk

Credit risk generally consumes a significant portion of total regulatory capital and as such represents the largest source of risk that Greenwich Merchant Bank is exposed to. Credit risk therefore receives a high degree of Board and Management focus and sufficient resources is deployed to ensure that the risk is adequately mitigated. Credit risk arises from different transactions such as direct lending activities, commitments to extend credit (undrawn loans), guarantees, letters of credit, securities purchased as investments in the Banking Book, interbank placements, brokerage activities, and transactions resulting in settlement risk for the Bank. The Bank's Credit Policy governs all transactions in the Banking Book and all transactions with exposure to credit risk.

Specifically, the Policy:

- Provides standardized credit risk management approach and comprehensive guidelines for the identification, assessment, measurement, monitoring and reporting of credit risks in the Bank.
- Defines clear roles and responsibilities of different parties involved in the credit risk management process.
- Establishes the principles under which the Bank is prepared to assume credit risk, and the overall framework for the consistent and unified governance of credit risk.

Our credit risk appetite is in line with our risk philosophy, strategic objectives, available resources and guidelines issued by regulatory authorities. In setting this appetite/tolerance limits, the Bank takes into consideration, factors that are internal to the Bank as well as macroeconomic and other external factors.

The Bank's approach to credit risk management is three pronged:

i Credit portfolio planning: Credit portfolio plan sets out planned allocation of credits to industries, sectors, geographic regions, risk ratings and tenure. Portfolio planning is a regulatory requirement and a risk management tool to manage credit portfolio concentration risk and keep credit exposure within the risk appetite set by the Board. One of the methodologies employed by the Bank for managing credit concentration is the annual credit portfolio plan which stipulates limits by industry, sector, credit ratings, tenures, and types of facilities. Credit concentration risk is the risk of loss to Greenwich Merchant Bank arising from an excessive concentration of exposure to a single counterparty or counterparty segment, an industry, a market, a product, a financial instrument or type of security, a country or geography, or a maturity. This concentration typically exists when a number of counterparties are engaged in similar activities and have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. In the annual credit portfolio plan, the Bank articulates planned credit limits for the different sectors it intends to consider for credit and the different obligor credit ratings. Actual credit portfolio is considered against the plan and where there is a deviation, remedial actions are implemented immediately. Greenwich Merchant Bank tries to maintain a portfolio of credit risk that is adequately diversified and avoids excessive concentration risks.

ii Credit analysis and structuring: Greenwich Merchant Bank considers varied forms of credit risk mitigation in the analysis and structuring of credit transactions. The credit risk mitigation actions may depend on the credit rating of the obligors and the nature of the transactions. All credit analysis performed in the Bank, at minimum, demonstrates an appropriate understanding of the borrower or counterparty, the purpose and structure of the credit, the transaction, the source of repayment, the integrity and reputation of the borrower, the key risks and mitigants, the model rating and analysis of risk and return in respect of the proposal at hand. Credit risk mitigation is defined as all methods of reducing credit expected loss whether by means of reduction of EAD (for example netting), risk transfer (for example guarantees) or risk transformation. Guarantees, collateral and the transaction structures are used by the Bank to mitigate credit risks both identified and inherent.

iii Credit rating of obligors/counterparties. Internal counterparty rating is used as an essential tool in the Greenwich Merchant Bank's credit risk management and decision-making process.

Credit rating is used for the following purposes:

- Credit assessment and evaluation
- Credit monitoring
- Performing portfolio provisioning determination in line with IFRS 9
- Credit approval and delegated authority
- Input drivers for impairment calculations
- Economic and regulatory capital calculation
- Portfolio and management reporting
- RARORC (Risk-Adjusted Return on Regulatory Capital) calculation
- Pricing: Probability of Default (PD), Exposures At Default (EAD) and Loss Given Default (LGD) may be used to assess and compare relative pricing of assets/facilities, in conjunction with strategic, relationship, market practice and competitive factors.

Our internal credit rating model combines quantitative and qualitative metrics to determine the appropriate rating grade for the obligor/counterparty. The Bank does not engage with counterparties or enter credit transactions where there is insufficient information to identify and evaluate risks. The Bank makes use of Risk Assets Acceptance Criteria that are comprehensive enough to ensure reliable credit rating of counterparties. Defined acceptable risk characteristics are summarised to form the Risk Assets Acceptance Criteria (RAAC).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2021

The Bank uses the obligor/counterparty rating scale below:

Description of Grade	Internal Credit Rating	
Extremely low risk	AAA	
Very low risk	AA	Investment Grade
Low risk	A	
Acceptable risk	BBB	
Moderately high risk	BB	Sub-investment Grade/Speculative Grade
High risk	B	
Very high risk	CCC	
Extremely high risk	CC	Cautionary Grade
High likelihood of default	C	

The Bank's credits to different obligors based on our internal credit rating as at 31 December 2021 are as follows:

On-Balance Sheet

GROUP

Loans listing

Row Labels	Loans and advances	Impairment Allowance	Carrying amount
AAA	1,964,953	1,039	1,963,914
AA	93,859	270	93,589
A	4,724,713	3,985	4,720,728
BBB	51,260	246	51,014
BB	493,951	133	493,818
B	9,324	3,417	5,907
Gross loans	**7,338,059**	**9,090**	**7,328,969**

BANK

Loans by rating

Row Labels	Loans and advances	Impairment Allowance	Carrying amount
AAA	1,964,953	1,039	1,963,914
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B	9,324	3,417	5,907
Gross loans	**7,338,059**	**9,090**	**7,328,969**

Collateral

Among the Bank's credit risk mitigation actions is the use of collateral to reduce the exposures at default (EAD). All credit exposures, particularly where the obligors are considered to have a higher probability of default, must be secured by tangible assets, cash, or other types of collateral acceptable to the Bank. The Bank engages the services of independent consultants/valuers for periodic valuation of tangible collateral pledged for loans and advances. Collateral analysis is also carried out as part of the credit appraisal process. Collateral analysis includes a good description of the collateral, its value, how the value was arrived at, and when the valuation was made.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

The collateral usually includes the following categories:

i. Real estate, plant, and equipment. This usually takes the form of all asset or mortgage debenture or charge and is registered and enforceable under Nigerian law

ii. Shares of publicly quoted companies

iii. Cash

iv. Near cash and highly liquid financial instruments such as Eurobonds, Treasury Bills and Federal Government of Nigeria bonds

The collateral is valued and inspected prior to disbursement and on a regular basis thereafter until full repayment of the exposure. Periodic inspection of physical collateral is performed where appropriate and where reasonable means of doing so are available.

The following are loans and advances and collateral pledged by customers for outstanding facilities as at 31 December 2021:

GROUP

In thousands	**Value of collateral**	**Total exposure**
All asset debenture	32,471,551	493,951
Cash	1,864,074	1,863,551
Clean	-	4,869,930
Eurobond Investment	198,288	101,304
Property	47,500	9,324
Grand Total	**34,581,414**	**7,338,059**
		-
Impairment	-	(9,090)
		-
Net Carrying amount	**34,581,414**	**7,328,969**

BANK

In thousands	**Value of collateral**	**Total exposure**
All asset debenture	32,471,551	493,951
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	-	-
Impairment	-	(9,090)
	-	-
Net Carrying amount	**34,581,414**	**7,328,969**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2021

GROUP

Disclosure by collateral	Overdraft	Term Loans	Total
All asset debenture	-	32,471,551	32,471,551
Cash	-	1,864,074	1,864,074
Clean	-	-	-
Eurobond Investment	-	198,288	198,288
Property	-	47,500	47,500
Grand Total: Fair value of collateral	-	**34,581,414**	**34,581,414**
Gross loans	**3,473,141**	**3,864,918**	**7,338,059**
Impairment	**(281)**	**(8,809)**	**(9,090)**
Net amount	**3,472,860**	**3,856,109**	**7,328,969**
Gross Total: Amount of under-collaterisation	**3,473,141**	**-**	**3,473,141**

BANK

12 months ECL loans and advances	Overdraft	Term Loans	Grand Total
All asset debenture		32,471,551	32,471,551
Cash		1,864,074	1,864,074
Clean	-	-	-
Eurobond Investment		198,288	198,288
Property		47,500	47,500
Grand Total: Fair value of collateral	-	**34,581,414**	**34,581,414**
Gross loans	**3,473,141**	**3,864,918**	**7,338,059**
Impairment	**(281)**	**(8,809)**	**(9,090)**
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GROUP

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Eurobond Investment		198,288	198,288
Property		47,500	47,500
Grand Total: Fair value of collateral	-	**34,581,414**	**34,581,414**
Gross loans	**3,473,141**	**3,864,918**	**7,338,059**
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BANK

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Property		47,500	47,500
Grand Total: Fair value of collateral	-	**34,581,414**	**34,581,414**
Gross loans	**3,473,141**	**3,864,918**	**7,338,059**
Impairment	**(281)**	**(8,809)**	**(9,090)**
Net amount	**3,472,860**	**3,856,109**	**7,328,969**
Gross Total: Amount of under-collaterisation	**3,473,141**	**-**	**3,473,141**

Credit Risk Measurement

The starting point of all credit risk assessment and evaluation lies in the counterparty risk grading, which is quantified and calculated in compliance with the Bank's Credit Policy. Credit risk quantification for any exposure or portfolio is summarized by the calculation of the Expected Credit Loss (ECL), which is arrived at in the following way:

Based on the risk rating, the Bank determines the counterparty's Probability of Default (PD). A forward-looking quantification of the exposure at default (EAD) is determined and the credit risk mitigants such as security and asset recovery propensities are then quantified to moderate the Exposure At Default (EAD) to derive the Loss Given Default (LGD). Finally, the ECL is a function of the PD, the LGD and the EAD. The Bank is still in the process of gathering internal data for PD and LGD and such makes use of external PD and LGD data such as Standard and Poor PD data.

Impairment model

All credit exposures including undrawn loan commitments, off-balance sheet engagements such as guarantees and letters of credit and debt instruments that are carried at amortised cost or fair value through other comprehensive income are assessed for expected credit loss (ECL) on a forward-looking basis in line with IFRS 9. The Group adopts three-stage model for impairment based on the changes in the credit risk associated with the exposures and consistent with the provisions of IFRS 9.

Staging of financial instruments

Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month expected credit loss allowance is recognized. Instruments will remain in stage 1 until they are repaid, unless they experience significant credit deterioration in which case, they are moved to stage 2 or they become credit-impaired and are moved to stage 3.

Instruments will transfer to stage 2 and a lifetime expected credit loss allowance is recognized when there has been a significant change in the credit risk compared with what was expected at origination. Instruments are classified as stage 3 when they become credit impaired. A lifetime expected credit loss allowance is recognized for instruments classified as stage 3.

Incorporation of forward-looking information

The determination of expected credit loss includes various assumptions and judgements in respect of forward-looking, company-specific, and macroeconomic information.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Credit Risk Measurement

The starting point of all credit risk assessment and evaluation lies in the counterparty risk grading, which is quantified and calculated in compliance with the Bank's Credit Policy. Credit risk quantification for any exposure or portfolio is summarized by the calculation of the Expected Credit Loss (ECL), which is arrived at in the following way:

Based on the risk rating, the Bank determines the counterparty's Probability of Default (PD). A forward-looking quantification of the exposure at default (EAD) is determined and the credit risk mitigants such as security and asset recovery propensities are then quantified to moderate the Exposure At Default (EAD) to derive the Loss Given Default (LGD). Finally, the ECL is a function of the PD, the LGD and the EAD. The Bank is still in the process of gathering internal data for PD and LGD and such makes use of external PD and LGD data such as Standard and Poor PD data.

Impairment model

All credit exposures including undrawn loan commitments, off-balance sheet engagements such as guarantees and letters of credit and debt instruments that are carried at amortised cost or fair value through other comprehensive income are assessed for expected credit loss (ECL) on a forward-looking basis in line with IFRS 9. The Group adopts three-stage model for impairment based on the changes in the credit risk associated with the exposures and consistent with the provisions of IFRS 9.

Staging of financial instruments

Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month expected credit loss allowance is recognized. Instruments will remain in stage 1 until they are repaid, unless they experience significant credit deterioration in which case, they are moved to stage 2 or they become credit-impaired and are moved to stage 3.

Instruments will transfer to stage 2 and a lifetime expected credit loss allowance is recognized when there has been a significant change in the credit risk compared with what was expected at origination. Instruments are classified as stage 3 when they become credit impaired. A lifetime expected credit loss allowance is recognized for instruments classified as stage 3.

Incorporation of forward-looking information

The determination of expected credit loss includes various assumptions and judgements in respect of forward-looking, company-specific, and macroeconomic information.

Significant increase in credit risk ('SICR')

Expected credit loss for financial assets will transfer from a 12-month basis to a lifetime basis when there is a significant increase in credit risk (SICR) relative to that which was expected at the time of origination, or when the asset becomes credit impaired. On transfer to a lifetime basis, the expected credit loss for those assets will reflect the impact of a default event expected to occur over the remaining lifetime of the instrument rather than just over the 12 months from the reporting date. SICR is assessed by comparing the risk of default of an exposure at the reporting date with the risk of default at origination (after considering the passage of time). Whether a change in the risk of default is significant or not is assessed using quantitative and qualitative criteria, the weight of which will depend on the type of product and counterparty. Factors considered in assessing significant increase in credit risk include the following:

- Potential or actual bankruptcy of the obligor
- Debt restructuring by the Bank due to significant financial difficulty affecting the borrower where the Bank has granted concessions that it would not ordinarily consider (forbearance)
- Fraud impacting the obligor's credit rating and ability to meet its debt obligations
- Significant credit rating downgrades
- Death of key personnel of the obligor with likelihood of impacting its ability to pay its debt obligations
- More than 30 days past due

Assessment of credit-impaired financial assets

Credit-impaired financial assets comprise those assets that have experienced an observed credit event and are in default. Default represents those assets that are at least 90 days past due in respect of principal and interest payments and/or where the assets are otherwise considered unlikely to pay.
Evidence that a financial asset is credit-impaired includes the following observable data.

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.
- An asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to b e credit-impaired unless there is evidence that the risk of not receiving contractual cashflows has reduced significantly and there are no other indicators of impairment.

Transfers between stages

Assets will transfer from stage 3 to stage 2 when they are no longer considered to be credit impaired. Assets will not be considered credit-impaired only if the customer makes payments such that they are paid to current in line with the original contractual terms. In addition, loans that were subject to forbearance measures must remain current for 12 months before they can be transferred to stage 2. Assets may transfer to stage 1 if they are no longer considered to have experienced a significant increase in credit risk. This will occur when the original PD based transfer criteria are no longer met and if none of the other transfer criteria apply. Where assets were transferred using other measures, the assets will only transfer back to stage 1 when the condition that caused the significant increase in credit risk no longer applies and as long as none of the other transfer criteria apply.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

The ECL on loans and advances as of 31 December 2021 is as follows:

GROUP

Loans and advances to customers at amortised cost	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired
Balance at 1 January	-	-	-
Net remeasurement of loss allowances	9,090	-	-
Closing balance	**9,090**	-	-
Gross amount	**7,338,059**	-	-

BANK

Loans and advances to customers at amortised cost	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired
Balance at 1 January	-	-	-
Net remeasurement of loss allowances	9,090	-	-
Closing balance	**9,090**	-	-
Gross amount	**7,338,059**	-	-

GROUP

Investment securities at amortised cost	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired
Balance at 1 January	-	-	-
Net remeasurement of loss allowances	4,844	-	-
Closing balance	**4,844**	-	-
Gross amount	**5,811,892**	-	-

BANK

Investment securities at amortised cost	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired
Balance at 1 January	-	-	-
Net remeasurement of loss allowances	4,844	-	-
Closing balance	**4,844**	-	-
Gross amount	**512,980**	-	-

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For the year ended 31 December 2021

GROUP

Due from other banks	**12-month ECL**	**Lifetime ECL not credit**	**Lifetime ECL credit**
Balance at 1 January	**-**	**-**	**-**
Net remeasurement of loss allowances	8,897	**-**	**-**
Closing balance	**8,897**	**-**	**-**
Gross amount	**51,135,045**	**-**	**-**

BANK

Due from other banks	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**
Balance at 1 January	**-**	**-**	**-**
Net remeasurement of loss allowances	6,591	**-**	**-**
Closing balance	**6,591**	**-**	**-**
Gross amount	**42,642,426**	**-**	**-**

GROUP

Other Financial assets	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**
Balance at 1 January	**-**		
Net remeasurement of loss allowances	163,801		
Closing balance	**163,801**		
Gross amount	**776,011**		

BANK

Other Financial assets	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**
Balance at 1 January	**-**		
Net remeasurement of loss allowances	96,025		
Closing balance	**96,025**		
Gross amount	**524,892**		

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Credit provisioning based on prudential guidelines

The Bank determines provisions for loans and advances under prudential guidelines using the time-based provisioning specified by the CBN. A minimum of 2% general provision on performing loans is made in accordance with the Prudential Guidelines.

In addition to the 2% general provisions, the Prudential Guidelines require the following provisions:

Interest and/or principal outstanding for over:	Classification	Minimum provision
1 day but less than 90 days	Watchlist	5%
90 days but less than 180 days	Substandard	20%
180 days but less than 360 days	Doubtful	50%
Over 360 days	Lost	100%

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. Banks are required to comply with the following:
(a) Expenses for loan losses recognized in the profit and loss account should be determined based on the relevant IFRS 9. However, the provisions for loan losses determined under the IFRS 9 should be compared with the loan loss provisions determined under the Prudential Guidelines. The differences between both provisions should be treated as follows:

(i) Where Prudential Provisions is greater than IFRS 9 provisions, the resulting difference should be transferred from the general reserve account to a non-distributable regulatory credit risk reserve.

(ii) Where Prudential Provisions is less than IFRS 9 provisions, the IFRS 9 determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter transferred to the general reserve account.

Please see below:

In thousands of Nigerian Naira	Bank	
	31-Dec-21	**31-Dec-20**
Total impairment on IFRS	193,800	94,070
Total impairment based on Prudential Guidelines	146,761	-
Amount to be transferred	Nil	Nil

The IFRS impairment of N193.8 million being higher than the computed provision based on prudential guidelines, transfer to regulatory reserve would no longer be required. Consequently, the excess of N137.67 million will be transferred back to retained earnings.

7.4 Market Risk

Market risk is the risk of an adverse change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse movements in market variables such as equity, bond and commodity prices, foreign exchange rates, interest rates, credit spreads, recovery rates, correlations, and implied volatilities in the market variables.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Market Risk Monitoring, and Mitigation

The Bank's Market Risk Framework and Asset and Liability Management Policy govern the identification, management, control, measurement and reporting of market risk. Trading, security position and loss limits and triggers are set out in the Treasury Limits Framework approved by the Board. The Market and Liquidity Risk Management Unit is independent of the Treasury Division and monitors limits utilization daily. The Unit is also responsible for the identification, measurement, management, control and reporting of market risk as outlined in the policies. The Asset and Liability Committee (ALCO) receives reports regularly on market risk exposures and ensures that all market risk exposures are curtailed within the risk appetite set by the Board. The techniques used by the Bank to measure and control market risk include:

i. Daily trading position limits

ii. Stress testing and sensitivity analysis

iii. Stop loss limits and Management action triggers

iv. Limits on portfolio concentration

Where breaches in limits and triggers occur, actions are taken by the business units concerned and Market Risk Management Unit immediately to ensure that traders hedge exposures back in line with approved market risk appetite and such breaches are reported to Management, ALCO and the Board.

Below is a summary of Greenwich Merchant Bank's fixed income portfolio where the Bank is exposed to market risk as at 31st December, 2021.

The Bank stress-tests its market exposures to determine the effects of potentially extreme market developments on the value of its portfolio. The scenarios are developed taking into consideration specific and generic risk factors, and the outcome of the stress tests provides an insight to the amount of economic capital the Bank would require covering the investment risk exposure under extreme market conditions. Sensitivity analysis is also done daily to determine the impact of 100 basis points and 200 basis points increase in yield on the Bank's portfolio. The sensitivity analysis as at 31 December 2021 is as follows:

GROUP-2021

Asset	Carrying amount	Trading	Non-trading	100bps	200bps
Cash and balances with central bank	16,858,584		16,858,584		
Due from other banks	55,396,848		55,396,848		
Pledged assets	8,447,871		8,447,871	84,479	168,957
Loans & Advances	7,328,969		7,328,969	73,290	146,579
Investment securities	13,342,951		13,342,951	133,430	266,859
Financial instrument at FVTPL	5,784	5,784		58	116
Other financial assets	776,011		776,011		
Liabilities					
Due to banks	4,287,659		4,287,659		
Due to customers	47,624,900		47,624,900		
Other financial liabilities	21,366,590		21,366,590		
Borrowings	5,527		5,527		
Sensitivity Result				**291,256**	**582,512**

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BANK-2021

Asset	Carrying amount	Trading	Non-trading	100bps	200bps
Cash and balances with central bank	16,858,584		16,858,584		
Due from other banks	45,066,066		45,066,066		
Pledged assets	8,447,871		8,447,871	84,479	168,957
Loans & Advances	7,328,969		7,328,969	73,290	146,579
Investment securities	5,522,501		5,522,501	55,225	110,450
Financial instrument at FVTPL	5,784	5,784	-	58	116
Other financial assets	524,892		524,892		
Liabilities					
Due to banks	4,287,659		4,287,659		
Due to customers	38,752,624		38,752,624		
Other financial liabilities	15,103,369		15,103,369		
Borrowings	5,527		5,527		
Sensitivity Result				**213,051**	**426,103**

GROUP-2020

Asset	Carrying amount	Trading	Non-trading
Cash and balances with central bank	658,119		658,119
Due from other banks	19,365,195		19,365,195
Pledged assets	-		-
Loans & Advances	-		-
Investment securities	10,837,505		10,837,505
Financial instrument at FVTPL	969,385	969,385	
Other financial assets	-		-
Liabilities			
Due to banks	-		-
Due to customers	509,804		509,804
Other financial liabilities	7,714,523		7,714,523
Borrowings	191,468		191,468

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BANK-2020

Asset	Carrying amount	Trading	Non-trading
Cash and balances with central bank	658,119		658,119
Due from other banks	15,446,282		15,446,282
Pledged assets	-		-
Loans & Advances	-		-
Investment securities	5,002,564		5,002,564
Financial instrument at FVTPL	969,385	969,385	
Other financial assets	-		-
Liabilities			
Due to banks	-		-
Due to customers	509,804		509,804
Other financial liabilities	182,698		182,698
Borrowings	191,468		191,468

Foreign Exchange Risk

"The Group manages exposures to foreign exchange risk with limits on the net open and trading positions. These limits are monitored on a daily basis by the Market Risk Unit. The Board sets limits on the level of exposure by currency and in aggregate for overnight positions. The latter is also aligned to the foreign currency trading position limit as specified by the regulators, which is usually a proportion of the Bank's shareholder fund. The Group's net open position as at 31 December 2021;

The Group's net open position as at 31 December 2021

Foreign Currency Assets	Naira N'000	USD N'000	EURO N'000	GBP N'000	TOTAL N'000
Cash and balances with Central Bank of Nigeria	16,884,970	13,614			16,898,584
Due from other banks	53,054,535	2,346,863	4,346		55,405,744
Financial asset at fair value through profit or loss	5,784				5,784
Investment securities	12,542,842	892,551			13,435,393
Pledged assets	8,363,443				8,363,443
Loans and advances to customers	5,850,364	1,381,466	59,798	46,432	7,338,059
Other Financial assets	689,056	86,955			776,011
Total	**97,390,054**	**4,721,449**	**64,144**	**46,432**	**102,222,079**
Foreign Currency Liabilities					
Due to banks	2,810,337	1,371,693	59,541	46,088	4,287,659
Due to customers	47,620,357	4,544			47,624,900
Borrowings	5,527				5,527
Other foreign Liabilities	19,048,457	2,313,787	4,346		21,366,590
Total	**69,484,678**	**3,690,023**	**63,887**	**46,088**	**73,284,676**
Net Exposure		1,031,426	257	344	1,032,027
SHAREHOLDERS' FUNDS UNIMPAIRED BY LOSSES					26,569,722
GROSS AGGREGATE OPEN POSITION AS A PERCENTAGE OF SHF					4%

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

The Bank's net open position as at 31 December 2021

Foreign Currency Assets	NGN NGN'000	USD NGN'000	EURO NGN'000	GBP NGN'000	TOTAL NGN'000
					-
Cash and balances with Central Bank of Nigeria	16,844,920	13,664			16,858,584
Due from other banks	42,714,857	2,346,863	4,346		45,066,066
Financial assets at fair value through profit or loss	5,784				5,784
Investment securities	5,609,159				5,609,159
Pledged assets	8,363,443				8,363,443
Loans and advances to customers	5,850,364	1,381,466	59,798	46,432	7,338,059
Other Financial assets	437,937	86,955			524,892
Total	**79,826,464**	**3,828,948**	**64,144**	**46,432**	**83,765,987**
					-
Foreign Currency Liabilities					-
Due to banks	2,810,337	1,371,693	59,541	46,088	4,287,659
Due to customers	38,748,080	4,544			38,752,624
Borrowings	5,527				5,527
Other foreign Liabilities	12,785,237	2,313,787	4,346		15,103,369
Total	**54,349,181**	**3,690,023**	**63,887**	**46,088**	**58,149,179**
Net Exposure		138,925	257	344	139,525
SHAREHOLDERS' FUND UNIMPAIRED BY LOSSES					25,354,265
GROSS AGGREGATE OPEN POSITION AS A PERCENTAGE OF SHF					1%

The Bank exposure to foreign exposure to foreign currency risk is largely concentrated in US Dollar. Movement in exchange rate between the US Dollar, and the Nigerian Naira affects reported earnings through revaluation gain or loss and statement of financial position size through increase or decrease in the revalued amounts of assets and liabilities denominated in US Dollars. The table below shows the impact on the Group's profit or loss and statements of financial position size if the exchange rate between the US Dollars, and Nigerian Naira had increased or decreased by 6% with all other variable held constant (that is the % change of dollar rate as at 1 January, 2021 400.33 and 31st December, 2021 424.11). We applied the 6% on the closing dollar rate of N424.11 to get a absolute change of N25.5

Group

In thousands of Naira	**31-Dec-21**
US Dollar effect of 6% up movement on profit before tax and statement of financial position size	62,052
In thousands of Naira	**31-Dec-21**
US Dollar effect of 6% (down) movement on before tax and statement of financial position size	(62,052)

Bank

In thousands of Naira	**31-Dec-21**
US Dollar effect of 6% up movement on profit before tax and statement of financial position size	8,386
In thousands of Naira	**31-Dec-21**
US Dollar effect of 6% (down) movement on before tax and statement of financial position size	(8,386)

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Interest Rate Risk
Interest rate risk in the banking book (IRRBB) is the risk of loss in the Bank's earnings or capital due to adverse changes in interest rates. IRRBB generally arises from repricing risk, basis risk, yield curve risk and options risk. IRRBB is further divided into the following sub-risk types:

Repricing risk is the risk of loss in earnings or capital as a result of changes in interest rates arising from differences in the timing of interest rate changes on the Bank's assets and liabilities. Repricing risk is related to the timing mismatch in the maturity and repricing of assets and liabilities and off-balance sheet short and long-term positions.

Yield curve risk is the risk of loss in earnings or capital resulting from unequal changes in spreads between two or more rates for different maturities on the same yield curve i.e. Short-term interest rates changing by more or less than the change in long term interest rates. It is the interest rate risk associated with changes in the slope and the shape of the yield curve.

Basis risk is the risk of loss in earnings or capital when interest rates paid on liabilities are determined on a basis that is different from the basis used to determine interest rates earned on assets. Basis risk arises from hedging exposure to one interest rate with exposure to a rate which reprices under slightly different conditions.

Options risk is the risk that the Bank's counterparties may exercise their rights resulting in rate changes or changes in the maturity of the assets or liabilities. Option risks arising from options, including embedded options, e.g. Customers exercising their rights to redeem fixed rate products when market rates change.

Techniques for Managing IRRBB

The Bank manages exposures to IRRBB using the following techniques:

i. Interest rate hedging through derivatives and non-interest rate sensitive hedging
ii. Interest rate forecasting
iii. Limits on rate sensitive assets and liability gap

The Bank's approach to managing IRRBB is governed by the Asset and Liability Management Policy and is in accordance with the applicable laws and regulations, best international practice and the competitive situation within which the Bank operates. The Bank aggregates exposures to interest rate risk within its Treasury functions for centralised management and monitoring. The interest rate gaps between fixed rate and variable rates as at 31 December 2021 are as follows:

Group-2021

INTEREST RATE GAP			
Asset	**Carrying amount NGN'000**	**Variable rate NGN'000**	**Fixed rate NGN'000**
Cash and balances with central bank	16,858,584	-	16,858,584
Due from other banks	55,396,848	-	55,396,848
Pledged assets	8,363,443	-	8,363,443
Loans & Advances	1,925,632	1,487,695	437,937
Investment securities	13,429,609	-	13,429,609
Financial instrument at FVTPL	5,784	-	5,784
Other financial assets	776,011	86,955	689,056
	102,162,969	**1,574,650**	**100,588,318**
Liabilities			
Due to banks	4,287,659	1,483,571	2,804,088
Due to customers	47,624,900		47,624,900
Other financial liabilities	21,366,590	47,411	21,319,179
Borrowings	5,527		5,527
	73,284,676	**1,530,982**	**71,753,694**
Total interest rate gap	**28,878,293**	**43,668**	**28,834,625**

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Bank-2021

INTEREST RATE GAP	Carrying amount	Variable rate	Fixed rate
	NGN'000	NGN'000	NGN'000
Assets			
Cash and balances with central bank	16,858,584	-	16,858,584
Due from other banks	45,066,066	-	45,066,066
Pledged assets	8,363,443		8,363,443
Loans & Advances	7,338,059	1,487,695	5,850,364
Investment securities	5,609,159	-	5,609,159
Financial instrument at FVPTL	5,784	-	5,784
Other financial assets	524,892	86,955	437,937
	83,765,987	**1,574,650**	**82,191,337**
Liabilities			
Due to banks	77,505,248	1,483,571	76,021,677
Due to customers	38,752,624	-	38,752,624
Other financial liabilities	116,298,358	47,411	116,250,947
Borrowings	30,206,738	-	30,206,738
	262,762,968	**1,530,982**	**261,231,986**
Total interest rate gap	**(178,996,981)**	**43,668**	**(179,040,649)**

Group-2020

INTEREST RATE GAP	Carrying amount	Variable rate	Fixed rate
Asset	NGN'000	NGN'000	NGN'000
Cash and balances with central bank	658,119		658,119
Due from other banks	19,365,195		19,365,195
Pledged assets	-		-
Loans & Advances	-	-	-
Investment securities	10,837,504		10,837,504
Financial instrument at FVTPL	969,385		969,385
Other financial assets	1,911,540	-	1,911,540
	33,741,742	**-**	**33,741,742**
Liabilities			
Due to banks	-	-	-
Due to customers	509,804		509,804
Other financial liabilities	7,714,523	-	7,714,523
Borrowings	191,468		191,468
	8,415,795	**-**	**8,415,795**
Total interest rate gap	**25,325,947**	**-**	**25,325,947**

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Bank-2020

INTEREST RATE GAP

Asset	**Carrying amount NGN'000**	**Variable rate NGN'000**	**Fixed rate NGN'000**
Cash and balances with central bank	658,119		658,119
Due from other banks	15,446,282		15,446,282
Pledged assets	-		-
Loans & Advances	-	-	-
Investment securities	10,837,504		10,837,504
Financial instrument at FVPTL	969,385		969,385
Other financial assets		-	-
	27,911,290	-	**27,911,290**
Liabilities			
Due to banks	-	-	-
Due to customers	509,804		509,804
Other financial liabilities	182,698	-	182,698
Borrowings	191,468		191,468
	883,970	**-**	**883,970**
Total interest rate gap	**27,027,320**	**-**	**27,027,320**

GROUP

Interest rate senstivity on interest bearing asset	**31-Dec-21**	**31-Dec-20**
In thousand of Naira		
Pledged assets	8,363,443	-
Investment securities	13,429,609	10,837,504
Financial instrument at FVTPL	5,784	969,385
Total	**21,798,836**	**11,806,889**
Impact on income statement		
Favourable change at 2% reduction in interest rate	435,977	236,138
Unfavourable change at 2% increase in interest rate	(435,977)	(236,138)

BANK

Interest rate senstivity on interest bearing asset	**31-Dec-21**	**31-Dec-20**
In thousand of Naira		
Pledged assets	-	-
Investment securities	10,837,504	10,837,504
Financial instrument at FVTPL	969,385	969,385
Total	**11,806,889**	**11,806,889**
Impact on income statement		
Favourable change at 2% reduction in interest rate	236,138	236,138
Unfavourable change at 2% increase in interest rate	(236,138)	(236,138)

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The management of interest rate against interest rate gap limit is supplemented by the sensitivity of the Group's financial assets and liabilities to various scenarios. Interest rate movements affect reported earnings by causing an increase or decrease in net interest income and fair value changes.

The table shows the maturity profile of Group's variable rate financial instruments

In Thousands of Naira	Up to 1 Month NGN'000	1-3 Months NGN'000	3-6 Months NGN'000	6-12 Months NGN'000	Total Rate Sensitive NGN'000
Assets					
Loans & Advances	1,414,680	73,016	-	-	1,487,695
Other financial assets	86,955		-	-	86,955
	1,501,635	73,016	-	-	1,574,650
Liabilities					
Due to banks	652,421	831,150	-	-	1,483,571
Other financial liabilities	27,609	19,802	-	-	47,411
	680,030	850,952	-	-	1,530,982
Total interest repricing Gap	**821,605**	**(777,937)**	-	-	**43,668**

The table shows the maturity profile of Bank 's variable rate financial instruments

In Thousands of Naira	Up to 1 Month NGN'000	1-3 Months NGN'000	3-6 Months NGN'000	6-12 Months NGN'000	Total Rate Sensitive NGN'000
Assets					
Loans & Advances	1,414,680	73,016	-	-	1,487,695
Other financial assets	86,955				86,955
	1,501,635	73,016	-	-	1,574,650
Liabilities					
Due to banks	652,421	831,150	-	-	1,483,571
Other financial liabilities	27,609	19,802	-	-	47,411
	680,030	850,952	-	-	1,530,982
Total interest repricing Gap	**821,605**	**(777,937)**	-	-	**43,668**

7.5 Liquidity Risk

Liquidity risk is defined as the risk that the Bank, although balance-sheet solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so on materially disadvantageous terms. The inability to maintain or generate sufficient cash resources occurs when counterparties who provide the bank with funding, withdraw, or do not roll over that funding, or because of a general disruption in asset markets that renders normally liquid assets illiquid. The nature of banking and trading activities results in a continuous exposure to liquidity risk. The Bank manages liquidity risk under both normal and considerably stressed conditions. The Board of Directors is ultimately responsible for liquidity risk management and the Board delegates some of the functions to the BRMC and the Asset and Liability Committee (ALCO) . At an operating level, a distinction is made between funding liquidity risk and market liquidity risk:

Funding liquidity risk is the risk that the Bank will not be able to effectively meet both expected and unexpected current and future cash flow and collateral requirements without negatively affecting the daily operations or financial condition of the bank. The risk that the counterparties who provide the bank with short-term funding, will withdraw or not roll-over that funding. It aims at a well-diversified, reliable, cost-efficient funding structure supporting the Bank's business mix and strategy.

Market liquidity risk is the risk that the bank cannot easily offset or eliminate a position without significantly affecting the market price because of inadequate market depth or market disruption and incurring losses as a result. The risk of a generalised disruption in asset markets that make normally liquid assets illiquid and the potential loss through the forced sale of assets resulting in proceeds being below their fair market value.

Liquidity risk is difficult to predict and can rapidly escalate. A liquidity crisis could have negative effects, the most severe being the failure of a bank. These could include sharp falls in profits, asset sales at forced-sale prices that disrupt financial markets and sudden changes in the volume and terms of bank loans, which might reduce activity in the wider economy. The bank's liquidity policies provide for very conservative liquidity management parameters to ensure that the bank has adequate liquidity for normal and stress situations. Techniques employed by the Bank for the management of liquidity risk include the following limits:

Dimension	Statement
Net Interbank Deposits/total Deposits	Interbank reliance is measured as percentage of net interbank deposits to total deposits.
Loan to Deposits ratio (LDR)	Loan to Deposit is measured as a percentage of gross loans to customer's deposits
Top 5 Significant Funding Sources (SFS)/Total Deposit	Top 5 SFS is measured as the proportion of top 5 providers of funds to total customer deposits
Top single SFS/Total Deposit	Top Single SFS is measured as the proportion of largest provider of funds to total customer deposits
Regulatory Liquidity Ratio	Liquidity ratio as a measure of liquidity risk is calculated as a ratio of Naira liquid assets to local currency deposits.
Liquidity Coverage Ratio	LCR is measured as High Quality Liquid Assets (HQLA) as a proportion of total net cash outflows over a 30 day period.
NSFR – LCY & FCY	The structural liquidity mismatch arising from tenor mismatches between assets and liabilities will be maintained within the liquidity mismatch capacity.

Tolerance limits, appetite thresholds and monitoring items are conservatively set and reflect the Bank's conservative appetite for liquidity risk. The limits and other liquidity risk indicators are monitored on a daily basis by the Market and Liquidity Risk Unit and reports are rendered to the ALCO and BRMC periodically. Some of the techniques employed by the Bank to manage liquidity risk are explained below:

Liquidity Ratio

The Bank ensures that it is within the regulatory liquidity ratio of 20% on a daily basis. Liquidity ratios for 2021 and 2020 are shown below:

BANK

Liquidity Ratio	2021	2020
Minimum	134.59%	0%
Average	1808.69%	758.87%
Maximum	3421.39%	3421.39%
As at Year end	134.59%	3421.39%

Structural Liquidity Mismatch Management

The mismatch principle measures the Group's liquidity by assessing the mismatch between expected inflow and outflow of funds within different time bands on a maturity ladder. The structural liquidity mismatch is based on contractual cash flows which. A significant proportion of the Bank's deposits is purchased therefore, assessing and managing the contractual liquidity gap is essential for liquidity risk management. A net mismatch figure is obtained by subtracting liabilities and netting off-balance sheet positions from assets in each time band. The Bank's liquidity position is assessed by means of the net cumulative mismatch position, while its liquidity mismatch performance is an aggregation of the net liquidity position in each successive time band expressed as a percentage of total funding related to deposits. As at 31 December 2021, the Bank's contractual liquidity gaps are:

The Group's Contractual Gap as at 31st Dec 2021

Assets	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Carrying amount
Cash and balances with central bank	779,073				779,073
Due from other banks	46,913,125	8,386,968	880,690	234,218	56,415,001
Pledged assets	2,313,791	-	-	6,049,652	8,363,443
Loans & Advances	2,223,777	1,530,514	-	3,473,141	7,227,432
Investment securities	-	-	-		-
Financial instrument at FVTPL	-	724	-	5,060	5,784
Other financial assets	-	-	-	776,011	776,011
Total Assets	52,229,767	9,918,207	880,690	10,538,081	73,566,744
Liabilities					
Due to banks	-	1,483,571		-	4,287,659
Due to customers	7,846,536	-	39,778,364	-	47,624,900
Other financial liabilities	-	-	6,343,939	15,022,651	21,366,590
Borrowings	-	-	5,527	-	5,527
Total Liabilities	7,846,536	1,483,571	46,127,830	15,022,651	73,284,676
Net Cash flows	**44,383,230**	**8,434,636**	**(45,247,140)**	**(4,484,570)**	**282,068**
Cumulative Contractual Gap	**44,383,230**	**52,817,866**	**7,570,726**	**3,086,157**	

The Bank's's Contractual Gap as at 31st Dec 2021

Assets	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Carrying amount
Cash and balances with central bank	779,073	-	-	-	779,073
Due from other banks		45,066,066	-		44,056,809
Pledged assets	2,313,791	-	-	6,049,652	8,363,443
Loans & Advances	2,223,777	1,530,514	-	3,473,141	7,227,432
Investment securities	-	-	-	-	-
Financial instrument at FVTPL	-	724	-	5,060	5,784
Other financial assets	-	-	-	524,892	524,892
Total Assets	5,316,641	46,597,304	-	10,052,744	60,957,434
Liabilities					
Due to banks	-	1,483,571	-	-	1,483,571
Due to customers	7,850,300	-	30,902,324	-	38,752,624
Other financial liabilities	-	-	-	15,103,369	15,103,369
Borrowings	-	-	5,527	-	5,527
Total Liabilities	7,850,300	1,483,571	30,907,851	15,103,369	55,345,091
Net Cash Inflows/(outflows)	**(2,533,659)**	**45,113,733**	**(30,907,851)**	**(5,050,625)**	**5,612,343**
Cumulative Gap	**(2,533,659)**	**42,580,075**	**11,672,224**	**6,621,599**	

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For the year ended 31 December 2021

Maintaining Minimum Levels of Liquid and Marketable Assets

Minimum levels of prudential liquid assets are held in accordance with prudential requirements as specified by the CBN. The Bank holds additional unencumbered marketable assets, in excess of minimum prudential liquid asset requirement, to cater for volatile depositor withdrawals, draw-downs under committed facilities, collateral calls, etc. Highly Liquid Assets as at 31 December 2021 are listed below:

GROUP-2021

	Encumbered	Unencumbered	Total
Cash and balances with central bank	16,079,511	779,073	16,858,584
Due from other banks	-	55,405,744	55,405,744
Pledged assets	8,363,443	-	8,363,443
Loans & Advances	-	7,338,059	7,338,059
Investment securities	-	13,429,609	13,429,609
Financial instrument at FVTPL	-	5,784	5,784
Other financial assets	-	776,011	776,011

BANK-2021

	Encumbered	Unencumbered	Total
Cash and balances with central bank	16,079,511	779,073	16,858,584
Due from other banks	-	45,066,066	45,066,066
Pledged assets	8,363,443	-	8,363,443
Loans & Advances	-	7,338,059	7,338,059
Investment securities	-	5,522,501	5,522,501
Financial instrument at FVTPL	-	5,784	5,784
Other financial assets	-	524,892	524,892

GROUP-2020

	Encumbered	Unencumbered	Total
Cash and balances with central bank	658,119	-	658,119
Due from other banks	-	19,365,195	19,365,195
Pledged assets	-	-	-
Loans & Advances	-	-	-
Investment securities	-	10,837,504	10,837,504
Financial instrument at FVTPL	-	969,385	969,385
Other financial assets	-	1,892,474	1,892,474

BANK-2020

	Encumbered	Unencumbered	Total
Cash and balances with central bank	658,119	-	658,119
Due from other banks	-	15,446,282	15,446,282
Pledged assets	-	-	-
Loans & Advances	-	-	-
Investment securities	-	5,002,564	5,002,564
Financial instrument at FVTPL	-	969,385	969,385
Other financial assets	-	1,718,809	1,718,809

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Any single liquidity provider (including corporations, financial institutions, and individuals) or a group that provides more than 5% of total deposit liabilities is considered a significant funding source. Significant funding sources can be a single name or a single group funding source. Significant funding sources are established as part of the annual liquidity and funding plan. The ALCO committee reviews report on significant funding source exposures at least on a bi-monthly basis. Thresholds are established for determining which single liquidity provider, as well as groups of liquidity providers are significant funding source. The threshold shall be a function of the market and the balance sheet of the bank and the determination of liquidity by provider is industry-based.

To ensure that the Bank does not place undue reliance on any single entity as a funding source, limits are imposed on significant funding sources and these limits are monitored by the Liquidity Risk Unit within the Risk Management Department. Concentration risk limits are used to ensure that funding diversification is maintained across products, sectors, and counterparties.

Loan to Deposit Limit

A limit is put in place, restricting the ratio of local currency loans to local currency deposits to a maximum specified level, and this is reviewed yearly. Similarly, in order to restrict the extent of foreign currency lending from the foreign currency deposit base, a foreign currency loan to deposit limit, is set by ALCO.

To ensure compliance with regulatory Loans to Deposit Ratio (LDR) and also ensure effective liquidity risk management, the Bank has set an internal limit of 104% of regulatory limit for LDR. The regulatory limit is currently 65% and Bank internal limit is 67%. The Bank Loans to Deposit Ratio as at 31 December 2021 was 18.94% . The Bank plans to grow this ratio to meet its internal limit in the coming year.

Loan to Deposit Ratio	NGN'000
Gross Loans	7,338,059
Total Deposits	38,752,624
LDR	18.94%

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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Daily Cash Flow and Intraday Liquidity Management

The Bank forecasts maturities and withdrawals at least 3 months in advance to alert Management of significant outflows. The forecast summarises daily new deposits (by customer, value, rate, and maturity), as well as the interbank and top depositor reliance (by value and product) and updated on a weekly basis. The daily cash flow report is used to proactively anticipate and plan for large cash outflows.

Treasury Division and Market and Liquidity Risk Unit summarizes material daily new deposits as well as the interbank and top depositor reliance (by value and product). The daily cash flow management report forms an integral part of the ongoing liquidity management process and is a crucial tool to proactively anticipate and plan for large cash outflows.

Liquidity Stress Testing

The Bank subjects anticipated on- and off-balance sheet cash flows to a variety of Bank- specific and systemic stress scenarios to evaluate the impact of unlikely but plausible events on the Bank's liquidity. The scenarios used are based on both historical events, such as past local financial markets crisis and hypothetical events, such as an entity specific crisis. The results obtained from the stress testing provide meaningful input when defining target liquidity risk positions and preparing contingency funding plan.

The Bank analyses cash flows on a contractual, undiscounted basis based on the earliest date on which the Group can be required to pay and may therefore not agree directly to the balances disclosed in the consolidated statement of financial position.

Metric	Value
Liquidity Coverage Ratio	486.07%
High Quality Liquid Assets – NGN	5,613,189,355

Contingency Funding Plan

The Bank considers adequate liquidity critical in meeting its business obligations and the need to ensure sustainable liquidity buffers to hedge any likely incidence of funding gap that may arise through internal business activities or systemic events. The Board has put in place Contingency Funding Framework to guide the actions of Executive Management in the event of a liquidity crisis. It is not possible to hold sufficiently large enough quantity of readily available liquidity to cover the least likely liquidity events. However, since such events can have devastating consequences, it is imperative to bridge the gap between the liquidity the Bank chooses to hold and the maximum liquidity it might need. The Bank's Contingency Funding Plan is designed to, as far as possible, protect the Bank and maintain market confidence in order to ensure a positive outcome in the event of a liquidity crisis. The Bank uses an extensive early warning indicator methodology supported by a clear and decisive crisis response strategy.

The following can be the sources of contingency liquidity risk:

- Unexpected loan demand.
- Unexpected credit drawdown and other commitment draws.
- Requirements for increased collateral pledging.
- Unexpected deposit withdrawals.
- Evaporation of unused funding capacity.
- Erosion in the market value of unencumbered, marketable assets.

The CFP is consistent with the Greenwich Merchant Bank's business continuity plans can be operational under situations where business continuity arrangement are invoked.

Liquidity Ratio

The Bank maintains a cushion of unencumbered and high quality liquid assets at all times, to enable it meet up with due obligations and withstand a range of stress events that might impair funding sources. A key measure of the Bank's liquidity risk is the ratio of liquid assets to deposit liabilities. Liquid assets include local currency cash, cash equivalents and active liquid investment-grade debt securities. Customer deposit are made up of local currency deposit liabilities. Below are details of the Bank's ratio of liquid assets to deposits liabilities for the period under review.

GROUP

Cash and Balances with Central Bank	765,409
Balance within Nigeria	1,919,490
Placements with other Banks	51,135,045
Treasury Bills	12,306,266
FGN Bonds	3,668,012
HIGHLY LIQUID ASSET	**69,794,222**
DEPOSIT	
Term deposit	39,778,364
Demand deposits	7,841,992
Interbank takings	2,804,088
Total Deposit Liabilites	**50,424,444**
LIQUIDITY RATIO	**138.41%**

Bank

Cash and Balances with Central Bank	765,409
Balances with Other Banks	72,431
Net Inter-Bank Placement With Other Banks	42,642,426
Nigerian Treasury Bills	8,777,768
FGN Bonds	3,668,012
HIGHLY LIQUID ASSET	55,926,046
DEPOSIT	
Demand	7,845,739
Time Deposits	30,902,324
Interbank Takings	2,804,088
Total Deposit Liabilities	41,552,151
LIQUIDITY RATIO	**134.59%**

7.6 Capital Adequacy

The Bank undertakes a regular review of its capital adequacy based on the guidelines provided by the Central Bank of Nigeria (CBN) and international best practices to ensure compliance with regulatory requirements. The Capital Adequacy Ratio of the Bank is above the minimum statutory requirement, with all of the Bank's capital originating from Common Equity Tier 1 Capital (CET1), which consists of essentially share capital, share premium and reserves from retained earnings. The table below shows the computation of the Bank's capital adequacy ratio for the period.

Components of Eligible Capital	
Paid-up Common Equity Share	5,294,137
Share Premium iro Common Equity Share	12,140,034
General Reserves (Retained Profit)	7,013,976
SMEEIS Reserves	-
Statutory Reserves	903,837
Other Reserves	-
Minority Interest arising from CET1 capital instruments (NA)	-
IFRS 9 Transitional Adjustment	
RRR applied for IFRS 9 Impact	-
	25,351,984
Deductions:	
Goodwill	-
Intangile assets	437,478
Deferred tax assets	-
Shortfall in Impairment/Under-Impairment	-
Current year losses	-
Defined benefit pension fund net assets	-
Investments in own CET1 capital instruments	-
Cash flow hedge reserve	-
Capital shortfall of regulated subsidiaries	-
Increase in CET1 resulting from a securitization transaction	-
Reciprocal cross holdings in CET1 instruments of financial, banking, insurance entities	-
Investment in capital instruments of unconsolidated subsidiairies	-
Excess exposure(s) over single obligor without CBN approval	-
Exposures to own financial holding company	-
Unsecured lending to subsidiaries within the same group	-
Pillar 2 Capital Add-on	-
Adjustment to CET1 due to insufficient AT1 capital to cover adjustments	-
Total Regulatory Deductions at CET1 level	437,478
CET1 After Regulatory Deduction	24,914,506

Risk Weight Components	Amount
Credit Risk Weighted Assets	16,480,921
Market Risk Weighted Assets	140,642
Operational Risk Weighted Assets	2,299,222
	18,920,785
Pillar 2 capital add-on (Risk Weighted)	-
Total Risk Weighted Assets	18,920,785

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CAR

Capital Ratios (Full Impact)	Actual (Full Impact)	Required Minimum
Capital Adequacy Ratios:	131.68%	7.00%
CET1 to TRWAs	131.68%	7.50%
T1 Capital to TRWAs	131.68%	10.00%
Total Eligible Capital to TRWAs (CAR)		
Leverage Ratio (Full Impact)	23.17%	4.00%

As, a Merchant Bank, the Central Bank of Nigeria's regulatory requirements are as follows:
a. Hold the minimum level of the regulatory capital of N15 billion and
b. Maintain a ratio of total regulatory capital to the risk-weighted asset at or above the minimum of 10%.
c. Maintain a leverage ratio minimum of 4%.

During the year, the Bank divested its investment in Greenwich Registrars & Data Solutions Limited, which ultimately impacted on its regulatory capital.

As at 31 December 2021, Bank had eligible risk capital of N24.92billion and a total risk weighted assets of N18.92bn, which was in excess of the regulatory minimum. In addition, leverage ratio stood at 23.17% and our capital adequacy ratio stood at 131.69%.
The risk weighted assets are measured using the Central Bank of Nigeria's interpretation and ranking of the risk assets.

Currently, the Bank's capital and regulatory ratios are in excess of the CBN regulatory minimum.

BASEL III Implementation
"Greenwich Merchant Bank adopted the capital, leverage, and liquidity standards required by the CBN guideline to strengthen the regulation, supervision, and risk management of the banking sector. The total regulatory capital (CET1, AT1, & T2) and additional capital buffers require banks to hold more capital, and higher quality of capital, than under the earlier Basel II rules. The leverage ratio introduces a non-risk-based measure to supplement the risk-based minimum capital requirements. The liquidity ratios ensure that adequate funding is available during periods of stress. The computation of risk weighted assets are consistent with the requirements of pillar I of Basel II which is expected to ensure that banks have quality capital to support their risk-taking activities and that banks establish effective risk management systems to commensurate their level of operations. The Bank performs an independent and complete forward-looking assessment of the risks to which we are exposed to and estimate the internal capital and liquidity requirements that adequately reflects our risk profile, business strategy and risk acceptance level (ICAAP & ILAAP).

The Supervisory Evaluation Review Process (SREP) specifies how the CBN reviews and assesses the Bank's ICAAP and ILAAP and verifies overall compliance with prudential requirements and supervisory expectations in relation to the quantification of internal capital and liquidity requirements.

Regulatory Ratios	National and Regional Banks	International Banks and DSIBs	GMB year end Position
CET1 Capital Ratio	7.00%	10.50%	131.68%
Tier 1 Capital Ratio	7.50%	11.25%	131.68%
Capital Adequacy Ratio	10.00%	15.00%	131.68%
Capital Conservation Buffer I	1.00%	1.00%	N/A
Capital Conservation Buffer II	As determined by CBN from time to time		N/A
Leverage Ratio	4.00%	5.00%	23.17%
Liquidity Coverage Ratio	>100.00%	>100.00%	486.07%
Net Stable Funding Ratio	>100.00%	>100.00%	403.14%

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Maximum exposure to credit risk before collateral held or other credit enhancements

The following table shows the maximum exposure to credit risk by class of financial asset. The group's maximum exposure to credit risk is represented by the net carrying amounts of the financial assets with the exception of financial and other guarantees issued by the group for which the maximum exposure to credit risk is represented by the maximum amount the group would have to pay if the guarantees are called on.

Credit risk exposures relating to on-balance sheet assets are as follows:

	Maximum exposure Group		Maximum exposure Bank	
In thousands of Nigerian Naira	**Dec. 2021**	**Dec. 2020**	**Dec. 2021**	**Dec. 2020**
Cash and bank balances				
Cash & E-Naira in vault with Central Bank	13,664	-	13,664	-
Balances with central bank excluding mandatory deposit	765,409		765,409	
Restricted balances with central bank	16,079,511		16,079,511	
Due from Banks				
Fixed placements	51,143,942	15,842,579	42,649,017	12,983,595
Current balances with banks within Nigeria	1,919,490	3,522,615	72,431	2,462,687
Current balances with banks outside Nigeria	2,351,209	-	2,351,209	-
Financial assets at fair value through profit or loss				
Treasury bills	5,784	-	5,784	-
Bonds	-	969,385	-	969,385
Loans and advances to customers:				
Loan and advances	7,328,969	520,234	7,328,969	-
Investment securities at fair value through other comprehensive income:				
Treasury bills	1,108,541	-	1,108,541	-
Commercial paper	-	51,040	-	51,040
State Bonds	-	-	-	-
Corporate Bonds	51,039	66,576	51,039	66,576
FGN Bonds	2,883,584	-	2,883,584	-
Quoted equity	2,524,278	1,579,193	-	-
Unquoted equity	970,601	4,892,259	968,587	4,889,244
Investment securities at amortised cost:				
Debt instrument	5,804,907	4,252,733	510,750	-
			-	-
Pledged assets:				
Treasury bills	8,447,871	-	8,447,871	-
Other Financial assets	612,211	1,765,371	428,867	1,591,706
Total	**102,011,011**	**33,461,986**	**83,665,233**	**23,014,233**
Loans exposure to total exposure	7%	2%	9%	0%
Debt securities exposure to total exposure	18%	32%	7%	22%
Pledged assets exposure to total exposure	8%	0%	10%	0%
Other exposure to total exposure	25%	35%	25%	39%

7.7.2

(ii) Credit concentration - location

The Group monitors concentrations of credit risk by sector, geographic location and industry. Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security. The amounts stated are net of impairment allowances. An analysis of concentrations of credit risk at the reporting date is shown below:

31 December 2021

In thousands of Nigerian Naira	**Group**			**Bank**		
	Nigeria	**Outside Nigeria**	**Total**	**Nigeria**	Outside Nigeria	**Total**
Financial assets						
Cash and bank balances:						
- Current balances with banks	1,919,490	2,351,209	4,270,699	72,431	2,351,209	2,423,640
-Cash & E-Naira in vault with Central Banks	13,664		13,664	13,664		13,664
- Fixed placements	51,143,942	-	51,143,942	42,649,017	-	42,649,017
- Balances with central banks excluding mandatory deposit	765,409	-	765,409	765,409	-	765,409
Financial assets at FVTPL:						
- Treasury bills	5,784	-	5,784	5,784	-	5,784
- Government bonds	-	-		-	-	-
Loans and advances to customers:						
- Loans and advances	7,328,969	-	7,328,969	7,328,969	-	7,328,969
Investment securities:						
At amortised cost						
- Treasury bills	5,804,907	-	5,804,907	510,750	-	510,750
- Eurobonds		-		-	-	-
At FVOCI				-		-
- Treasury bills	1,108,541	-	1,108,541	1,108,541	-	1,108,541
- Commercial paper		-		-	-	-
- State Bonds				-		-
- Corporate Bonds	51,039		51,039	51,039		51,039
- FGN Bonds	2,883,584		2,883,584	2,883,584		2,883,584
- Quoted equity	2,524,278		2,524,278	-		-
- Unquoted equity	970,601		970,601	968,587		968,587
Pledged assets				-		-
- Treasury bills	8,447,871		8,447,871	8,447,871		8,447,871
Other financial assets	612,211	-	612,211	428,867	-	428,867
Total financial assets	**83,580,291**	**2,351,209**	**85,931,500**	**65,234,513**	2,351,209	**67,585,722**

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Credit concentration - location (continued)

31 December 2020

In thousands of Nigerian Naira

	Group			Bank		
	Nigeria	**Outside Nigeria**	**Total**	**Nigeria**	**Outside Nigeria**	**Total**
Financial assets						
Cash and bank balances:						
- Current balances with banks	3,522,615	-	3,522,615	2,462,687	-	2,462,687
- Fixed placements	15,842,579	-	15,842,579	12,983,595	-	12,983,595
- Balances with central bank	-	-	-	-	-	-
Financial assets at FVTPL:						
- Treasury bills	-	-	-	-	-	-
- Government bonds	969,385	-	969,385	969,385	-	969,385
Loans and advances to customers:						
- Loans and advances	520,234	-	520,234	-	-	-
Investment securities:						
At amortised cost						
- Treasury bills	4,252,733	-	4,252,733	510,750	-	510,750
- Eurobonds	-	-	-	-	-	-
At FVOCI						
- Treasury bills	-	-	-	-	-	-
- Commercial paper	51,040	-	51,040	51,040	-	51,040
- State Bonds	-	-	-	-	-	-
- Corporate Bonds	66,576		66,576	66,576		66,576
- FGN Bonds	-		-	-		-
- Quoted equity	1,579,193		1,579,193	-		-
- Unquoted equity	4,892,259		4,892,259	4,889,244		4,889,244
Other assets	1,765,371	-	1,765,371	1,591,706	-	1,591,706
Total financial assets	**33,461,986**	-	**33,461,985**	**23,524,983**	-	**23,524,983**

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7.7.3

(iii) Credit concentration - Industry

The following table analyses the Group's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Group's counterparties. The amounts stated are net of impairment allowances.

Group	Agriculture	Trading	Finance and Insurance	General	Service	Governments	Information and Communication	Manufacturing	Total
31 December 2021									
In thousands of Nigerian Naira									
Cash and bank balances:									
- Current balances with banks	-	-	4,270,699	-	-	-	-	-	4,270,699
- Cash and E-Naira with Central Bank	-	-	-	-	-	13,664	-	-	13,664
- Fixed placements	-	-	51,143,942	-	-	-	-	-	51,143,942
- Balances with central bank excluding mandatory deposit	-	-	765,409	-	-	-	-	-	765,409
									-
Financial assets at FVTPL:									
- Treasury bills	-	-	-	-	-	5,784	-	-	5,784
- Government bonds	-	-	-	-	-	-	-	-	-
Loans and advances to customers:									-
- Loans and advances	-	-	204,759	1,315,383	-	-	500,723	5,311,824	7,332,690
Investment securities:									-
At Amortised cost									-
- Treasury bills	-	-	-	-	-	5,804,907	-	-	5,804,907
- Bonds	-	-	-	-	-	-	-	-	-
At FVOCI			-	-	-	-	-	-	-
- Treasury bills	-	-	-	-	-	1,108,541	-	-	1,108,541
- State Bonds	-	-	-	-	-	-	-	-	-
- Corporate Bonds	-	-	-	-	-	-	51,039	-	51,039
- FGN Bonds	-	-	-	-	-	2,883,584	-	-	2,883,584
- Quoted equity	-	-	-	2,524,278	-	-	-	-	2,524,278
- Unquoted equity	-	-	-	970,601	-	-	-	-	970,601
Pledged assets									
- Treasury bills	-	-	-	-	-	8,447,871	-	-	8,447,871
Other assets	-	-	-	612,211	-	-	-	-	612,211
Total financial assets	**-**	**-**	**56,384,809**	**5,422,474**	**-**	**18,264,351**	**551,762**	**5,311,824**	**85,935,221**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Credit concentration - Industry (continued)

Bank	Agriculture	Trading	Finance and Insurance	General	Service	Governments	Real estate	Manufacturing	Total
31 December 2021									
In thousands of Nigerian Naira									
Cash and bank balances:									
- Current balances with banks	-	-	2,423,640	-	-	-	-	-	2,423,640
- Cash and E-Naira with Central Bank	-	-	-	-	-	13,664	-	-	13,664
- Fixed placements	-	-	42,649,017	-	-	-	-	-	42,649,017
- Balances with central bank excluding mandatory deposit	-	-	765,409	-	-	-	-	-	765,409
Financial assets at FVTPL:	-	-	-	-	-	-	-	-	-
- Treasury bills	-	-	-	-	-	5,784	-	-	5,784
- Government bonds	-	-	-	-	-	-	-	-	-
Loans and advances to customers:	-	-	-	-	-	-	-	-	-
- Loans and advances (net of impairment)	-	-	204,759	1,315,383	-	-	500,723	5,311,824	7,332,690
Investment securities:	-	-	-	-	-	-	-	-	-
At Amortised cost	-	-	-	-	-	-	-	-	-
- Treasury bills	-	-	-	-	-	-	-	-	-
- Bonds	-	-	-	-	-	-	-	-	-
At FVOCI	-	-	-	-	-	-	-	-	-
- Treasury bills	-	-	-	-	-	1,108,541	-	-	1,108,541
- State Bonds	-	-	-	-	-	-	-	-	-
- Corporate Bonds	-	-	-	-	-	-	51,039	-	51,039
- FGN Bonds	-	-	-	-	-	2,883,584	-	-	2,883,584
- Quoted equity	-	-	-	-	-	-	-	-	-
- Unquoted equity	-	-	-	968,587		-	-	-	968,587
Pledged assets									
- Treasury bills	-	-	-	-	-	8,447,871	-	-	8,447,871
Other assets	-	-	-	428,867	-	-	-	-	428,867
Total financial assets	**-**	**-**	**46,042,825**	**2,712,837**	**-**	**12,459,444**	**551,762**	**5,311,824**	**67,078,693**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2021

Credit concentration - Industry (continued)

Group	Agriculture	Education	Finance and Insurance	General	General Commerce	Governments	Information and Communication	Manufacturing	Total
31 December 2020									
In thousands of Nigerian Naira									
Cash and bank balances:									
- Current balances with banks	-	-	3,522,615	-	-	-	-	-	3,522,615
- Fixed placements	-	-	15,842,579	-	-	-	-	-	15,842,579
- Balances with central banks excluding mandatory deposit	-	-	-	-	-	-	-	-	-
Financial assets FVTPL :									
- Treasury bills	-	-	-	-	-	-	-	-	-
- Government bonds	-	-	-	-	-	969,385	-	-	969,385
Loans and advances to customers:									
- Loans and advances	-	-	-	520,234	-	-	-	-	520,234
Investment securities:									
At Amortised cost									
- Treasury bills	-	-	-	-	-	4,252,733	-	-	4,252,733
- Eurobonds	-	-	-	-	-	-	-	-	-
At FVOCI									
- Treasury bills	-	-	-	-	-	-	-	-	-
- Commercial paper	-	-	-	-	-	51,040	-	-	51,040
- State Bonds	-	-	-	-	-	-	-	-	-
- Corporate Bonds	-	-	-	-	-	66,576	-	-	66,576
- FGN Bonds	-	-	-	-	-	-	-	-	-
- Quoted equity	-	-	-	1,579,193	-	-	-	-	1,579,193
- Unquoted equity	-	-	-	4,892,259	-	-	-	-	4,892,259
Other assets	-	-	-	1,765,371	-	-	-	-	1,765,371
Total financial assets	**-**	**-**	**19,365,194**	**8,757,057**	**-**	**5,339,734**	**-**	**-**	**33,461,985**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Credit concentration - Industry (continued)

Bank	Agriculture	Education	Finance and Insurance	General	General Commerce	Governments	Information and Communication	Manufacturing	Total
31 December 2020									
In thousands of Nigerian Naira									
Cash and bank balances:									
- Current balances with banks	-	-	2,462,687	-	-	-	-	-	2,462,687
- Fixed placements	-	-	12,983,595	-	-	-	-	-	12,983,595
- Balances with central bank excluding mandatory reserve	-	-	-	-	-	-	-	-	-
Financial at FVTPL :									
- Treasury bills	-	-	-	-	-	-	-	-	-
- Government bonds	-	-	-	-	-	969,385	-	-	969,385
Loans and advances to customers:									
- Loans and advances	-	-	-	-	-	-	-	-	-
Investment securities:									
At Amortised cost									
- Treasury bills	-	-	-	-	-	-	-	-	-
- Bonds	-	-	-	-	-	-	-	-	-
At FVOCI									
- Commercial paper	-	-	-	-	-	51,040	-	-	51,040
- Corporate bonds	-	-	-	-	-	66,576	-	-	66,576
- Unquoted equity	-	-	-	4,889,244	-	-	-	-	4,889,244
Other assets	-	-	-	1,591,706	-	-		-	1,591,706
Total financial assets	**-**	**-**	**15,446,282**	**6,480,950**	**-**	**1,087,001**	**-**	**-**	**23,014,233**

7.7.4 The table below shows the various risk exposures relating to off balance sheet assets:

	Maximum exposure		Maximum exposure	
	Group		Bank	
In thousands of Nigerian Naira	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Performance bonds and guarantees	535,524	-	535,524	-
Allowance for credit losses	(5,527)	-	(5,527)	-
Net carrying amount	529,997	-	529,997	-
Letters of credits	15,795,333	-	15,795,333	-
Allowance for credit losses	(59,303)		(59,303)	
Net carrying amount	15,736,030	-	15,736,030	-
Undrawn commitments	7,310,590	-	7,310,590	-
Allowance for credit losses	-		-	
Net carrying amount	7,310,590	-	7,310,590	-
Gross amount	**23,641,447**	**-**	**23,641,447**	**-**
Total Allowance for credit losses	(64,830)	-	(64,830)	-
Total net carrying amount	**23,576,616**	**-**	**23,576,616**	**-**
Bonds and guarantee exposure to total exposure	**2%**	**-**	**2%**	**-**
Letters of credit exposure to total exposure	**67%**	**-**	**67%**	**-**
Undrawn commitments exposure to total exposure	**31%**	**-**	**31%**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Credit rating of obligors/counterparties: Internal counterparty rating is used as an essential tool in the Greenwich Merchant Bank's credit risk management and decision-making process.

The Bank's credits to different obligors based on our internal credit rating as at 31 December 2021 are as follows:

	Group				
As at December 2021	**AAA to A N'000**	**BBB to B N'000**	**Below B N'000**	**Unrated N'000**	**Total N'000**
Bonds and Guarantees	-	535,524			535,524
Allowance for credit losses	-	(5,527)		-	(5,527)
Net Carrying Amount	-	529,997	-	-	529,997
Letters of credits	-	15,795,333	-	-	15,795,333
Allowance for credit losses	-	(59,303)	-		(59,303)
Net carrying amount	-	15,736,030	-	-	15,736,030
Undrawn commitments	-	7,310,590	-	-	7,310,590
Allowance for credit losses	-	-	-		-
Net carrying amount	-	7,310,590	-	-	7,310,590
Gross amount	-	23,641,447	-	-	23,641,447
Total Allowance for credit losses	-	(64,830)	-	-	(64,830)
Total net carrying amount	**-**	**23,576,617**	**-**	**-**	**23,576,617**

	Bank				
As at December 2021	**AAA to A N'000**	**BBB to B N'000**	**Below B N'000**	**Unrated N'000**	**Total N'000**
Bonds and Guarantees	-	535,524		-	535,524
Allowance for credit losses	-	(5,527)		-	(5,527)
Net Carrying Amount	-	529,997	-	-	529,997
Letters of credits	-	15,795,333	-	-	15,795,333
Allowance for credit losses	-	(59,303)	-		(59,303)
Net carrying amount	-	15,736,030	-	-	15,736,030
Undrawn commitments	-	7,310,590	-	-	7,310,590
Allowance for credit losses	-	-	-		-
Net carrying amount	-	7,310,590	-	-	7,310,590
Gross amount	-	23,641,447	-	-	23,641,447
Total Allowance for credit losses	-	(64,830)	-	-	(64,830)
Total net carrying amount	**-**	**23,576,617**	**-**	**-**	**23,576,617**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Loss allowance:	Group			
December, 2021	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
- Performance bonds and guarantees	535,524	-	-	535,524
ECL provision	(5,527)	-	-	(5,527)
Net carrying amount	529,997	-	-	529,997
ECL Coverage (%)	1.03%	-	-	1.03%
- Letters of credits	15,795,333	-	-	15,795,333
ECL provision	(59,303)	-	-	(59,303)
Net carrying amount	15,736,030	-	-	15,736,030
ECL Coverage (%)	0.38%	-	-	0.38%
- Undrawn commitments	7,310,590	-	-	7,310,590
ECL provision	-	-	-	-
Net carrying amount	7,310,590	-	-	7,310,590
ECL Coverage (%)	0.00%	-	-	0.00%
Gross amount	23,641,447	-	-	23,641,447
Total ECL provision	(64,830)	-	-	(64,830)
Total net carrying amount	**23,576,617**	**-**	**-**	**23,576,617**
ECL Coverage (%)	0.27%	-	-	0.27%

The Group and Bank had no off balance sheet items for FY 2020.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2021

Transfer between stages:	Group			
December, 2021	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Gross amount at 1 January 2021	-	-	-	-
Transfer from stage 1 to stage 2	-	-	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Addition	23,641,447	-	-	-
Derecognition (other than write offs)	-	-	-	-
Foreign Exchange difference	-	-	-	-
Gross amount	23,641,447	-	-	-

The Group and Bank had no off balance sheet items for FY 2020.

Movement in loss allowance:	Group			
31 December, 2021	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Off Balance Sheet Items	**N'000**	**N'000**	**N'000**	**N'000**
Balance as at 1 January 2021	-	-	-	-
ECL provision / (writeback)	(68,428)	-	-	-
Closing balance	(68,428)	-	-	-

The Group and Bank had no off balance sheet items for FY 2020.

Geography

31-Dec-21	Group			Group		
In thousands of Nigerian Naira	**Nigeria**	**Outside Nigeria**	**Total**	**Nigeria**	**Outside Nigeria**	**Total**
- Performance bonds and guarantees	535,524	-	535,524	535,524	-	535,524
- Letters of credits	15,795,333	-	15,795,333	15,795,333	-	15,795,333
- Undrawn commitments	7,310,590	-	7,310,590	7,310,590	-	7,310,590
Total Letter of credit and guarantees	**23,641,447**	-	**23,641,447**	**23,641,447**	-	**23,641,447**

The Group and Bank had no off balance sheet items for FY 2020.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2021

Industry

Group					
31-Dec-21	**Agriculture**	**Trading**	**Finance and Insurance**	**General**	**Service**
- Performance bonds and guarantees	-	-	-	535,524	-
- Letters of credits	1,185,578	3,390,087	-	-	51,015
-Undrawn commitments	-	821,560	-	358,197	758,277
Total Letters of credit & guarantees	**1,185,578**	**4,211,647**	**-**	**893,721**	**809,292**

Bank					
31-Dec-21	**Agriculture**	**Trading**	**Finance and Insurance**	**General**	**Service**
- Performance bonds and guarantees	-	-	-	535,524	-
- Letters of credits	1,185,578	3,390,087	-	-	51,015
- Undrawn commitments	-	821,560	-	358,197	758,277
Total Letters of credit & guarantees	**1,185,578**	**4,211,647**	**-**	**893,721**	**809,292**

The Group and Bank had no off balance sheet items for FY 2020.

LIQUIDITY RISK

Liquidity risk on off balance sheet Residual contractual maturity	**Group**				
At December 31, 2021	**Total N'000**	**Less than 3months N'000**	**3 - 6 months N'000**	**6 -12 months N'000**	**1 to 5 Years N'000**
- Performance bonds and guarantees	535,524		-	535,524	-
ECL provision	(5,527)		-	(5,527)	-
Total carrying amount	529,997		-	529,997	-
- Letters of credits	15,795,333	2,474,131	13,321,202	-	-
ECL provision	(59,303)	(14,544)	(44,759)	-	-
Total Letters of credit & guarantees	15,736,030	2,459,587	13,276,443	-	-
- Undrawn commitments	7,310,590	2,415,339	3,464,925	-	1,430,326
ECL provision	-		-	-	-
Total Letters of credit & guarantees	7,310,590	2,415,339	3,464,925	-	1,430,326
Gross amount	**23,641,447**	**4,889,470**	**16,786,127**	**535,524**	**1,430,326**
Total ECL provision	(64,830)	(14,544)	(44,759)	(5,527)	-
Total net carrying amount	**23,576,617**	**4,874,926**	**16,741,368**	**529,997**	**1,430,326**

At December 31, 2021	Bank Total N'000	Less than 3months	3 - 6 months N'000	6 -12 months N'000	1 to 5 Years N'000
- Performance bonds and guarantees	535,524	-	-	535,524	-
ECL provision	(5,527)	-	-	(5,527)	-
Total carrying amount	529,997	-	-	529,997	-
- Letters of credits	15,795,333	2,474,131	13,321,202	-	-
ECL provision	(59,303)	(14,544)	(44,759)	-	-
Total Letters of credit & guarantees	15,736,030	2,459,587	13,276,443	-	-
- Undrawn commitments	7,310,590	2,415,339	3,464,925	-	1,430,326
ECL provision	-	-	-	-	-
Total Letters of credit & guarantees	7,310,590	2,415,339	3,464,925	-	1,430,326
Gross amount	**23,641,447**	**4,889,470**	**16,786,127**	**535,524**	**1,430,326**
Total ECL provision	(64,830)	(14,544)	(44,759)	(5,527)	-
Total net carrying amount	**23,576,617**	**4,874,926**	**16,741,368**	**529,997**	**1,430,326**

The Group and Bank had no off balance sheet items for FY 2020.

MARKET RISK
Off Balance Sheet by Currency

31-Dec-21 Group	NGN N'000	USD N'000	EUR N'000	GBP N'000	Total N'000
- Performance bonds and guarantees	535,524	-	-	-	535,524
- Letters of credits	-	15,795,333	-	-	15,795,333
- Undrawn commitments	5,826,650	1,378,311	59,541	46,088	7,310,590
	6,362,174	**17,173,644**	**59,541**	**46,088**	**23,641,447**

31-Dec-21 Bank	NGN N'000	USD N'000	EUR N'000	GBP N'000	Total N'000
- Performance bonds and guarantees	535,524	-	-	-	535,524
- Letters of credits	-	15,795,333	-	-	15,795,333
- Undrawn commitments	5,826,650	1,378,311	59,541	46,088	7,310,590
	6,362,174	**17,173,644**	**59,541**	**46,088**	**23,641,447**

The Group and Bank had no off balance sheet items for FY 2020.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2021

8 Operating segments

The Group runs five reportable segments as its strategic business units (SBUs). The SBUs offer varied products and services which are managed separately based on the Group's management and internal reporting structure. The Executive Management Committee reviews internal management reports of each of the SBUs on a monthly basis.

The operations in each of the Group's reportable segments are summarised below.

(i) Investment banking - involves in capital raising, financial advisory services and structured finance to public and private sectors.

(ii) Treasury and Financial Markets- provides innovative financing and risk management solutions and advisory services to the Group's corporate and institutional customers.

(iii) Corporate banking- engages in offering services/products such as loans, foreign currency trading, derivative products and other credit facilities to large corporate customers and blue chips.

(iv) Securities trading- the segment trades in equities, government securities, debentures, bonds and other capital market securities as well as listing of these securities on the recognised Securities Exchange.

(v) Asset management- engages in fund and portfolio management and positioned to providing innovative investment management services.

Information about operating segments

2021
In thousands of Nigerian Naira

	Investment Banking	Treasury & Financial Markets	Corporate Banking	Securities Dealing	Asset Management	Total
Total Revenue	998,387	3,807,458	652,767	348,354	248,571	6,055,537
Interest expenses	-	(841,829)	(319,074)	-	(1,790)	(1,162,693)
Fee and commission expenses	-	-	(52,577)	(898)	-	(53,475)
Net operating income	998,387	2,965,629	281,116	347,456	246,781	4,839,369
Operating Expenses	(654,067)	(723,061)	(695,513)	(141,935)	(73,104)	(2,287,680)
Net impairment loss on financial assets	(181,273)	(14,744)	(82,700)	(46,551)	(3,919)	(329,186)
Depreciation and amortisation	(71,264)	(78,781)	(75,779)	207	(5,211)	(230,828)
Total cost	**(906,603)**	**(816,586)**	**(853,992)**	**(188,279)**	**(82,233)**	**(2,847,694)**
Profit/(loss) before tax from reportable segments	91,784	2,149,043	(572,876)	159,177	164,548	1,991,675
Tax	(10,523)	(246,379)	-	4,982	(27,825)	(279,745)
Profit/(loss) after tax from reportable segments	**81,261**	**1,902,663**	**(572,876)**	**164,159**	**136,723**	**1,711,930**

2020
In thousands of Nigerian Naira

	Investment Banking	Treasury & Financial Markets	Corporate Banking	Securities Dealing	Asset Management	Total
Total Revenue	733,363	1,184,705	-	453,451	232,250	2,603,769
Interest expenses	-	(20,258)	-	(2,754)	(437)	(23,449)
Fee and commission expenses	(42,340)	-	-	(6,656)	(1,673)	(50,669)
Net operating income	691,023	1,164,447	-	444,041	230,140	2,529,651
Operating Expenses	(303,128)	(335,103)	(322,336)	(399,376)	(202,528)	(1,562,471)
Net impairment loss on financial assets	(94,069)	-	-	(52,336)	(4,058)	(150,464)
Depreciation and amortisation	(35,318)	(39,043)	(37,555)	(4,706)	(5,309)	(121,931)
Total cost	**(432,514)**	**(374,146)**	**(359,891)**	**(456,419)**	**(211,895)**	**(1,834,866)**
Profit/(loss) before tax from reportable segments	258,509	790,301	(359,891)	(12,378)	18,245	694,786
Tax	(18,197)	(55,631)	-	(55,398)	(10,933)	(140,159)
Profit/(loss) after tax from reportable segments	**240,312**	**734,670**	**(359,891)**	**(67,775)**	**7,312**	**554,627**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2021

The following is an analysis of the Group's revenue and gains from continuing operations by products and services:

In thousands of Nigerian Naira	31 December 2021	31 December 2020
Advisory services	1,407,686	735,009
Bonds	383,169	289,338
Placements	3,067,900	357,097
Loan	123,957	-
Treasury bills	591,987	863,524
Stockbroking	323,556	135,168
Equity trading	493,125	671,037
Asset and fund management	104,854	154,358
	6,496,233	**3,205,531**

Reconciliation of reportable segment revenues, operating expenses, profit or loss and assets and liabilities

Reconciliation of revenues

In thousands of Nigerian Naira	31 December 2021	31 December 2020
Continuing Operations:		
Total revenue from reportable segments	6,055,537	2,603,769
Consolidation and adjustments:		
- Other operating income	73,744	8,873
Revenue from continuing operations	**6,129,281**	**2,612,642**

Revenue from continuing operations as shown above is made up of:	Group	
	31 December 2021	31 December 2020
In thousands of Nigerian Naira		
Interest income	3,663,807	1,248,828
Fee and commission income	1,447,350	1,011,508
Net gains on financial instruments classified as held for trading	799,525	262,935
Other operating income	585,551	682,260
Revenue and gains from continuing operations	**6,496,233**	**3,205,531**
Less gains:		
- Dividends income	(360,738)	(592,888)
- Gain on disposal of fixed assets	(6,214)	-
Revenue from continuing operations	**6,129,281**	**2,612,642**

Reconciliation of operating expenses	Group	
In thousands of Nigerian Naira	31 December 2021	31 December 2020
Continuing Operations:		
Total operating expense from reportable segments	2,287,680	1,562,471
Operating expense from continuing operations	**2,287,680**	**1,562,471**

Operating expense from continuing operations as shown above is made up of:	Group	
In thousands of Nigerian Naira	31 December 2021	31 December 2020
Personnel expenses (See Note15)	1,235,253	822,045
Other operating expenses (See Note14)	1,052,426	740,426
	2,287,680	**1,562,470**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Reconciliation of profit or loss

In thousands of Nigerian Naira	Group 31 December 2021	Group 31 December 2020
Continuing Operations:		
Total profit or loss before tax for reportable segments	1,991,675	694,786
Consolidation and adjustments:		
- Other operating income	73,744	8,873
Gains:		
- Dividends income	360,738	592,888
- Gain on disposal of fixed assets	6,214	-
Profit before income tax from continuing operations	**2,432,372**	**1,296,548**

9 Interest income

In thousands of Nigerian Naira	Group 31 December 2021	Group 31 December 2020	Bank 31 December 2021	Bank 31 December 2020
Interest income:				
- Loan customers	123,957	-	123,957	-
- Placement	3,067,097	356,829	2,900,138	258,664
- Bond	84,106	-	84,106	-
- Treasury bills	-	629,044	-	629,044
Interest income at amortised cost	**3,275,160**	**985,873**	**3,108,201**	**887,708**
Investment securities at FVTPL				
- Treasury bills	291,981	-	291,981	-
- Trade loans	7,343	-	7,343	-
- Commercial paper	-	-	-	-
- Government bonds	37,276	33,418	37,276	33,418
- Corporate bonds	-	-		
Interest income on financial assets at FVTPL	**336,600**	**33,418**	**336,600**	**33,418**
Investment securities at FVTOCI				
- Treasury bills	48,962	227,089	3,078	-
- Commercial paper	803	268	803	268
- Corporate bonds	2,282	2,180	2,282	2,180
Interest income on financial assets at FVTOCI	**52,047**	**229,537**	**6,163**	**2,448**
Total Interest Income	**3,663,807**	**1,248,828**	**3,450,964**	**923,574**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

10 Interest expense

Deposits from customers	1,067,021	437	1,065,231	-
Deposits from other banks	85,491	2,754	94,210	-
Borrowings[1]	1,462	20,258	1,462	20,258
Total Interest expense	1,153,974	23,449	1,160,903	20,258

[1]Borrowings refer to the loans taken by the Company prior to the commencement of its banking operation

Due to banks	86,953	23,012	95,672	20,258
Due to customers	1,067,021	437	1,065,231	-
	1,153,974	23,449	1,160,903	20,258

11 Impairment charges

- Loan and advances	9,090	-	9,090	-
- Other financial assets	43,461	85,140	30,111	80,555
- Other assets	211,878	65,324	174,759	13,514
- Impairment on off-balance sheet	64,757	-	64,757	-
Total impairment	329,186	150,464	278,717	94,069

Loans and advances to customers				
12-month ECL	9,090	-	9,090	-
	9,090	-	9,090	-
Other assets				
Impairment charge on other financial assets				
Investment securities	28,453	4,295	15,103	4,295
Due from banks	6,591	-	6,591	-
Other financial assets	8,417	80,845	8,417	76,260
Impairment on off-balance sheet	64,757	-	64,757	-
Net impairment charge on other financial assets	108,218	85,140	94,868	80,555
Impairment charge on other assets				
Stage 3: Lifetime ECL	211,878	65,324	174,759	13,514
Net impairment writeback/(charge) on other assets	211,878	65,324	174,759	13,514
Total impairment	329,186	150,464	278,717	94,069

12 a) Fees and commission income

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Corporate finance fee	998,387	733,363	998,387	733,363
Credit-related fees and commissions	67,165	-	67,165	-
Electronic banking fee	1,278	-	1,278	-
Trade related fee	311,252	128,963	141,293	-
Fund management fees and commissions	69,268	149,183	-	-
	1,447,350	1,011,508	1,208,123	733,363
Fees and commission expense				
Transaction processing fees	53,475	50,669	52,577	42,340
Net Fees and commission income	1,393,875	960,839	1,155,546	691,023

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Other assets

12a Net gains on foreign exchange

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Gain on foreign currency translation	3,750	4,154	-	-
	3,750	4,154	-	-

12b Net gains on financial assets at FVTPL

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Trading gain	773,210	305,100	773,210	303,296
Unrealised loss	26,315	(42,165)	26,315	(42,165)
	799,525	262,935	799,525	261,131

13 Other operating income

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Dividend Income	493,125	669,233	358,442	590,747
Sundry income	73,744	8,873	29,604	1,646
Gain on sale of fixed assets	6,214	-	6,214	-
	573,082	678,106	394,260	592,393

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14 Other operating expenses

In thousands of Nigerian Naira	Group		Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Auditors' remuneration	21,500	14,513	12,900	8,708
Directors' emoluments (Note 42)	130,586	77,075	94,575	32,582
Directors' expenses	463	-	463	-
Administration and general expenses	38,673	96,945	19,568	51,013
Insurance	33,414	12,227	32,889	6,752
Rent and rates	39,776	10,969	36,889	8,109
Travelling	44,777	23,675	44,231	11,651
Donations	12,965	20,650	12,965	13,317
Corporate promotion	26,518	35,929	26,518	35,929
Other operating expenses	64,379	35,642	64,304	32,237
Consultancy	67,733	123,742	58,054	63,740
Training	28,159	20,731	23,183	7,888
Bank charges	3,110	15,579	1,619	2,041
Advert expenses	4,755	15,041	4,704	8,267
End of year party	2,861	1,883	2,166	1,843
Corporate gifts	4,582	1,153	4,582	1,153
Printing and stationery	5,638	8,328	5,344	5,348
Legal fees expenses	3,225	1,613	3,225	1,613
Communication expenses	13,634	16,834	13,634	14,917
Courier expenses	3,413	1,087	3,413	1,087
Entertainment	3,308	37,173	3,296	17,824
Electricity	6,343	1,510	6,264	503
Diesel expenses	14,625	2,126	14,625	2,126
Subscription	253,580	77,507	240,758	47,595
Security expenses	7,520	11,259	7,520	4,468
Newspaper and magazine	1,249	758	1,249	743
Fuel expenses	2,880	4,947	2,880	987
Internet expense	186	20,843	-	8,902
Medical expenses	11,468	17,460	11,468	11,857
Hotel and accomodation	64,225	421	64,225	421
Staff subscription	32,353	-	32,353	-
Technology Fees	65,719	-	65,719	-
Repairs and maintenance	38,806	32,807	38,467	15,297
	1,052,426	740,426	954,050	418,918

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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15 Personnel expenses

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Wages and salaries	1,161,043	773,081	1,050,300	510,629
Pension costs:				
. *Defined contribution	74,210	48,963	68,291	31,020
	1,235,253	822,045	1,118,591	541,649

Pension Contribution
* In accordance with the provisions of the Reform Act 2014, the Bank and its subsidiaries contributed pension last year, 2021. For entities, operating in Nigeria, the contribution by employees and the employing entities are 8% and 10% respectively of the employee's basic salary, housing and transport allowances. Entities operating outside Nigeria contribute in line with the relevant pension laws in their jurisdictions. The contribution by the Group and the Bank during the year were contributed (as shown above).

16 Taxation

Income tax expense

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Corporate tax	133,734	54,610	123,296	52,448
Prior year (over)/under provision	24,003	-	24,003	
	157,737	**54,610**	**147,299**	**52,448**
Deferred tax	122,008	85,549	109,603	21,380
Income tax (credit)/expense	**279,745**	**140,159**	**256,902**	**73,828**

Current tax liablity

The movement in the current income tax balance is as follows:

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
At start of period	418,417	414,933	52,448	51,126
Prior year under provision	24,003	-	24,003	-
Withholding tax credit utilised	(59,510)	(51,126)	(57,756)	(51,126)
Cash paid	(18,695)	-	(18,695)	-
Current period's provision	133,734	54,610	123,296	52,448
At end of period	**497,949**	**418,418**	**123,296**	**52,448**

Income tax expense is recognised based on Management's estimate of the weighted average annual income tax rate expected for the full financial year. The Bank's estimated average annual tax rate used for the year to 31 December 2021 is 12.4%, compared to (31 Dec 2020: 5.8%). While the total effective tax rate for the Group is 11.5%, compared to (31 Dec 2020: 10.8%).

Reconciliation of effective tax rate

In thousands of Naira	Rate	Dec-2021 Effects of Reconciling item amount	Rate	Dec-2021 Effects of Reconciling item amount
	N'000	**N'000**	**N'000**	
Profit before income tax		2,432,372		2,062,210
Income tax using the domestic tax rate	30%	729,712	30%	618,663
Non deductible expenses		155,086		109,705
Income that are exempted from tax		(572,814)		(473,108)
Loss relieved		(56,724)		-
Education tax		25,129		20,402
Income tax		83,753		82,407
IT Levy		24,729		20,385
Nigeria Police Force Trust Fund		124		102
Deferred tax		(133,252)		(145,657)
Prior year under/over provision		24,003		24,003
Effective tax rate	**11.5%**	**279,745**	**12.4%**	**256,902**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

17 Earnings per shares

(a) Basic

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 period.

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Profit attributable to equity holders	2,152,627	1,156,388	1,805,308	1,207,483
Weighted average number of ordinary shares in issue (in '000s)	5,294,137	5,294,137	5,294,137	5,294,137
Basic earnings per share (expressed in Kobo per share)	40.66	21.84	34.10	22.81

18 Cash and balances with Central Bank of Nigeria

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Cash	13,664	-	13,664	-
Unrestricted balances with central bank	765,409	-	765,409	-
Restricted balances with central bank	16,079,511	658,119	16,079,511	658,119
Included in cash and cash equivalents	16,858,584	658,119	16,858,584	658,119
	16,858,584	658,119	16,858,584	658,119
Current	779,073	-	779,073	-
Non-Current	16,079,511	658,119	16,079,511	658,119
	16,858,584	658,119	16,858,584	658,119

19 Due from other banks

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Current account balances with banks within Nigeria	1,919,490	3,522,615	72,431	2,462,687
Current account balances with banks outside Nigeria	2,351,209	-	2,351,209	-
Fixed placements with financial institutions within Nigeria	51,135,045	15,842,579	42,642,426	12,983,595
Total balances	55,405,744	19,365,195	45,066,066	15,446,282
ECL on cash & cash equivalent	(8,897)	-	(6,591)	-
	55,396,848	**19,365,195**	**45,059,475**	**15,446,282**
Current	**55,396,848**	**19,365,195**	**45,059,475**	**15,446,282**
Non-current	-	-	-	-

20 Cash and cash equivalents

Cash and cash equivalents for purposes of the cash flow statements 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 less than three months. Excluded from loans and advances to banks are cash collateral balance.

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Cash and balances with Central Bank of Nigeria	16,858,584	658,119	16,858,584	658,119
Treasury bills with original maturities less than 3 months	-	-	-	-
Due from other banks with original maturities less than 3 months	55,396,848	19,365,195	45,059,475	15,446,282
	72,255,432	20,023,314	61,918,059	16,104,401

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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21 Financial assets at fair value through profit or loss

The Group and Bank debt securities measured at FVTPL comprise treasury bills (31 December 2021: N5.78 billion respectively; while FGN bonds in 31 December 2020 N0.96 billion).

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Federal Government of Nigeria (FGN) bonds	-	969,385	-	969,385
Corporate bonds	-	-	-	-
Treasury bills	5,784	-	5,784	-
State bonds	-	-	-	-
Unlisted equity investments	-	-	-	-
Listed equity investments	-	-	-	-
	5,784	969,385	5,784	969,385
Current	5,784	969,385	5,784	969,385
Non-current	-	-	-	-
	5,784	969,385	5,784	969,385
Movement in FVTPL instrument				
At the start of the year	969,385	-	969,385	-
Unrealised loss on FVTPL instruments	(26,315)	-	(26,315)	-
Net cash outflow in FVTPL instruments	(937,286)	969,385	(937,286)	969,385
At the end of the year	**5,784**	**969,385**	**5,784**	**969,385**

22 Investments securities

(a) *In thousands of Nigerian Naira*	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Fair value through OCI				
Commerical paper	-	51,040	-	51,040
Corporate bonds	51,039	66,576	51,039	66,576
Treasury bills	1,108,541	-	1,108,541	-
FGN bonds	2,883,584	-	2,883,584	-
Total	4,043,164	117,616	4,043,164	117,616
Expected credit loss (ECL) on investment securities	-	(4,296)		(4,296)
	4,043,164	113,320	4,043,164	113,320
Equity securities at FVOCI				
Listed equity investments	2,524,278	1,579,193	-	-
Unlisted equity investments	970,601	4,892,259	968,587	4,889,244
Total investments securities	7,538,044	6,584,772	5,011,751	5,002,564
Movement in Fair value through OCI				
Opening FVOCI	6,584,772	5,137,719	5,002,564	3,649,161
Change in fair value OCI (see SOCI)	(1,307,692)	1,158,700	(1,611,644)	1,729,839
Impairment charge on financial assets	(28,453)	(4,295)	(15,103)	(4,295)
Cash outflow due to changes in FVOCI assets	2,289,417	292,648	1,635,934	(372,141)
Balance as at the end of the year	**7,538,045**	**6,584,772**	**5,011,751**	**5,002,564**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

23 Debt securities at Amortised cost

The Group and Bank debt securities measured at amortised cost can be analysed as follows:

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Treasury Bills	3,528,497	4,252,733	-	-
Eurobond	892,551	-	-	-
State bonds	512,980	-	512,980	-
Fixed securities	877,953	-	-	-
Impairment loss	(7,074)	-	(2,230)	-
	5,804,907	**4,252,733**	**510,750**	-
Total	**5,804,907**	**4,252,733**	**510,750**	-
Current	5,804,907	4,252,733	510,750	-
Non-current	-	-	-	-
	5,804,907	**4,252,733**	**510,750**	-
Movement in amortised cost investment				
At the start of the year	4,252,733	10,186,983	-	-
Impairment loss on amortised cost investment	(7,074)	-	(2,230)	-
Net cash outflow on amortised cost investment	1,559,249	(5,934,250)	512,980	-
At the end of the year	**5,804,907**	**4,252,733**	**510,750**	-

24 Pledged assets

In thousands of Nigerian Naira				
Treasury bills	5,428,534		5,428,534	
Omo Bills	2,234,909		2,234,909	
Bonds	784,428	-	784,428	-
	8,447,871	-	8,447,871	-

Treasury bills are pledged to other financial institutions as collateral for inter-bank takings (OBB takings).

Current	8,447,871	-	8,447,871	-
Non-current	-	-	-	-
	8,447,871	-	**8,447,871**	-
Movement in pledged assets				
At the start of the year	-	-	-	-
Net cash outflow duriing the year	8,447,871	-	8,447,871	-
	8,447,871		**8,447,871**	

25 Loans and advances to customers

In thousands of Nigerian Naira	Group 31 December 2021	Bank 31 December 2021
Overdraft	3,464,924	3,464,924
Term Loan	3,873,135	3,873,135
Gross Loans	7,338,059	7,338,059
ECL on loans	(9,090)	(9,090)
	-	-
12-month ECL	(9,090)	(9,090)
Loans and advances to customers	7,338,059	7,338,059
12-month ECL	(9,090)	(9,090)
Net carrying amount	**7,328,969**	**7,328,969**
Movement in Loans & Advances		
Balance at the beginning of the year	-	-
Cash outflow due to loans and advances to customers	7,338,059	7,338,059
Allowance for impairment	(9,090)	(9,090)
Balance as at the end of the year	**7,328,969**	**7,328,969**

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In thousands of Nigerian Naira	Group 31 December 2020	Bank 31 December 2020
Loans and advances to customers	520,234	
Staff loans	-	
Gross Loans	520,234	-
Loans and advances to customers	-	
Staff loans	-	
Specific Impairment	-	-
Loans and advances to customers	(520,234)	
Staff loans	-	
Impairment on Lifetime ECL not credit impaired	(520,234)	-
Loans and advances to customers		
Staff loans	(520,234)	-
Total impairment	(520,234)	-
Loans and advances to customers	-	-
Staff loans	-	-
Net carrying amount	-	-

25 Loans and advances to customers continued

Group 2021	Total 31-Dec-21			
	12-month ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired	Total
At 1 January	-	-	-	-
Impairment recognised during the year	9,090	-	-	9,090
Transfer between stages	-	-	-	-
At 31 December	9,090	-	-	9,090

	Loans to customer 31-Dec-21			
	12-month ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired	Total
At 1 January	-	-	-	-
Impairment recognised during the year	9,090	-	-	9,090
Transfer between stages	-	-	-	-
At 31 December	9,090	-	-	9,090

25 Loans and advances to customers continued

Group 2020

	Total 31-Dec-20			
	12-month ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired	Total
At 1 January 2020	-	-	-	-
Derecognised	-	-	-	-
Impairment recognised during the year	520,234	-	-	520,234
Transfer between stages	-	-	-	-
At 31 December 2020	520,234	-	-	520,234

	Loans to Customers 31-Dec-20			
	12-month ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired	Total
Balance at 1 January 2020	-	-	-	-
Derecognised	520,234	-	-	520,234
Impairment recognised during the year	-	-	-	-
Transfer between stages	-	-	-	-
Balance at 31 December 2020	520,234	-	-	520,234

Bank 2020

	Total 31-Dec-20			
	12-month ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired	Total
Balance at 1 January 2020	-	-	-	-
Derecognised	-	-	-	-
Impairment recognised during the year	-	-	-	-
Transfer between stages	-	-	-	-
Balance at 31 December 2020	-	-	-	-

	Loans to Customers 31-Dec-20			
	12-month ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired	Total
Balance at 1 January 2020	-	-	-	-
Derecognised	-	-	-	-
Impairment recognised during the year	-	-	-	-
Transfer between stages	-	-	-	-
Balance at 31 December 2020	-	-	-	-

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26 Other assets

In thousands of Nigerian Naira	Group 31 December 2021	Group 31 December 2020	Bank 31 December 2021	Bank 31 December 2020
Other financial assets:				
Fee receivable	524,892	-	524,892	-
Other receivable	251,120	1,911,540	-	1,681,480
	776,012	1,911,540	524,892	1,681,480
Less allowances for impairment of other financial assets	(163,801)	(146,169)	(96,025)	(89,774)
	612,211	1,765,371	428,867	1,591,706
Non-financial assets:				
Withholding tax receivable	109,544	120,021	109,544	120,021
Prepayments	89,741	7,082	87,116	7,082
	199,285	127,103	196,660	127,103
	-	-	-	-
	199,285	127,103	196,660	127,103
Other assets	**811,496**	**1,892,474**	**625,527**	**1,718,809**
Movement in other assets				
Balance at the beginning of the year	1,892,474	1,829,723	1,718,810	929,381
Cash outflow due to changes in other asset	(860,683)	208,919	(910,106)	879,202
Write off allowance	(211,878)	-	(174,759)	-
Impairment on other financial asset	(8,417)	(146,169)	(8,417)	(89,774)
Balance as at year end	**811,496**	**1,892,474**	**625,527**	**1,718,809**

The allowance for impairment relates to trade receivable as at 31 December 2021.

Current	390,676	1,414,626	390,676	1,414,626
Non-current	-	2,100	-	2,100
	390,676	1,416,726	390,676	1,416,726

Allowance for impairment on financial asset				
Balance at 1 January	-	-		
(Additional)/write-back of provision	(163,801)	(146,169)	(96,025)	(89,774)
Balance at 31 December	(163,801)	(146,169)	(96,025)	(89,774)
Allowance for impairment on non-financial asset				
Balance at 1 January	-	-	-	
Additional provision	-	-	-	
Balance at 31 December	-	-	-	-

27 Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

In thousands of Nigerian Naira	Bank 31 December 2021	Bank 31 December 2020	Bank 31 December 2021	Bank 31 December 2020
Investment in Greenwich Securities Limited (GSL)	100%	100%	1,000,000	1,000,000
Investment in Greenwich Asset Management Limited (GAML)	100%	100%	500,000	500,000
			1,500,000	1,500,000

All investments in subsidiaries are non-current.

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27.1 Group entities
Set out below are the Group's subsidiaries. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by the Group. The country of incorporation is also their principal place of business.

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit the Group from having access, and in liquidation scenario, this restriction is limited to its level of investment in the entity.

In thousands of Nigerian Naira	Group 31 December 2021
Greenwich Securities Limited	1,000,000
Greenwich Asset Maanagement	500,000
	1,500,000

The Group consolidates its subsidiary undertakings. The nature of the business of all the subsidiaries involve the provision of stock brockerage and asset management services.

27.2 The summarised financial information of the subsidiaries is as follows
Condensed statement of comprehensive income

In thousands of Nigerian Naira	Greenwich Securities Limited 31 December 2021	Greenwich Asset Management Limited 31 December 2021	Greenwich Securities Limited 31 December 2020	Greenwich Asset Management Limited 31 December 2020
Operating income	359,760	280,914	450,246	233,304
Total operating expenses	(141,727)	(78,315)	(404,082)	(207,813)
Net impairment gain/(loss) on financial assets	(46,551)	(3,919)	(52,336)	2,800
Profit/(loss) before income tax	171,482	198,680	(6,173)	28,290
Income tax rebate/(expense)	4,982	(27,825)	(55,398)	1,269
Profit/(loss) for the period	176,463	170,855	(61,570)	29,559

ii Condensed statement of financial position as at 31 December 2021

In thousands of Nigerian Naira	Greenwich Securities Limited 31 December 2021	Greenwich Asset Management Limited 31 December 2021	Greenwich Securities Limited 31 December 2020	Greenwich Asset Management Limited 31 December 2020
Assets				
Cash and cash equivalents	2,041,034	9,309,359	3,873,223	45,689
Fair value through profit and loss financial asset	-	-	-	-
Fair value through other comprehensive income financial asset	2,290,792	235,500	1,355,313	226,894
Amortised cost Investment	4,417,817	876,341	4,252,733	-
Property and equipment	1,403	2,817	1,196	4,303
Intangible assets	-	4,385	-	8,109
Deferred tax assets	54,346	3,142	43,889	26,005
Other assets	141,870	124,816	143,374	94,022
	8,947,262	10,556,361	9,669,729	405,024
Financed by:				
Accruals and other liabilities	82,367	105,799	37,053	15,874
Customer deposits	6,343,939	9,885,297	7,595,558	-
Tax payable	349,176	25,478	344,658	21,312
Total equity	2,171,781	539,787	1,692,459	367,838
	8,947,262	10,556,361	9,669,729	405,024

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28 Property and equipment

Group-2021 *In thousands of Nigerian Naira*	Motor Vehicle	Office Improvement[1]	Furniture Fittings	Office Equipment	Work in Progress	Computer Equipment	Total
Cost							
At 1 January	366,775	48,439	55,869	85,321	-	233,918	790,322
Addition during the period	-	-	2,714	10,626	2,046	18,761	34,146
Disposals during the period	(14,212)	-	-	(8,029)	-	-	(22,241)
Reclassifications	-	-	-	(1,366)	-	1,366	-
At 31 December	**352,563**	**48,439**	**58,583**	**86,551**	**2,046**	**254,046**	**802,227**
Depreciation							
At 1 January	147,000	5,938	38,797	41,239	-	43,925	276,898
Charge for period	60,738	9,688	5,111	12,964	-	41,431	129,933
Disposals during the period	(11,431)	-	-	(6,022)	-	-	(17,453)
Reclassifications	-	-	-	-	-	-	-
At 31 December	**196,307**	**15,625**	**43,908**	**48,181**	**-**	**85,356**	**389,378**
Net book value							
At 31 December, 2021	**156,256**	**32,813**	**14,675**	**38,369**	**-**	**168,690**	**412,849**

All property and equipment are non-current.

2020	Motor Vehicle	Office Improvement	Furniture Fittings	Office Equipment	Work in Progress	Computer Equipment	Total
Cost							
At 1 January	134,280	-	44,752	44,844	-	34,487	751,464
Addition during the period	232,496	48,439	11,118	40,477	-	198,652	531,179
Disposals during the period	-	-	-	-	-	-	(493,104)
Reclassifications	-	-	-	-	-	780	780
At 31 December	**366,775**	**48,439**	**55,869**	**85,321**	-	**233,918**	**790,322**
Depreciation							
At 1 January	90,798	-	34,309	31,003	-	19,411	198,770
Charge for period	56,202	5,938	4,488	10,237	-	24,515	101,377
Disposals during the period	-	-	-	-	-	-	(23,250)
Reclassifications	-	-	-	-	-	-	-
At 31 December	**147,000**	**5,938**	**38,797**	**41,239**	**-**	**43,925**	**276,897**
Net book value							
At 31 December, 2020	**219,776**	**42,501**	**17,073**	**44,082**	**-**	**189,993**	**513,425**

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28 Property and equipment

Bank- 2021 *In thousands of Nigerian Naira*	Motor Vehicle	Office Improvement[1]	Furniture Fittings	Office Equipment	Work in progress	Computer Equipment	Total
Cost							
At 1 January	338,485	48,439	33,047	77,749	-	225,248	722,968
Addition during the period	-	-	2,714	10,626	2,046	18,761	34,146
Disposals during the period	(14,212)	-	-	(8,029)	-	-	(22,241)
Reclassifications	-	-	-	(1,366)	-	1,366	-
At 31 December	**324,273**	**48,439**	**35,760**	**78,979**	**2,046**	**245,376**	**734,873**
All property and equipment are non-current.							
Depreciation							
At 1 January	122,676	5,938	16,411	33,865	-	36,154	215,044
Charge for period	59,338	9,688	4,758	12,911	-	41,957	128,653
Disposals during the period	(11,431)	-	-	(6,022)	-	-	(17,453)
At 31 December	**170,584**	**15,625**	**21,169**	**40,754**	**-**	**78,111**	**326,244**
Net book value							
At 31 December, 2021	**153,689**	**32,813**	**14,592**	**38,225**		**167,265**	**408,629**
2020							
Cost							
At 1 January	105,990	-	21,929	37,272	-	26,917	685,211
Addition during the period	232,496	48,439	11,118	40,477	-	198,331	530,861
Disposals during the period	-	-	-	-	-	-	(493,104)
At 31 December	**338,485**	**48,439**	**33,047**	**77,749**	**-**	**225,248**	**722,968**
Depreciation							
At 1 January	67,875	-	13,368	23,686	-	13,675	141,853
Charge for period	54,802	5,938	3,042	10,179	-	22,479	96,439
Reclassifications	-	-	-	-	-	-	(23,250)
At 31 December	**122,676**	**5,938**	**16,411**	**33,865**	**-**	**36,154**	**215,043**
Net book value							
At 31 December, 2020	**215,809**	**42,501**	**16,636**	**43,884**		**189,094**	**507,926**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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29 Intangible assets

Group 2021 *In thousands of Nigerian Naira*	Purchased software	Work in progess[1]	Total
Cost			
At 1 January	472,784	47,300	520,084
Reclassified	39,600	(39,600)	-
Additions for the year	104,873	15,747	120,620
At 31 Dec 2021	**617,257**	**23,447**	**640,704**
Amortisation			
At 1 January	97,945	-	97,945
Charge for Year	100,896	-	100,896
At 31 Dec 2021	**198,841**	-	**198,841**
	418,415	**23,447**	**441,863**

[1]Intangible assets work-in-progress refers to capital expenditure incurred on software which are however not ready for use and as such are not being depreciated.

All intangible assets are non-current and there was no internally generated intangible asset as at the year end.

2020			
Cost			
At 1 January	100,193	-	100,193
Additions for the year	372,591	47,300	419,891
At 31 Dec 2020	**472,784**	**47,300**	**520,084**
Amortisation			
At 1 January	77,392	-	77,392
Charge for Year	20,554	-	20,554
Diposal During the year	-		-
At 31 Dec 2020	**97,946**	-	97,946
	374,838	**47,300**	**422,139**

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29 Intangible assets

Bank 2021 In thousands of Nigerian Naira	Purchased software	Work in progess[1]	Total
At 1 January	384,560	47,300	431,860
Reclassified	39,600	(39,600)	-
Additions for the year	104,873	15,747	120,620
At 31 Dec 2021	**529,034**	**23,447**	**552,480**
Amortisation			
At 1 January	17,832	-	17,832
Charge for Year	97,171	-	97,171
At 31 Dec 2021	**115,003**	**-**	**115,003**
	414,031	**23,447**	**437,479**

[1]Intangible assets work in progress refers to capital expenditure incurred on software which are however not ready for use and as such are not being depreciated.

All intangible assets are non-current and there was no internally generated intangible asset as at the year end.

2020			
Cost			
At 1 January	11,970	-	11,970
Additions for the year	372,591	47300	419,891
At 31 Dec 2020	**384,560**	**47,300**	**431,860**
Amortisation			
At 1 January	2,355	-	2,355
Charge for Year	15,477	-	15,477
Diposal During the year	-	-	-
At 31 Dec 2020	**17,832**	-	**17,832**
	366,729	**47,300**	**414,029**

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30 Deferred tax

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2020: 30%).

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

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Deferred tax liability				
Property and equipments and intangible assets	145,657	144,914	145,657	144,914
Tax loss carry forward	-	(108,860)	-	(108,860)
	145,657	**36,054**	**145,657**	**36,054**
Deferred tax asset				
Property and equipments and intangible assets	(2,270)	3,367	-	-
Tax loss carry forward	(55,218)	(72,689)	-	-
Impairment on loan	-	(571)	-	-
	(57,488)	**(69,893)**	**-**	**-**
Net	**88,169**	**(33,839)**	**145,657**	**36,054**
Deferred tax asset				
Deferred tax asset to be recovered after more than 12 months	(57,488)	(69,894)	-	-
Deferred tax asset to be recovered within 12 months	-	-	-	-
Deferred tax liability				
Deferred tax liability to be recovered after more than 12 months	145,657	36,054	145,657	36,054
Deferred tax liability to be recovered within 12 months				

31a Due to banks

In thousands of Nigerian Naira	Group 31 December 2021		Bank 31 December 2021	
Due to banks comprise:				
Trade facility takings	1,483,571	-	1,483,571	-
Interbank takings	2,804,088	-	2,804,088	-
	4,287,659	**-**	**4,287,659**	**-**
Current	4,287,659	-	4,287,659	-
Non-current				
	4,287,659	**-**	**4,287,659**	**-**

31b Due to customers

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Demand deposits	7,846,536	509,804	7,850,300	509,804
Term deposits	39,778,364	-	30,902,324	-
	47,624,900	**509,804**	**38,752,624**	**509,804**
Current	47,624,900	509,804	38,752,624	509,804
	47,624,900	**509,804**	**38,752,624**	**509,804**

Movement in amounts due to customers

	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Balance as at beginning of the year	509,804	-	509,804	-
Cash inflow due to increase in liabilities-due to customers	47,115,096	509,804	38,242,820	509,804
Balance as at the year end	**47,624,900**	**509,804**	**38,752,624**	**509,804**

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32 Other liabilities

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Financial liabilities:				
Accounts payable	15,022,651	118,965	15,022,651	118,965
Stockbroking clients' credit balances	6,343,939	7,595,558	-	-
Intercompany balances	-	-	80,718	63,733
	21,366,590	**7,714,523**	**15,103,369**	**182,698**
Non financial liabilities:				
WHT Payable	75,405	23,335	75,405	23,335
VAT payable	4,627	25,744	4,627	25,744
LC Collaterial	2,270,462	-	2,270,462	-
Stamp duty	31	-	31	-
Impairment on off-balance sheet	64,757	-	64,757	-
Accrued liabilities	197,586	90,171	9,421	37,243
	2,612,868	**139,250**	**2,424,703**	**86,322**
	23,979,458	**7,853,773**	**17,528,072**	**269,020**
Movement in other liabilities				
Balance as at beginning of the year	7,853,773	10,265,958	269,020	55,153
Cash inflow due to increase in liabilities-due to customers	16,060,928	(2,412,185)	17,194,295	213,867
Impairment	64,757	-	64,757	-
Balance as at the year end	**23,979,458**	**7,853,773**	**17,528,072**	**269,020**
Current	23,979,458	7,853,773	17,528,072	269,020
Non-current	-	-	-	-
	23,979,458	**7,853,773**	**17,528,072**	**269,020**

33 Borrowings

	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Auto-loan facility	-	167,020	-	167,020
Bank loan	-	11,864	-	11,864
Other asset financing loan	5,527	12,584	5,527	12,584
	5,527	**191,468**	**5,527**	**191,468**
Current	5,527	-	5,527	191,468
Non-current	-	191,468	-	-
	5,527	**191,468**	**5,527**	**191,468**
Movement in Borrowings				
At the start of the year	191,468	-	191,468	-
Additions	-	191,468	-	191,468
Repayment	(185,941)	-	(185,941)	-
At the end of the year	**5,527**	**191,468**	**5,527**	**191,468**

34 Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Group. All ordinary shares rank equally with regards to the Group's residual assets.

In thousands of Nigerian Naira	Group		Bank	
(i) Authorised	31 December 2021	31 December 2020	31 December 2021	31 December 2020
6 billion ordinary shares of N1 each (2020: 6 billion ordinary share of N1 each)	6,000,000	6,000,000	6,000,000	6,000,000
(ii) Issued and fully paid				
5,294,136,862 ordinary shares of N1 each (2020: 5,294,136,862 billion ordinary share of N1 each)	5,294,137	5,294,137	5,294,137	5,294,137
There was no movement in the share capital account during the year.				
Balance, beginning of year	5,294,137	5,294,137	5,294,137	5,294,137
Additions through issuance of shares during the year	-	-	-	-
Balance, end of the year	**5,294,137**	**5,294,137**	**5,294,137**	**5,294,137**

(iii) There was no movement on the number of shares in issue during the year

In thousands of units	Group 31 December 2021	Group 31 December 2020	Bank 31 December 2021	Bank 31 December 2020
Balance, beginning of year	5,294,137	2,500,000	5,294,137	2,500,000
Additions through issuance of shares during the year	-	2,794,137	-	2,794,137
Balance, end of the year	**5,294,137**	**5,294,137**	**5,294,137**	**5,294,137**

35 Share premium and reserves

The nature and purpose of the reserves in equity are as follows:

Share premium:
Share premium is the excess paid by shareholders over the nominal value for their shares

In thousands of Nigerian Naira	Group 31 December 2021	Group 31 December 2020	Bank 31 December 2021	Bank 31 December 2020
Balance, beginning of year	12,140,034	-	12,140,034	-
Additions through issuance of shares during the year	-	12,140,034	-	12,140,034
Balance, end of the year	**12,140,034**	**12,140,034**	**12,140,034**	**12,140,034**

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	Group 31 December 2021	Group 31 December 2020	Bank 31 December 2021	Bank 31 December 2020
Retained earnings: Retained earnings represent undistributed profits, net of statutory appropriations attributable to the ordinary shareholders.	11,016,204	9,557,298	7,002,048	5,885,619
Statutory reserve: Undistributable earnings required to be kept by the Central Bank of Nigeria.	903,837	362,245	903,837	362,245
Regulatory risk reserve: Non-distributable regulatory reserve for the excess between the impairment reserve on loans and advances determined using the prudential guidelines issued by the Central Bank of Nigeria over the impairment reserves calculated under IFRS.	137,671	-	137,671	-

36 Dividend

36a Proposed dividend

The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA 2020) of Nigeria, proposed a dividend of 17 kobo per share (2020: Nil) from the retained earnings account as at 31 December 2021. This will be presented for ratification by the shareholders at the next Annual General Meeting.

Payment of dividends is subject to withholding tax at a rate of 10% in the hands of qualified recipients.

36b Dividend paid

In thousands of Nigerian Naira	Group 31 December 2021	Group 31 December 2020	Bank 31 December 2021	Bank 31 December 2020
Dividend paid during the year*	-	(625,000)	-	(625,000)

* The bank paid a dividend of N625,000,000 being amount approved at the annual general meeting (AGM) for the year ended 31 December 2020.

37 Fair value reserve

The fair value reserve shows the effects of the fair value measurement of financial instruments classified as FVOCI. Gains or losses are not recognised in the condensed income statement until the asset has been sold or impaired.

Below is the movement in available for sale reserves.

In thousands of Nigerian Naira	Group 31 December 2021	Group 31 December 2020	Bank 31 December 2021	Bank 31 December 2020
FVOCI				
At beginning of the period	(1,635,097)	(2,793,798)	1,476,285	(253,554)
Fair value movement during the period (unrealised net gain/(loss))	(1,298,075)	1,158,701	(1,602,028)	1,729,839
Transfers	4,842	-	-	-
At end of the period	**(2,928,330)**	**(1,635,096)**	**(125,743)**	**1,476,285**

38 Litigation

The Bank had no pending litigations durring the year.

Contingent liabilities and commitments

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risk. These instruments are issued to meet the credit and other financial requirements of customers. Contingent liabilities and Commitments typically comprise guarantees and letters of credit. The contractual amounts of the off-balance sheet financial instruments are:

In thousands of Nigerian Naira	Group		Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Performance bonds and guarantees	535,524	-	535,524	-
Letters of credits	15,795,333	-	15,795,333	-
Total	16,330,857	-	16,330,857	-
Less: impairment	(64,757)	-	(64,757)	-
Total Letters of Credit & Bonds	16,266,100	-	16,266,100	-

Capital commitments

At the end of the year, the Bank had no capital commitments (31 December 2021: Nil).

39 Insider related credits

In compliance with Central Bank of Nigeria circular BSD/1/2004 on Insider related credits, the Bank had no insider related credits during the year.

40 Related parties

40.1 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or another party controls both. The parties include subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

40.2 Subsidiaries

Transactions between Greenwich Merchant Bank and its subsidiaries meet the definition of related party transactions and are eliminated on consolidation. Therefore, they are not disclosed in the consolidated financial statements but are disclosed in the books of the Bank.

40.3 Receivables and Payables

As at the balance sheet date, the Bank had a receivable of N47,962,000 from the payments made on behalf of companies whose one or more of the directors are also directors of Greenwich Merchant Bank Limited (Director Related). There was also a payable amount of N80,811,000 during the year.

	Relationship	**Receivables**		**Payables**	
		2021 N'000	**2020**	**2021 N'000**	**2020**
DN Meyer	Director related	28,347	28,347	-	-
Greenwich Registrars & Data solution limited	Director related	15,458	16,257	-	-
Greenwich Asset Management Limited	Subsidiary	2,125	-	21,612	-
Greenwich Securities Limited	Subsidiary	-	-	61,231	-
GTL Property Limited	Director related	-	125,073	-	-
GTL Trustees Limited	Director related	-	27,759	-	-
		45,930	**197,436**	**82,843**	**-**

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40.4 Loans and advances to related parties

The Bank did not grant credit facilities to its key management personnel during the year. In the year where it is applicable, the rates and terms agreed are comparable to other facilities being held in the Bank's portfolio.

In thousands of Nigerian Naira	Related Party	Facility type	Status	Key management personnel 31 December 2021	31 Decemer 2020
Loans and advances to related parties	Key management personnel	Staff loan	Performing		
Loans outstanding at 1 January				-	-
Loans issued during the period				3,574	-
Loan repayments during the period				-	-
Balance				**3,574**	**-**

Interest income earned: Interest income of N491 was received in year 2021.

40.5 Deposits from related parties

	Relationship	2021 N'000	2020 N'000
Citadel Nominees Limited	Director related	48	400,330
Greenwich Asset Management Limited	Subsidiary	1,019,061	-
Greenwich Capital Limited	Director related	1,174	-
Greenwich Nominees Limited	Director related	58,514	-
Greenwich Registrars & Data Solution Limited	Director related	102,653	-
Greenwich Securities Limited	Subsidiary	2,681	-
GTL Trustees Limited	Director related	4	-
Metropolitan Motors Limited	Director related	11,330	-
Directors	Directorship	399,233	108,174
Key Management Personnel	Key Management	8	-
Total		**1,594,706**	**508,504**

Year ended 31 December 2021	Entities controlled by the parent (N'000)	Key management personnel (N'000)
Deposit from customers		
Deposits at 1 January	508,504	-
Movement during the year	1,594,698	-
	2,103,202	-
Due to banks	-	-
Deposits at 31 December	**2,103,202**	-

Interest expenses on deposits: Interest accrued of N10,279,436 were received at the year end (2020: Nil)

Year ended 31 December 2020		
Deposit from customers		
Deposits at 1 January	-	-
Movement during the year	508,504	-
	508,504	-
Due to banks	-	-
Deposits at 31 December	**508,504**	-

Interest expenses on deposits: No interest accrued in 2020 as the funds were received at the year end

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41 Employees

The number of persons employed by the Bank as at end of period is as follows:

	Bank				
	Total No.	Male Number	Female Number	Male Percentage	Female Percentage
Employees	97	67	30	69%	31%
Gender Analysis of Board and Management 2021					
Board	11	9	2	82%	18%
Top Management (AGM to GM)	7	5	2	71%	29%
	18	14	4	78%	22%
Gender Analysis of Board and Management 2021					
Assistant General Manager	4	3	1	75%	25%
Deputy General Manager	2	1	1	50%	50%
General Manager	1	1	0	100%	0%
Executive Director	1	1	0	100%	0%
Managing Director	1	1	0	100%	0%
Non-Executive Directors	9	7	2	78%	22%
	18	14	4	78%	22%

41.1 Employees

Compensation for the above staff excluding Executive Management:

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Wages and salaries	1,062,726	679,974	964,739	468,731
Other pension costs	68,477	42,537	63,441	25,095
	1,131,203	**722,511**	**1,028,180**	**493,826**

41.2 Key Management Personnel

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Wages and salaries	200,554	-	200,554	-
Other pension costs	9,742	-	9,742	-
	210,297	-	**210,297**	**-**

The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control.

42 Directors' emoluments

Remuneration paid to the Bank's Directors was:

In thousands of Nigerian Naira	Group 31 December 2021	31 December 2020	Bank 31 December 2021	31 December 2020
Fees and sitting allowances	130,586	77,075	94,575	32,582
	130,586	**77,075**	**94,575**	**32,582**
Executive compensation:				
Wages and salaries	98,317	93,108	85,561	41,898
Other pension costs	5,733	6,426	4,850	5,925
	104,050	**99,534**	**90,411**	**47,823**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Fees and other emoluments disclosed above include amounts paid to:				
Chairman	10,250	7,655	10,250	7,655
Highest paid Director	47,500	25,665	47,500	25,665

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

In thousands of Nigerian Naira	Group 31 December 2021	Group 31 December 2020	Bank 31 December 2021	Bank 31 December 2020
N5,000,001 and above	14	10	9	10
	14	10	9	10

43 Non-audit services

During the year, the auditors PwC performed the following non-audit engagements.

Name of Signer	FRC number	Name of firm	Contract sum (N)	Service Description
Obioma N. Ubah	2013/ICAN/00000002002	PricewaterhouseCoopers	1,000,000	Certification of total deposit outstanding in the books of the bank as at 31 Dec. 2021

44 Compliance with banking regulations

During the period, the Bank did not pay penalties in respect of contraventions of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the period ended 31 December 2021.

45 Subsequent events

Finance Act 2021

The Finance Bill was signed into law on 31st December 2021, with effective date of 1st January 2022. The signing into law of the Finance Bill qualifies as an adjusting event as the bill had been in existence as at the end of the financial year. In view of this development, the Bank has reviewed the provisions of the Act and have made appropriate adjustments to the financial estimates disclosed in the financial statement, in line with the relevant provisions of the Finance Act.

FGN Sukuk Bond 13% December 2031

The Bank received N2,880,506 billion allotment of the Federal Government of Nigeria (FGN) 250 billion series IV series sukuk issuance due by 2031 in February 2022, with issue date of 29 December 2021 and rental rate of 13% per annum.

OTHER NATIONAL DISCLOSURE

VALUE ADDED STATEMENT
For the year ended 31 December 2021

In thousands of Nigerian Naira	Group				Bank			
	31 December 2021	%	31 December 2020	%	31 December 2021	%	31 December 2020	%
Total revenue	6,487,514		3,205,531		5,852,872		2,510,461	
Impairment loss on trade and other receivables	(329,186)		(150,464)		(278,717)		(94,069)	
Brought-in-materials and services -Local	(1,105,901)		(791,094)		(1,006,627)		(461,258)	
Value added	**5,052,427**	**100**	**2,263,973**	**100**	**4,567,528**	**100**	**1,955,134**	**100**
Distribution of Value Added								
To employees:								
- Employees as wages and salaries	1,235,253	25	822,045	36	1,118,591	25	541,649	28
- *To provider of funds:*								
- Finance expenses	1,153,974	23	23,449	1	1,160,903	25	20,258	1
- *To Government:*								
- Government as taxes	157,737	3	54,610	2	147,299	3	52,448	3
Retained in the business:								
- For replacement of property and equipment	230,828	5	121,932	6	225,824	4	111,916	6
- Deferred tax write back	122,008	2	85,549	4	109,603	2	21,380	1
- To augment reserves	2,152,627	43	1,156,388	51	1,805,308	40	1,207,483	62
Value added	**5,052,427**	**100**	**2,263,973**	**100**	**4,567,528**	**100**	**1,955,134**	**100**

FIVE-YEAR FINANCIAL SUMMARY

For the year ended 31 December 2021

In thousands of Nigerian Naira	31 December 2021	31 December 2020	Group 31 December 2019	31 December 2018	31 December 2017
Assets					
Cash and bank balances	72,255,432	20,023,314	1,660,802	9,763,581	4,950,109
Financial assets at fair value through profit or loss	5,784	969,385	99,295	2,963,186	2,872,478
Loans and advances to customers	7,328,969	-	165,062	216,649	243,189
Investment securities	13,342,951	10,837,504	15,713,108	5,824,871	4,525,369
Pledged asset	8,447,871	-	-	-	-
Other assets	811,496	1,892,474	1,829,723	860,286	1,041,663
Investments in subsidiaries	-	-	-	-	-
Property and equipment	412,849	513,425	552,692	558,390	643,442
Intangible assets	441,863	422,139	22,801	26,457	15,239
Deferred tax assets	57,488	69,893	134,064	46,456	
Total assets	**103,104,703**	**34,728,134**	**20,177,547**	**20,259,876**	**14,291,489**
Liabilities					
Deposits from banks	4,287,659	-	-	-	-
Deposits from customers	47,624,900	509,804	-		
Other liabilities	23,979,458	7,853,773	10,265,958	9,927,211	6,088,575
Current tax liabilities	497,949	418,417	414,935		
Borrowings	5,527	191,468	-	-	-
Deferred tax liabilities	145,657	36,054	14,674	-	-
Total liabilities	**76,541,151**	**9,009,516**	**10,695,567**	**9,927,211**	**6,088,575**
Net assets	**26,563,553**	**25,718,618**	**9,481,980**	**10,332,665**	**8,202,914**
Capital and reserves					
Share capital	5,294,137	5,294,137	2,500,000	2,500,000	2,500,000
Share premium	12,140,034	12,140,034	-	-	-
Retained earnings	11,016,204	9,557,298	9,159,952	7,832,665	5,702,914
Other reserves	(1,886,822)	(1,272,851)	(2,177,973)	-	-
Total equities	**26,563,553**	**25,718,618**	**9,481,980**	**10,332,665**	**8,202,914**

Statement of profit or loss and other comprehensive income

	2021 N'000	**2020 N'000**	**2019 N'000**	**2018 N'000**	**2017 N'000**
Revenue	5,852,872	2,510,461	2,227,863	1,819,812	1,512,051
Profit before taxation	2,432,372	1,296,547	1,566,323	1,087,455	878,542
Taxation	(279,745)	(140,159)	10,964	99,508	32,356
Profit after tax	**2,152,627**	**1,156,385**	**1,577,287**	**1,186,963**	**910,898**
Earnings per share (kobo) - basic and diluted	41	22	63	47	36

FIVE-YEAR FINANCIAL SUMMARY

For the year ended 31 December 2021

In thousands of Nigerian Naira	31 December 2021	31 December 2020	Bank 31 December 2019	31 December 2018	31 December 2017
Assets					
Cash and bank balances	61,918,059	16,104,401	1,325,549	204,649	1,451
Financial assets at fair value through profit or loss	5,784	969,385	-	-	-
Loans and advances to customers	7,328,969	-	75,717	82,632	81,433
Investment securities	5,522,501	5,002,564	3,649,161	5,412,834	3,800,567
Pledged asset	8,447,871	-	-	-	-
Other assets	625,527	1,718,809	929,381	373,578	410,091
Investments in subsidiaries	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Property and equipment	408,629	507,926	543,357	540,479	615,312
Intangible assets	437,479	414,029	9,615	3,929	-
Deferred tax assets	-	-	-	-	-
Total assets	**86,194,819**	**26,217,114**	**8,032,780**	**8,118,101**	**6,408,854**
Liabilities					
Deposits from banks	4,287,659	-	-	-	-
Deposits from customers	38,752,624	509,804	-	-	-
Other liabilities	17,528,072	269,020	55,153	477,574	761,147
Current tax liabilities	123,296	52,448	51,126	79,780	161,854
Borrowings	5,527	191,468	-	466,383	517,050
Deferred tax liabilities	145,657	36,054	14,674	44,038	53,111
Total liabilities	**60,842,835**	**1,058,794**	**120,953**	**1,067,775**	**1,493,162**
Net assets	**25,351,984**	**25,158,320**	**7,911,827**	**7,050,326**	**4,915,692**
Capital and reserves					
Share capital	5,294,137	5,294,137	2,500,000	2,500,000	2,500,000
Share premium	12,140,034	12,140,034	-	-	-
Retained earnings	7,002,048	5,885,619	5,665,381	4,550,326	2,415,692
Other reserves	915,765	1,838,530	(253,554)		
Total equities	**25,351,984**	**25,158,320**	**7,911,827**	**7,050,326**	**4,915,692**

Statement of profit or loss and other comprehensive income

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Revenue	5,852,872	2,510,461	2,227,863	1,819,812	1,512,051
Profit before taxation	2,062,210	1,281,311	1,386,818	1,141,631	790,103
Taxation	(256,902)	(73,828)	(21,763)	50,213	(31,606)
Profit after tax	**1,805,308**	**1,207,483**	**1,365,055**	**1,191,844**	**758,497**
Earnings per share (kobo) - basic and diluted	34	23	55	48	30

PROXY FORM

I/WE

Being a member/members of GREENWICH MERCHANT BANK LIMITED Hereby

appoint..or failing him Kayode Falowo or failing him, Bayo Rotimi as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, May 19, 2022, at 11.00 a.m. and at any adjournment thereof.

As witness under my/our hand this................... day

of............................ 2022

Signed..

	RESOLUTION 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 desired)	To declare a dividend		
	To elect/re-elect Directors • Mr. Kayode Falowo • Dr. Olutoyin Okeowo • Dr. Faruk Umar		
	To authorise Directors to fix the remuneration of the Auditors		
	Special Business		
	To approve the remuneration of Directors		
	That the Directors be authorised to carry out any of the options proposed in respect of the unissued shares		
	That the Articles of Association be amended		

Notes:
A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. To be effective, this form of proxy must be signed and deposited at Greenwich Merchant Bank Limited, Plot 1698A, Oyin Jolayemi Street, Victoria Island, Lagos, not less than 48 hours before the time for holding the Annual General Meeting. A proxy need not to be a member of the Company. In the case of joint Shareholders, anyone of such may complete the form but the name of all joint shareholders must be stated.

It is required by the law under Stamp Duties Act, Cap S8 Laws of the Federation of Nigeria 2004 as amended, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear Stamp Duty at the appropriate rate, not adhesive postage stamps

If the shareholder is a corporation, this form may be under its common seal if the corporation has a common seal.

Before posting the above card, tear off this part and retain same.

ADMISSION CARD

GREENWICH MERCHANT BANK LIMITED
ANNUAL GENERAL MEETING

PLEASE ADMIT ELECTRONICALLY, ONLY THE SHAREHOLDER NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE ANNUAL GENERAL MEETING THAT WILL BE HELD **VIRTUALLY** AT PLOT 1698A, OYIN JOLAYEMI STREET, VICTORIA ISLAND, LAGOS, THURSDAY MAY 19, 2022, AT 11:00 A.M.

NAME OF SHAREHOLDER .... SIGNATURE..

ADDRESS..
....

THIS CARD IS TO BE ELECTRONICALLY SIGNED

Please affix Postage stamp

GREENWICH MERCHANT BANK LIMITED
PLOT 1698A, OYIN JOLAYEMI STREET,
VICTORIA ISLAND,
LAGOS