

**FCMB Group Plc**  
**Annual Report and Financial Statements**  
**Year ended 31 December 2025**

**FCMB GROUP PLC**  
**FINANCIAL STATEMENTS - 31 DECEMBER 2025**

<b>Contents</b>	<b>Page</b>
Board evaluation report	1
Corporate governance	2 - 24
Board of Directors, officers and professional advisors	25
Directors' report	26 - 31
Statement of Directors' responsibilities	32
Statutory Audit Committee Report	33
Statement of Corporate Responsibility	34
Management's annual assessment of, and report on Internal Control Over Financial Reporting	35
Certification of Management's Assessment on Internal Control over Financial Reporting	36 - 37
Independent Auditor's report	47 -38
<b>Financial statements:</b>	
Consolidated and Separate statements of profit or loss and other comprehensive income	48
Consolidated and Statements of financial position	49
Statements of changes in equity	50 - 51
Consolidated and Statements of cashflows	52
Notes to the Consolidated and Separate financial statements	53 - 164
<b>Other financial Information:</b>	
Value added Statement	166
Five year financial summary	167 - 168

## CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2025

### Commitment to Corporate Governance

FCMB Group Plc (the Group) remains committed to institutionalizing corporate governance principles. It continues to adhere to the implementation of Corporate Governance Rules of the Central Bank of Nigeria, The Nigerian Exchange Group, the Securities and Exchange Commission and the Financial Reporting Council of Nigeria.

The Group's Board (the Board) operates in line with its responsibilities as contained in Regulatory Codes of Corporate Governance, the Company's Articles of Association and the Companies and Allied Matters Act. Its oversight of the operations and activities of the Company are carried out transparently without undue influence.

The Group has undertaken to create an institutional framework conducive to defending the integrity of our Directors, and is convinced that on account of this, the Group's Board is functioning in a highly effective manner. It is intended that we continue to challenge ourselves to improve in areas where the need for improvement is identified.

### Board Composition and Independence

During the 2025 financial year, the Board comprised ten Directors, consisting of seven Non-Executive Directors and three Executive Directors. This composition was in line with international best-practice governance standards, which require a majority of Non-Executive Directors to ensure effective oversight, independence, and sound corporate governance.

The appointment of Board members is in line with the Companies and Allied Matters Act 2020, CBN Code of Corporate Governance, and the Company's selection criteria for Directors.

The Group's Board, led by a Non-Executive Chairman, is composed of individuals with enviable records of achievement in their respective fields, who bring high levels of competencies and experience to the Board. The Board meets regularly to set broad policies for the Group's business and operations and ensures that an objective and

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

professional relationship is maintained with the Group's internal and external auditors in order to promote transparency in financial and non-financial reporting.

Directors' emoluments, as well as their shareholding information, are disclosed in the Company's Annual Report and Accounts.

The Directors are guided by the Corporate Governance Guidelines for Financial Holding Companies in Nigeria, the Securities and Exchange Commission Code of Corporate Governance for Public Companies in Nigeria as well as the Nigerian Code of Corporate Governance.

#### Board Selection and Appointment Process

The Board of the Company ensures a formal and transparent process for the selection and appointment of Directors to the Board. The Board Governance and Remuneration Committee plays a major role in the selection of candidates for appointment to the Board.

Appointed candidates must:

- be analytically strong.
- be financially savvy.
- contribute to a gender-diverse Board.
- be experienced in asset management.
- be suitably educated and professionally qualified.
- hold extensive relevant experience.
- be able to support business generation.
- have a good relationship with the regulatory authority.
- be well respected in society.
- demonstrate very high levels of integrity.
- pass the fit and proper person test.

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

The process involves:

- a careful analysis of the existing Board's strengths and weaknesses, its skills, experience gaps and diversity considering the Company's current business priorities and future plans;
- identification, shortlisting and interviewing candidates with the appropriate expertise and experience;
- conducting formal and informal background checks to ensure they are fit and proper persons to sit on the Board of the Company;
- discussing formally with prospective candidates the Board's expectations and the nominee's ability to make the necessary commitment;
- the appointment process is communicated to Board members by the Company Secretary;
- external consultants may be engaged as appropriate to obtain an independent view and input into the appointment process;
- once the nomination is approved by the Board, the Company Secretary notifies the CBN in writing, seeking the CBN's approval for the appointment;
- upon approval by the CBN, the approval is communicated to the new Director in writing; and
- other required regulatory authorities are notified of the appointment in writing.

The CBN guidelines on appointment to the Board of Financial Holding Companies in Nigeria shall continue to be applied. The Guiding Principles of the Group's Code of Corporate Governance are as follows:

- the ultimate powers of the Company belong to the shareholders who are its owners;
- delegation of authority by the owners to the Board and subsequently to Board Committees and executives is clearly defined and agreed;
- institutionalized individual accountability and responsibility through empowerment and relevant authority;
- clear terms of reference and accountability for committees at Board and executive levels;

## CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2025

- effective communication and information sharing outside of meetings;
- actions are taken on a fully informed basis, in good faith with due diligence and care and in the best interest of the Group and the shareholders;
- enhancing compliance with applicable laws and regulations and the interest of the stakeholders; where there is any conflict between any legislation and the Group's rules, the local laws and legislation supersede;
- conformity with overall Group strategy and direction; and
- transparency and full disclosure of accurate, adequate and timely information regarding the personal interest of Directors in any area of potential conflict regarding Group business.

### Role of the Board

- Investment and capital management, investor relations, Group financial and statutory reporting, articulation and approval of Group policies, setting overall Group strategic direction, monitoring and coordinating Group performance, succession planning for key positions on the Boards of the Group and operating companies.
- Reviewing alignment of goals, major plans of action, annual budgets and business plans with overall strategy; setting performance objectives; monitoring implementation and corporate performance and overseeing major capital expenditure in line with the approved budget.
- Ensuring the integrity of the Group's accounting and financial reporting systems (including the independence of Internal Audit, and that appropriate systems are in place for monitoring risk, financial control and compliance with the law).
- Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.
- Interfacing with the management of the Group to ensure harmony in implementing Group strategy.
- Performing all statutory roles as required by law.
- Through the establishment of Board Committees, making recommendations and taking decisions on behalf of the Board on issues of expenditure that may arise outside the normal meeting schedule of the Board.

**CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025**

- Ratifying duly approved recommendations and decisions of the Board Committees.
- Ensuring that the Company has an effective internal audit and risk management system in place.

**Board of Directors**

The Board of Directors met five times during the year as noted below:

**Board of Directors Meetings in 2025.**

NAMES	28 FEBRUARY	28 APRIL	28 JULY	28 OCTOBER	28 NOVEMBER
Mr. Oladipupo Jadesimi	✓	✓	✓	✓	✓
Mr. Ladi Balogun	✓	✓	✓	✓	✓
Mr. Gbolahan Joshua	✓	✓	✓	✓	✓
Mr. Olufemi Badeji	✓	✓	✓	✓	✓
Alhaji Mustapha Damcida	X	✓	X	X	X
Dr. (Engr) Gregory Ero	✓	✓	X	X	✓
Professor Oluwatoyin Ashiru OON	✓	✓	✓	✓	✓
Mrs. Olapeju Sofowora	✓	✓	✓	✓	✓
Mrs. 'Tokunboh Ishmael	✓	✓	X	X	X
Ms. Muibat Ijaiya	✓	✓	✓	✓	✓

**Board Induction and training**

One of the focuses of the Group is to ensure capacity building at all levels. To this end, irrespective of the existing knowledge and experience of Board members, the Company ensures that training programmes are organized for Directors to improve their decision-

**CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025**

making capacity and overall Board effectiveness. The Company Secretary is responsible for overseeing the induction of new Board members as well as overseeing the continuous training of Board members.

Induction for new Board members is essential to provide important information about the Company, Directors' roles and responsibilities and to help new Directors settle smoothly into the new role. This is to also ensure that Directors are adequately acquainted with the Board's purpose, responsibilities, practices, strategy and operations.

Furthermore, the induction programme is aimed at deepening Directors' understanding of the Company, the environment and markets in which it operates. The programme may include formal and informal discussions with executive management, and the provision of reading materials or workshops.

The Company Secretary oversees the provision of additional training to Directors on a continuous basis to enable them to gain a broader understanding and knowledge of the Company, the regulatory and competitive environment in which the Group operates.

The Company encourages and supports other informal training programmes for Directors, such as subscriptions to industry journals towards building relevant skills and interactive sessions at Board meetings whereby an external facilitator or a specialist from the Group facilitates sessions in specific areas of interest.

Notwithstanding the Company's responsibilities, each Director has a personal responsibility to ensure that he or she remains current and up to date regarding the strategies and businesses of the Company, as well as the industry and macroeconomic environment in which it operates.

S/N	NAMES DIRECTORS	OF TRAINING TITLE	FACILITATING FACULTY (COURSE VENDOR)	DATE(S)
-----	-----------------	-------------------	--------------------------------------	---------

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

1	Mr. Oladipupo Jadesimi	ISSB IFRS S1 AND S2 SUSTAINABILITY STANDARDS	ENTOP CONSULTING LIMITED	14, February 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: THE FUTURE IS NOW: ARTIFICIAL INTELLIGENCE APPLICATIONS IN FINANCIAL CRIMES AND PREVENTION	DELOITTE & TOUCHE	17, April 2025
		IFRS S1 & S2 IMPLEMENTATION IN NIGERIA: FRC REGULATION BOARD EXPECTATION	FINANCIAL REPORTING COUNCIL OF NIGERIA	2, October 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: REGULATORY AND SUPERVISORY EXPECTATIONS	QUADRANT ADVISORY	17, October 2025
		CYBERSECURITY AWARENESS SESSION: DATA PROTECTION TRAINING FOR THE BOARD	KPMG	21, November 2025
		ISSB IFRS S1 AND S2 SUSTAINABILITY STANDARDS	ENTOP CONSULTING LIMITED	14, February 2025

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

2	Mr. Ladi Balogun	ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: THE FUTURE IS NOW: ARTIFICIAL INTELLIGENCE APPLICATIONS IN FINANCIAL CRIMES AND PREVENTION	DELOITTE & TOUCHE	17, April 2025
		IFRS S1 & S2 IMPLEMENTATION IN NIGERIA: FRC BOARD REGULATION EXPECTATION	FINANCIAL REPORTING COUNCIL OF NIGERIA	2, October 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: REGULATORY AND SUPERVISORY EXPECTATIONS	QUADRANT ADVISORY	17, October 2025
		CYBERSECURITY AWARENESS SESSION: DATA PROTECTION TRAINING FOR THE BOARD	KPMG	21, November 2025
3	Mr. Olufemi Badeji	ISSB IFRS S1 AND S2 SUSTAINABILITY STANDARDS	ENTOP CONSULTING LIMITED	14, February 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: THE FUTURE IS NOW: ARTIFICIAL INTELLIGENCE APPLICATIONS IN FINANCIAL CRIMES AND	DELOITTE & TOUCHE	17, April 2025

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

		PREVENTION		
		IFRS S1 & S2 IMPLEMENTATION IN NIGERIA: REGULATION BOARD EXPECTATION	FINANCIAL REPORTING COUNCIL OF NIGERIA	2, October 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: REGULATORY AND SUPERVISORY EXPECTATIONS	QUADRANT ADVISORY	17, October 2025
		CYBERSECURITY AWARENESS SESSION: DATA PROTECTION TRAINING FOR THE BOARD	KPMG	21, November 2025
4	Mr. Gbolahan Joshua	ISSB IFRS S1 AND S2 SUSTAINABILITY STANDARDS	ENTOP CONSULTING LIMITED	14, February 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: THE FUTURE IS NOW: ARTIFICIAL INTELLIGENCE APPLICATIONS IN FINANCIAL CRIMES AND PREVENTION	DELOITTE & TOUCHE	17, April 2025
		IFRS S1 & S2 IMPLEMENTATION IN NIGERIA: FRC REGULATION BOARD	FINANCIAL REPORTING COUNCIL OF NIGERIA	2, October 2025

**CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025**

		EXPECTATION		
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: REGULATORY AND SUPERVISORY EXPECTATIONS	QUADRANT ADVISORY	17, October 2025
		CYBERSECURITY AWARENESS SESSION: DATA PROTECTION TRAINING FOR THE BOARD	KPMG	21, November 2025

S/N	NAMES OF DIRECTORS	TRAINING TITLE	FACILITATING FACULTY (COURSE VENDOR)	DATE(S)
5	Professor Oluwatoyin Ashiru OON	ISSB IFRS S1 AND S2 SUSTAINABILITY STANDARDS	ENTOP CONSULTING LIMITED	14, February 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: THE FUTURE IS NOW: ARTIFICIAL INTELLIGENCE APPLICATIONS IN FINANCIAL CRIMES AND PREVENTION	DELOITTE & TOUCHE	17, April 2025
		IFRS S1 & S2 IMPLEMENTATION IN NIGERIA: FRC REGULATION BOARD EXPECTATION	FINANCIAL REPORTING COUNCIL OF NIGERIA	2, October 2025

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: REGULATORY AND SUPERVISORY EXPECTATIONS	QUADRANT ADVISORY	17, October 2025
		CYBERSECURITY AWARENESS SESSION: DATA PROTECTION TRAINING FOR THE BOARD	KPMG	21, November 2025
6	Alhaji Mustapha Damcida	ISSB IFRS S1 AND S2 SUSTAINABILITY STANDARDS	ENTOP CONSULTING LIMITED	14, February 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: THE FUTURE IS NOW: ARTIFICIAL INTELLIGENCE APPLICATIONS IN FINANCIAL CRIMES AND PREVENTION	DELOITTE & TOUCHE	17, April 2025
7	Mrs. Olapeju Shofowora	ISSB IFRS S1 AND S2 SUSTAINABILITY STANDARDS	ENTOP CONSULTING LIMITED	14, February 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: THE FUTURE IS NOW: ARTIFICIAL INTELLIGENCE APPLICATIONS IN FINANCIAL CRIMES AND PREVENTION	DELOITTE & TOUCHE	17, April 2025
		IFRS S1 & S2 IMPLEMENTATION IN NIGERIA: FRC REGULATION BOARD EXPECTATION	FINANCIAL REPORTING COUNCIL OF	2, October 2025

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

			NIGERIA	
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: REGULATORY AND SUPERVISORY EXPECTATIONS	QUADRANT ADVISORY	17, October 2025
		CYBERSECURITY AWARENESS SESSION: DATA PROTECTION TRAINING FOR THE BOARD	KPMG	21, November 2025
8	Mrs. 'Tokunboh Ishmael	ISSB IFRS S1 AND S2 SUSTAINABILITY STANDARDS	ENTOP CONSULTING LIMITED	14, February 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: THE FUTURE IS NOW: ARTIFICIAL INTELLIGENCE APPLICATIONS IN FINANCIAL CRIMES AND PREVENTION	DELOITTE & TOUCHE	17, April 2025
9	ENGR) Gregory O. Ero	ISSB IFRS S1 AND S2 SUSTAINABILITY STANDARDS	ENTOP CONSULTING LIMITED	14, February 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: THE FUTURE IS NOW: ARTIFICIAL INTELLIGENCE APPLICATIONS IN FINANCIAL CRIMES AND PREVENTION	DELOITTE & TOUCHE	17, April 2025
		IFRS S1 & S2 IMPLEMENTATION IN NIGERIA: FRC REGULATION BOARD EXPECTATION	FINANCIAL REPORTING COUNCIL OF NIGERIA	2, October 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: REGULATORY	QUADRANT ADVISORY	17, October 2025

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

		AND SUPERVISORY EXPECTATIONS		
		CYBERSECURITY AWARENESS SESSION: DATA PROTECTION TRAINING FOR THE BOARD	KPMG	21, November 2025
10.	Ms. Muibat Ijaiya	ISSB IFRS S1 AND S2 SUSTAINABILITY STANDARDS	ENTOP CONSULTING LIMITED	14, February 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: THE FUTURE IS NOW: ARTIFICIAL INTELLIGENCE APPLICATIONS IN FINANCIAL CRIMES AND PREVENTION	DELOITTE TOUCHE &	17, April 2025
		IFRS S1 & S2 IMPLEMENTATION IN NIGERIA: FRC REGULATION BOARD EXPECTATION	FINANCIAL REPORTING COUNCIL OF NIGERIA	2, October 2025
		ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM: REGULATORY AND SUPERVISORY EXPECTATIONS	QUADRANT ADVISORY	17, October 2025
		CYBERSECURITY AWARENESS SESSION: DATA PROTECTION TRAINING FOR THE BOARD	KPMG	21, November 2025

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

The Executive Directors were also enrolled for e-learning courses covering:

- Health and Safety at Workplace 2025
- FCMB Quality Management System 2025
- 'Digital Mindset in the Age of AI and
- FCMB Code of Conduct 2025.

Re-Election of Directors by Rotation

Pursuant to Section 285 (1) and (3) of the Companies and Allied Matters Act, 2020, one of the Directors is due for retirement by rotation and has offered himself for re-election at the Annual General Meeting.

The Director offering himself for re-election is Mr. Oladipupo Jadesimi.

Board Committees

The Board approved the constitution of the four Board Committees listed below, with their respective responsibilities and roles clearly defined. Each of the Committees has a charter which guides the discharge of its duties.

➤ **BOARD AUDIT COMMITTEE (BAC)**

**Purpose of the Committee-**The primary purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibility as it relates to audit, finance and budget matters as well as ascertaining the integrity of the financial statements and financial reporting process of the Group, independence and the performance of external and internal audit functions.

Membership

The Committee comprised four Non-Executive Directors. The Group Chief Executive and the Chief Operating Officer shall be in attendance as may be required by the Committee.

**CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**Committee composition**

Mrs. Olapeju Sofowora (Chairperson), Dr. (Engr.) Gregory Ero, Mrs. 'Tokunboh Ishmael (retired with effect from April 30, 2025); Ms. Muibat Ijaiya and Professor Oluwatoyin Ashiru OON (appointed with effect from July 28, 2025).

**Board Audit Committee Meetings held in 2025**

<b>NAMES</b>	<b>28 FEB.</b>	<b>22 APR.</b>	<b>23 JUL.</b>	<b>22 OCT.</b>	<b>25 NOV.</b>
Mrs. Olapeju Sofowora	✓	✓	✓	✓	✓
Dr. (Engr) Gregory Ero	✓	x	x	x	✓
Mrs. 'Tokunboh Ishmael	✓	x	x	x	x
Ms. Muibat Ijaiya	✓	✓	✓	✓	✓
Prof. Oluwatoyin Ashiru, OON	x	x	x	✓	✓

➤ **BOARD INVESTMENT COMMITTEE (BIC)**

**Purpose of the Committee-** The primary purpose of the Investment Committee is to assist the Board in fulfilling its oversight responsibility as it relates to Investment implementation, capital and portfolio management, liquidity planning and ensuring that that the overall Investments align with the Group's goals.

**Membership**

The Committee comprised three Non-Executive Directors and three Executive Directors.

**Committee composition**

Mrs. 'Tokunboh Ishmael (retired with effect from April 30, 2025); Ms. Muibat Ijaiya (Chairperson, with effect from July 28, 2025); Mrs. Olapeju Sofowora; Professor

Oluwatoyin Ashiru, OON (appointed with effect from July 28, 2025); Mr. Ladi Balogun, Mr. Femi Badeji and Mr. Gbolahan Joshua.

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

Board Investment Committee Meetings held in 2025

NAMES	23 APR.	21 OCT.
Mrs. 'Tokunboh Ishmael	✓	x
Mrs. Olapeju Sofowora	✓	✓
Ms. Muibat Ijaiya	✓	✓
Prof. Oluwatoyin Ashiru, OON	x	✓
Mr. Ladi Balogun	✓	✓
Mr. Femi Badeji	✓	✓
Mr. Gbolahan Joshua	✓	✓

➤ **BOARD RISK MANAGEMENT COMMITTEE (BRMC)**

**Purpose of the Committee-** The primary purpose of the Risk Management Committee is to assist the Board in fulfilling its oversight responsibility as it relates to risk management, strategy, and compliance, as well as overseeing the establishment of policies, standards and guidelines for monitoring and managing risks, compliance, and strategy. As part of its risk management oversight functions, the Committee will also ensure corporate oversight and guidance for compliance activities and strategic initiatives.

Membership

The Committee comprised three Non-Executive Directors and two Executive Directors.

Committee composition

Ms. Muibat Ijaiya (Chairperson), Mrs. 'Tokunboh Ishmael (retired with effect from April 30, 2025), Mrs. Olapeju Sofowora, Professor Oluwatoyin Ashiru, OON (appointed with effect from July 28, 2025) Mr. Ladi Balogun and Mr. Gbolahan Joshua

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

Board Risk Management Committee Meetings held in 2025

NAMES	22 APR.	23 JUL.	22 OCT	25 NOV
Ms. Muibat Ijaiya	✓	✓	✓	✓
Mrs. Olapeju Sofowora	✓	✓	✓	✓
Mrs. 'Tokunboh Ishmael	✓	x	x	x
Prof. Oluwatoyin Ashiru, OON	x	x	✓	✓
Mr. Ladi Balogun	✓	✓	✓	✓
Mr. Gbolahan Joshua	✓	✓	✓	✓

➤ **BOARD GOVERNANCE AND REMUNERATION COMMITTEE (BGRC)**

**Purpose of the Committee-** Its functions include nominating new Directors to the Board, recommending the remuneration policy for the Group, overseeing Board performance and evaluation within the Group and succession planning for key positions on the Boards of the Group and subsidiaries.

Membership

The Committee comprised three Non-Executive Directors. The Group Chief Executive shall be in attendance as may be required.

Committee Composition

Professor Oluwatoyin Ashiru OON (Chairman), Alhaji Mustapha Damcida (retired with effect from June 17, 2025), Mrs. Olapeju Sofowora, Mrs. 'Tokunboh Ishmael (retired with effect from April 30, 2025) and Ms. Muibat Ijaiya (appointed with effect from July 28, 2025).

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

Board Governance and Remuneration Committee Meetings held in 2025

NAMES	23 APR.	18 JUNE	22 JUL.	21 OCT.	24 NOV.
Professor Oluwatoyin Ashiru OON	✓	✓	✓	✓	✓
Alhaji Mustapha Damcida	✓	X	X	X	X
Mrs. Olapeju Sofowora	✓	✓	✓	✓	✓
Mrs. 'Tokunboh Ishmael	✓	X	X	X	X
Ms. Muibat Ijaiya	X	X	X	✓	✓

➤ **STATUTORY AUDIT COMMITTEE (SAC)**

Section 404 (2) of the Companies and Allied Matters Act 2020 requires a public company to establish an Audit Committee.

Subject to such other additional functions and powers that the Company's Articles may stipulate, the objectives and functions of the audit committee are to:

- ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- review the scope and planning of audit requirements;
- review the findings on management matters in conjunction with the external auditor and departmental responses therein;
- keep under review the effectiveness of the Company's system of accounting and internal control;
- make recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Company;
- authorize the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee; and examine the Auditors' Report and make recommendations thereon to the Annual General Meeting as it may deem fit.

**CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**Membership**

According to Section 404 (3) of the Companies and Allied Matters Act 2020

- The Audit Committee shall consist of five members comprising three members and two Non-Executive Directors. The members of the Audit Committee are not entitled to remuneration and are subject to election annually.
- All members of the audit committee shall be financially literate, and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly.
- Any member may nominate another member of the Company to the audit committee by giving written notice of such nomination to the Company Secretary at least 21 days before the annual general meeting and any nomination not received prior to the meeting as stipulated is invalid.

In the 2025 financial year, the Audit Committee was chaired by Evangelist Akinola Soares.

**Statutory Audit Committee Meetings held in 2025**

NAMES	27 FEB.	24 APR.	24 JUL.	22 OCT.
Evangelist P. A. Soares	✓	✓	✓	✓
Alhaji S. B. Daranijo	✓	✓	✓	✓
Mr. Hakeem Batula	✓	✓	✓	✓
Professor Oluwatoyin Ashiru	✓	✓	✓	✓
Mrs. Olapeju Sofowora	✓	✓	✓	✓

**Management Committees**

The Board is supported by the Executive Management Committee (EMC) and the Group Executive Committee (GEC).

## CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2025

### Executive Management Committee (EMC)

The EMC, usually chaired by the Group Chief Executive, comprises all the Executive Directors and departmental heads. Representatives of the operating companies may be

invited if required. The EMC deliberates and makes decisions, as necessary, to optimize the resources of the Company and ensure the effective and efficient management of the

Company. The EMC also articulates issues to be discussed by the Board. Ad hoc meetings may be held from time to time.

The Group Chief Executive is responsible for the daily running and performance of the Company.

### Group Executive Committee (GEC)

The GEC is usually chaired by the Group Chief Executive, while other members are the Chief Operating Officer, the Executive Director, and the Chief Executive Officers of the operating companies in the Group as well as the Group Chief Financial Officer. The Company Secretary, who is also a member, serves as Secretary to the Committee. The GEC, from time to time, invites to its meetings any other person as may be required.

### Board Evaluation and Assessment

In compliance with Section 12.2 of the CBN Corporate Governance Guidelines for Financial Holding Companies in Nigeria, which provides that there shall be an annual appraisal of the Board by an independent external consultant with adequate experience, knowledge and competence in corporate governance and performance, KPMG Advisory Services conducted the Board and Corporate Governance evaluation in the financial year 2025.

## CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2025

### Shareholder Participation

In recognition of the importance of the provision of adequate information to shareholders and the Board's commitment to maintain high standards of corporate disclosure, meetings of shareholders are convened and held regularly as required by statutory and regulatory regimes. The Annual General Meeting allows for the interaction between Board, Management and Shareholders.

The Group also has a dedicated Investors Relations Department that facilitates communication with shareholders, stakeholders and analysts on a regular basis to address their queries and concerns.

Investors and stakeholders are frequently provided with information about the Group through Quarterly Investors Conference Calls.

The Group's website is updated regularly to keep Shareholders abreast of information on the Company.

The Group leverages the significant experience, contributions and advice of shareholder members of the Audit Committee.

The Group continues to take necessary steps to promote shareholder rights.

All stakeholders are invited to report any concern about a threatened or suspected breach of any corporate governance requirement to the office of the Company Secretary.

### Remuneration Policy

The Board, either by itself or through the Board Governance and Remuneration Committee, has the responsibility to review and approve the remuneration of Directors. While performing this responsibility, the Board is to ensure that Non-Executive Directors' remuneration is in line with the Central Bank of Nigeria (CBN) Code of Corporate Governance.

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

The Non-Executive members of the Board shall be entitled to a sitting allowance and Directors' fee as may be agreed by the Board from time to time and in line with the CBN Corporate Governance Guidelines for Financial Holding Companies in Nigeria. They are also entitled to be reimbursed for expenses incurred while carrying out their duties as Directors of the Company.

The Board's Non-Executive members, either directly or through the Board Governance and Remuneration Committee shall consider the remuneration payable to Executive

Directors. The Executive members of the Board are not entitled to sitting allowances or Directors' fees paid to the Non-Executive Directors.

The level and make-up of Director remuneration should be sufficient to attract and retain the right caliber of members needed to run the Company successfully.

The Company does not grant share options as part of the remuneration to Directors. Where this is to be done, it shall be tied to performance with the limits set in any given financial year, and subject to the approval of the shareholders at the Annual General Meeting.

#### Share trading Policy

The Company has a Share Trading Policy which provides a basic explanation of what constitutes insider trading and the Company's policy to prevent it, including:

- a description of what conduct may constitute insider trading;
- a description of the acceptable times for persons who fall within the definition of insiders to trade in the Company's securities to minimize the risk of insider trading; and
- the steps for insiders and their connected persons to take when trading the Company's securities.
- The detailed policy document is hosted on the Company's website.

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

Whistleblowing Procedures

The Board has a duty to conduct the Group's affairs in a responsible and transparent manner and to consider legal and regulatory requirements under which the Group operates. The Board is also committed to the principle of sound Corporate Governance and behaviour as enunciated in the CBN Code of Corporate Governance for banks and other financial institutions in Nigeria. One of the several ways a breach of regulatory requirements and Management and staff misconduct can be addressed is through a Whistleblowing programme.

As such, the Whistleblowing Policy and Procedures of the Group are designed to encourage stakeholders to bring unethical conduct and illegal violations to the attention of an internal and/or supervising authority so that action can be taken to resolve the problem. All stakeholders are provided with the details of the Ethics Line facilities via the Group's website. The Ethics Line facilities include 0703-000-0026, 0703-000-0027, 0708-060-1222 and 0808-822-8888.

Statement of Compliance with the CBN Corporate Governance Guidelines

The Board affirms that it is committed to ensuring full compliance with the Corporate Governance Guidelines for Financial Holding Companies in Nigeria.

Statement of Compliance with SEC Code of Corporate Governance

In compliance with Section 34.7 of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria (the Code) which governs the operations of FCMB Group Plc, the Board confirms compliance with the Code as disclosed in the Annual Report and Accounts.

CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Compliance with the Nigerian Code of Corporate Governance 2018 (NCCG Code)

In compliance with Section 28.5 of the NCCG Code, the Board confirms compliance with the NCCG Code as disclosed in the Board Evaluation Report and the Annual Report and Accounts.

**Disclosure to the Shareholders**

Directors' Fees

The Directors' fees for the financial year ending 31 December 2026 shall be maintained at N280,000,000.00 only.

Years of Service of Deloitte & Touche

Deloitte and Touche, the external auditors have served for six years as at the end of the reporting period.



Mrs. Olufunmilayo Adedibu  
Company Secretary  
FRC/2014/PRO/NBA/002/00000005887

**BOARD OF DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

---

**Directors**

- 1 Mr. Oladipupo Jadesimi (Chairman)
- 2 Mr Ladi O. Balogun (Group Chief Executive)
- 3 Mr Gbolahan Joshua (Chief Operating Officer)
- 4 Mr Olufemi Badeji (Executive Director)
- 5 Alhaji Mustapha Damcida (Non-Executive Director) (Retired effective from 17 June 2025)
- 6 Professor Oluwatoyin Ashiru (Non Executive Director) (Retired effective from 31 December 2025)
- 7 Dr (Engr) Gregory O. Ero (Non-Executive Director) (Retired effective from 31 December 2025)
- 8 Mrs. Olapeju Eniola Sofowora (Non-Executive Independent Director) (Retired effective from 31 December 2025)
- 9 Mrs. Tokunboh Ishmael (Non Executive Director) (Retired effective from 30 April 2025)
- 10 Ms. Muibat Ijaiya (Non-Executive Independent Director)

**Company Secretary**

Mrs. Olufunmilayo Adedibu

**Registered office**

FCMB Group Plc  
First City Plaza  
44, Marina  
Lagos Island,  
Lagos

**Auditors**

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

**Board Appraiser**

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

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

The Directors present their annual report on the affairs of FCMB Group Plc ("the Company") and its subsidiaries ("the Group"), together with the financial statements and independent auditor's report for the year ended 31 December 2025.

**a. Legal Form**

FCMB Group Plc was incorporated in Nigeria as a financial holding company on 20 November, 2012, under the Companies and Allied Matters Act, Cap C.20, Laws of Federation of Nigeria 2004.

**b. Principal Activity and Business Review**

The Company is a non-operating financial holding company, regulated by the Central Bank of Nigeria (CBN). The principal activity of the Group continues to be the provision of comprehensive banking and financial services to its wholesale and retail customers. Such services include cash management, trade, loans and advances, corporate finance, investment banking, securities brokerage, money market activities and foreign exchange operations.

Through ownership of FCMB Group Plc, shareholders own 100% of the following subsidiaries; FCMB Capital Markets Limited, FCMB Trustees Limited (formerly CSL Trustees Limited), FCMB Microfinance Bank Limited, Credit Direct Finance Company Limited, CSL Stockbrokers Limited (including its subsidiary FCMB Asset Management Limited) and First City Monument Bank Limited (and its subsidiaries - FCMB (UK) Limited and FCMB Financing SPV Plc) and 91.71% of FCMB Pensions Limited.

The Group does not have any unconsolidated structured entity.

**c. Operating Results**

The gross earnings and profit after income tax recorded by the Group for the year ended 31 December 2025 was N1131.77billion and N177.27billion respectively (2024: N794.43billion and N73.34billion). The Directors affirm that the Group is strategically poised for continued growth and development. Highlights of the Group's operating results for the year under review are as follows:

In thousands of naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Gross earnings	1 131 774 786	794 430 083	41 718 740	43 507 278
Profit before minimum tax and income tax	202 100 396	111 895 170	31 980 828	38 175 230
Windfall tax	(7 573 475)	(17 671 442)	-	-
Minimum tax	(4 886 994)	(3 289 172)	-	-
Taxation charge	(12 368 994)	(17 597 088)	1 818 595	(7 772 543)
Profit after tax	177 270 933	73 337 468	33 799 423	30 402 687
<b>Appropriations:</b>				
Transfer to statutory reserve	24 940 092	8 811 864	-	-
Transfer to retained earnings	152 330 841	64 525 604	33 799 423	30 402 687
	177 270 933	73 337 468	33 799 423	30 402 687
Basic earnings per share (Naira)	3.99	2.38	0.62	0.83
Diluted earnings per share (Naira)	3.99	2.38	0.62	0.83
Total non-performing loans and advances	125 950 824	147 979 386	-	-
Total non-performing loans to total gross loans and advances (%)	5.09%	5.95%	-	-

**Proposed dividend**

The Board of Directors has recommended a cash dividend of 35 kobo per issued and fully paid ordinary share for the year ended 31 December 2025 (2024: 55 kobo) totaling N23,084,107,645.90 (2024: N21,782,981,859.10). The payment of this dividend is subject to approval by shareholders at the Annual General Meeting.

The dividend will be payable to all shares in issue at the time of declaring the dividend, including 23,182,887,000 shares allotted subsequent to the year end. This brings the total number of shares ranking for dividend to 65,954,593,274 (2024: 39,605,421,562).

Payment of dividends is subject to withholding tax at a rate of 10% in the hand of recipients.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**d. Directors' shareholding**

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the register of Directors shareholding and / or as notified by the Directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act 2020 and listing requirements of the Nigerian Stock Exchange are:

	Shareholding as at 31-12-2025		Shareholding as at 31-12-2024	
	Number of 50k Ordinary Shares Held		Number of 50k Ordinary Shares Held	
	Direct holdings	Indirect holdings	Direct holdings	Indirect holdings
Mr. Oladipupo Jadesimi (Chairman)	190 463 000	-	197 312 000	-
Mr. Ladi O Balogun (Group Chief Executive)	487 134 631	438 839 000	205 166 756	438 839 000
Mr Gbolahan Joshua (Chief Operating Officer)	25 892 857	-	23 300 000	-
Mr. Olufemi Badeji (Executive Director)	23 873 324	-	22 100 000	-
Alhaji Mustapha Damcida (Non-Executive Director)	-	-	-	-
Professor Oluwatoyin Ashiru (Non Executive Director)	3 055 187	-	3 055 187	-
Dr (Engr) Gregory Omosigbo Ero (Non-Executive Director)	-	-	-	-
Mrs. Olapeju Eniola Sofowora (Nee Olashore) (Non-Executive Independent Director)	1 000 000	-	1 100 000	-
Mrs. Tokunboh Oluyomi Ishmael (Non Executive Director)	4 150 000	-	4 150 000	-
Ms. Muibat Ijaiya (Non-Executive Independent Director)	2 748 000	-	2 748 000	-

**e. Directors' interests in contracts**

For the purpose of section 303 of the Companies and Allied Matters Act 2020, none of the Directors had any direct or indirect interest in contracts or proposed contracts with the Company during the year.

**f. Property and Equipment**

Information relating to changes in property and equipment is given in Note 31 to the financial statements. In the Directors' opinion, the market value of the Group's properties is not less than the carrying value in the financial statements.

**g. Shareholding Analysis**

The shareholding pattern of FCMB Group Plc as at 31 December 2025 is as stated below:

Share Range	No. Of		No. Of	
	Shareholders	Shareholders	Holdings	Shareholdings
1-10,000	541 874	91.81	544 985 537	1.27
10,001-50,000	34 369	5.82	738 289 729	1.73
50,001-100,000	6 199	1.05	464 656 470	1.09
100,001-500,000	5 990	1.01	1 199 129 259	2.80
500,001-1,000,000	827	0.14	627 035 479	1.47
1,000,001-5,000,000	679	0.12	1 360 435 080	3.18
5,000,001-10,000,000	84	0.01	605 469 676	1.42
10,000,001-50,000,000	100	0.02	2 259 779 366	5.28
50,000,001-100,000,000	19	0.00	1 378 272 614	3.22
100,000,001-500,000,000	23	0.00	4 299 326 019	10.05
500,000,001-1,000,000,000	13	0.00	9 602 063 419	22.45
1,000,000,001-42,771,706,274	12	0.00	19 692 263 626	46.04
<b>TOTAL</b>	<b>590 189</b>	<b>100</b>	<b>42 771 706 274</b>	<b>100</b>

**31 DECEMBER 2024**

Share Range	No. Of		No. Of	
	Shareholders	Shareholders	Holdings	Shareholdings
1-10,000	519 007	91.74	510 050 716	1.29
10,001-50,000	33 024	5.84	706 004 798	1.78
50,001-100,000	5 985	1.06	448 123 523	1.13
100,001-500,000	5 934	1.05	1 189 156 403	3.00
500,001-1,000,000	839	0.15	637 107 659	1.61
1,000,001-5,000,000	702	0.12	1 413 170 708	3.57
5,000,001-10,000,000	88	0.02	644 793 656	1.63
10,000,001-50,000,000	114	0.02	2 393 954 884	6.04
50,000,001-100,000,000	20	0.00	1 485 696 104	3.75
100,000,001-500,000,000	30	0.01	5 831 107 994	14.72
500,000,001-1,000,000,000	10	0.00	7 207 403 828	18.20
1,000,000,001-39,605,421,562	11	0.00	17 138 851 289	43.27
<b>TOTAL</b>	<b>565 764</b>	<b>100</b>	<b>39 605 421 562</b>	<b>100</b>

The shareholding analysis by shareholders of the Company are stated below:

**31 DECEMBER 2025**

Share Holder Category	No. Of		No. Of	
	Shareholders	Shareholders	Holdings	Shareholdings
Domestic shareholders	589 787	99.93	41 788 434 515	97.70
Foreign shareholders	402	0.07	983 271 759	2.30
<b>Total</b>	<b>590 189</b>	<b>100</b>	<b>42 771 706 274</b>	<b>100</b>

**31 DECEMBER 2024**

Share Holder Category	No. Of		No. Of	
	Shareholders	Shareholders	Holdings	Shareholdings
Domestic shareholders	565 358	99.93	38 621 939 674	97.52
Foreign shareholders	406	0.07	983 481 888	2.48
<b>Total</b>	<b>565 764</b>	<b>100</b>	<b>39 605 421 562</b>	<b>100</b>

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**h. Substantial interest in Shares**

The Company's share capital is N21,385,853,137 divided into 42,771,706,274 ordinary shares of 50 kobo each which are issued and fully paid. In the current year, the Holding Company issued additional 3,166,284,712 (three billion, one hundred sixty-six million, two hundred eighty-four thousand, seven hundred twelve) units of ordinary shares of 50kobo each. The additional shares did change the Holding Company's shareholding structure. However, according to the register of members, no shareholder other than the under-mentioned held more than 5% of the share capital of the Company as at 31 December 2025:

Shareholder	31 DEC 2025		31 DEC 2024	
	Number of shares	% Holding	Number of shares	% Holding
1.OLATUNDE INTERNATIONAL LIMITED	3 427 842 742	8.01	3 313 661 331	8.37

In 2024, Shoreline Group Holding Company and FCMB Nominees Capita IRG Trustees Ltd had 2,050,950,642 and 2,041,172,788 shares with 5.18% and 5.15% holdings, respectively

**i. Donations and Charitable Gifts**

The Group made contributions to charitable and non-political organisations amounting to N771,068,290 (31 December 2024: N495,244,897) during the year.

31 DECEMBER 2025		
REQUESTING/BENEFICIARY ORGANISATION	DONATION DESCRIPTIONS	AMOUNT (NAIRA)
Hensard University Trust foundation	Donation to Hensard University trust foundation	100 000 000
Lagos State Security Trust Fund (LSSTF)	Finance Support To Lagos State Security Trust Fund	100 000 000
Tulsi Chanrai Foundation	Donation Towards Priceless Gift of Sights	52 200 000
Central Bank Of Nigeria (CBN)	Sponsorship of The 18th Annual Banking and Finance Conference	48 000 000
Rural Electrification Agency (REA)	Sponsorship For Nigeria Renewable Energy Innovation Forum (NREIF)	40 000 000
Youth Empowerment Foundation	Support for 2025 Edition of Youth Empowerment for The Future (E4F)	25 463 290
School Of Art	Support For School of Art Animation Hub Empowering Young People	18 500 000
Fade Agency Limited	Sponsorship of Skin Summit 2025 Edition	10 000 000
Federal Nigeria Society for the Blind	Support for the Vocational Training Centre for the Blind, Oshodi, Lagos	8 000 000
Lions Clubs International District, Nigeria	Sponsorship for The Lions Club Presentation of The District – 2025 Edition	6 200 000
Made In Africa Brand Ambassador (MABA)	Sponsorship of Made In Africa Brands Ambassador (MABA)	5 000 000
Nigerian Breweries Plc	Sponsorship of The 11Th Malting Teacher of The Year Competition	5 000 000
Tender Hearts Foundation	Support for Thrift Cycle Program for Market Women	5 000 000
The CIO Club	Sponsorship of CIO & C-Suite 2025 Africa's Digital Agenda Project	5 000 000
Lagos Urban Development Initiative	Support For Phase II of The Green Lagos Project	4 000 000
Nigeria Conservation Foundation	Sponsorship of World Environmental Day Event	3 200 000
Akinpelu Joseph Akinwale (For The Blind People)	Purchase of White Cane Durable 4 Folds For The Blinds	3 030 000
Poshfield Estates Limited	Platinum Sponsorship For The Game Changer Summit '25 (Investment Forum)	2 800 000
Africa Business Ventures And Investments Int'l Nig Ltd	The Africa Infrastructure, Climate Change and Green Investment Summits	2 500 000
Brian Reuben Advisory	Sponsorship of Global Strategy Nexus 2025 In Nigeria	2 500 000
Olujimi Olugbesoye Olunife	Donation To Launch 100 Copies of Mrs Olujimi Olugbesoye Olunife Books	2 500 000
ICAN Lagos and District Society	Donation To ICAN To Lagos District Society	2 000 000
Lorien Works Limited	Sponsorship of The Agriconnect Summit 2025	2 000 000
Avila Naturalle	Sponsorship for Avila Naturalle Distributors Summit and Excellence Awards	1 500 000
Bethesda Child Support Foundation	Donation To Support The Less Privileged Students	1 390 000
As+A Communications	Support For The 1st Ogun State Public Relations Forum Awards & Exhibition	1 000 000
CFA Society Nigeria	Sponsorship of Sport Kit, for Walk for Sustainability (Financial Inclusion)	1 000 000
Consumer Awareness & Financial Enlightenment Initiative	Support For Consumer Awareness & Fin. Enlightenment Initiative 2025 Edition	1 000 000
IBB Presidential Library	Support For Fund Raising For IBB Presidential Library	1 000 000
International Real Estate Federation FIABCI	Sponsorship In Support of World Real Estate Congress – 2025 Edition	1 000 000
National Institute Of Marketing Of Nigeria	Sponsorship of Annual Marketing Conference (AMC) And AGM	1 000 000
Tender Hearts Foundation	Support for The 69th Session of the UNC On the Status of Women Event	1 000 000
Women Achievers Africa	Sponsorship of 2025 Conference and Awards For Women Achievers Africa	1 000 000
Konora Global Limited	Sponsorship of Dialogue & Engagement On Entrepreneurship Development	80 000 000
X3M Marketing Ideas Limited	Sponsorship of Lagos annual food festival and culture 2025	66 450 000
Delta State Security trust Fund (DSSTF)	Contribution to Delta State Security trust Fund (DSSTF) for the year 2025	50 000 000
Bethesda Child Support Foundation (Education)	Sponsorship of 50 out-of-school children education school fees	10 000 000
Aiye Ko-Otooo	Sponsorship of a creative writing workshop skill for Nigerian Youth	10 000 000
Tender Hearts Foundation	Support for Foodbank Initiative Themes: "A face that cares"	10 000 000
Nasarawa State	Support for the newly completed Nasarawa State office complex	10 000 000
Slum Art Foundation	Educational Items for 'Out of School Children' In Slum Areas of Lagos State	6 800 000
Institute Of Chartered Accountants Of Nigeria (ICAN)	Support for annual ICAN conference, 2025 edition	5 000 000
Women in Successful Career (WISCAR)	Sponsorship of WISCAR 2025 leadership and mentoring conference	5 000 000
Society for Quality in Healthcare in Nigeria (SQHN)	Sponsorship of Memorial Lecture and 2025 Scientific Conference	5 000 000
Cogniskills Limited	Academic, therapeutic and support services to children with special educational needs	5 000 000
Nigerian British Chamber of Commerce (NBCC)	Support for The Nigerian British Chamber of Commerce	5 000 000
The Society for Women Accountants of Nigeria (SOWAN)	Donation to the Society for Women Accountants of Nigeria	5 000 000
AfriEduTech City Limited	Support for Afri Edu City - Future Innovators Challenge 2025 Edition	5 000 000
Financial Markets Dealers Association (FMDA)	Co-Sponsorship of 2025 FMDA Financial Market annual Conference	5 000 000
EverCare Hospital Lekki	Sponsorship of 2025 Evercare Health Conference	3 000 000
Ijebu Muslem College	Sponsorship of scholarship trust fund for five(5) brilliant	2 525 000
Information System Audits And Control Association (ISACA)	Support for ISACA 2025 annual conference, Lagos chapter	2 500 000
Association of Asset Custodians of Nigeria (AACN)	Sponsorship of annual investors conference for the year 2025	2 500 000
Femi Ojo (Youth Empowerment Foundation, [YEF])	Sponsorship of YEF 2025 Program and Business Development Training	2 400 000
Ago Iwoye Secondary School Old Student Association	Sponsorship of Ago Iwoye secondary school old students 70th Anniversary	2 000 000
National Institute of Marketing of Nigeria (NIMN)	Sponsorship of the Investiture Ceremony of NIMN President	2 000 000
SEO Africa	Nigeria Career Programme Bronze Participation	2 000 000
WenA Support Initiatives	Sponsorship payment for WenA UNITY BAZAAR	1 500 000
Federal Nigeria Society for the Blind	Sponsorship of the Blind's 70th anniversary and fundraising dinner	1 110 000
Women in Management and Business (WIMBIZ)	Sponsorship of the 24th Annual WIMBIZ FY 2025 Conference	1 000 000
Eijbo Skills Acquisition	Sponsorship of Skill Acquisition Activity	500 000
Army Children School	Sponsorship of Sporting Activity	450 000
St Stephen's School	Sponsorship of Sporting Activity	300 000
Ojodu Grammar School	Sponsorship of Sporting Activity	250 000
<b>TOTAL</b>		<b>771 068 290</b>

**j. Events after the Reporting Period**

There were no significant events after the reporting period which could have a material effect on the financial position of the Group as at 31 December 2025 and its operating results for the year then ended which have not been adequately adjusted for or disclosed in these financial statements.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**k. Human Resources**

*Employment of Disabled Persons*

The Group operates a non-discriminatory policy on recruitment. Applications by disabled 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 disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with those of other employees. As at the reporting date, the Group has four persons on its staff list with physical disabilities (31 December 2024: 4).

*Health, Safety and Welfare at Work*

The Group will continue to accord great priority to staff health and welfare. The Group retains top-class private hospitals where medical facilities are provided for staff and their immediate families at the Group's expense. A contributory Pension Fund Scheme in line with the Pension Reform Act, 2014, exists for employees of the Group.

*Diversity in Employment*

The number and percentage of men and women employed during the financial year ended 31 December 2025 and the comparative period vis-a-vis total workforce is as follows:

	31 DEC 2025 - GROUP					
	Number			%		
	Male	Female	Total	Male	Female	
Employees	2 706	2 226	4 932	55%	45%	

	31 DEC 2025 - COMPANY					
	Number			%		
	Male	Female	Total	Male	Female	
Employees	19	14	33	58%	42%	

	31 DEC 2024 - GROUP					
	Number			%		
	Male	Female	Total	Male	Female	
Employees	2 199	1 597	3 796	58%	42%	

	31 DEC 2024 - COMPANY					
	Number			%		
	Male	Female	Total	Male	Female	
Employees	16	9	25	64%	36%	

Gender analysis of Top Management is as follows:

	31 DEC 2025 - GROUP					
	Number			%		
	Male	Female	Total	Male	Female	
Assistant General Manager (AGM)	34	10	44	40%	11%	
Deputy General Manager (DGM)	22	7	29	26%	8%	
General Manager (GM)	10	1	11	12%	1%	
<b>TOTAL</b>	<b>66</b>	<b>18</b>	<b>84</b>	<b>78%</b>	<b>20%</b>	

	31 DEC 2025 - COMPANY					
	Number			%		
	Male	Female	Total	Male	Female	
Assistant General Manager (AGM)	1	-	1	33%	0%	
Deputy General Manager (DGM)	1	-	1	33%	0%	
General Manager (GM)	0	1	1	0%	34%	
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>66%</b>	<b>34%</b>	

	31 DEC 2024 - GROUP					
	Number			%		
	Male	Female	Total	Male	Female	
Assistant General Manager (AGM)	39	12	51	46%	14%	
Deputy General Manager (DGM)	21	2	23	24%	2%	
General Manager (GM)	9	3	12	10%	3%	
<b>TOTAL</b>	<b>69</b>	<b>17</b>	<b>86</b>	<b>80%</b>	<b>20%</b>	

	31 DEC 2024 - COMPANY					
	Number			%		
	Male	Female	Total	Male	Female	
Assistant General Manager (AGM)	1	-	1	50%	0%	
Deputy General Manager (DGM)	1	-	1	50%	0%	
General Manager (GM)	-	-	-	0%	0%	
<b>TOTAL</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>100%</b>	<b>0%</b>	

Gender analysis of the Board across the Group is as follows:

	31 DEC 2025 - GROUP					
	Number			%		
	Male	Female	Total	Male	Female	
Executive Director (ED)	6	2	8	14%	5%	
Group Managing Director (GMD)	1	-	1	2%	0%	
Managing Directors - Subsidiaries	6	2	8	14%	5%	
Non - Executive Directors	15	10	25	36%	24%	
<b>TOTAL</b>	<b>28</b>	<b>14</b>	<b>42</b>	<b>67%</b>	<b>33%</b>	

	31 DEC 2025 - COMPANY					
	Number			%		
	Male	Female	Total	Male	Female	
Executive Director (ED)	2	-	2	20%	0%	
Group Managing Director (GMD)	1	-	1	10%	0%	
Non - Executive Directors	4	3	7	40%	30%	
<b>TOTAL</b>	<b>7</b>	<b>3</b>	<b>10</b>	<b>70%</b>	<b>30%</b>	

	31 DEC 2024 - GROUP					
	Number			%		
	Male	Female	Total	Male	Female	
Executive Director (ED)	10	1	11	17%	2%	
Group Managing Director (GMD)	1	-	1	2%	0%	
Managing Directors - Subsidiaries	3	1	4	5%	2%	
Non - Executive Directors	27	17	44	45%	28%	
<b>TOTAL</b>	<b>41</b>	<b>19</b>	<b>60</b>	<b>68%</b>	<b>32%</b>	

	31 DEC 2024 - COMPANY					
	Number			%		
	Male	Female	Total	Male	Female	
Executive Director (ED)	2	-	2	20%	0%	
Group Managing Director (GMD)	1	-	1	10%	0%	
Non - Executive Directors	4	3	7	40%	30%	
<b>TOTAL</b>	<b>7</b>	<b>3</b>	<b>10</b>	<b>70%</b>	<b>30%</b>	

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**i. Employee Involvement and Training**

The Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and the various factors affecting the performance of the Group. This is achieved through regular meetings between management and staff of the Group.

The Group has in-house training facilities complemented with additional facilities from educational institutions (local and offshore) for the training of its employees.

**m. Customer Complaints**

The Group had pending complaints of 2,046 at the beginning of the year and received additional 692,600 (31 December 2024: 557,180) during the year ended 31 December 2025, of which 694,628 (31 December 2024: 555,659) complaints were resolved (inclusive of pending complaints brought forward) and 18 (31 December 2024: 2046) complaints remained unresolved and pending with the Group as at the end of the year. The total amount resolved was N11.37billion (31 December 2024: N7.93billion) while the total disputed amount in cases which remained unresolved stood at N693,510 (31 December 2024: N82.24million). There was no unresolved complaint referred to the Central Bank of Nigeria for intervention. The Directors are of the opinion that these complaints will be resolved without adverse consequences for the Banking subsidiary. No provisions are therefore deemed necessary for these claims.

DESCRIPTION	NUMBER		AMOUNT CLAIMED (N'000)		AMOUNT REFUNDED (N'000)	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Pending complaints brought forward	2 046	525	82 241	11 679	-	-
Received complaints	692 600	557 180	11 284 789	7 996 391	-	-
<b>Total complaints</b>	<b>694 646</b>	<b>557 705</b>	<b>11 367 030</b>	<b>8 008 070</b>	-	-
Resolved complaints	694 628	555 659	11 366 337	7 925 829	7 986 204	7 058 092
Unresolved complaints escalated to CBN for intervention	-	3	-	-	-	-
Unresolved complaints pending with the bank Carry forward	18	2 046	694	82 241	-	-

**n. Credit Ratings**

The revised prudential guidelines, as released by the CBN, requires that banks should have themselves credit rated by a credit rating agency on a regular basis. It is also required that the credit rating be updated on a continuous basis from period to period.

Furthermore, it is required that banks should disclose this credit rating prominently in their published annual reports periodically. During the period under review, First City Monument Bank was assigned the credit ratings below by the following rating agencies:

RATING AGENCY	30 SEP 2025	31 DEC 2024
Fitch Ratings	Long-Term = B Short-Term = B Outlook = Stable	Long-Term = B- Short-Term = B Outlook = Stable
Standard & Poor (S&P)	Long-Term = B- Short-Term = B Outlook = Stable	Long-Term = B- Short-Term = B Outlook = Negative
Global Credit Rating Co (GCR)	Long-Term = A- (NG) Short-Term = A2(NG) Outlook = Stable	Long-Term = A- (NG) Short-Term = A2(NG) Outlook = Rating Watch Negative
Agusto & Co.	Entity Rating = A- Outlook = Stable	

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

**o. Coupon interest payment for Additional Tier 1 Capital**

The coupon interest payment for Additional Tier 1 Capital holders are due and payable semi-annually on these dates 16 February, 16 August, 24 April and 24 October of each year.

**p. Service and Related Party Contracts**

To efficiently synergize output, avoid unnecessary duplication of functions, and harmonize resources for optimum performance within the Group, and in accordance with the Central Bank of Nigeria's Guidelines for Shared Services Arrangement for Banks and Other Financial Institutions issued in May 2021, the Company has established Shared Services Agreements with all its related entities. These entities include First City Monument Bank Limited, FCMB Capital Markets, CSL Stockbrokers Limited, FCMB Asset Management Limited, FCMB Trustees Limited, FCMB Micro Finance Bank Limited, and Credit Direct Finance Company Limited. The Shared Services Agreements have been approved by the Boards of each related entities.

**q. Directors' Remuneration**

The Company ensures that remuneration paid to its Directors complies with the provisions of the guidance issued by its regulators.

In compliance with the Nigerian Code of corporate governance, the Company makes disclosure of the remuneration paid to its directors as follows:

Type of package Fixed	Description	Timing
Basic Salary	Part of gross salary package for Executive Directors only. Reflects the banking industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid monthly during the financial period.
Other allowances	Part of gross salary package for Executive Directors only. Reflects the banking industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid at periodic intervals during the financial year.
Productivity bonus	Paid to executive directors only and tied to performance of the line report. It is also a function of the extent to which the Bank's objectives have been met for the financial year.	Paid annually in arrears.
Director fees	Paid quarterly at the beginning of a new quarter to Non-Executive Directors only.	Paid annually on the day of the AGM.
Sitting allowances	Allowances paid to Non-Executive Directors only, for attending Board and Board Committee Meetings.	Paid after each Meeting.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

---

r. **Auditors**

Messrs Deloitte & Touche Nigeria, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with section 357 (2) of the Companies and Allied Matters Act of Nigeria therefore, the auditor will be re-appointed at the next annual general meeting of the company without any resolution being passed.

BY ORDER OF THE BOARD



**Mrs. Olufunmilayo Adedibu**  
Company Secretary  
44 Marina  
Lagos State  
Nigeria  
FRC/2014/PRO/NBA/002/00000005887  
27 February 2026.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

---

The Directors of FCMB Group Plc accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the Group as at 31 December 2025, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

**Going Concern:**

The Directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the Group will not remain a going concern in the year ahead.

The financial statements of the group for the year ended 31 December 2025 were approved by the directors on 27 February 2026.

**Certification of financial statements**

In accordance with section 405 of the Companies and Allied Act the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge the:

(i) 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, in the light of the circumstances under which such statement was made, and

(ii) 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 periods covered by the audited financial statements;

(b) We state that management and directors:

(i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the bank and its subsidiaries is made known to the officer by other officers of the group, particularly during the period in which the audited financial statement report is being prepared,

(ii) has evaluated the effectiveness of the internal controls within 90 days prior to the date of its audited financial statements, and

(iii) certifies that the group's internal controls are effective as of that date;

(c) We have disclosed

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and

(ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the group's internal control; and

(d) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

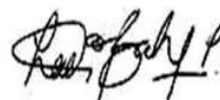
**SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:**



---

**Oladipupo Jadesimi**  
**Chairman**

FRC/2014/PRO/DIR/003/00000006637  
27 February 2026.



---

**Ladi Balogun**  
**Group Chief Executive**

FRC/2013/PRO/DIR/003/00000001460  
27 February 2026.

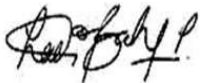
**STATEMENT OF CORPORATE RESPONSIBILITY FOR FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

---

In compliance with section 405 of Companies and Allied Matters Act (CAMA) 2020, we have reviewed the audited financial statements of the Group for the year ended 31 Decemeber 2025 and based on our knowledge confirm as follows:

1. 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;
2. 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 Group as of and for the year ended 31 December 2025;
3. The Group's internal controls have been designed to ensure that all material information relating to the Company and its subsidiaries is received and provided to the Auditors in the course of the audit;
4. The Group's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2025;
5. That we have disclosed to the Company's Auditors and the Audit committee the following information:
  - (a). there are 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, summarize and report financial data, and have discussed with auditors any weaknesses in internal controls observed in the cause of the Audit.
  - (b). there is no fraud involving management or other employees which could have any significant role in the Group's internal control.
- (6). There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

Signed:



---

Ladi Balogun  
**Group Chief Executive**  
FRC/2013/PRO/DIR/003/00000001460  
27 February 2026.



---

Deji Fayose  
**Chief Financial Officer**  
FRC/2021/PRO/ICAN/001/00000025061  
27 February 2026.

**BOARD AUDIT COMMITTEE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

---

In compliance with section 404(7) of the Companies and Allied Matters Act 2020 and the Central Bank of Nigeria Code of Corporate Governance, we have reviewed the Audit Report for the year ended 31 December 2025 and hereby state as follows:

1. The scope and planning of the audit were adequate in our opinion;
2. The account and reporting policies of the Bank conformed with the statutory requirements and agreed ethical practices;
3. The internal control system was constantly and effectively monitored;
4. The whistle blowing channel run by an external and independent third party was found adequate;
5. The external auditor's management controls report received satisfactory response from Management; and
6. The gross value of related party loans as at 31 December 2025 was N48.08billion (31 December 2024: N806.39million) representing credit facilities to companies in which certain Directors have interests and key management personnel and also these related party loans are performing.



---

**Evangelist Akinola Soares**  
**Chairman, Audit Committee**  
FRC/2013/PRO/ANAN/004/00000004356  
**27 February 2026.**

The Audit Committee comprises the following Non-Executive Directors and Shareholders' representatives:

- 1 Evangelist Akinola Soares  
**Chairman/Shareholders' representative**
- 2 Alhaji S B Daranijo  
**Shareholders' representative**
- 3 Mr. Hakeem Batula  
**Shareholders' representative**
- 4 Mrs. Olapeju Eniola Sofowora  
**Non-Executive Director**
- 5 Professor Oluwatoyin Ashiru  
**Non-Executive Director**

The Group's Head, Internal Audit, Aderemi Adeyemi (FRC/2013/ICAN/00000001405) acts as secretary to the Committee.



**Management's Annual assessment of, and report on, FCMB Group Plc's Internal Control Over Financial Reporting.**

**For the year ended 31 December 2025**

To comply with the provisions of Section 1.3 of the SEC Guidance on Implementation of Sections 88 of the Investments and Securities Act, 2025, we hereby make the following statements regarding the internal controls of FCMB Group Plc for the year ended 31 December 2025:

- i FCMB Group Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii FCMB Group Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;
- iii FCMB Group Plc's management has assessed that the entity's ICFR as at the end of 31 December 2025 is effective.
- iv FCMB Group Plc's external auditor, Messrs Deloitte that audited the financial statements included in the report has issued an attestation report on management's assessment of the entity's internal control over financial reporting. The attestation report of Messrs Deloitte that audited its financial statements will be filed as part of FCMB Group Plc's annual report.

**Signed on behalf of the Directors by:**  
**Date: 27 February 2026**

**Deji Fayose**  
Chief Financial Officer  
FRC/2021/PRO/ICAN/001/00000025061

**Ladi Balogun**  
Group Chief Executive  
FRC/2013/PRO/DIR/003/00000001460



**Certification of Management's assessment on Internal Control Over Financial Reporting**  
**For the year ended 31 December 2025**

To comply with the provisions of Section 1.3 of the SEC Guidance on Implementation of Sections 88 of the Investments and Securities Act, 2025, I hereby make the following statements regarding the internal controls of FCMB Group Plc for the year ended 31 December 2025.

I, Deji Fayose, certify that:

- (a) I have reviewed this Management's assessment on internal control over financial reporting of FCMB Group Plc;
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the year covered in this report.
- (c) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report.
- (d) The entity's other certifying officer and I:
- i are responsible for establishing and maintaining internal controls;
  - ii have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - iii have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements to external purposes in accordance with generally accepted accounting principles;
  - iv have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and audit committee of the entity's board of directors ( or persons performing the equivalent functions ):
- i All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
  - ii Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- (f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

---

**Deji Fayose**  
Chief Financial Officer  
**FRC/2021/PRO/ICAN/001/00000025061**  
**Date: 27 February 2026**



**Certification of Management's assessment on Internal Control Over Financial Reporting**  
**For the year ended 31 December 2025**

To comply with the provisions of Section 1.3 of the SEC Guidance on Implementation of Sections 88 of the Investments and Securities Act, 2025, I hereby make the following statements regarding the internal controls of FCMB Group Plc for the year ended 31 December 2025.

I, Ladi Balogun, certify that:

- (a) I have reviewed this Management's assessment on internal control over financial reporting of FCMB Group Plc;
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered in this report.
- (c) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of , and for, the periods presented in this report.
- (d) The entity's other certifying officer and I:
- i are responsible for establishing and maintaining internal controls;
  - ii have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - iii have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements to external purposes in accordance with generally accepted accounting principles;
  - iv have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the year covered by this report based on such evaluation.
- (e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and audit committee of the entity's board of directors ( or persons performing the equivalent functions ):
- i All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
  - ii Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- (f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

---

**Ladi Balogun**  
Group Chief Executive  
FRC/2013/PRO/DIR/003/00000001460  
Date: 28 February 2026

## INDEPENDENT AUDITOR'S REPORT To the Shareholders of FCMB Group Plc

### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated and separate financial statements of **FCMB Group Plc** and its subsidiaries (the Group and Company) set out on pages 48 to 164, which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **FCMB Group Plc** and its subsidiaries as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, Banks and Other Financial Institutions Act 2020 and Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### Basis for Opinion

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

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



## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. 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.

Description of each key audit matter in accordance with ISA 701.

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of loans and advances to customers</b></p> <p>Loans and advances make up a significant portion of the total assets of the Group. At 31 December 2025, gross loans and advances was N2.475 trillion against which total loan impairment of N109.78 billion was recorded, thus leaving a net loan balance of N2.365 trillion which represents 31.00% of the total assets as at the reporting date.</p> <p>The basis of the impairments is summarised in the accounting policies to the financial statements (note 3KVII – impairments).</p> <p>In accordance with the provisions of <i>IFRS 9 Financial Instruments</i>, the Directors have established the Group’s loan loss impairment methodology using the expected credit loss model.</p> <p>The Directors exercise significant judgement when determining both when and how much to record as loan impairment. This is due to the number of judgements adopted in determining the assumptions and inputs that go into the determination of the impairment on loans and advances to customers. Some of these include:</p> <ul style="list-style-type: none"> <li>i. Estimate of probability of default</li> <li>ii. Estimate of loss given default</li> <li>iii. Segmentation</li> <li>iv. Exposure at default</li> <li>v. Credit classification and staging.</li> <li>vi. Estimates of projected cash flows</li> <li>vii. Determination of effective interest rates</li> <li>viii. Forward looking variables</li> </ul> <p>Because of the significance of some of these assumptions, inputs and the size of loans and advances portfolio, the audit of loan impairment is considered a key audit matter.</p>	<p>We focused our testing of the impairment on loans and advances to customers on the key assumptions and inputs made by management and Directors. Specifically, with the support of our credit and technology specialists, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>a. Through discussion and inspection, we established an understanding of the processes, systems, models, data, and assumptions used, and the governance of all these during the origination and collection of loans and advances, and the subsequent impairment thereof as required by IFRS 9 when there is a Significant Increase in Credit Risk (SICR).</li> <li>b. We tested the design and operating effectiveness of the key controls around identification and determination of the impairment on each loan. These control processes included reviewing: <ul style="list-style-type: none"> <li>• System-based and manual controls over the timely recognition of impaired loans and advances;</li> <li>• Controls over the impairment calculation with the model including data inputs.</li> </ul> </li> <li>c. We adopted a risk-based approach to test a sample of loans and advances (including loans that had not been identified by management as potentially impaired) to form our own assessment as to whether impairment events had occurred and to assess whether there is significant increase in credit risk of the loans or objective evidence of default using set criteria. We challenged management’s judgement, and we increased the focus on loans that were not reported as being impaired in sectors that are currently experiencing difficult economic and market conditions.</li> </ul>

	<p>d. As the Group currently uses a system-based impairment model, our Risk Advisory specialists were engaged to test some of the relevant IT controls, Interfaces between the core banking application and the ancillary application, and relevant automated controls.</p> <p>e. We involved our credit risk specialists who assessed whether the modelling assumptions (probability of Default (PD), Loss given default (LGD), Exposure at default (EAD), Segmentation, cure rate etc.) used by management were reasonable in light of the requirement of the applicable financial reporting standards, historical experience, economic climate, current operational processes as well as our own knowledge of practices used by other similar banks.</p> <p>Reviewed the reasonableness of the forward-looking assumptions applied into the impairment calculations. Challenged the multiple economic scenarios and probability weights applied in the model.</p> <p>Where we determined that a more appropriate assumption or input in impairment measurement could be made, we recalculated the impairment on that basis and compared the results in order to assess whether there was any indication of error or management bias.</p> <p>f. Disclosures in the financial statements were reviewed for reasonableness and compliance with the requirements of the standards.</p> <p>Based on our review, we concluded that the amount of loan impairment losses was comparable with historical performance, and prevailing economic conditions and that the estimated loan impairment losses determined was appropriate in the circumstances and the disclosure in the financial statements is in line with applicable accounting standards.</p>
<p><b>Valuation of goodwill</b></p> <p>Goodwill carrying value was N19.29 billion in the statement of financial position as at 31 December 2025.</p>	<p>We focused our testing of the impairment of goodwill on the key assumptions made by management.</p> <p>Our audit procedures included:</p>

<p>In line with the requirements of the applicable accounting standard, IAS 36, <i>Impairment of Assets</i>, management conducts annual impairment tests to assess the recoverability of the carrying value of goodwill. This is performed using discounted cash flow models. As disclosed in note 31d, there are a number of key sensitive judgements adopted by management in determining the inputs into these models which include:</p> <ul style="list-style-type: none"> <li>• Revenue growth</li> <li>• Operating margins</li> <li>• The discount rates applied to the projected future cash flows.</li> </ul> <p>Accordingly, the impairment test of this asset is considered to be a key audit matter.</p> <p>Management have developed a valuation model to enable a fair determination of the discounted cash flows for the significant Cash Generating Unit (CGU) to which the goodwill relates.</p>	<ul style="list-style-type: none"> <li>• Reviewed all relevant controls over the generation of the key input - financial forecasts that go into the valuation calculation.</li> <li>• Engaged our internal specialists to assist with:             <ul style="list-style-type: none"> <li>- Evaluating whether the model used by management to calculate the value in use of the individual Cash Generating Units complies with the requirements of IAS 36, <i>Impairment of Assets</i>.</li> <li>- Validating the assumptions used to calculate the discount rates, projected cash flows and recalculating these rates.</li> </ul> </li> </ul> <p>Analysed the future projected cash flows used in the models to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the Cash Generating Unit.</p> <ul style="list-style-type: none"> <li>• Subjected the key assumptions to sensitivity analysis.</li> <li>• Compared the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the accuracy of management's projections.</li> <li>• Checked the mathematical accuracy of the calculations and all relevant inputs into the impairment assessment.</li> </ul> <p>Based on the above audit procedures, we found that the assumptions used by management were comparable with historical performance and the expected future outlook and the discount rates used were appropriate and reasonable in these circumstances.</p>
--	--

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "FCMB Group Plc Annual Financial Statements for the year ended 31 December 2025", which includes the Corporate Information, Board Evaluation Report, Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities, the Board Audit Committee's Report, the Statement of Corporate Responsibility, and Other National Disclosures required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this report.

The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

### **Responsibilities of the Directors for the Consolidated and Separate Financial Statements**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

We communicate with 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.

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

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

## Report on Other Legal and Regulatory Requirements

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

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group has kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.
- iv) In accordance with Circular BSD/1/2004 issued by the Central Bank of Nigeria, details of insider related credits are as disclosed in Note 45(f).
- v) During the year, the Group contravened certain sections of the Banks and Other Financial Institutions Act 2020, CBN and SEC Circulars/Guidelines. Details of the contravention and the related penalties are as disclosed in note 48 to the financial statements.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement. We reported on management's assessment of the Entity's internal control over financial reporting as of 31 December, 2025. The work performed was done in accordance with FRC Guidance on assurance engagement report on Internal Control over Financial Reporting, and based on the procedures we have performed and the evidence obtained, we have issued an unmodified conclusion in our report dated 8 June 2026. That report is included on pages 45-47 of the financial statements.



**Deloitte & Touche**  
Chartered Accountants  
Lagos, Nigeria  
08 June 2026



**Engagement Partner: Hassan Lawal**

FRC/2013/PRO/ICAN/004/00000001382

## Assurance Report of Independent Auditor

### To the Shareholders of FCMB Group Plc

### Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of FCMB Group Plc and its subsidiaries (the Group) as of 31 December, 2025, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the SEC Guidance on Implementation of Sections 88 of Investments and Securities Act 2025. FCMB Group Plc's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the Company and Group and our report dated 08 June 2026 expressed an unmodified opinion.

#### **Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Company and the Group did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on SEC Guidance on Implementation of Sections 88 of Investments and Securities Act 2025 on Internal Control over Financial Reporting.

#### **Definition of internal control over financial reporting**

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





### ***Inherent limitations***

Our procedures included the examination of historical evidence of the design and implementation of the Company's and the Group's system of internal control over financial reporting for the year ended 31 December 2025. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### ***Directors' and Management's Responsibilities***

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the International Accounting Standards and the ICFR framework.

Section 7(2f) of the Financial Reporting Act 2011 (as amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

### ***Our Independence and Quality Control***

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### ***Auditor's Responsibility and Approach***

Our responsibility is to express a limited assurance opinion on the company's internal control over financial reporting based on our Assurance engagement.

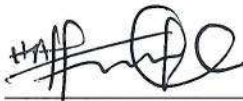
We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Company and Group did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Company and Group established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.



Deloitte & Touche (FRC/2022/COY/091021)

Hassan Lawal (FRC/2013/PRO/ICAN/004/00000001382)

Lagos

Date: 08 June 2026



**CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

In thousands of Naira	Note	GROUP		COMPANY	
		31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>Gross earnings</b>		<b>1 131 774 786</b>	794 430 083	<b>41 718 740</b>	43 507 278
Interest and discount income	8	<b>1 005 329 106</b>	621 803 795	<b>8 151 804</b>	8 857 206
Interest expense	9	<b>(499 422 106)</b>	(396 503 592)	<b>(1 265 968)</b>	(928 052)
<b>Net interest income</b>		<b>505 907 000</b>	225 300 203	<b>6 885 836</b>	7 929 154
Fee and commission income	11	<b>97 892 106</b>	74 307 415	<b>4 320 368</b>	2 799 664
Fee and commission expense	11	<b>(21 241 530)</b>	(15 510 591)	<b>(44 710)</b>	(12 046)
<b>Net fee and commission income</b>		<b>76 650 576</b>	58 796 824	<b>4 275 658</b>	2 787 618
Net trading income	12	<b>37 792 398</b>	53 792 945	-	-
Net income from financial instruments mandatorily measured at FVTPL	13	-	-	<b>4 873 040</b>	(4 394 049)
Intra group revenue	14(c)	-	-	<b>25 273 586</b>	28 940 057
Other gains /(losses)	14(a)	<b>(12 115 707)</b>	39 555 332	<b>(1 512 434)</b>	7 110 602
		<b>25 676 691</b>	93 348 277	<b>28 634 192</b>	31 656 610
Other income	14(b)	<b>2 876 883</b>	4 970 596	<b>612 376</b>	193 798
Net impairment losses on financial instruments	10	<b>(81 706 899)</b>	(41 240 464)	<b>(213 005)</b>	(141 001)
Personnel expenses	15	<b>(107 182 007)</b>	(79 301 581)	<b>(2 554 802)</b>	(1 469 855)
Depreciation and amortisation expenses	16	<b>(17 316 582)</b>	(13 877 452)	<b>(78 219)</b>	(61 350)
General and administrative expenses	17	<b>(135 343 145)</b>	(87 546 593)	<b>(4 702 018)</b>	(2 059 034)
Other operating expenses	18	<b>(68 649 851)</b>	(48 331 228)	<b>(879 190)</b>	(660 710)
<b>Result from operating activities</b>		<b>200 912 666</b>	112 118 582	<b>31 980 828</b>	38 175 230
Share of post tax result of associate	30	<b>1 187 730</b>	(223 412)	-	-
<b>Profit before minimum tax and income tax</b>		<b>202 100 396</b>	111 895 170	<b>31 980 828</b>	38 175 230
Windfall tax	20	<b>(7 573 475)</b>	(17 671 442)	-	-
Minimum tax	20	<b>(4 886 994)</b>	(3 289 172)	-	-
Taxation charge	20	<b>(12 368 994)</b>	(17 597 088)	<b>1 818 595</b>	(7 772 543)
<b>Profit for the year</b>		<b>177 270 933</b>	73 337 468	<b>33 799 423</b>	30 402 687
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
<b>Unquoted equity investments at fair value through other comprehensive income:</b>					
- Net change in fair value	24(k)	<b>13 522 888</b>	11 897 452	-	-
- Foreign currency translation differences	24(k)	<b>(3 377 649)</b>	28 647 566	-	-
<b>Quoted equity at fair value through other comprehensive income:</b>					
- Net change in fair value	24(k)	-	-	-	-
		<b>10 145 239</b>	40 545 018	-	-
<b>Items that may be subsequently reclassified to profit or loss:</b>					
<b>Debt investments at fair value through other comprehensive income:</b>					
- Net change in fair value	24(k)	<b>(16 440 230)</b>	(41 240 323)	-	-
- Net impairment reclassified from profit or loss	24(e)	<b>1 879 636</b>	199 371	-	-
- Losses arising from derecognition of financial assets		<b>(12 818 499)</b>	(2 087 336)	-	-
		<b>(27 379 093)</b>	(43 128 288)	-	-
<b>Foreign currency translation differences for foreign operations</b>	24(l)	<b>(5 992 876)</b>	33 037 493	-	-
		<b>(33 371 969)</b>	(10 090 795)	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(23 226 730)</b>	30 454 223	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>154 044 203</b>	103 791 691	<b>33 799 423</b>	30 402 687
<b>Profit attributable to:</b>					
Equity holders of the Company		<b>169 548 148</b>	65 724 641	<b>26 333 057</b>	22 993 015
Non-controlling interests		<b>256 419</b>	203 156	-	-
Additional Tier 1 (AT1) Capital holders		<b>7 466 366</b>	7 409 672	<b>7 466 366</b>	7 409 672
		<b>177 270 933</b>	73 337 469	<b>33 799 423</b>	30 402 687
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		<b>153 782 926</b>	103 588 535	<b>33 799 423</b>	30 402 687
Non-controlling interests		<b>261 277</b>	203 156	-	-
		<b>154 044 203</b>	103 791 691	<b>33 799 423</b>	30 402 687
<b>Basic earnings per share</b>	19	<b>3.99</b>	2.38	<b>0.62</b>	0.83
<b>Diluted earnings per share</b>	19	<b>3.99</b>	2.38	<b>0.62</b>	0.83

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

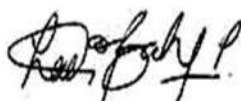
**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION**

In thousands of Naira	Note	GROUP		COMPANY	
		31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>ASSETS</b>					
Cash and cash equivalents	21	1 298 920 721	795 387 019	3 014 998	14 371 980
Non-pledged trading assets	22(a)	439 720 734	319 109 270	-	-
Derivative assets held for risk management	23(a)	4 276 814	1 451 932	-	-
Investment securities	24	2 035 651 897	1 189 410 706	85 157 405	68 603 349
Assets pledged as collateral	25	104 900 576	401 703 741	-	-
Loans and advances to customers	26	2 365 686 373	2 357 303 173	-	-
Other assets	27	68 575 267	446 068 716	26 181 421	13 219 384
Restricted reserve deposits	28	1 198 149 879	1 441 465 091	-	-
Investment in subsidiaries	29	-	-	295 894 665	273 168 431
Investment in associates	30	2 131 287	1 738 796	-	-
Property and equipment, and right of use assets	31	63 360 382	55 994 468	428 784	235 762
Intangible assets	31	40 264 565	36 342 286	149 160	157 345
Deferred tax assets	32	9 350 284	8 190 721	-	-
<b>Total assets</b>		<b>7 630 988 779</b>	<b>7 054 165 919</b>	<b>410 826 433</b>	<b>369 756 251</b>
<b>LIABILITIES</b>					
Trading liabilities	22(b)	-	-	-	-
Derivative liabilities held for risk management	23(b)	608 639	2 608 146	-	-
Deposits from banks	33	1 010 355 965	834 893 228	-	-
Deposits from customers	34	4 418 520 958	4 296 485 849	-	-
Retirement benefit obligations	35	112 623	52 502	-	-
Current income tax liabilities	20(ii)	36 960 723	38 227 831	4 526 751	5 382 217
Deferred tax liabilities	32	1 612 152	4 742 275	1 071 390	4 361 472
Other liabilities	36	509 241 955	411 411 204	21 311 258	3 760 605
Provision	37	11 818 408	13 022 246	-	-
On-lending facilities	38	318 192 503	204 803 631	-	-
Debt securities issued	39	121 583 156	199 075 949	-	-
Borrowings	40	365 570 331	359 862 027	5 708 894	5 320 125
<b>Total liabilities</b>		<b>6 794 577 413</b>	<b>6 365 184 888</b>	<b>32 618 293</b>	<b>18 824 419</b>
<b>EQUITY</b>					
Share capital	41(b)	21 385 853	19 802 710	21 385 853	19 802 710
Additional Tier 1 (AT1) Capital issued	41(d)	46 686 000	46 686 000	46 686 000	46 686 000
Share premium	42	267 574 383	246 431 292	267 574 383	246 431 292
Retained earnings	42	223 512 081	188 437 683	42 281 279	37 731 206
Other reserves	42	276 271 897	186 812 718	280 625	280 624
Total Equity attributable to owners of the Company		<b>835 430 214</b>	<b>688 170 403</b>	<b>378 208 140</b>	<b>350 931 832</b>
Non-controlling Interests		981 152	810 628	-	-
		<b>836 411 366</b>	<b>688 981 031</b>	<b>378 208 140</b>	<b>350 931 832</b>
<b>Total liabilities and equity</b>		<b>7 630 988 779</b>	<b>7 054 165 919</b>	<b>410 826 433</b>	<b>369 756 251</b>
<b>Acceptances and guarantees</b>	44	<b>830 087 641</b>	709 273 598	-	-

The financial statements and the accompanying notes and material accounting policies were approved by the Board of Directors on 27 February 2026 and signed on its behalf by:



Oladipupo Jadesimi  
Chairman  
FRC/2014/PRO/DIR/003/00000006637



Ladi Balogun  
Group Chief Executive  
FRC/2013/PRO/DIR/003/00000001460



Deji Fayose  
Chief Financial Officer  
FRC/2021/PRO/ICAN/001/00000025061

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

**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

GROUP												
In thousands of Naira												
	Share capital	Share premium	AT1 Capital <sup>(a)</sup>	Retained earnings	Statutory reserve <sup>(b)</sup>	AGSMEIS reserve <sup>(c)</sup>	Forbearance Reserve	Translation reserve	Fair value reserve	Regulatory risk reserve	Non-controlling Interest	Total equity
<b>Balance at 1 January 2025</b>	<b>19 802 710</b>	<b>246 431 292</b>	<b>46 686 000</b>	<b>188 437 682</b>	<b>39 526 632</b>	<b>3 543 333</b>	<b>1 960 712</b>	<b>71 514 805</b>	<b>47 266 612</b>	<b>23 000 624</b>	<b>810 628</b>	<b>688 981 031</b>
Profit for the year	-	-	7 466 366	169 548 148	-	-	-	-	-	-	256 419	177 270 933
<b>Other comprehensive income</b>												
Equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	10 145 239	-	-	10 145 239
Debt investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(27 383 950)	-	4 858	(27 379 093)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	(5 992 876)	-	-	-	(5 992 876)
<b>Total comprehensive income for the year</b>			<b>7 466 366</b>	<b>169 548 148</b>				<b>(5 992 876)</b>	<b>(17 238 711)</b>		<b>261 277</b>	<b>154 044 203</b>
<b>Transactions with equity holders, recorded directly in equity</b>												
Issued shares capitalised	1 583 143	-	-	-	-	-	-	-	-	-	-	1 583 143
share premium on issued shares	-	21 143 091	-	-	-	-	-	-	-	-	-	21 143 091
Issuing Cost of additional Tier 1 (AT1) Capital	-	-	-	-	-	-	-	-	-	-	-	-
Additional Tier 1 (AT1) Capital coupon paid	-	-	(7 466 366)	-	-	-	-	-	-	-	-	(7 466 366)
Transfer to statutory reserve	-	-	-	(24 940 092)	24 940 092	-	-	-	-	-	-	-
Transfer to AGSMEIS reserve	-	-	-	(7 730 674)	-	7 730 674	-	-	-	-	-	-
Transfer from forbearance reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to regulatory risk reserve	-	-	-	(80 020 000)	-	-	-	-	-	80 020 000	-	-
Dividend paid	-	-	-	(21 782 982)	-	-	-	-	-	-	-	(21 782 982)
<b>Transactions with minority shareholders recorded directly in equity</b>												
Dividend paid	-	-	-	-	-	-	-	-	-	-	(90 755)	(90 755)
<b>Total contributions by and distributions to equity holders</b>	<b>1 583 143</b>	<b>21 143 091</b>	<b>(7 466 366)</b>	<b>(134 473 748)</b>	<b>24 940 092</b>	<b>7 730 674</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80 020 000</b>	<b>(90 755)</b>	<b>(6 613 869)</b>
<b>Balance at 31 December 2025</b>	<b>21 385 853</b>	<b>267 574 383</b>	<b>46 686 000</b>	<b>223 512 081</b>	<b>64 466 724</b>	<b>11 274 007</b>	<b>1 960 712</b>	<b>65 521 929</b>	<b>30 027 901</b>	<b>103 020 624</b>	<b>981 151</b>	<b>836 411 366</b>
<b>Balance as at 1 January 2024</b>	<b>9 901 355</b>	<b>115 392 414</b>	<b>46 686 000</b>	<b>144 380 766</b>	<b>30 714 768</b>	<b>869 452</b>	<b>1 960 712</b>	<b>38 477 312</b>	<b>49 849 882</b>	<b>22 720 000</b>	<b>1 673 897</b>	<b>462 626 559</b>
Profit for the year	-	-	7 409 672	65 724 640	-	-	-	-	-	-	203 156	73 337 468
<b>Other comprehensive income</b>												
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	40 545 018	-	-	40 545 018
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(43 128 288)	-	-	(43 128 288)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	33 037 493	-	-	-	33 037 493
<b>Total comprehensive income for the year</b>			<b>7 409 672</b>	<b>65 724 640</b>				<b>33 037 493</b>	<b>(2 583 270)</b>		<b>203 156</b>	<b>103 791 691</b>
<b>Transfer between reserves</b>												
Issued shares capitalised	9 901 355	-	-	-	-	-	-	-	-	-	-	9 901 355
share premium on issued shares	-	131 038 878	-	-	-	-	-	-	-	-	-	131 038 878
Additional Tier 1 (AT1) Capital coupon paid	-	-	(7 409 672)	-	-	-	-	-	-	-	-	(7 409 672)
Transfer to statutory reserve	-	-	-	(8 811 864)	8 811 864	-	-	-	-	-	-	-
Transfer to AGSMEIS reserve	-	-	-	(2 673 881)	-	2 673 881	-	-	-	-	-	-
Transfer to regulatory risk reserve	-	-	-	(280 624)	-	-	-	-	-	280 624	-	-
Transfer to forebearance reserve	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	(9 901 355)	-	-	-	-	-	-	-	(9 901 355)
<b>Transactions with minority shareholders recorded directly in equity</b>												
Dividend paid	-	-	-	-	-	-	-	-	-	-	(103 142)	(103 142)
Adjustment to NCI	-	-	-	-	-	-	-	-	-	-	(963 283)	(963 283)
	<b>9 901 355</b>	<b>131 038 878</b>	<b>(7 409 672)</b>	<b>(21 667 724)</b>	<b>8 811 864</b>	<b>2 673 881</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280 624</b>	<b>(1 066 425)</b>	<b>122 562 781</b>
<b>Balance at 31 December 2024</b>	<b>19 802 710</b>	<b>246 431 292</b>	<b>46 686 000</b>	<b>188 437 682</b>	<b>39 526 632</b>	<b>3 543 333</b>	<b>1 960 712</b>	<b>71 514 805</b>	<b>47 266 612</b>	<b>23 000 624</b>	<b>810 628</b>	<b>688 981 031</b>

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

Notes:

(a). For further details refer to Note 41(d) N7.47billion (2024: N7.41billion) relates to the interest coupon expense incurred on the AT1 issued because the underlying instrument is classified as equity, hence the interest coupon paid was through equity.

(b). Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. An appropriation of 15% of profit after tax is made if the statutory reserve is greater than the paid-up share capital and 30% of profit after tax if the statutory reserve is less than the paid up share capital.

(c). The Central Bank of Nigeria (CBN) required that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. In the CBN Circular dated 5 April 2017, all DMBs are required to set aside and remit 5% of the annual profit after tax for equity investments.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025

COMPANY												
In thousand of Naira												
	Share capital	Share premium	AT1 Capital <sup>(a)</sup>	Retained earnings	Statutory reserve <sup>(b)</sup>	AGSMEIS reserve <sup>(c)</sup>	Forbearance Reserve	Translation reserve	Fair value reserve	Regulatory risk reserve	Non-controlling Interest	Total equity
<b>Balance at 1 January 2025</b>	<b>19 802 710</b>	<b>246 431 292</b>	<b>46 686 000</b>	<b>37 731 204</b>	-	-	-	-	-	<b>280 625</b>	-	<b>350 931 832</b>
Profit for the year	-	-	7 466 366	26 333 057	-	-	-	-	-	-	-	33 799 423
<b>Other comprehensive income</b>												
Equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Debt investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>7 466 366</b>	<b>26 333 057</b>	-	-	-	-	-	-	-	<b>33 799 423</b>
<b>Transactions with equity holders, recorded directly in equity</b>												
Issued shares capitalised	1 583 143	-	-	-	-	-	-	-	-	-	-	1 583 143
share premium on issued shares	-	21 143 091	-	-	-	-	-	-	-	-	-	21 143 091
Issuing Cost of additional Tier 1 (AT1) Capital	-	-	-	-	-	-	-	-	-	-	-	-
Additional Tier 1 (AT1) Capital coupon paid	-	-	(7 466 366)	-	-	-	-	-	-	-	-	(7 466 366)
Dividend paid	-	-	-	(21 782 982)	-	-	-	-	-	-	-	(21 782 982)
Capitalised share premium	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to equity holders</b>	<b>1 583 143</b>	<b>21 143 091</b>	<b>(7 466 366)</b>	<b>(21 782 982)</b>	-	-	-	-	-	-	-	<b>(6 523 114)</b>
<b>Balance at 31 December 2025</b>	<b>21 385 853</b>	<b>267 574 383</b>	<b>46 686 000</b>	<b>42 281 279</b>	-	-	-	-	-	<b>280 625</b>	-	<b>378 208 140</b>
<b>Balance as at 1 January 2024</b>	<b>9 901 355</b>	<b>115 392 414</b>	<b>46 686 000</b>	<b>24 920 169</b>	-	-	-	-	-	-	-	<b>196 899 938</b>
Profit for the year	-	-	7 409 672	22 993 015	-	-	-	-	-	-	-	30 402 687
<b>Other comprehensive income</b>												
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>7 409 672</b>	<b>22 993 015</b>	-	-	-	-	-	-	-	<b>30 402 687</b>
<b>Transfer between reserves</b>												
Issued shares capitalised	9 901 355	-	-	-	-	-	-	-	-	-	-	9 901 355
share premium on issued shares	-	131 038 878	-	-	-	-	-	-	-	-	-	131 038 878
Additional Tier 1 (AT1) Capital coupon paid	-	-	(7 409 672)	-	-	-	-	-	-	-	-	(7 409 672)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to AGSMEIS reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to regulatory risk reserve	-	-	-	(280 625)	-	-	-	-	-	280 625	-	-
Transfer to forbearance reserve	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	(9 901 355)	-	-	-	-	-	-	-	(9 901 355)
	<b>9 901 355</b>	<b>131 038 878</b>	<b>(7 409 672)</b>	<b>(10 181 980)</b>	-	-	-	-	-	<b>280 625</b>	-	<b>123 629 206</b>
<b>Balance at 31 December 2024</b>	<b>19 802 710</b>	<b>246 431 292</b>	<b>46 686 000</b>	<b>37 731 204</b>	-	-	-	-	-	<b>280 625</b>	-	<b>350 931 832</b>

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

Notes:

(a). For further details refer to Note 41(d) N7.47billion (2024: N7.41billion) relates to the interest coupon expense incurred on the AT1 issued because the underlying instrument is classified as equity, hence the interest coupon paid was through equity.

(b). Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. An appropriation of 15% of profit after tax is made if the statutory reserve is greater than the paid-up share capital and 30% of profit after tax if the statutory reserve is less than the paid up share capital.

(c). The Central Bank of Nigeria (CBN) required that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. In the CBN Circular dated 5 April 2017, all DMBs are required to set aside and remit 5% of the annual profit after tax for equity investments.

**CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

In thousands of Naira	Note				
<b>Cash flows from operating activities</b>					
Profit for the year		177 270 933	73 337 468	33 799 423	30 402 687
Adjustments for:					
Net impairment loss on financial assets	10	81 706 899	41 240 464	213 005	141 001
Fair value gain on financial assets held for trading	48(i)	(22 988 673)	(33 557 126)	-	-
Net gain from other financial instruments at fair value through profit or loss	13	-	-	(4 873 040)	4 394 049
Share of profit/loss from associate	30(a)	(1 187 730)	223 412	-	-
Loss on disposal of associate		-	227 177	-	-
Amortisation of intangibles	16	5 414 892	3 809 054	8 185	2 046
Depreciation of property and equipment	16	11 901 690	10 068 398	70 034	59 304
Gain on disposal of property and equipment	14(b)	(885 249)	(2 409 966)	(31)	(517)
Items written-off during the year	31(a)	135	217	-	-
Modification loss /(gain) on restructured facilities	14(a)(iii)	721 018	(1 331 168)	-	-
Unrealised foreign exchange gains	14(a)(ii)	14 094 842	(36 469 263)	1 512 434	(7 110 602)
Other operating expenses - provisions for litigation no longer required	18(a)	2 700 000	3 410 000	-	-
Net interest income		(505 907 000)	(225 300 203)	(6 885 836)	(7 929 154)
Intra group revenue		-	-	(25 273 586)	(28 940 057)
Dividends received	14(a)(i)	(2 700 153)	(1 754 901)	-	-
Tax expense	20	24 829 463	38 557 702	(1 818 595)	7 772 543
		(215 028 933)	(129 948 735)	(3 248 007)	(1 208 700)
<b>Changes in operating assets and liabilities</b>					
Working capital changes from associate investment		-	1 402 641	-	-
Net increase in restricted reserve deposits	50(x)	243 315 212	(641 824 674)	-	-
Net increase in derivative assets held for risk management	50(xi)	(2 824 882)	68 784	-	-
Net (increase) / decrease in trading assets	50(xii)	(143 600 137)	(182 363 695)	-	-
Net increase in loans and advances to customers	50(xiii)	121 867 147	(604 698 047)	-	-
Net (decrease)/increase in other assets	50(xv)	404 860 009	(39 953 910)	(12 752 698)	(6 816 395)
Net decrease in deposits from banks	50(xvii)	175 462 737	554 415 109	-	-
Net decrease in deposits from customers	50(xviii)	122 035 109	1 213 514 837	-	-
Net increase / (decrease) in on-lending facilities	50(xix)	113 388 872	147 378 550	-	-
Net increase in assets pledged as collateral	50(xiv)	267 544 436	(356 229 724)	-	-
Net decrease in derivative liabilities held for risk management	50(xx)	(1 999 507)	1 609 814	-	-
Net increase in provision	50(viii)	(2 746 773)	(3 006 398)	-	-
Working capital of subsidiary disposed off		-	(1 402 641)	-	-
Net decrease / (increase) in other liabilities	50(vii)	144 703 097	198 440 468	9 273 930	(73 841)
		1 226 976 387	157 402 379	(6 726 775)	(8 098 936)
Interest received	50(ii)	972 898 007	710 304 585	27 731 614	18 064 654
Interest paid	50(iii)	(485 107 488)	(425 493 237)	(1 265 968)	(928 052)
Dividend received from associate		-	332 928	-	-
Dividends received from investments	14(a)	2 700 153	1 754 901	3 373 472	11 921 621
VAT paid	50(iv)	(11 606 250)	(14 825 917)	(68 176)	(41 296)
Income taxes paid	20(ii)	(28 417 427)	(9 107 292)	(1 683 876)	(273 498)
<b>Net cash generated from operating activities</b>		<b>1 677 443 382</b>	<b>420 368 347</b>	<b>21 360 292</b>	<b>20 644 493</b>
<b>Cash flows from investing activities</b>					
Investment in subsidiaries	29(a)	-	-	(22 726 234)	(140 940 234)
Interest on public offer proceeds		-	6 370 908	-	6 370 908
Purchase of property and equipment	31	(21 052 149)	(9 419 006)	(263 176)	(142 915)
Purchase of intangible assets	31(a)	(39 219 051)	(7 479 708)	-	(147 298)
Purchase of intangible assets work-in-progress	31(a)	(4 919 864)	(6 022 137)	-	-
Proceeds from sale of property and equipment	50(viii)	1 027 038	2 304 123	(2 206)	530
Acquisition of investment securities	50(v)	(1 148 373 730)	(503 583 086)	(13 206 214)	(2 363 703)
Proceeds from sale and redemption of investment securities	50(v)	162 633 662	135 061 809	-	-
Deposit for investment securities		-	(323 031 162)	-	-
Cash disposed as part of subsidiary disposal		-	(2 074 721)	-	-
<b>Net cash used in from investing activities</b>		<b>(1 049 904 094)</b>	<b>(707 872 980)</b>	<b>(36 197 830)</b>	<b>(137 222 712)</b>
<b>Cash flows from financing activities</b>					
Interest paid on interest bearing borrowings		(3 306 939)	(2 798 117)	(877 199)	(917 689)
Interest paid on interest debt securities issued	39(f)&40(c)	(1 139 967)	(8 279 934)	-	-
Proceeds from issue of shares		22 726 234	144 559 789	22 726 234	144 559 789
Payments of share issue cost		-	(3 619 555)	-	(3 619 555)
Coupon paid on Additional Tier 1 capital	41(d) (iv)	(7 466 366)	(7 409 672)	(7 466 366)	(7 409 672)
Proceeds from long term borrowings	40(c)	90 515 068	219 026 254	-	3 120 000
Repayment of long term borrowings	40(c)	(49 709 184)	(62 476 333)	-	-
Proceeds from debt securities issued	50(xxi)	66 242 097	-	-	-
Deposit received on divestment to NCI	50(xxiv)	10 973 680	-	10 973 680	-
Repayment of debt securities issued	50(xxi)	(154 207 199)	-	-	-
Lease payment	36(g)50(vii)	(357 132)	(644 080)	-	-
Dividends paid to NCI		(90 755)	(103 142)	-	-
Dividends paid to owners		(21 782 982)	(9 901 355)	(21 782 982)	(9 901 355)
<b>Net cash generated / (used in) from financing activities</b>		<b>(47 603 445)</b>	<b>268 353 855</b>	<b>3 573 367</b>	<b>125 831 517</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>					
		<b>579 935 843</b>	<b>(19 150 778)</b>	<b>(11 264 171)</b>	<b>9 253 299</b>
Cash and cash equivalents at start of year		795 405 036	579 208 616	14 371 980	4 577 221
(decrease) / Increase in cash and cash equivalents		579 935 843	(19 150 778)	(11 264 171)	9 253 299
Effect of exchange rate movement on cash and cash equivalents held		(76 252 309)	235 347 198	(92 812)	541 460
<b>Cash and cash equivalents at end of year</b>	21	<b>1 299 088 570</b>	<b>795 405 036</b>	<b>3 014 998</b>	<b>14 371 980</b>

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

**Notes to the consolidated and separate financial statements**

**1 Reporting entity**

FCMB Group Plc was incorporated in Nigeria as a financial holding company on November 20, 2012, under the Companies and Allied Matters Act, in response to the CBN's Regulation on the Scope of Banking Activities and Ancillary Matters (Regulation 3).

The principal activity of FCMB Group Plc is to carry on business as a financial holding company, investing in and holding controlling shares in, as well as managing equity investments in Central Bank of Nigeria approved financial entities. The Company has seven direct subsidiaries; First City Monument Bank Limited (100%), FCMB Capital Markets Limited (100%), CSL Stockbrokers Limited (100%), FCMB Trustees Limited (formerly CSL Trustees Limited) (100%), FCMB Microfinance Bank Limited (100%), FCMB Pensions Limited (91.71%) and Credit Direct Finance Company Limited (100%).

FCMB Group Plc is a company domiciled in Nigeria. The address of the Company's registered office is 44 Marina, Lagos. These unaudited reports for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the 'Group').

These consolidated and separate financial statements were authorised for issue by the Board of directors on 27 February 2026.

**2 (a) Changes in accounting policies**

Except as noted below, the Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these consolidated and separate financial statements.

**(b) Material accounting policies**

Except as noted in Note 2(a), the Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements, unless otherwise stated.

**3(a) (i) Statement of compliance**

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB) and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, the Banks and other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars. The same accounting policies and methods of computation are followed in the consolidated and separate financial statements as compared with the most recent annual financial statements except as described in note 2(a).

**(ii) Basis of accounting**

The financial statements have been prepared under the historical cost convention with the exception of the following:

- Financial assets and liabilities measured at amortised cost;
- Derivative financial instruments which are measured at fair value; and
- Non-derivative financial instruments, carried at fair value through profit or loss, or fair value through OCI are measured at fair value.

**(iii) Functional and presentation currency**

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

**(iv) Use of estimates and judgments**

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**(a) Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes.

- Note 5(b): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

- Notes 3(k)(ii) and 5: classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

**b) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2025 is included in the following notes.

- Notes 4(b) and 3(k)(vii): impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.

- Note 7: measurement of the fair value of financial instruments with significant unobservable inputs.

- Note 32: recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used.

- Note 31(d) - (e): impairment testing for CGUs containing goodwill: key assumptions underlying recoverable amounts.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 5.

**(b) Basis of Consolidation**

**(i) Subsidiaries**

Subsidiaries are investees controlled by the Group. The Group 'controls' an investee if it is exposed to, or has the rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether it has control if there are changes to one or more of elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investment in subsidiaries are measured at cost less impairment in the Company's separate financial statements.

**Notes to the consolidated and separate financial statements**

**(ii) Special purpose entities**

Special purpose entities (SPEs) are entities that are created to accomplish a narrow and well-defined objective such as the execution of a specific borrowing or lending transaction. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE.

The Group established FCMB Financing SPV Plc, Nigeria as a special purpose entity to raise capital from the Nigerian capital markets or other international market either by way of a stand-alone Issue or by the establishment of a programme. Accordingly, the financial statements of FCMB Financing SPV Plc have been consolidated.

**(iii) Loss of control**

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interests in the previous subsidiary, then such interests is measured at fair value at the date that control is lost. Subsequently that retained interests is accounted for as an equity-accounted investee or in accordance with the Group's accounting for financial instruments.

**(iv) Common control transactions**

Common control transactions in the consolidated financial statement are accounted for at book value accounting. Any method chosen by an entity are consistently used for all similar common control transactions in its consolidated financial statements; i.e. it cannot use IFRS 3 accounting for some common control transactions and book value accounting for other similar transactions.

The difference between the consideration paid and the book value of the asset represents transaction with shareholder and should therefore be recorded in equity. The assets and liabilities transferred are recognised at the carrying amounts recognised previously in the transferor's consolidated financial statements. The Group adopted the book value method of accounting for its common control transactions.

**(v) Transactions eliminated on consolidation**

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

**(c) Foreign currency**

**(i) Foreign currency transactions and balances**

Transactions in foreign currencies are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rates as at that date. The foreign currency gain or loss is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the spot exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

However, foreign currency differences arising from the translation of the following item are recognised in other comprehensive income:

- an investment in equity securities designated at fair value through other comprehensive income (FVOCI) except on impairment, in which case foreign currency difference that have been recognised in other comprehensive income are reclassified to profit or loss.

**(ii) Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Naira at spot exchange rates at the reporting date. The income and expenses of foreign operations are translated to Naira at spot exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests (NCI). When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

**(d) Interest**

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of financial assets or financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cashflows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit adjusted effective interest rate is calculated using estimated future cashflows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Interest income and expense presented in the statement of profit or loss and OCI include:

- Interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis.
- Interest on debt instruments measured at fair value through other comprehensive income calculated on an effective interest basis;

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

**Notes to the consolidated and separate financial statements**

**(e) Fees and commission**

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 which is used in the computation of Interest Income. Fees, such as processing and management fees charged for assessing the financial position of the borrower, evaluating and reviewing guarantees, collateral and other security, negotiation of instruments' terms, preparing and processing documentation and finalising the transaction are an integral part of the effective interest rate on a financial asset or liability and are included in the measurement of the effective interest rate of financial assets or liabilities.

Other fees and commission income, including loan 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. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

**(f) Net trading income**

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and be presented together with others.

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, dividends and foreign exchange differences.

**(g) Net income from other financial instruments at fair value through profit or loss**

Net income from other financial instruments at fair value through profit or loss relates to fair value gains or losses on non-trading derivatives held for risk management purposes that do not form part of qualifying hedge relationships and financial assets and liabilities designated at fair value through profit or loss. It includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

**(h) Dividend income**

Dividend income is recognised when the right to receive income is established. Dividends are presented in net trading income, net income from other financial instruments at fair value through profit or loss or other revenue based on the underlying classification of the equity investment.

**(i) Leases**

Leases (right-of-use asset) are accounted for in accordance with IFRS 16 and are accounted for in line with the following based on whether the Group is the Lessor or the Lessee:

**(i) Group acting as a lessee**

At the commencement date, the Group recognises a right-of-use asset at cost and a lease liability, where applicable, at the present value of the lease payments that are not paid at that date.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group subsequently measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets:

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(ii) Group acting as a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset.

**(j) Income tax**

Income tax expense comprises current tax (company income tax, tertiary education tax National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

**(a) Current income tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)
- National Agency for Science and Engineering Infrastructure (NASENI) levy is computed on 0.25% of Profit Before Tax for commercial companies in the banking, mobile communication, ICT, aviation, maritime and oil and gas sectors.

**Notes to the consolidated and separate financial statements**

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

**Minimum tax**

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

Minimum tax is determined based on the sum of:

- the highest of; 0.25% of revenue of N500,000, 0.5% of gross profit, 0.25% of paid up share capital and 0.5% of net assets; and
- 0.125% of revenue in excess of N500,000.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

**(b) Deferred tax**

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:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

**(k) Financial assets and financial liabilities**

**(i) Recognition and initial measurement**

The Group initially recognises loans and receivables, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including assets and liabilities designated at fair value through profit or loss) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case, all affected financial assets are reclassified on the first reporting period following the change in business model.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

**(ii) Classification**

A financial asset is measured at fair value through other comprehensive income only if it meets both the following conditions and is not designated as at fair value through profit or loss:

- the asset is held within a business model whose objective is achieved by both collecting contractual cashflow and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at fair value through profit or loss.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. The reclassification carried out prospectively from the reclassification date. Accordingly, any previously unrecognised gains, losses or interest are not reinstated. Changes in the business model for managing financial assets are expected to be very infrequent.

**Notes to the consolidated and separate financial statements**

---

**Financial liabilities**

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss.

**(iii) Derecognition**

**Financial assets**

The Group derecognises a financial asset when the contractual right to the cash flow from the Financial assets expires or it transfers the right to receive the contractual cash flow in a transaction in which the substantially all the risks and rewards of the ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and the rewards of the ownership and it does not retain control of the financial asset.

On derecognition of the financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at fair value through other comprehensive income is not recognised in the profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Group retains all or substantially all the risks and rewards of ownership of such assets.

In transaction in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of the asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The Group securitises various loans and advances to customers and investment securities, which generally result in the sale of these to unconsolidated securitisation vehicles and in the Group transferring substantially all the risks and rewards of ownership. The securitisation vehicle in turn issues securities to investors. Interest in the securitised financial assets are generally retained in the form of senior or subordinated tranches, interest-only strips or other residual interests (retained interests). Retained interests are recognised as investment securities and carried at fair value through other comprehensive income. Gains or losses on securitisation are recorded in other revenue.

**Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

**(iv) Modification of financial assets and financial liabilities**

**Financial assets**

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified assets are substantially different. If the cash flows are substantially different, then the contractual right to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flow of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and derecognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in other income in profit or loss.

**Financial liabilities**

The Group derecognises a financial liability when its terms are modified and the cash flow of the modified liability are substantially different. 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.

**(v) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of the financial position when, the Group currently has a legally enforceable right to set off the amounts and it intends to either to settle them on a net basis or to realise the asset and settle the liability simultaneously

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or gains and losses arising from a group of similar transactions such as the Group's trading activity.

**(vi) Fair value measurement**

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that the market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e, the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

**Notes to the consolidated and separate financial statements**

If an asset or a liability measured at fair value has a bid price and ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments-e.g bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure- are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

**(vii) Impairment**

The Group recognises loss allowances for ECL on the following financial instruments that are not measured at fair value through profit or loss:

- financial assets measured at amortised cost;
- debt investments measured at fair value through other comprehensive income;
- financial guarantee contracts issued; and
- loan commitments issued

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following for which they are measured as 12-month ECL;

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivable are always measured at an amount equal to lifetime ECL.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

12-months ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instruments. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

**Measurement of ECL**

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flow that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amount that the Group expects to recover.

**Restructured financial assets**

If the terms of a financial assets 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 are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cashflows arising from the modified financial asset 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 asset is treated as final cash flow from the existing financial asset at the time of its derecognition. The amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

**Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets at amortized cost and debt instruments carried at fair value through other comprehensive income are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following 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 Group on terms that the Group 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.

A loan 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. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessment of creditworthiness.
- The countries ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanism in place to provide the necessary support as 'lender of last resort' to the country, as well as the intention, reflected in the public statement of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of political intent, whether there is the capacity to fulfil the required criteria.

**Notes to the consolidated and separate financial statements**

---

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at fair value through other comprehensive income: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is charged to profit or loss and is recognised in the fair value reserve, other comprehensive income.

**Write-off policy**

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Recoveries of amount previously written off are included in impairment losses "on financial instruments" in the statement of profit or loss and other comprehensive income". However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**Measurement of impairment**

Impairment losses on assets measured at amortised cost were calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted as the asset's original effective interest rate. Impairment losses were calculated as the difference between the carrying amount and the fair value.

**Reversal of impairment**

- For assets measured at amortised cost: If an event occurring after the impairment was recognised caused the amount of impairment loss to decrease, then the decrease in impairment loss was reversed through profit or loss.

Impairment losses were recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired assets continued to be recognised through the unwinding of the discount.

Impairment losses on investment securities at fair value through other comprehensive income are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognised in profit or loss.

**Write-off**

The Group wrote off a loan or an investment debt security, either partially or in full, and any related allowance for impairment losses, when Group determined that there was no realistic prospect of recovery.

**(viii) Designation at fair value through profit or loss**

**Financial assets**

At initial recognition, the Group has designated certain financial assets as at fair value through profit or loss because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

**Financial liabilities**

The Group has designated certain financial liabilities as at fair value through profit or loss in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**(l) (i) Cash and cash equivalents**

Cash and cash equivalents include bank notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position. For the purposes of the cash flow statement, cash and cash equivalents include cash and non-restricted balances with central banks.

**(ii) Restricted reserve deposits**

Restricted reserve deposits are restricted mandatory reserve deposits held with the Central Bank of Nigeria, which are not available for use in the Banking subsidiary's and Group's day-to-day operations. They are calculated as a fixed percentage of the Group's and Bank's deposit liabilities.

**(m) Trading assets and liabilities**

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

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position with transaction costs recognised in profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss.

**(n) Assets pledged as collateral**

Financial assets transferred to external parties that do not qualify for de-recognition (see k(iii)) are reclassified in the statement of financial position from investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Assets pledged as collateral are initially recognised at fair value, and are subsequently measured at amortised cost or fair value as appropriate. These transactions are performed in accordance with the usual terms of securities lending and borrowing.

**Notes to the consolidated and separate financial statements**

---

**(o) Loan and advances**

Loan and advances' captions in the statement of financial position include:

- loans and advances measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- loans and advances mandatorily measured at fair value through profit or loss or designated as at fair value through profit or loss; these are measured at fair value with changes recognised immediately in profit or loss; and
- finance lease receivables.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements.

Loans and advances were initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using effective interest method. When the Group chose to designate the loans and advances as measured at fair value through profit or loss, they were measured at fair value with face value changes recognised immediately in profit or loss.

Loans and advances also included finance lease receivables in which the Group was the lessor.

When the Group purchased a financial asset and simultaneously entered into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement was accounted for as a loan or advance, and the underlying asset was not recognised in the Group's financial statements.

**(p) Investment securities**

Investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt and equity investment securities mandatorily measured at fair value through profit or loss or designated at fair value through profit or loss; these are at fair value with changes recognised immediately in profit or loss;
- debt securities measured at fair value through other comprehensive income; and
- equity investment securities designated at fair value through other comprehensive income.

For debt securities measured at fair value through other comprehensive income, gains and losses are recognised in OCI, except for the following, which are recognised in profit and loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When debt security measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in the profit and loss. Dividends are recognised in profit and loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

**(q) Derivatives held for risk management purposes**

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives are recognised initially at fair value in the statement of financial position, while any attributable costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value with fair values changes recognised in profit or loss.

**(r) Property and equipment**

**(i) Recognition and measurement**

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Items of work in progress are recognised at cost less any observable impairment. A review for impairment is carried out when circumstances or situations suggests that the asset carrying amount may not be recoverable. Impairment loss is recognized when the current asset value is less than the cost.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and are recognized net within other income in profit or loss.

The assets' carrying values and useful lives are reviewed, and written down if appropriate, at each reporting date. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount; see note (t) on impairment of non-financial assets.

**(ii) Subsequent costs**

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item 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 the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

**Notes to the consolidated and separate financial statements**

**(iii) Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment.

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. A non-current asset or disposal group is not depreciated while it is classified as held for sale. Items classified as work in progress are not depreciated till the asset is available for use. Leasehold land is not depreciated.

The estimated useful lives for the current and comparative periods of significant items of property and equipment are as follows:

Leasehold improvement	Over the shorter of the useful life of the item or lease term
Buildings	50 years
Computer equipment	4 years
Furniture, fittings and equipment	5 years
Motor vehicles	4 years
Right-of-use assets	Over the relevant lease

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. When an item of work in progress is completed and is available for use, the asset is de-classified to the relevant class of the asset under property and equipment.

**(iv) 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.

**(s) Intangible assets**

**(i) Goodwill**

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the 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 on acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, 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 cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**(ii) Software**

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

Subsequent expenditure on software assets is capitalised 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 of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The maximum useful life of software is four years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**(t) Impairment of non-financial assets**

The Group's non-financial assets with carrying amounts other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(u) Deposits, debt securities issued, onlending facilities and borrowings**

Deposits, debt securities issued, onlending facilities and borrowings are the Group's sources of funding. When the Group sells a financial asset and simultaneously enters into a "repo" or "lending" agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group's financial statements.

Deposits, debt securities issued, onlending facilities and borrowings are initially measured at fair value less incremental direct 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.

**(v) Sale and repurchase agreements**

Securities sold subject to repurchase agreements ("repos") remain on the statement of financial position; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell (reverse repos) are recorded as money market placement. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities lent to counterparties are also retained in the financial statements. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in trading income.

**Notes to the consolidated and separate financial statements**

**(w) Provisions**

Provisions are determined by discounting the expected future cashflows at a pre-tax rate that reflects current market assessments of time value of money and the specific risks to the liability. Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. A provision for bank levies is recognised when the condition that triggers the payment of the levy is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached. The Group recognises no provisions for future operating losses.

**(x) Financial guarantees and loan commitments**

Financial guarantees are contracts that require the Group to make specific payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debit instrument. 'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below- market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured as follows;

- At the higher of this amortised amount and the amount of loss allowance (see k(vii)).  
The Group has issued no loan commitment that are measured at fair value through profit or loss.

For other loan commitments:

The Group recognises loss allowance (see k(vii)).

Liabilities arising from financial guarantees and loan commitments are included within provisions.

**(y) Employee benefits**

**(i) Short-term employee benefits**

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

**(ii) Defined contribution plans**

A retirement benefit obligation is a defined contribution plan. A defined contribution plan is a post-employment benefits plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. In line with the Pension Reform Act 2014, the Group and its employees make a joint contribution of 18% (10% by the Company and 8% by the employees) of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators. Obligations for contributions to defined contribution plans are recognised as personnel expenses in profit or loss in the period during which related services are rendered.

**(iii) Termination benefits**

Termination benefits are recognised 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. Termination benefits for voluntary redundancy are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted.

**(z) Share capital, AT1 Capital and reserves**

**(i) Issued debt and equity instruments**

The Group applies IAS 32, Financial Instruments: Presentation, to determine whether funding is either a financial liability (debt) or equity. Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the Group having an obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument. If this is not the case, the instrument is generally an equity instrument and the proceeds included in equity, of which the transaction costs are deducted against equity. Dividends and other returns to equity holders are recognised when paid or declared by the members at the Annual General Meeting and treated as a deduction from equity. Where issued financial instruments contain both liability and equity components, these are accounted for separately. The fair value of the debt is estimated first and the balance of the proceeds is included within equity.

**(ii) Share issue costs**

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

**(iii) Dividend on the Group's ordinary shares**

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group's shareholders. Dividends for the year that are declared after the date of the consolidated statement of financial position are dealt with in the subsequent events note. Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act of Nigeria.

**(iv) Share premium**

Premiums from the issue of shares are reported in share premium.

**(v) Retained earnings**

Retained earnings comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves.

**(vi) Other reserves** comprises of statutory reserve, SSI reserve, translation reserve, fair value reserve, regulatory risk reserve and forbearance reserve

(a) Statutory reserve: Nigerian banking regulations require the Banking subsidiary to make an annual appropriation to a statutory reserve. As stipulated by Section 16(1) of the Banks and Other Financial Institutions Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than the paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital.

(b) AGSMEIS / SSI reserve: The SSI reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investments in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the five years but banks' contributions shall thereafter reduce to 5% of profit after tax. The small and medium scale industries equity investment scheme reserves are nondistributable.

In April 2017, the Central Bank of Nigeria issued guidelines to govern the operations of the Agricultural/Small and Medium Enterprises Scheme (AGSMIES), which was established to support the Federal Government's efforts at promoting agricultural businesses and Small and Medium Enterprises (SMEs) as vehicles for achieving sustainable economic development and employment generation. Though there's no longer mandatory transfers to this reserve under the earlier directives, all Nigerian banks are now required to set aside an amount equal to 5% of their annual Profits After Tax (PAT) towards the funding of equity investments, which qualify under the AGSMEIS Scheme. This is done after the audit and Central Bank of Nigeria (CBN) approval.

**Notes to the consolidated and separate financial statements**

(c) Translation reserve: comprises exchange differences resulting from the translation to Naira of the results and financial position of Group companies that have a functional currency other than Naira.

(d) fair value reserve: comprises fair value movements on equity instruments and debt securities carried at fair value through other comprehensive income.

(e) Regulatory risk reserve: The Nigerian banking regulator requires the Banking subsidiary to create a reserve for the difference between impairment charge determined in line with the principles of IFRS Accounting Standards and impairment charge determined in line with the prudential guidelines issued by the Central Bank of Nigeria (CBN). This reserve is not available for distribution to shareholders.

(f) forbearance reserve: this is a non-distributable reserve which arose from forbearance granted by Central Bank of Nigeria being an additional appropriation of 15% of profit after tax to account for potential future provisions valid until 31 December 2020.

**(aa) Earnings per share**

The Group presents basic earnings per share (EPS) data 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, which comprise share options granted to employees.

**(ab) 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 relating to transactions with any of the Group's other components, whose operating results are regularly reviewed by the Executive Management Committee (being the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Management Committee (being the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

**(ac) Operating expense - general and administrative expenses and other operating expenses**

Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Expenses are recognized on an accrual basis regardless of the time of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost.

Only the portion of cost of a previous period that is related to the income earned during the reporting period is recognized as an expense. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statement as assets. The portion of assets which is intended for earning income in the future periods shall be recognized as an expense when the associated income is earned.

Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming financial years.

**(ad) Deposit for Investment in AGSMEIS**

The Agri-Business/Small and Medium Enterprises Investment Scheme is an initiative of Banker's committee of Nigeria. The contributed funds is meant for supporting the Federal Government's effort at promoting agricultural businesses as well as Small and Medium Enterprises. In line with this initiative, the Bank will contribute 5% of Profit After Tax yearly to the fund.

**(ae) Consumables**

Consumables include stocks and cards held for resale or subsequent issuance to customers. They are measured at lower of cost and net realizable value. Cost comprises of purchase and other costs incurred in bringing the items of stock to their present location and condition. Net realizable value is the estimated issuance price. When items of consumables are issued to customers, their carrying amount is recognized as an expense in the period in which the relevant revenue is recognized.

**(af) Levies**

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- Those outflows of resources that are within the scope of other Standards (such as income taxes that are within the scope of IAS 12 Income Taxes); and
- Fines or other penalties that are imposed for breaches of the legislation

The Group recognises a levy when the obligating event that gives rise to a liability as identified by the legislation, occurs. This triggers the obligation to pay the levy and recognise the expense for the period.

**(ag) Standards issued in the current year but now effective and New and revised IFRS Accounting Standards in issue but not yet effective**

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2025 and have not been applied in preparing these financial statements. Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Group are set out below.

The Group do not plan to adopt these standards early. The standards will be adopted in the period that they become mandatory unless otherwise indicated:

The directors are of the opinion that the impact of the application of the remaining Standards, Amendments to Standards and Interpretations are not expected to have a significant impact on the Group's financial statements.

**Standards issued in the current year but now effective**

**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability**

The group has adopted the amendments to IAS 21 for the first time in the current year. The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

## Notes to the consolidated and separate financial statements

### **New and revised IFRS Accounting Standards in issue but not yet effective**

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as noted below:

#### **i) Amendments to IFRS 9 and IFRS 7 — Amendments to the Classification and Measurement of Financial Instruments**

The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

##### **a) Derecognition of a financial liability settled through electronic transfer**

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

##### **b) Classification of financial assets**

###### **• Contractual terms that are consistent with a basic lending arrangement**

The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

###### **• Assets with non-recourse features**

The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

###### **• Contractually linked instruments**

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

##### **c) Disclosures**

###### **• Investments in equity instruments designated at FVTOCI**

The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

###### **• Contractual terms that could change the timing or amount of contractual cash flows**

The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI and each class of financial liability measured at amortised cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
- apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

#### **ii) Annual Improvements to IFRS Accounting Standards—Volume 11**

The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process.

##### **a) IFRS 1 First-time Adoption of International Financial Reporting Standards—Hedge accounting by a first-time adopter**

For consistency with the requirements in IFRS 9, IFRS 1:B5-B6 were amended to refer to the 'qualifying criteria' for hedge accounting (instead of the 'conditions') and to add cross-references to IFRS 9:6.4.1 to improve the understandability of IFRS 1.

##### **b) IFRS 7 Financial Instruments: Disclosures—Gain or loss on derecognition**

The amendments remove an obsolete cross-reference in IFRS 7:B38 to a paragraph that had been deleted when IFRS 13 was issued and align the wording of this paragraph with the terms used in IFRS 13.

##### **c) Guidance on implementing IFRS 7—Disclosure of deferred difference between fair value and transaction price**

The amendments update IFRS 7:IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7:IG14.

##### **d) Guidance on implementing IFRS 7—Introduction and credit risk disclosures**

The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B.

##### **e) IFRS 9 Financial Instruments—Derecognition of lease liabilities**

The amendments add a cross-reference to IFRS 9:3.3.3 in IFRS 9:2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore recognise any resulting gain or loss in profit or loss.

##### **f) IFRS 9 Financial Instruments—Transaction price**

The amendments replace 'their transaction price (as defined in IFRS 15)' in IFRS 9:5.1.3 with 'the amount determined by applying IFRS 15' to address inconsistency between IFRS 9:5.1.3 and the requirements of IFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue. Additionally, the reference to 'transaction price' (as defined in IFRS 15) is deleted from Appendix A of IFRS 9.

##### **g) IFRS 10 Consolidated Financial Statements—Determination of a 'de facto agent'**

The amendments address concerns that the requirements in IFRS 10:B73-B74 might, in some situations, be contradictory. IFRS 10:B73 refers to 'de facto agents' as parties acting on the investor's behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of IFRS 10:B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf. The amendments update IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

**Notes to the consolidated and separate financial statements**

**h) IAS 7 Statement of Cash Flows—Cost method**

The amendment replaces the term 'cost method' with 'at cost' in IAS 7:37 in line with the removal of the definition of 'cost method' from the IFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. An entity is required to apply the amendments to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

**iii) Amendments to IFRS 9 and IFRS 7—Contracts Referencing Nature-dependent Electricity**

**a) Amendments to IFRS 9 Financial Instruments**

The following requirements of IFRS 9 are affected by the amendments:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
  - to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
  - to measure the hedged item using the same volume assumptions as those used for the hedging instrument

**b) Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability:**

Disclosures IFRS 7 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments to the own use exemption are required to be applied retrospectively in accordance with IAS 8 using the facts and circumstances at the date of initial application. The amendments to the hedge accounting requirements are to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

**iv) IFRS 18 Presentation and Disclosures in Financial Statements**

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

**v) IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors of the entity do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

**Notes to the consolidated and separate financial statements**

**4 Financial risk management**

**(a) Introduction and overview**

FCMB Group Plc as a corporate group of diverse operating assets, risk management is critical to the attainment of the Group's strategic vision and business objectives. It provides the mechanism to identify and explore growth opportunities, anticipate and manage inherent risks in operating and business environments, and ensure compliance with corporate governance standards and regulatory stipulations. Our risk management practices are integrated, structured, enterprise-wide and continuous across the Group for identifying and deciding on appropriate responses to, and reporting on, opportunities and threats that may affect the achievement of the strategic business objectives. Based on its strategic business and operational objectives, the Group is exposed to a wide range of financial and non financial risks such as credit, liquidity, market, operational, strategic, regulatory, reputational, systemic, cyber and pandemic risks. It has put in place a robust risk management framework, policies and processes for the proactive identification, assessment, measurement and management of such risks to ensure that they are managed within the Board approved risk appetite whilst also complying with the regulatory requirements. The Group continually reviews its enterprise risk management framework, complementary policies and processes to ensure that they remain relevant for the various risk exposures and align with the organisational objectives. Also, the Group has developed, and periodically updates its capital management policy and capital plan to ensure that it operates within its risk capacity while balancing and optimising risks and return. The business strategy and capital plan are part of the key considerations in the development of risk appetite and they all work together to ensure the Group conducts its business in a stable equilibrium.

In line with global standards and proactive risk management practices, the Group sets the tone from the top, with a strategy that ensures that individuals who take or manage risk clearly understand it; the Group and its subsidiaries' risk exposures are within the appetites established by Board of Directors; risk taking decisions are in line with the business strategy and objectives set by the Board of Directors; the expected payoffs compensate for the risks taken; risk taking decisions are explicit and clear; and sufficient capital is available to take risks. Personal accountability is reinforced by the Group's values, with staff expected to act with courageous integrity in conducting their duties even as competence is developed through various training and development programs. Also, staff and other stakeholders are supported through the Group's whistle blower program, which enables them to raise concerns in a confidential manner. The whistle blower program has been outsourced to an independent body to ensure independence, confidentiality and protection of the whistle blower.

**FCMB Risk Management Philosophy**

Overall, the Group's enterprise risk management (ERM) program is underpinned by a strong risk management philosophy and culture, which ensures that the risk management practices are embedded in strategy development and implementation and day-to-day activities of the Group. The Group's risk management philosophy is: "to continue to institutionalise comprehensive risk practices that enable our stakeholders build and preserve wealth while integrating our core values and beliefs group-wide to give us competitive advantage".

The following are the guiding principles that FCMB tries to entrench in its risk management process:

- (a) a common standard of risk management values imbedded and consistently exhibited by everyone in the Group;
- (b) consistent drive to balance risk/opportunities and return;
- (c) clear and consistent communication on risks;
- (d) a business strategy that aligns risk and accountability;
- (e) the Group will always strive to understand every new product, business or any type of transaction with a view to address all the risk issues; and
- (f) the Group will avoid products and businesses it does not understand.

FCMB shall seek to fully understand the risks and rewards of transactions and only transactions that meet the Group's risk appetite and profile shall be undertaken.

The chart below provides a link between the group's business units and their principal risk exposures. The risks have been assessed based on the relative amount of capital allocation to the various business lines and their revenue generating ability.

**Business Units and Risk Exposures**



The chart above represents the Group's exposure to its major risks - credit, market and operational risks on a business segment basis. The classification to high, medium and low is based on the relative amount of capital allocated to the businesses, their revenue generating abilities and operational risks inherent in their related activities and processes.

As implied from the chart, credit risk is the largest risk exposure of the Group, next to this is operational risk and then market risk. Market risk resulting from devaluation of the naira has reduced due to the relative stability of the foreign exchange market compared to the same period in the last financial year as the domestic currency appreciated by 6.5% of its value on the official exchange rate window, from 1536.51 at the beginning of the year to the U.S. dollar to 1436.31 at the end of the year. However, market risk is still high due to interest rate risks, which affects both the trading and banking book, with significant impact in the Banking book - the Interest Rate Risk in the Banking Book (IRRBB). The CBN monetary policy maintained tightening monetary stance during year with its benchmark rate closed year at 27.00% in an aggressive push to contain the nation's inflationary pressure. It continues to manage liquidity in the system using various instruments and frameworks but the banking subsidiary maintained stable liquidity position in the year under review.

**Notes to the consolidated and separate financial statements**

The commercial and retail banking segment, which includes corporate portfolio, having the largest exposure to credit risk, takes most of the capital allocation, followed by investment banking (treasury, brokerage, advisory services), consumer finance and investment management (pension, asset management and trusteeship businesses). Despite the presence of counterparty risks, credit risk is low for investment banking and investment management segments. Market risk remained high in the period due to the monetary policy stance of the Central Bank of Nigeria (CBN). The investment management business has the least capital allocation and was adjudged to have to low risk due to the structure of its portfolios. The Group continues to identify and proactively manage its various risk exposures at both the transaction and portfolio levels, making sure that appropriate mitigants are in place for the various balance sheet exposures.

The disclosures here therefore give details of the Group's exposures to these risks and the appropriate policies and processes for managing them, including a summary of the capital management practices of the Group.

**Risk Management Framework**

The Board of FCMB Group Plc has the risk oversight role, setting and approving the risk appetite and other capital management initiatives to be implemented by the Executive Management Committee. The Boards of FCMB Group Plc. and its subsidiaries continue to align the business and risk strategies of the Group through a well-articulated appetite for all significant risks and make sure (through appropriate subcommittees) that all risk taking activities are within the set appetite or tolerance, failing which an appropriate remedial action should be taken within a reasonable period. The Board has delegated authority to the Board Risk Management Committee, one of its sub-committees, to provide the framework for managing risk exposures in the Group, ensuring that there is an alignment between the business and risk strategies. The Board Credit Committee (BCC) is another important sub-committee of the Group that has been vested with the responsibility for ensuring that its credit risk exposures are managed within the defined risk appetite. The responsibility for day-to-day management of these risks has been delegated to Executive Management through its related committees (Risk Management Committee, Management Credit Committee, Asset and Liability Committee, Investment Committee, Information Security Steering\ Committee and Executive Management Committee). The Executive Management Committee coordinates the activities of its subcommittees to provide support to the Board in managing risk and ensuring that capital is adequate and optimally deployed. The Risk Committee focuses on risk governance and provides a strong forward-looking view of risks and their mitigation in order to protect against unforeseen losses and guarantee safety, soundness and stability of earnings. Additionally, the Risk Committee ensures the alignment of the reward structures and the maintenance and development of a supportive culture in relation to the management of risk, which is appropriately embedded through procedures, training and leadership actions. In carrying out its responsibilities, the Risk Committee is closely supported by the Chief Risk Officer and the Chief Financial Officer, together with other business functions within their respective areas of responsibility.

The illustration below highlights material risk exposures of the Group and the respective Board and Executive Management committees responsible for oversight and risk control.

**Enterprise Risk Universe and Governance Structure.**

FCMB Group Risk Universe and Responsibility Matrix										
Risk Universe	Credit Risk	Concentration Risk	Market Risk	Liquidity Risk	Operational Risk	Strategic Risk	Information / Cyber Risk	Legal Risk	Reputational Risk	Compliance Risk
Primary Risk Owner	Chief Risk Officer	Chief Risk Officer	Treasurer	Treasurer	Head of Operations	Head of Strategy	Chief Information Security Officer	General Counsel	Head of Corporate Affairs	Compliance Officer
Secondary Risk Owner	Chief Risk Officer									Group Chief Compliance Officer
Management Committee	Management Credit Committee		Asset and Liability Management Committee		Risk Management Committee		Information Security Steering Committee	Executive Management Committee		
	Risk Management Committee									
Board Committee	Board Credit Committee		Board Risk Management Committee							
	Board of Directors									

A three lines of defence system is in place for the management of enterprise risks as follows:

- (i) **Risk taking:** the Board of Directors, supported by Executive Management, establishes boundaries within which the Group takes risks. They also establish an appropriate control environment, in order to align risk taking and management with business objectives. The business lines and process owners take risks and have the primary responsibility for identifying and managing such risks.
- (ii) **Risk oversight:** independent control function over the business processes and related risks to ensure that business and process owners operate within defined appetite and approved policies and procedures. It is provided by functions such as risk management, internal control, compliance, and finance. These departments develop policies and procedures, risk management processes and controls, monitor and report on risks accordingly for prompt decision making. The Board of Directors also plays risk oversight role. Board Risk Management Committee has oversight responsibility for all the risk exposures in the Group while the Board Credit Committee (BCC) is responsible for the various credit risk exposures.
- (iii) **Risk assurance:** independent assurance to the Board of Directors on the effective implementation of the risk management framework and validates the risk measurement processes. There are two complementary parts to this – the internal and external audit functions. The Board Risk Management Committee is also responsible for this independent assurance and assisted in its function by the internal and external auditors.

Notes to the consolidated and separate financial statements

Details of the Group's Three Lines Defense Mechanism is described below:



**First line of defence**

**(a) Board Level**

I. The Board of Directors sets the appetite for risk and ensures that senior management and individuals responsible for managing risks possess sound expertise and knowledge to undertake risk management functions within the Group. The Board of directors approve risk management policies and also has responsibility for approval of certain credit transactions that are above the approval limits of the Board Credit Committee.

II. The Board Risk Management Committee (BRMC), supported by the subsidiaries' risk committees, provides direct oversight for enterprise risk management and acts on behalf of the Board on all risk management matters. The BRMC ensures that all the decisions of the Board on risk management are fully implemented and that risk exposures are in line with agreed risk appetite. The committee also reviews the enterprise risk management framework on a periodic basis to ensure its appropriateness and continued usefulness in line with the size and complexity of the exposure of the Group to risk, and compliance with regulatory requirements. The BRMC is also responsible for assessing the adequacy and scope of internal controls, audit of the financial statements and overall compliance. The Committee meets every quarter.

III. The Board Credit Committee's (BCC) function is more transactional. It approves amendments to the Group's credit policy, changes in target market or risk acceptance criteria, large exposure requests within pre-defined limits, exceptional approvals where necessary, specific provisions, credit write-offs and remedial/ corrective measures. The BCC also reviews the credit portfolio to ensure that portfolio risk exposures such as correlation risk, concentration risk, cyclical of collateral values and any reputational and contagion effects are reasonably managed.

IV. The Board Investment Committee (BIC) has oversight responsibility on investment related matters. The committee was established to determine, implement and review the investment strategy to deliver the Group's investment objectives. It acts on behalf of the board to review and approve investment policies. It is responsible for the monitoring and evaluating investment performance and assessing the portfolio risk.

**(b) Executive management level**

I. The Risk Management Committee (RMC) is a management committee, which reports to the Board Risk Management Committee and has direct responsibility for implementing the enterprise risk management framework and related policies approved by the BRMC. The RMC meets on a periodic basis (monthly) to review all risk exposures (including key risk indicators (KRI), credit portfolio reports, market risk exposures, etc.) and recommends risk mitigating strategies/ actions. The RMC is also responsible for portfolio planning, capital management, review and management of external issues and policies affecting the business of the Group and oversight of all enterprise risk management initiatives.

II. The Management Credit Committee (MCC) appraises and approves loans and other credit related transactions as stated in the Group's credit policy. The committee endorses the credit policy and ensures full compliance with the Board approved credit policy. The MCC reviews and considers credit requests above the delegated approval authority of the approving authorities for approval. The committee also reviews and manages portfolio risk in order for the credit portfolio to remain healthy and in compliance with the Board approved appetite and all regulatory requirements.

**Notes to the consolidated and separate financial statements**

III. The Asset and Liability Committee (ALCO) is responsible for managing the composition and pricing of the assets and liabilities, making policy decisions, and providing direction/oversight for market and liquidity risk management practices.

**(c) Business unit management level**

I. Business Unit Management, as a risk originator, has first line responsibility for, and ownership of risks. The business units take on risks within set boundaries and manage the risks taken on a day to day basis to protect the Group from the risk of loss.

II. Each business unit has a dedicated Operational Risk Committee responsible for reviewing critical and significant risks and recommending appropriate remedial measures. The Committee reviews the outcome of risk and control self assessment (RCSA) for their respective business units, major risk exposures as measured by their key risk indicators (KRI)/key control Indicators (KCI), agrees action plans and assigns responsibilities for resolving identified issues and exposures.

**Second line of defence**

Risk management is an independent control function with primary responsibility for the following:

- **Risk strategy** – Development of the risk management strategy in alignment with overall growth and business strategy of the Group.
  - **Risk Compliance** - Monitoring and reporting compliance with risk strategy, risk appetite at enterprise and business unit levels.
  - **Risk Advisory** – Identification, measurement, management and disclosure of all significant risk exposures and providing recommendations/guidance on risk taking and exposures.
  - **Risk Control** - Proactive management of all risks to minimize losses and capital erosion. The Group could take various control measures to address identified risk exposures such as follows:
    - (i) **Risk Avoidance:** The Group could make decisions that will attempt to isolate it from further contact with such risks. The decision could affect a new or existing strategy, product or business. Some examples of risk avoidance include opting not to expand its branches, refusing to lend to a customer because of poor understanding of the business or industry and/or closing/relocating a branch because of high incidence of armed robbery or other operational losses. Risk avoidance could be a proactive avoidance (not going into the activity in the first place) or abandonment (dropping the activity after embarking on it)
    - (ii) **Risk Acceptance:** The Group will acknowledge the risk. However, it will not take any measures to halt the likelihood of such a situation occurring or to minimize the risk associated with it. The Group shall adopt this approach where certain risks remain outstanding after avoidance, transfer or mitigation responses have been taken or where the risks in question are minor or unavoidable and any response is not likely to be cost-effective compared to the possible cost of bearing the risk impact.
    - (iii) **Risk Mitigation:** The Group will acknowledge the risk and take steps to reduce the risk likelihood and/or impact. Some of the steps that can be taken to mitigate the impact or likelihood of a risk occurring includes:
      - Formulation of policy or enhancement
      - Clarity and strengthening of accountabilities
      - Improvement of processes
      - Strengthening/Implementation of new controls
      - Education and training program
      - Expert advice
- The mitigation steps may be Directive, Preventative, Detective or Corrective Controls. Detective control entails monitoring of the activities that can lead to the incident in order to detect any early warning signal and respond to it in time.
- (iv) **Risk Transfer:** The Group will try to shift the responsibility and financial burden of loss from its shoulders to third-parties. Some common practices involved in risk transfer include insurance contract, performance bonds, guarantees, warranties and outsourcing. The relevant business unit will, however, include the new risks arising from these arrangements, such as service level performance and contract management, in its risk universe.
  - (v) **Risk Sharing:** The Group will share the risk with another party in order to reduce any possible loss. Examples include loan syndication and joint-venture arrangement, among others.

The Internal Control and Compliance teams work hand-in-hand. Internal control is directly responsible for enforcing and confirming compliance with group-wide policies, procedures and internal controls. It conducts routine control checks across all businesses and processes. The Compliance team ensures the Group fully complies with all regulatory requirements such as KYC, Anti-Money Laundering (AML) regulations and indeed all requirements of the Central Bank of Nigeria (CBN) and other regulatory authorities such as Nigeria Data Protection Commission (NDPC), Nigerian Deposit Insurance Corporation (NDIC), among others.

Notes to the consolidated and separate financial statements

**The Risk Management Division:**

The Risk Management Division is a major line of defence in the management of risks in the Group and its subsidiaries. The division assists executive management with the identification, assessment, management, monitoring and reporting of all the risks within the Group. It recommends appropriate risk management polices for the consideration and approval of the Board through the various executive risk management committees, and coordinates the Group's ERM activities. Key responsibilities of the division include:

- a) champion the implementation of the enterprise risk management framework, (including specific risk management frameworks and policies) and other related initiatives across the Group and its subsidiaries;
- b) facilitate the identification, assessment, monitoring, management and reporting of risk exposures in the Group and its subsidiaries;
- c) collect, process, verify, monitor and distribute risk information across the Group, including to the senior management, the Board, regulators and other stakeholders;
- d) collaborate with market facing units in designing new products;
- e) provide senior management with practical, cost effective recommendations for mitigating risks;
- f) act as a key contact for senior management who may wish to request ad hoc reviews and investigations;
- g) ensure that laws, regulations and supervisory requirements are complied with including consequence management;
- h) provide holistic view of risks across the Group and its subsidiaries;
- i) maintain oversight over the Group's enterprise risk management activities; coordinate material risk assessment and link the results of the exercise with the internal capital adequacy assessment process (ICAAP);
- j) ensure all risk models utilised for the measurement of risk across the Group are properly validated using an appropriate methodology;
- k) oversee the conduct of stress testing and scenario analysis and evaluate the impact of stress scenarios on the capital ratios;
- l) coordinates with Financial Control regarding the Group's capital management policies;
- m) make recommendations with respect to capital allocation, pricing and reward/ sanctions based on risk reports; and
- n) Provide and promote risk awareness and education on risk.

The Risk Management Division of the Group serves as competency center and internal consultant in risk management methodology. The organisational structure of the Risk Management Division is shown in the diagram below:



The Group also has a robust Collection and Recovery team which reports to the Business, with dotted reporting line to Risk Management. The department compliments the post-disbursement monitoring responsibilities through effective enforcement of credit covenants and approval terms.

## Notes to the consolidated and separate financial statements

### (b) Compliance and Internal Control Division

The Internal Control Division is primarily charged with the following:

- Internal control is directly responsible for enforcing and confirming compliance with group-wide policies, procedures and internal controls. It conducts routine control checks across all businesses and processes. It is responsible for effective and efficient control environment that ensures minimal operational losses from frauds, errors, operational gaps, and other irregularities. It monitors control activities and ensure compliance with minimum control standards defined by the Board. The Internal Control works hand-in hand with the Compliance team.
- The Compliance team ensures the Group fully complies with the spirit and letter of laws, corporate governance standards, all regulatory requirements such as Know Your Customer (KYC), Anti-Money Laundering (AML) regulations and indeed all requirements of the Central Bank of Nigeria (CBN) and other authorities such as Nigerian Deposit Insurance Corporation (NDIC), Securities and Exchange Commission (SEC), The Nigeria Exchange Ltd (NGX), National Pension Commission (PenCom), Nigeria Data Protection Commission (NDPC), among others.

### (c) Group Finance Division

- Group Finance Division develops the Group's strategic and capital plan and clearly outlines the actual and projected capital needs, anticipated capital expenditure and desired level of capital. □
- It reviews the Group's capital structure and ensures the desired level of capital adequacy in the Group.
- It drives all activities relating to the Group's responses to any proposed regulatory change that might affect the Group's capital and provides all necessary information on portfolio, product and profitability metrics and any analysis to support the material risk assessment process.

### Third line of defence

#### (a) Internal audit

Group Internal Audit provides independent assessment of the adequacy of, and compliance with, the Group's established policies and procedures. The function is responsible, amongst others, for monitoring compliance with the enterprise risk management framework, and validating the adequacy and efficacy of risk assessment systems (including rating and measurement models).

#### (b) External audit

External Auditors, apart from establishing whether the financial statements reflect a true and fair view of the Group's financial performance and position, also have an important impact on the quality of internal controls through their audit activities and recommendations for improvement of internal controls. Our external auditors have been helpful in providing guidance on new developments in risk management, corporate governance and financial accounting and controls.

The Board Audit Committee (BAC) also serves as part of the independent assurance group, assisted in its role by the internal and external auditors.

### Risk Appetite

Risk appetite is an expression of the level and type of risks the Group is willing to accept and retain for a given risk-reward ratio in order to achieve its strategic goals. In FCMB, risk appetite is set by the Board of Directors and enforced by the Risk Management Division. It is a key component of the risk management framework and central to the annual planning process. This appetite guides all risk exposures of the Group - management risks (strategic and reputational risks), chosen risks such as credit and market risks and risks inadvertently assumed by the Group (consequential risks such as operational risks).

The Group has a well developed risk appetite, prepared to establish a common understanding amongst all employees and other stakeholders regarding the desirable risks underlying execution of its strategy. It represents the combined view of the FCMB leadership and the governance bodies. The risk appetite is not intended to "handcuff" management but to become a benchmark for discussing the implications of pursuing value creation opportunities as they arise. It therefore defines boundary within which the Group is expected to operate when pursuing its strategy by aligning risk and decision-making. It provides a cornerstone for the Group's Enterprise Risk Management Framework, setting a clear strategic direction and tolerances around controls.

### FCMB General Risk Appetite Statement

"FCMB as a financial service Group is exposed to a variety of risks as it strives to achieve its strategic objectives. These risks will be managed in accordance with the Group's Enterprise Risk Management (ERM) Framework and related policies. The Group's general risk appetite is a moderate one that allows us to maintain appropriate growth, profitability, earnings stability and capital adequacy while ensuring regulatory compliance, being an employer of choice, and serving the communities in our footprint".

Apart from the General Risk Appetite Statement, the Group also has specific risk appetite statements defined around its strategic objectives, with defined metrics to track them. This is to ensure that the specific risk appetite statements are in sync with the business strategy of the Group.

The Group has a detailed risk appetite framework, which also defines risk appetite around major strategic business units (Personal Banking; SMEs; Commercial Banking; Corporate Banking; Public Sector; Investment Banking and Investment Management). In addition, risk metrics are also defined around material risk areas such as:

- Profitability
- Credit and Concentration Risk
- Market and Liquidity Risk
- Operational Risk
- Legal Risk
- Cyber Security Risk
- Regulatory Risk
- Reputational Risk

### Benefit of FCMB Risk Appetite Framework and Statements:

- Sets the foundation for the risk culture of the Group
- Helps to communicate the Board's vision in practical terms
- Guides all staff in their decision-making on all risk related activities
- Helps to ensure an alignment between the expectations of the Board and the business
- Serves as a benchmark for monitoring and reporting of abnormal events or exposures.

**Notes to the consolidated and separate financial statements**

In FCMB, all risk appetite metrics are tracked and reported monthly to the Risk Management Committee (RMC) to aid its oversight responsibilities. The Risk Management Division monitors the risk metrics on a more regular basis to make certain that risk exposures are within the approved boundaries. Exposures that are outside of set boundaries are investigated to understand the underlying causes and consider ways to mitigate or avoid them within the shortest possible period.

The Group's risk appetite is reviewed at least once a year or more frequently as may be required in the event of significant/material changes in its strategy or in line with regulatory requirements or other external demands.

**(b) CREDIT RISK**

Credit risk is the risk that the Group may not be able to recover funds and suffer losses because a customer or counterparty is unable or unwilling to meet contractual obligations to the Group as and when due. It is the most significant risk to the Group.

The Group takes on credit risk through the following principal activities:

- Lending / Leasing: The Group grants credit to its customers (loans, advances, temporary overdraft etc.) or finances a lease or grants an advance or a loan to its employees (staff loan, cash advance etc.)
- Group Guarantees: The Group issues bonds and guarantees (contingent exposure)
- Trading (fixed income, foreign currency trading etc.) activities: The Group engages in trading activities where the exchange of monetary value and transfer of ownership of purchased assets is not simultaneous. There is counterparty risk, which creates a bilateral risk of loss.

The Group uses its internal ratings system to assess the risk of default (probability that a customer will become 90 days past due on an obligation) and the risk of loss in the event of default (the estimated size of loss the Group will incur in the event of a default). The Group's credit risk rating systems and processes differentiate exposures in order to highlight those with greater risk factors and higher potential severity of loss. This provides predictive capability for assessing borrower's likelihood of default and the acceptable risk mitigants required to cushion residual credit risks for each transaction.

Our ratings framework measures the following key components:

- Financial Factors: Sales terms/conditions, Strength of Operations, Liquidity and Capital in addition to Debt Service Capacity
- Industry: Structure, Performance, Economic Sensitivity and Outlook
- Management Quality (Ownership Experience, Skills and Turnover) and Company Standing (Reputation, Ownership and Credit History)
- Security/Collateral arrangements, Seniority of debt, Ability to cancel debt at the point of default and Loss Given Default (LGD) computation for each security/collateral type supporting the exposure

The above components help the Group to establish the following:

Obligor Risk Rating (ORR), mapped to an estimated probability default (PD). The PD validation is done internally to ensure the rating continues to be predictive of default and differentiates borrowers based on their ability to service their obligations. This will be further reinforced with a rating validation/back testing.

Facility Risk Rating (FRR) for each transaction is mapped to Basel II Loss Given Defaults (LGDs) grades.

Both the ORR and FRR produce the Expected Loss % (EL) which is the product of the PD and LGD.i.e.  $EL = (PD, LDG)$ . The EL represents the risk premium which is useful for transaction pricing under the Risk-Based pricing .

The use of internal ratings system is strategic for the Group. The internal ratings system will ultimately be used for capital computation under the Internal Ratings Based Approach - Foundation IRB and Advanced IRB and the allocation of capital/computation of economic profit across business lines based on Basel II principles.

**The Group's internal rating scale and mapping to external ratings as at 31 December 2025 / 31 December 2024:**

Internal Rating Scale	Description	External Rating Scale (MOODY'S)	External Rating Scale (FITCH AND S&P)
AAA	Investment Grade	Aaa	AAA
AA		Aa1	AA+
AA-		Aa2	AA
A+		Aa3	AA-
A		A1	A+
A-		A2	A
BBB+		A3	A-
BBB		Baa1 / Baa2	BBB+/BBB
BBB-		Baa3 / Ba1	BBB-/BB+
BB+		Permissible Grade	Ba2
BB	Ba3		BB-
BB-	B1		B+
BBB+	B2		B
CCC+	Speculative Grade	B3	B-
CCC		B3	B-
CCC-		B3	B-
CC+		Caa1	CCC+
CC		Caa2	CCC
CC-		Caa2	CCC
C+	Lower Speculative Grade	Caa3	CCC-
C		Caa3	CCC-
C-		D	NA

**Notes to the consolidated and separate financial statements**

Rating Description		
Rating Grade	Description	Characteristics
<b>Investment Grade</b>	Obligor's capacity to meet its financial commitment on its obligation is extremely strong.	- Very low default risk. - Minimal susceptibility to economic conditions and changes in circumstances
<b>Permissible Grade</b>	Indicate that the borrower in this have the capacity to meet financial obligations, but with grade below the investment grade.	- Moderate credit risk profile - Elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time - Business or financial flexibility exists which supports the servicing of financial commitments.
<b>Speculative Grade</b>	Indicate that the borrower is less likely to be able to pay back its financial obligations than a borrower with a permissible and investment-grade rating.	- High credit risk profile - Obligor will likely have some quality and protective characteristics, but these May be outweighed by large uncertainties or major exposures to adverse conditions. - Vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments
<b>Lower Speculative Grade</b>	Indicate that the likelihood of the borrower in meeting its financial obligation is strongly in doubt.	- Very high credit risk profile - Highly vulnerable to non-payment, and ultimate recovery is expected to be lower than that of higher rated obligations

**Management of Credit Risk**

The Group manages its credit risk through an appropriate assessment, management and reporting process, underpinned by sound credit risk systems, policies and well qualified personnel. A combination of risk management tools and policies is adopted to stimulate the creation of quality risk assets. It is managed centrally by various departments within the Risk Management Division which have responsibilities for policy setting and review, credit underwriting, approval, credit administration, monitoring and portfolio management.

The credit risk management function of the group, which rides on a sound credit culture is achieved through a combination of the following:

- **Appropriate credit policies:** the Group develops appropriate risk management policies in conjunction with the business units and other stakeholders, covering all the key areas of credit origination, management, collection, portfolio management, etc. whilst also ensuring compliance with all regulatory requirements. The credit policies reinforce all the Group's lending and credit management decisions. The credit risk policies are reviewed periodically to ensure they remain relevant and robust enough to address existing and emerging credit risk exposures.
- **Lending driven by internal rating system:** the Group's lending and policy enforcement is driven by an internal rating system, with scorecards built for different classes of customers such as corporate, commercial, small and medium enterprises (SME), public sector, retail, etc. The rating of obligors and transactions has been useful in the quantification of credit risk and underwriting decision, including serving as a guide for pricing, portfolio management and computation of required capital to support the different business lines.
- **Establishment of credit approval limits and authorities:** there are various approval limits for different kinds of credit exposures and approval authorities, including the risk committees such as the Management Credit Committee (MCC), the Board Credit Committee (BCC) and the full Board. These limits are also guided by statutory impositions such as the single obligor limit and other concentration limits set by the Central Bank of Nigeria (CBN). The Group's single obligor limit is benchmarked to the regulatory cap of 20% of shareholder's funds unimpaired by losses. The sector limits are set based on the perceived riskiness of each sector but the Government exposures are capped at the regulatory limit of 10% of total loans.

In response to observed market realities and in order to enhance corporate governance, improve credit culture, tighten risk acceptance criteria (RAC) and strengthen credit approval and management process, the Group revised its credit policy. The revised credit policy, with the RAC, which reflects the Group's risk appetite aids underwriting decisions, improve turnaround time and quality of the credit portfolio.

In order to further strengthen its credit process, the Group has differentiated the approval route for its corporate and commercial credits from retail credits. Credit approval for each area is supervised by well experienced personnel referred to as Senior Credit Underwriters who also function as Senior Credit Officers and are members of the Management Credit Committee.

- **Loan monitoring and reviews:** the various loans are monitored both at transaction and portfolio levels to ensure a balanced and healthy portfolio in line with the portfolio development and balancing strategy of the Group.

**Notes to the consolidated and separate financial statements**

• **Collateral review, monitoring and management:** the Legal department reviews the collaterals proposed by customers as part of the credit approval process to determine acceptability of the collaterals. Beyond the initial assessment at the point of credit origination, the Group also has a good collateral management review process in place in order to reduce the risk of loss in the event of default. Our collateral management practices have helped to reduce the estimated expected loss and capital charge on transactions. Collateral management in the Group includes periodic evaluation of coverage for each facility type; mark-to-market for stocks and commodities, revaluation benchmark for properties and acceptable standards for eligibility on all forms of collateral.

The principal collateral types eligible as security and used primarily to mitigate transaction risk include the following: cash and marketable securities; legal mortgage; all assets debenture; account receivables of highly rated obligors. Other admissible collateral (accepted for comfort only but not eligible as credit risk mitigants) include domiciliation agreements, trust receipts and negative pledges. Another mitigant used to reduce the risk of credit exposures is master netting agreements with obligors that have investments in liability products so that in the event of default, exposures to the obligor will be settled on a net basis. These agreements are executed by the representatives of the obligor and are generally enforceable with no further recourse to the obligor or a third party.

Generally, all the contingent liabilities are also supported by tangible collaterals or a charge over the underlying goods depending on the assessment of the performance risks.

• **Limit concentrations for various exposures:** the Group complies with the concentration policy of the CBN as specified in the prudential guidelines and is even more prudent, having internal limits that are more stringent in some cases than specified by the apex regulatory authority. The limit concentration policy of the Group covers all forms of exposures such as customers, large exposures, counterparties, collateral, geography, sector, products, rating band and facility type among others.

• **Developing and maintaining the Group's process for measuring expected credit loss (ECL):** this includes processes for:

- Initial approval, regular validation and back-testing of the models used; and
- Incorporation of forward-looking information.

• **Reviewing compliance of business units:** with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided, which may require appropriate corrective action to be taken. These include reports containing estimates of ECL allowances.

• **Reporting:** An important part of the group's risk management framework is reporting to ensure that all vital information are brought to the attention of stakeholders, appropriate decisions are taken to further improve the risk culture and ultimately ensure all identified issues are brought within the Board approved risk appetite. This internal reporting has imposed discipline within the Group, thereby improving its risk management culture. Monitoring and reporting looks at specific transactions that are challenged or vulnerable as well the entire portfolio.

In line with the Group's three lines defence mechanism, each of the business units has primary responsibility for managing the credit relationships with customers, hence responsible for the quality and performance of their credit portfolio. Risk management however continues to provide oversight for the entire credit portfolio and all credit relationships whilst ensuring that the businesses operate within the approved framework and policies. The Risk Management Division is assisted in this role by Internal Control, which does a regular post disbursement check to ensure that credits booked comply with the approved policies and that they continue to operate within approved conditions and guidelines. The Internal Audit function provides independent assurance for the entire credit process of the Group.

**Portfolio segmentation**

Impairment approach under IFRS 9 requires the Group to segment its portfolio based on risk profiles. The Group has adopted a portfolio segmentation strategy that provides balance between homogeneity of characteristics and adequate population size to minimize volatility of extrapolations.

The table below contains the portfolio classification that achieved the balance sought by the Group and the description of the contents of each portfolio class. Portfolio classifications remain dynamic and will vary in line with management's view of the Group's risk and risk appetite.

**(i) Consumer facilities portfolio**

- Consumer facilities, large in count but low value loans.
- These are salary based loans for customers, whose salaries are domiciled in the bank.
- Portfolio is broken down into Asset backed and Non-asset backed loans.

**(ii) Corporate facilities portfolio**

- Large Corporates and financial institutions facilities.
- Customers with strong corporate governance and reliable audited financial statements.
- Customer's information is obtained through periodic review of individual customer's audited financial statement, management account, budget and projections. Data from credit reference and credit ratings are also available

**(iii) SME facilities portfolio**

- Small and Medium enterprises.
- Corporate governance is considered weak, financials are not reliable.
- Customers in this class are easily affected by macro-economic shocks

**(iv) Public sector facility portfolio**

- Facilities to government entities
- High political risk and repayment is dependent on government funding.

**(v) Employee loans portfolio**

- Facilities granted to staff of the bank.
- Full visibility of repayment source being staff salary.
- Concessionary interest rate.

The following table sets out information about the credit quality of financial assets measured at amortised cost, fair value through other comprehensive income debt instruments. Unless, specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively. explanation of the terms: stage 1 (12month ECL), stage 2 (lifetime ECL) and stage 3 (credit impaired) are included in Note 3(k)(vii).

The drop in the ECL, especially Consumer portfolio and year on year for stage instruments even when the outstanding amount increased was due to increase in cash recoverable because of the PD and LGD.

**Notes to the consolidated and separate financial statements**

**Exposure to Credit Risk**

GROUP	12-month PD ranges	31 DEC 2025				31 DEC 2024			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>In thousands of Naira</b>									
<b>Consumer facilities portfolio</b>									
Investment grade	0.00 – 0.59	-	-	-	-	-	-	-	-
Permissible grade	0.60 – 11.34	-	-	-	-	-	-	-	-
Speculative grade	11.35–99.99	449 008 238	3 281 897	5 803 601	458 093 736	196 486 160	3 784 389	2 273 174	202 543 723
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>449 008 238</b>	<b>3 281 897</b>	<b>5 803 601</b>	<b>458 093 736</b>	<b>196 486 160</b>	<b>3 784 389</b>	<b>2 273 174</b>	<b>202 543 723</b>
Loss allowance		(7 572 403)	(662 435)	(4 223 864)	(12 458 702)	(4 658 690)	(366 497)	(1 370 585)	(6 395 772)
<b>Carrying amount</b>		<b>441 435 835</b>	<b>2 619 462</b>	<b>1 579 737</b>	<b>445 635 034</b>	<b>191 827 470</b>	<b>3 417 892</b>	<b>902 589</b>	<b>196 147 951</b>
<b>Corporate facilities portfolio</b>									
Investment grade	0.00 – 0.59	400 550 341	-	641 047.00	401 191 388	181 527 033	-	-	181 527 033
Permissible grade	0.60 – 11.34	566 734 027	75 270 921	16 229 412	658 234 360	671 963 835	93 683 138	153 912 220	919 559 193
Speculative grade	11.35–99.99	225 901 312	113 625 237	29 944 504	369 471 053	263 396 802	368 731 389	50 783 094	682 911 285
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>1 193 185 680</b>	<b>188 896 158</b>	<b>46 814 963</b>	<b>1 428 896 801</b>	<b>1 116 887 670</b>	<b>462 414 527</b>	<b>204 695 314</b>	<b>1 783 997 511</b>
Loss allowance		(23 908 238)	(9 790 351)	(14 906 896)	(48 605 485)	(15 367 872)	(36 741 240)	(43 580 457)	(95 689 569)
<b>Carrying amount</b>		<b>1 169 277 442</b>	<b>179 105 807</b>	<b>31 908 067</b>	<b>1 380 291 316</b>	<b>1 101 519 798</b>	<b>425 673 287</b>	<b>161 114 857</b>	<b>1 688 307 942</b>
<b>SME facilities portfolio</b>									
Investment grade	0.00 – 0.59	1 845 259	908 397.00	-	2 753 656	-	-	-	-
Permissible grade	0.60 – 11.34	140 952 122	31 371 468	13 860 401	186 183 991	103 264 077	21 264 148	10 147	124 538 372
Speculative grade	11.35–99.99	251 367 670	55 894 500	51 835 877	359 098 047	243 381 387	52 560 051	30 320 773	326 262 211
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>394 165 051</b>	<b>88 174 365</b>	<b>65 696 278</b>	<b>548 035 694</b>	<b>346 645 464</b>	<b>73 824 199</b>	<b>30 330 920</b>	<b>450 800 583</b>
Loss allowance		(7 454 050)	(8 048 227)	(31 550 327)	(47 052 604)	(7 791 547)	(2 281 887)	(14 860 351)	(24 933 785)
<b>Carrying amount</b>		<b>386 711 001</b>	<b>80 126 138</b>	<b>34 145 951</b>	<b>500 983 090</b>	<b>338 853 917</b>	<b>71 542 312</b>	<b>15 470 569</b>	<b>425 866 798</b>
<b>Public sector facility portfolio</b>									
Investment grade	0.00 – 0.59	3 438 088	-	-	3 438 088	-	-	-	-
Permissible grade	0.60 – 11.34	29 032 435	-	-	29 032 435	38 699 051	-	-	38 699 051
Speculative grade	11.35–99.99	6	2 072 907	-	2 072 913	991 532	2 450 840	416 605	3 858 977
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>32 470 529</b>	<b>2 072 907.00</b>	<b>-</b>	<b>34 543 436</b>	<b>39 690 583</b>	<b>2 450 840</b>	<b>416 605</b>	<b>42 558 028</b>
Loss allowance		(6)	(346 505)	-	(346 511)	(37 434)	(19 093)	(367 271)	(423 798)
<b>Carrying amount</b>		<b>32 470 523</b>	<b>1 726 402.00</b>	<b>-</b>	<b>34 196 925</b>	<b>39 653 149</b>	<b>2 431 747</b>	<b>50 476</b>	<b>42 134 230</b>
<b>Employee loans portfolio</b>									
Investment grade	0.00 – 0.59	-	-	-	-	-	-	-	-
Permissible grade	0.60 – 11.34	-	-	-	-	-	-	-	-
Speculative grade	11.35–99.99	5 579 810	10 730	309 979	5 900 519	4 798 780	626 685	81 893	5 507 358
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>5 579 810</b>	<b>10 730</b>	<b>309 979</b>	<b>5 900 519</b>	<b>4 798 780</b>	<b>626 685</b>	<b>81 893</b>	<b>5 507 358</b>
Loss allowance		(1 054 343)	(2 696)	(263 472)	(1 320 511)	(275 153)	(29 213)	(27 753)	(332 119)
<b>Carrying amount</b>		<b>4 525 467</b>	<b>8 034</b>	<b>46 507</b>	<b>4 580 008</b>	<b>4 523 627</b>	<b>597 472</b>	<b>54 140</b>	<b>5 175 239</b>
<b>Gross carrying amount</b>		<b>2 074 409 308</b>	<b>282 436 057</b>	<b>118 624 821</b>	<b>2 475 470 186</b>	<b>1 704 508 657</b>	<b>543 100 640</b>	<b>237 797 906</b>	<b>2 485 407 203</b>
Loss allowance		(39 989 040)	(18 850 214)	(50 944 559)	(109 783 813)	(28 130 696)	(39 437 930)	(60 205 275)	(127 775 043)
<b>Carrying amount</b>		<b>2 034 420 268</b>	<b>263 585 843</b>	<b>67 680 262</b>	<b>2 365 686 373</b>	<b>1 676 377 961</b>	<b>503 662 710</b>	<b>177 592 631</b>	<b>2 357 632 160</b>

Notes to the consolidated and separate financial statements

Credit risk exposure relating to loan commitments and financial guarantee contracts.

GROUP	31 DEC 2025				31 DEC 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>In thousands of Naira</b>								
Performance bonds and guarantees	618 334 206	-	-	618 334 206	471 245 217	-	-	471 245 217
Clean line letters of credit	209 103 435	-	-	209 103 435	234 849 922	-	-	234 849 922
Loan commitments	2 623 450	-	-	2 623 450	3 146 449	-	-	3 146 449
Other commitments	26 550	-	-	26 550	32 010	-	-	32 010
<b>Gross carrying amount</b>	<b>830 087 641</b>	-	-	<b>830 087 641</b>	<b>709 273 598</b>	-	-	<b>709 273 598</b>
Loss allowance	(782 255)	-	-	(782 255)	(727 310)	-	-	(727 310)
<b>Net amount</b>	<b>829 305 386</b>	-	-	<b>829 305 386</b>	<b>708 546 288</b>	-	-	<b>708 546 288</b>

Credit risk exposure relating to other financial assets

GROUP	12-month PD ranges	31 DEC 2025				31 DEC 2024			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>In thousands of Naira</b>									
<b>Cash and cash equivalents</b>									
Investment grade	0.00 – 0.59	80 085 924	-	-	80 085 924	7 259 998	-	-	7 259 998
Permissible grade	0.60 –11.34	1 219 002 646	-	-	1 219 002 646	788 145 038	-	-	788 145 038
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>1 299 088 570</b>	-	-	<b>1 299 088 570</b>	<b>795 405 036</b>	-	-	<b>795 405 036</b>
Loss allowance		(167 849)	-	-	(167 849)	(18 017)	-	-	(18 017)
<b>Carrying amount</b>		<b>1 298 920 721</b>	-	-	<b>1 298 920 721</b>	<b>795 387 019</b>	-	-	<b>795 387 019</b>
<b>Restricted reserve deposits</b>									
Investment grade	0.00 – 0.59	1 198 149 879	-	-	1 198 149 879	1 441 465 091	-	-	1 441 465 091
Permissible grade	0.60 –11.34	-	-	-	-	-	-	-	-
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>1 198 149 879</b>	-	-	<b>1 198 149 879</b>	<b>1 441 465 091</b>	-	-	<b>1 441 465 091</b>
Loss allowance		-	-	-	-	-	-	-	-
<b>Carrying amount</b>		<b>1 198 149 879</b>	-	-	<b>1 198 149 879</b>	<b>1 441 465 091</b>	-	-	<b>1 441 465 091</b>
<b>Non-pledged trading assets</b>									
Investment grade	0.00 – 0.59	439 720 734	-	-	439 720 734	319 109 270	-	-	319 109 270
Permissible grade	0.60 –11.34	-	-	-	-	-	-	-	-
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>439 720 734</b>	-	-	<b>439 720 734</b>	<b>319 109 270</b>	-	-	<b>319 109 270</b>
Loss allowance		-	-	-	-	-	-	-	-
<b>Carrying amount</b>		<b>439 720 734</b>	-	-	<b>439 720 734</b>	<b>319 109 270</b>	-	-	<b>319 109 270</b>

Notes to the consolidated and separate financial statements

GROUP	12-month PD ranges	31 DEC 2025				31 DEC 2024			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Assets pledged as collateral</b>									
Investment grade	0.00 – 0.59	104 900 576	-	-	104 900 576	401 703 741	-	-	401 703 741
Permissible grade	0.60 –11.34	-	-	-	-	-	-	-	-
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>104 900 576</b>	<b>-</b>	<b>-</b>	<b>104 900 576</b>	<b>401 703 741</b>	<b>-</b>	<b>-</b>	<b>401 703 741</b>
Loss allowance		-	-	-	-	-	-	-	-
<b>Carrying amount</b>		<b>104 900 576</b>	<b>-</b>	<b>-</b>	<b>104 900 576</b>	<b>401 703 741</b>	<b>-</b>	<b>-</b>	<b>401 703 741</b>
<b>Investment securities at amortised cost</b>									
Investment grade	0.00 – 0.59	1 273 065 066	-	-	1 273 065 066	683 422 490	-	-	683 422 490
Permissible grade	0.60 –11.34	20 028 268	-	6 339 724	26 367 992	19 208 307	-	7 370 067	26 578 374
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>1 293 093 334</b>	<b>-</b>	<b>6 339 724</b>	<b>1 299 433 058</b>	<b>702 630 797</b>	<b>-</b>	<b>7 370 067</b>	<b>710 000 864</b>
Loss allowance		(3 529 001)	-	(6 339 724)	(9 868 725)	(6 266 991)	-	(7 370 067)	(13 637 058)
<b>Carrying amount</b>		<b>1 289 564 333</b>	<b>-</b>	<b>-</b>	<b>1 289 564 333</b>	<b>696 363 806</b>	<b>-</b>	<b>-</b>	<b>696 363 806</b>
<b>Investment securities at FVOCI - debt instruments</b>									
Investment grade	0.00 – 0.59	626 266 506	-	-	626 266 506	382 985 387	-	-	382 985 387
Permissible grade	0.60 –11.34	-	-	-	-	-	-	-	-
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>626 266 506</b>	<b>-</b>	<b>-</b>	<b>626 266 506</b>	<b>382 985 387</b>	<b>-</b>	<b>-</b>	<b>382 985 387</b>
Loss allowance		-	-	-	-	-	-	-	-
<b>Carrying amount</b>		<b>626 266 506</b>	<b>-</b>	<b>-</b>	<b>626 266 506</b>	<b>382 985 387</b>	<b>-</b>	<b>-</b>	<b>382 985 387</b>
<b>Investment securities at FVOCI - quoted equity investments</b>									
Investment Grade	0.00 – 0.59	-	-	-	-	108 925	-	-	108 925
Permissible Grade	0.60 –11.34	-	-	-	-	-	-	-	-
Speculative Grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower Speculative Grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108 925</b>	<b>-</b>	<b>-</b>	<b>108 925</b>
Loss allowance		-	-	-	-	-	-	-	-
<b>Carrying amount</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108 925</b>	<b>-</b>	<b>-</b>	<b>108 925</b>
<b>Investment securities at FVOCI - unquoted equity investments</b>									
Investment grade	0.00 – 0.59	-	-	-	-	-	-	-	-
Permissible grade	0.60 –11.34	-	-	-	-	-	-	-	-
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
Unrated	-	119 504 371	-	-	119 504 371	109 952 588	-	-	109 952 588
<b>Gross carrying amount</b>		<b>119 504 371</b>	<b>-</b>	<b>-</b>	<b>119 504 371</b>	<b>109 952 588</b>	<b>-</b>	<b>-</b>	<b>109 952 588</b>
Loss allowance		-	-	-	-	-	-	-	-
<b>Carrying amount</b>		<b>119 504 371</b>	<b>-</b>	<b>-</b>	<b>119 504 371</b>	<b>109 952 588</b>	<b>-</b>	<b>-</b>	<b>109 952 588</b>
<b>Other financial assets</b>									
Investment grade	0.00 – 0.59	-	-	-	-	-	-	-	-
Permissible grade	0.60 –11.34	-	-	-	-	-	-	-	-
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
Unrated	-	54 951 129	13 817 672	42 288 275	111 057 076	415 641 433	15 817 672	55 991 983	487 451 088
<b>Gross carrying amount</b>		<b>54 951 129</b>	<b>13 817 672</b>	<b>42 288 275</b>	<b>111 057 076</b>	<b>415 641 433</b>	<b>15 817 672</b>	<b>55 991 983</b>	<b>487 451 088</b>
Loss allowance		(20 559 489)	(7 000 605)	(42 288 275)	(69 848 369)	(4 576 154)	(7 012 706)	(55 991 983)	(67 580 843)
<b>Carrying amount</b>		<b>34 391 640</b>	<b>6 817 067</b>	<b>-</b>	<b>41 208 707</b>	<b>411 065 279</b>	<b>8 804 966</b>	<b>-</b>	<b>419 870 245</b>

Notes to the consolidated and separate financial statements

COMPANY		31 DEC 2025				31 DEC 2024			
In thousands of Naira	12-month PD ranges	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Cash and cash equivalents</b>									
Investment grade	0.00 – 0.59	-	-	-	-	-	-	-	-
Permissible grade	0.60 –11.34	3 014 998	-	-	3 014 998	14 371 980	-	-	14 371 980
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>3 014 998</b>	<b>-</b>	<b>-</b>	<b>3 014 998</b>	<b>14 371 980</b>	<b>-</b>	<b>-</b>	<b>14 371 980</b>
Loss allowance		-	-	-	-	-	-	-	-
<b>Carrying amount</b>		<b>3 014 998</b>	<b>-</b>	<b>-</b>	<b>3 014 998</b>	<b>14 371 980</b>	<b>-</b>	<b>-</b>	<b>14 371 980</b>
<b>Investment securities at amortised cost</b>									
Investment grade	0.00 – 0.59	21 006 283	-	-	21 006 283	10 507 965	-	-	10 507 965
Permissible grade	0.60 –11.34	14 395 871	-	-	14 395 871	13 036 894	-	-	13 036 894
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>35 402 154</b>	<b>-</b>	<b>-</b>	<b>35 402 154</b>	<b>23 544 859</b>	<b>-</b>	<b>-</b>	<b>23 544 859</b>
Loss allowance		(575 348)	-	-	(575 348)	(399 068)	-	-	(399 068)
<b>Carrying amount</b>		<b>34 826 806</b>	<b>-</b>	<b>-</b>	<b>34 826 806</b>	<b>23 145 791</b>	<b>-</b>	<b>-</b>	<b>23 145 791</b>
<b>Investment securities at FVOCI - debt instruments</b>									
Investment grade	0.00 – 0.59	50 330 599	-	-	50 330 599	45 457 558	-	-	45 457 558
Permissible grade	0.60 –11.34	-	-	-	-	-	-	-	-
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>		<b>50 330 599</b>	<b>-</b>	<b>-</b>	<b>50 330 599</b>	<b>45 457 558</b>	<b>-</b>	<b>-</b>	<b>45 457 558</b>
Loss allowance		-	-	-	-	-	-	-	-
<b>Carrying amount</b>		<b>50 330 599</b>	<b>-</b>	<b>-</b>	<b>50 330 599</b>	<b>45 457 558</b>	<b>-</b>	<b>-</b>	<b>45 457 558</b>

**Notes to the consolidated and separate financial statements**

COMPANY	12-month PD ranges	31 DEC 2025				31 DEC 2024			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>In thousands of Naira</b>									
<b>Other financial assets</b>									
Investment grade	0.00 – 0.59	-	-	-	-	-	-	-	-
Permissible grade	0.60 –11.34	-	-	-	-	-	-	-	-
Speculative grade	11.35–99.99	-	-	-	-	-	-	-	-
Lower speculative grade	100.00	-	-	-	-	-	-	-	-
Unrated	-	26 194 374	-	-	26 194 374	13 286 972	-	-	13 286 972
<b>Gross carrying amount</b>		<b>26 194 374</b>	-	-	<b>26 194 374</b>	<b>13 286 972</b>	-	-	<b>13 286 972</b>
Loss allowance		(222 292)	-	-	(222 292)	(185 567)	-	-	(185 567)
<b>Carrying amount</b>		<b>25 972 082</b>	-	-	<b>25 972 082</b>	<b>13 101 405</b>	-	-	<b>13 101 405</b>

**Loans with renegotiated terms and the forbearance policy**

The Group may renegotiate loans when there is a material change in the customer's financial position, operating dynamics, industry and environment or anything that gives reasonable doubt that the debt may not be repaid or serviced as and when due. This is usually done through concessions which agree new terms and conditions that are more favourable to the borrower in order to increase the chance of collection and recovery and thereby reduce the risk of default. Renegotiation of terms may take forms such as extension of tenor, reduction of pricing, introduction of moratorium or restructuring of facility from one form to the other (e.g., overdraft to term loan) or other forms of amendments to the terms and conditions earlier contracted with the customer. The objective of renegotiation is to ensure recovery of the outstanding obligations and the request could be at the instance of the customer or the Group.

The table below provide the summary information for financial assets with lifetime ECL whose cash flows were modified during the year ended 31 December 2025 and 31 December 2024 as part of the Group's restructuring activities and their respective effect on the Group's financial performance.

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Amortised cost before modification	88 967 325	156 989 545	-	-
Net modification (loss) / gains	(721 018)	1 356 474	-	-

**Write-off policy**

The Group has a write-off policy approved by the Board of Directors, which also meets the requirements as specified in the prudential guidelines of the Central Bank of Nigeria for deposit money banks. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. Same policy is applicable to the investments assets.

In line with the Group's approved write-off policy, the Management Credit Committee (MCC) may authorize a write-off of outstanding balance on a loan account, where it is apparent that the exposure may not be recovered from any of the available repayment sources. However, the Group must have fully provided for the facility and such credits must also receive the approval of the board of directors. The approval process for write-off is as follows:

- The Loan Recovery Unit originates the write-off requests
- Credit Risk Management obtains the approval of the Management Credit Committee (MCC) and the Board Credit Committee (BCC) for the request
- All write-offs must be ratified by the full Board
- Credit Risk Management sends notification of the balances approved for write-off to the Central Bank of Nigeria (CBN).

The write-off must also satisfy the following requirements of Central Bank of Nigeria (CBN):

- The facility must have been in the Group's book for at least one year after the full provision;
- There should be evidence of Board approval
- If the facility is insider or related party credit, the approval of CBN is required
- The fully provisioned facility is appropriately disclosed in the audited financial statement of the Group.

**Notes to the consolidated and separate financial statements**

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
A gross loan amount, which was impaired was written off during year ended for the Group and Company respectively.	(99 648 784)	(23 276 237)	-	-

**Collateral held and other credit enhancements and their financial effects**

The Group also has a good collateral management policy in place to reduce the risk of loss in the event of default. Our collateral management policy is linked to the internal ratings framework and has helped to reduce the estimated expected loss and capital charge on transactions.

The Group holds collateral and other types of credit enhancements against its credit exposures. The table below gives the principal collateral types eligible as security and used primarily to mitigate transaction risk:

Type of credit exposure	Principal type of collateral held for secured lending	Percentage of exposure that is subject to an arrangement that requires collateralisation	
		31 DEC 2025	31 DEC 2024
<b>Loans and advances to banks</b>			
Reverse sale and purchase agreements	Marketable securities	100	100
Security borrowing	Marketable securities	100	100
<b>Loans and advances to retail customers</b>			
Mortgage lending	Residential Property	100	100
Personal loans/margin lending	None	-	-
Credit cards	None	-	-
<b>Loans and advances to corporate customers</b>			
Finance leases	Property and equipment	100	100
Other lending to corporate customers	Legal Mortgage, mortgage debenture, fixed and floating charges over corporate assets, account receivables	90	90
Reverse sale and repurchase agreements	Marketable securities	100	100
Investment debt securities	None	-	-

Other admissible credit risk mitigants (accepted for comfort only) but not eligible as collateral include domiciliation agreements, trust receipts, negative pledges and master netting agreements with obligors that have investments in liabilities. The Group typically does not hold collateral against investment securities, and no such collateral was held at 31 December 2025 and 31 December 2024.

**Details of collateral held and the value of collateral as at 31 December 2025 are as follows:**

In thousands of Naira	GROUP		COMPANY	
	Total exposure	Value of collateral	Total exposure	Value of collateral
Secured against real estate	226 779 743	1 771 447 220	-	-
Secured by quoted, unquoted shares and other investments	-	-	-	-
Cash Collateral	151 667 074	72 599 504	-	-
Fixed and floating assets	856 092 973	67 007 336 513	-	-
Otherwise secured	724 021 102	148 290 607	-	-
Unsecured	516 909 290	-	-	-
	<b>2 475 470 182</b>	<b>68 999 673 844</b>	-	-

**Details of collateral held and their carrying amounts as at 31 December 2024 are as follows:**

In thousands of Naira	GROUP		COMPANY	
	Total exposure	Value of collateral	Total exposure	Value of collateral
Secured against real estate	279 774 589	1 552 457 567	-	-
Secured by quoted, unquoted shares and other investments	12 123 683	40 041 071	-	-
Cash Collateral	197 328 551	64 740 986	-	-
Fixed and floating assets	1 138 697 331	33 867 871 639	-	-
Otherwise secured	168 251 237	72 645 464	-	-
Unsecured	688 902 825	-	-	-
	<b>2 485 078 216</b>	<b>35 597 756 727</b>	-	-

**Loans and advances to corporate customers**

The Group's loans and advances to corporate obligors are subject to rigorous credit appraisals commencing with rating of obligor via our Moody's Risk Analysis Methodology to determine the credit worthiness of the customer or its probability of default known as the Obligor Risk Rating (ORR) – the Probability of Default (PD) of a customer is a measure of the obligor risk rating.

Collateral in the form of first charge over real estate (legal mortgage or mortgage debenture) or floating and fixed charges over corporate assets is usually taken to provide additional comfort to the Group. The measure of the collateral pledged by the customer is given by the Facility Risk Rating (FRR) mapped to the Basel II defined Loss Given Default (LGD) estimates. The FRR or LGD therefore assesses the transaction of the customer – risk of loss on the transaction in the event of default.

**Notes to the consolidated and separate financial statements**

All non-retail and retail-SME exposures are assigned a risk grade by independent Credit Analysts within our Risk Management Division based on inputs/discussions with relationship management teams and verifiable facts. While the obligor risk rating model differentiates borrower risk (i.e. risk of default), the facility risk rating model differentiates transaction risk (i.e. risk of loss in the event of default), taking the structure of the facility (availability of credit risk mitigants) into consideration:

The Group's credit analysts are fully guided by our internal ratings framework and lending policies, and exhibit a high level of professionalism and judgment in their recommendations to Approving Authorities. Model overrides, if any, require the exceptional approval of the Chief Risk Officer and in certain cases, may be escalated to the Board Credit Committee.

The Group's Facility Risk Rating model (for non-retail and retail SME) also reflects the Expected Loss (EL) on each transaction, which fully incorporates both borrower strength (PD) and loss severity (LGD) considerations. The Expected Loss (EL) generated is used as a guide to price for transactions, being the risk premium

The Group also holds collateral in the form of cash and marketable securities in respect of sale and repurchase transactions and securities borrowing. Receivables relating to reverse sale and repurchase agreements and securities borrowing transactions are usually collateralised on a gross exposure basis. The Group undertakes master netting agreements with all counterparties and margining agreements with some counterparties.

**Derivative assets held for risk management**

For derivatives, under margin agreements, collateral is held against net positions that are partially or fully collateralised. Exposures under margin agreements are marked to market daily to assess attendant risks to the Group. There are no derivative trading assets as at the reporting period. However, details of derivative transactions taken for risk management is presented below:

	31 DEC 2025		31 DEC 2024	
	Notional amount	Fair value	Notional amount	Fair value
Derivative assets held for risk management	65 789 749	4 276 814	75 789 749	1 451 932
Derivative liabilities held for risk management	10 567 824	608 639	40 601 424	2 608 146

**Concentration of credit risk**

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentration of credit risk from loans and advances, lending commitments, financial guarantees and investment is shown below:

**Concentration by sector**

Gross loans and advances to customers and the non-performing loan portion per industry sector as at 31 December 2025. Carrying amounts presented in the table below are determined as gross loans less impairment allowances. The non-performing loans (NPL) is presented in accordance with Central Bank of Nigeria (CBN) prudential guidelines.

GROUP	Loans and advances to customers					Gross lending commitments and financial guarantees
	Stage 1	Stage 2	Stage 3	Total gross loan	Non performing loan (NPL)	
<b>In thousands of Naira</b>						
Administrative and Support Services	2 868 168	-	1 956	2 870 124	1 956	350
Agriculture	239 773 342	8 540 868	5 741 735	254 055 945	5 741 735	97 289 694
Commerce	166 159 466	15 110 999	35 905 904	217 176 369	35 905 904	84 757 037
Construction	2 054 661	3 149 293	69 702	5 273 656	69 702	252 076 481
Education	3 375 423	568 208	249 841	4 193 472	249 841	475 000
Finance and Insurance	364 157 563	0	-	364 157 563	-	-
General - Others	12 466 402	787 343	1 105 051	14 358 796	1 105 051	19 534 342
Government	124 074 928	2 072 907	-	126 147 835	-	-
Healthcare	1 769 247	22 192	2 438 721	4 230 160	2 438 721	15 510 400
Hospitality	77 291 455	1 042 076	266 260	78 599 791	266 260	8 974 164
Individual	375 279 531	6 141 248	13 439 002	394 859 780	13 439 002	-
Information and Communication	1 053 199	6 909	55 264	1 115 372	55 264	19 475 192
Manufacturing	263 347 446	2 745 630	33 982 083	300 075 159	33 982 083	259 412 345
Oil and Gas - Downstream	17 765 037	147 078 703	11 118 010	175 961 750	11 118 010	16 925 962
Oil and Gas - Services	87 509 096	35 550 064	16 146 796	139 205 956	16 146 796	14 199 789
Oil and Gas - Upstream	206 739 855	57 604 335	-	264 344 190	-	719 965
Power and Energy	61 403 707	-	3 209 964	64 613 671	3 209 964	14 576 500
Professional Services	4 789 455	426 640	116 345	5 332 440	116 345	5 257 245
Real Estate	33 113 469	41 495	1 602 699	34 757 663	1 602 699	7 596 844
Transportation	12 137 557	4 395 768	442 648	16 975 973	442 648	48 908 518
Water Supply; Sewage, Waste Management and Remediation Activities	7 105 674	-	58 843	7 164 517	58 843	90 000
	<b>2 064 234 681</b>	<b>285 284 678</b>	<b>125 950 824</b>	<b>2 475 470 182</b>	<b>125 950 824</b>	<b>865 779 828</b>

**Notes to the consolidated and separate financial statements**

Gross loans and advances to customers and the non-performing loan portion per industry sector as at 31 December 2024. Carrying amounts presented in the table below are determined as gross loans less impairment allowances. The non-performing loans (NPL) is presented in accordance with Central Bank of Nigeria (CBN) prudential guidelines.

GROUP	Loans and advances to customers					Gross lending commitments and financial guarantees
	Stage 1	Stage 2	Stage 3	Total gross loan	Non performing loan (NPL)	
<b>In thousands of Naira</b>						
Administrative and Support Services	3 445 821	2 470	-	3 448 291	-	227 263
Agriculture	176 946 635	13 645 899	1 970 339	192 562 873	1 970 339	37 420 179
Commerce	176 980 368	36 527 956	12 192 057	225 700 381	12 192 057	143 134 168
Construction	1 428 565	1 086 630	49 404	2 564 599	49 404	87 370 416
Education	5 526 376	361 636	189 233	6 077 245	189 233	225 000
Finance and Insurance	296 164 947	374 182	-	296 539 129	-	-
General - Others	8 327 017	598 704	2 023 008	10 948 729	2 023 008	24 853 654
Government	100 911 522	2 450 840	-	103 362 362	-	-
Healthcare	2 055 084	553 332	20 674	2 629 090	20 674	15 728 949
Hospitality	14 595 917	323 724	136 187	15 055 828	136 187	8 655 128
Individual	290 774 473	4 411 074	7 212 989	302 398 536	7 212 989	1 046 793
Information and Communication	3 298 519	1 248 380	6 362	4 553 261	6 362	2 608 085
Manufacturing	229 324 827	12 872 594	18 116 389	260 313 810	18 116 389	206 672 444
Oil and Gas - Downstream	79 962 877	110 337 505	14 641 260	204 941 642	14 641 260	28 191 619
Oil and Gas - Services	88 686 576	129 364 702	2	218 051 280	2	7 468 746
Oil and Gas - Upstream	143 848 455	217 924 253	-	361 772 708	-	52 191 644
Power and Energy	65 351 315	-	3 626 925	68 978 240	3 626 925	506 949
Professional Services	2 206 991	26 386	68 713	2 302 090	68 713	8 209 596
Real Estate	90 174 333	5 615 938	87 168 198	182 958 469	87 168 198	30 838 911
Transportation	8 272 827	5 350 864	133 982	13 757 673	133 982	53 860 034
Water Supply; Sewage, Waste Management and Remediation Activities	5 714 742	23 574	423 664	6 161 980	423 664	-
	1 793 998 187	543 100 643	147 979 386	2 485 078 216	147 979 386	709 209 578

**Concentration by location**

Concentration by location for loans and advance, and for lending commitments and financial guarantees is based on the customer's region of domicile within Nigeria and Europe. Concentration by location for investment securities is based on the country of domicile of the issuer of the security.

31 DEC 2025						
GROUP	Loans and advances to customers					Gross lending commitments and financial guarantees
	Stage 1	Stage 2	Stage 3	Total gross loan	Non performing loan (NPL)	
<b>In thousands of Naira</b>						
North East	15 411 881	254 540	622 551	16 288 972	622 551	8 000 257
North Central	73 691 006	8 052 434	5 837 083	87 580 523	5 837 083	78 173 074
North West	59 101 342	9 253 436	10 938 408	79 293 186	10 938 408	4 585 013
South East	41 699 275	3 378 593	9 813 678	54 891 546	9 813 678	3 769 511
South South	77 856 577	970 033	21 461 898	100 288 508	21 461 898	5 263 202
South West	1 364 014 704	263 375 642	77 277 206	1 704 667 551	77 277 206	724 368 754
Europe	432 459 896	-	-	432 459 896	-	41 620 017
	2 064 234 681	285 284 678	125 950 824	2 475 470 182	125 950 824	865 779 828

**Notes to the consolidated and separate financial statements**

31 DEC 2024						
GROUP						
In thousands of Naira	Loans and advances to customers					Gross lending commitments and financial guarantees
	Stage 1	Stage 2	Stage 3	Total gross loan	Non performing loan (NPL)	
North East	13 640 160	231 712	654 894	14 526 766	654 894	-
North Central	64 335 551	5 258 690	2 800 228	72 394 469	2 800 228	45 266
North West	46 145 905	7 863 578	2 163 470	56 172 953	2 163 470	12 329 983
South East	36 784 104	7 370 953	1 910 782	46 065 839	1 910 782	5 586 780
South South	72 167 435	4 157 003	16 346 952	92 671 390	16 346 952	9 199 697
South West	1 215 822 799	518 218 707	124 103 060	1 858 144 566	124 103 060	657 883 982
Europe	345 102 233	-	-	345 102 233	-	24 163 870
	1 793 998 187	543 100 643	147 979 386	2 485 078 216	147 979 386	709 209 578

**Inputs, assumptions and techniques used for estimating impairment**

**Significant increase in credit risk**

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

**Credit risk grades**

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

**Corporate exposures**

- Information obtained during periodic review of customer files - e.g., management accounts, budgets and projections. Example of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes, etc.
- Data from credit reference agencies, press articles, changes in external credit ratings.
- Quoted bond prices for the borrower where available.
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.

## Notes to the consolidated and separate financial statements

### Retail exposures

- Internally collected data on customer behaviour-e.g. utilization of credit card facilities
- Affordability metrics
- External data from credit reference agencies including industry-standard credit scores

### All exposures

- Payment record - this include overdue status as well as a range of variables about payment ratios
- Utilization of the granted limit
- Request for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions.

### Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g., forbearance experience) on the risk of default. For most exposures, key macro-economic indicators include: GDP growth, benchmark interest rates and unemployment. For exposures to specific industries and/or regions, the analysis may extend to relevant commodity and/or real estate prices.

Based on advice from the Management Risk Committee and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Group then uses these forecasts to adjust its estimates of PDs.

In determining the ECL for other assets, the Group applies the simplified model to estimate ECLs, adopting a provision matrix to determine the lifetime ECLs. The provision matrix estimates ECLs on the basis of historical default rates, adjusted for current and future economic conditions (expected changes in default rates) without undue cost and effort.

### Determining whether credit risk has increased significantly

The Group considers reasonable and supportable information, that is relevant and available without undue cost or effort, in determining whether there has been significant increase in credit risk. These include both quantitative and qualitative information and analysis, based on the Group's historical experience, expert credit assessment and forward-looking information.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due or, for certain types of exposure, more than 15 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in the accounting policy.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Group renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Group's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Group's Risk and Audit Committees regularly review reports on forbearance activities.

For financial assets modified as part of the Group's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect interest and principal and the Group's previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired and in default. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired and in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

**Notes to the consolidated and separate financial statements**

**Definition of default**

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- for non-specialized loans, the borrower is past due more than 90 days on any material credit obligation to the Group. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding.
- for specialized loans, depending on the nature of the transaction, the following default criteria was adopted by the Group

Finance Type	Quantitative Default Criteria
Agricultural finance	Where mark-up/ interest or principal is overdue (past due) by 90 days
Object finance	Where repayment on outstanding obligations is less than 60% of the amount due and/or where the aggregate instalments are overdue by 180 days.
Project finance	Where repayment on outstanding obligations is less than 60% of the amount due and/or where the aggregate instalments are overdue by 180 days.
Real estate	Where repayment on outstanding obligations is less than 60% of the amount due and/or where the aggregate instalments are overdue by 180 days.
Mortgage loans	Where mark-up/ interest or principal is overdue (past due) by more than 180 days from the due date

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Group. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative - e.g. breaches of covenant;
- quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Group for regulatory capital purposes, except where there is regulatory waiver on specifically identified loans and advances.

**Incorporation of forward-looking information**

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Management Risk Committee and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, supranational organisations such as the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

**Macroeconomic scenarios and weightings**

The macroeconomic scenario (forward-Looking Information) forecast, used by the Group for ECL allowance calculation purposes, were derived using advanced statistical models which also produced the probability weightings of each scenario. 3 scenarios were developed; 1) Optimistic Scenario 2) Most Likely Scenario 3) Pessimistic Scenario. The group adopted statistical forecasts and probability weightings to eliminate biases in the scenarios and sensitivity of the forecasts.

60 monthly forecasts of each forward-looking information (FLI) was adopted by the Group in the ECL allowance calculation. The following FLIs were considered;

- 1) Banking Index of The Nigerian Exchange Ltd
- 2) Nigeria's Inflation Rate
- 3) NAFEX NGUSD Exchange Rate
- 4) Brent Crude Oil Price
- 5) Nigeria's Foreign Reserves Balance

The choice of FLIs was informed by historical analysis which confirmed strong correlation and causation between the selected FLIs and the Groups historical default experience. The Board Credit Committee had approved the aforementioned FLIs for use in ECL allowance calculation.

**Notes to the consolidated and separate financial statements**

<b>Optimistic Scenario-20%</b>					
<b>5 year ( 2025-2029) average forecast</b>					
	Year 1	Year 2	Year 3	Year 4	Year 5
FLI					
Banking Index	670.83	471.67	573.33	756.67	790.83
Inflation Rate	22%	16%	15%	19%	24%
NGNUSD Exchange NAFEX	721.03	727.27	807.96	919.54	1054.82
Brent Crude Oil Price (USD/bbl)	110.63	119.78	120.45	120.00	119.58
Foreign Reserves (USD' Billion)	35.36	36.73	41.66	46.19	46.28

<b>Most likely Scenario-60%</b>					
<b>5 year ( 2025-2029) average forecast</b>					
	Year 1	Year 2	Year 3	Year 4	Year 5
FLI					
Banking Index	554.17	372.50	430.00	564.17	582.50
Inflation Rate	25%	19%	18%	24%	31%
NGNUSD Exchange NAFEX	840.71	891.52	995.91	1134.29	1301.31
Brent Crude Oil Price (USD/bbl)	79.36	76.65	75.23	74.45	74.05
Foreign Reserves (USD' Billion)	32.36	32.79	36.62	39.18	38.75

<b>Pessimistic Scenario-20%</b>					
<b>5 year ( 2025-2029) average forecast</b>					
	Year 1	Year 2	Year 3	Year 4	Year 5
FLI					
Banking Index	460.00	294.17	323.33	420.00	430.00
Inflation Rate	29%	22%	22%	30%	40%
NGNUSD Exchange NAFEX	981.64	1092.88	1227.58	1399.21	1605.39
Brent Crude Oil Price (USD/bbl)	57.34	49.07	46.99	46.20	45.86
Foreign Reserves (USD' Billion)	29.64	29.28	32.20	33.23	32.43

**Measurement of ECL**

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD)
- exposure at default (EAD)

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios and, for lending, to reflect possible changes in the economies. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

However, for overdrafts and revolving facilities that include both a loan and an undrawn commitment component, the Group measures ECL over a period longer than the maximum contractual period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk gradings;
- collateral type;
- Past due information;
- date of initial recognition;

**Notes to the consolidated and separate financial statements**

- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

**Loss allowance**

**Measurement basis under IFRS 9**

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. The basis for determining transfers due to changes in credit risk is set out in our accounting policy; see Note 3(k)(vii).

**GROUP**

	31 DEC 2025				31 DEC 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Cash and cash equivalents</b>								
Balance at 1 January	18 017	-	-	18 017	41 108	-	-	41 108
Net remeasurement of loss allowances (see note 10)	142 671	-	-	142 671	(9 824)	-	-	(9 824)
Foreign exchange and other movements	7 161	-	-	7 161	(13 267)	-	-	(13 267)
Closing balance	167 849	-	-	167 849	18 017	-	-	18 017
Gross amount	1 299 088 570	-	-	1 299 088 570	795 405 036	-	-	795 405 036
<b>Assets pledged as collateral</b>								
Balance at 1 January	-	-	-	-	-	-	-	-
Net remeasurement of loss allowances (see note 10)	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-
Gross amount	104 900 576	-	-	104 900 576	401 703 741	-	-	401 703 741
<b>Loans and advances to customers at amortised cost</b>								
Balance at 1 January	28 130 696	39 437 930	60 205 275	127 773 901	15 156 299	12 737 070	60 174 636	88 062 888
Transfer to Stage 1	159 038	(53 361)	(105 677)	-	3 245 328	(1 283 759)	(1 961 569)	-
Transfer to Stage 2	(624 412)	639 916	(15 504)	-	(620 469)	754 891	(134 422)	-
Transfer to Stage 3	(158 091)	(1 614 253)	1 772 344	-	(259 975)	(1 893 826)	2 153 801	-
Net remeasurement of loss allowances (see note 10)	13 106 918	(18 827 569)	95 038 078	89 317 427	8 227 553	25 110 892	10 453 405	43 791 850
Financial assets that have been derecognised write-off	-	-	(99 648 784)	(99 648 784)	-	-	(23 276 237)	(23 276 237)
Foreign exchange and other movements	(625 109)	(732 449)	(6 301 173)	(7 658 731)	2 381 960	4 012 662	12 795 661	19 190 283
Closing balance	39 989 040	18 850 214	50 944 559	109 783 813	28 130 696	39 437 930	60 205 275	127 768 784
Gross amount	2 074 409 308	282 436 057	118 624 821	2 475 470 186	1 704 508 657	543 100 640	237 797 906	2 485 407 203

Notes to the consolidated and separate financial statements

**GROUP**

	31 DEC 2025				31 DEC 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Investment securities at amortised cost</b>								
Balance at 1 January	6 266 991	-	7 370 067	13 637 058	3 024 356	-	4 190 541	7 214 897
Net remeasurement of loss allowances (see note 10)	(3 055 495)	-	-	(3 055 495)	3 080 857	-	-	3 080 857
Foreign exchange and other movements	(232 625)	-	(480 213)	(712 838)	161 778	-	3 179 526	3 341 304
Closing balance	2 978 871	-	6 889 854	9 868 725	6 266 991	-	7 370 067	13 637 058
Gross amount	1 293 093 334	-	6 339 724	1 299 433 058	702 630 797	-	7 370 067	710 000 864
<b>Investment securities at FVOCI</b>								
Balance at 1 January	1 044 570	-	-	1 044 570	845 199	-	-	845 199
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowances (see note 10)	1 879 636	-	-	1 879 636	199 371	-	-	199 371
Foreign exchange and other movements	-	-	-	-	-	-	-	-
Closing balance	2 924 206	-	-	2 924 206	1 044 570	-	-	1 044 570
Gross amount	626 266 506	-	-	626 266 506	493 046 900	-	-	493 046 900
<b>Other assets</b>								
Balance at 1 January	22 128 293	8 723 053	36 729 497	67 580 843	18 527 183	8 837 416	23 411 065	50 775 664
Transfer to Stage 1	-	-	-	-	1 453 830	(1 166 493)	(287 337)	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowances (see note 10)	4 846 379	(237 239)	-	4 609 140	2 147 280	1 052 130	653 317	3 852 727
Write-offs	-	-	(33)	(33)	-	-	(25 628)	(25 628)
Foreign exchange and other movements	(873 492)	-	(1 468 089)	(2 341 581)	-	-	12 978 080	12 978 080
Closing balance	26 101 180	8 485 814	35 261 375	69 848 369	22 128 293	8 723 053	36 729 497	67 580 843
Gross amount	54 951 129	13 817 672	42 288 275	111 057 076	415 641 433	15 817 672	55 991 983	487 451 088
<b>Performance bonds and guarantees, clean line letters of credit and other commitments</b>								
Balance at 1 January	727 310	-	-	727 310	579 223	-	-	579 223
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowances (see note 10)	46 773	-	-	46 773	154 140	-	-	154 140
Foreign exchange and other movements	8 172	-	-	8 172	(6 053)	-	-	(6 053)
Closing balance	782 255	-	-	782 255	727 310	-	-	727 310
Gross amount	830 087 641	-	-	830 087 641	709 273 598	-	-	709 273 598

**Notes to the consolidated and separate financial statements**

COMPANY	31 DEC 2025				31 DEC 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Cash and cash equivalents</b>								
Balance at 1 January	-	-	-	-	-	-	-	-
Net remeasurement of loss allowances (see note 10)	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-
Gross amount	3 014 998	-	-	3 014 998	14 371 980	-	-	14 371 980
<b>Investment securities at amortised cost</b>								
Balance at 1 January	399 068	-	-	399 068	306 861	-	-	306 861
Net remeasurement of loss allowances (see note 10)	176 280	-	-	176 280	92 207	-	-	92 207
Foreign exchange and other movements	-	-	-	-	-	-	-	-
Closing balance	575 348	-	-	575 348	399 068	-	-	399 068
Gross amount	35 402 154	-	-	35 402 154	23 544 859	-	-	23 544 859
<b>Investment securities at FVTPL</b>								
Balance at 1 January	-	-	-	-	-	-	-	-
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowances (see note 10)	-	-	-	-	-	-	-	-
Foreign exchange and other movements	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-
Gross amount	50 330 599	-	-	50 330 599	45 457 558	-	-	45 457 558
<b>Other assets</b>								
Balance at 1 January	185 567	-	-	185 567	136 773	-	-	136 773
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowances (see note 10)	36 725	-	-	36 725	48 794	-	-	48 794
Write-offs	-	-	-	-	-	-	-	-
Foreign exchange and other movements	-	-	-	-	-	-	-	-
Closing balance	222 292	-	-	222 292	185 567	-	-	185 567
Gross amount	26 194 374	-	-	26 194 374	13 286 972	-	-	13 286 972

Notes to the consolidated and separate financial statements

**ECL coverage ratio**

31 DEC 2025								
GROUP	Gross carrying amount				ECL provision			
In thousands of Naira	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>On-balance sheet items</b>								
Cash and cash equivalents	1 299 088 570	-	-	1 299 088 570	167 849	-	-	167 849
Assets pledged as collateral	104 900 576	-	-	104 900 576	-	-	-	-
Loans and advances to customers at amortised cost	2 074 409 308	282 436 057	118 624 821	2 475 470 186	39 989 040	18 850 214	50 944 559	109 783 813
Investment securities at amortised cost	1 293 093 334	-	6 339 724	1 299 433 058	2 978 871	-	6 889 854	9 868 725
Investment securities at FVOCI	626 266 506	-	-	626 266 506	2 924 206	-	-	2 924 206
Other financial assets measured at amortised cost	54 951 129	13 817 672	42 288 275	111 057 076	26 101 180	8 485 814	35 261 375	69 848 369
<b>Sub-total</b>	<b>5 452 709 423</b>	<b>296 253 729</b>	<b>167 252 820</b>	<b>5 916 215 972</b>	<b>72 161 146</b>	<b>27 336 028</b>	<b>93 095 788</b>	<b>192 592 962</b>
<b>Off-balance sheet items</b>								
Performance bonds and guarantees	618 334 206	-	-	618 334 206	369 892	-	-	369 892
Clean line letters of credit	209 103 435	-	-	209 103 435	412 363	-	-	412 363
Other commitments	2 650 000	-	-	2 650 000	-	-	-	-
<b>Sub-total</b>	<b>830 087 641</b>	<b>-</b>	<b>-</b>	<b>830 087 641</b>	<b>782 255</b>	<b>-</b>	<b>-</b>	<b>782 255</b>
<b>Grand total</b>	<b>6 282 797 064</b>	<b>296 253 729</b>	<b>167 252 820</b>	<b>6 746 303 613</b>	<b>72 943 401</b>	<b>27 336 028</b>	<b>93 095 788</b>	<b>193 375 217</b>
<b>COMPANY</b>								
<b>GROUP</b>	<b>Gross carrying amount</b>				<b>ECL provision</b>			
In thousands of Naira	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>On-balance sheet items</b>								
Cash and cash equivalents	3 014 998	-	-	3 014 998	-	-	-	-
Assets pledged as collateral	-	-	-	-	-	-	-	-
Loans and advances to customers at amortised cost	-	-	-	-	-	-	-	-
Investment securities at amortised cost	35 402 154	-	-	35 402 154	575 348	-	-	575 348
Investment securities at FVOCI	50 330 599	-	-	50 330 599	-	-	-	-
Other financial assets measured at amortised cost	26 194 374	-	-	26 194 374	222 292	-	-	222 292
<b>Sub-total</b>	<b>114 942 125</b>	<b>-</b>	<b>-</b>	<b>114 942 125</b>	<b>797 640</b>	<b>-</b>	<b>-</b>	<b>797 640</b>
<b>Off-balance sheet items</b>								
Performance bonds and guarantees	-	-	-	-	-	-	-	-
Clean line letters of credit	-	-	-	-	-	-	-	-
Other commitments	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>114 942 125</b>	<b>-</b>	<b>-</b>	<b>114 942 125</b>	<b>797 640</b>	<b>-</b>	<b>-</b>	<b>797 640</b>
<b>ECL coverage ratio</b>	<b>GROUP</b>				<b>COMPANY</b>			
<b>On-balance sheet items</b>								
Cash and cash equivalents	0.0001%	-	-	0.0001%	-	-	-	-
Loans and advances to customers at amortised cost	1.93%	6.67%	42.95%	4.43%	-	-	-	-
Investment securities at amortised cost	0.23%	-	108.68%	0.76%	1.63%	-	-	1.63%
Investment securities at FVOCI	0.47%	-	-	0.47%	-	-	-	-
Other financial assets measured at amortised cost	47.50%	61.41%	83.38%	62.89%	0.85%	-	-	0.85%
<b>Sub-total</b>	<b>1.32%</b>	<b>9.23%</b>	<b>55.66%</b>	<b>3.26%</b>	<b>0.69%</b>	<b>-</b>	<b>-</b>	<b>0.69%</b>
<b>Off-balance sheet items</b>								
Performance bonds and guarantees	0.06%	-	-	0.06%	-	-	-	-
Clean line letters of credit	0.20%	-	-	0.20%	-	-	-	-
Other commitments	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>0.09%</b>	<b>-</b>	<b>-</b>	<b>0.09%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>1.16%</b>	<b>9.23%</b>	<b>55.66%</b>	<b>2.87%</b>	<b>0.69%</b>	<b>-</b>	<b>-</b>	<b>0.69%</b>

Notes to the consolidated and separate financial statements

31 DEC 2024								
GROUP								
In thousands of Naira	Gross carrying amount				ECL provision			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>On-balance sheet items</b>								
Cash and cash equivalents	795 405 036	-	-	795 405 036	18 017	-	-	18 017
Assets pledged as collateral at amortised cost	401 703 741	-	-	401 703 741	-	-	-	-
Assets pledged as collateral at FVOCI	-	-	-	-	-	-	-	-
Loans and advances to customers at amortised cost	1 704 508 657	543 100 640	237 797 906	2 485 407 203	28 130 696	39 437 930	60 200 158	127 768 784
Investment securities at amortised cost	702 630 797	-	7 370 067	710 000 864	6 266 991	-	7 370 067	13 637 058
Investment securities at FVOCI	493 046 900	-	-	493 046 900	1 044 570	-	-	1 044 570
Other financial assets measured at amortised cost	415 641 433	15 817 672	55 991 983	487 451 088	22 128 293	8 723 053	36 729 497	67 580 843
<b>Sub-total</b>	<b>4 512 936 564</b>	<b>558 918 312</b>	<b>301 159 956</b>	<b>5 373 014 832</b>	<b>57 588 567</b>	<b>48 160 983</b>	<b>104 299 722</b>	<b>210 049 272</b>
<b>Off-balance sheet items</b>								
Performance bonds and guarantees	471 245 217	-	-	471 245 217	314 947	-	-	314 947
Clean line letters of credit	234 849 922	-	-	234 849 922	412 363	-	-	412 363
Other commitments	3 178 459	-	-	3 178 459	-	-	-	-
<b>Sub-total</b>	<b>709 273 598</b>	<b>-</b>	<b>-</b>	<b>709 273 598</b>	<b>727 310</b>	<b>-</b>	<b>-</b>	<b>727 310</b>
<b>Grand total</b>	<b>5 222 210 162</b>	<b>558 918 312</b>	<b>301 159 956</b>	<b>6 082 288 430</b>	<b>58 315 877</b>	<b>48 160 983</b>	<b>104 299 722</b>	<b>210 776 582</b>
<b>COMPANY</b>								
In thousands of Naira	Gross carrying amount				ECL provision			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>On-balance sheet items</b>								
Cash and cash equivalents	14 371 980	-	-	14 371 980	-	-	-	-
Assets pledged as collateral at amortised cost	-	-	-	-	-	-	-	-
Assets pledged as collateral at FVOCI	-	-	-	-	-	-	-	-
Loans and advances to customers at amortised cost	-	-	-	-	-	-	-	-
Investment securities at amortised cost	23 544 859	-	-	23 544 859	399 068	-	-	399 068
Investment securities at FVOCI	45 457 558	-	-	45 457 558	-	-	-	-
Other financial assets measured at amortised cost	13 286 972	-	-	13 286 972	185 567	-	-	185 567
<b>Sub-total</b>	<b>96 661 369</b>	<b>-</b>	<b>-</b>	<b>96 661 369</b>	<b>584 635</b>	<b>-</b>	<b>-</b>	<b>584 635</b>
<b>Off-balance sheet items</b>								
Performance bonds and guarantees	-	-	-	-	-	-	-	-
Clean line letters of credit	-	-	-	-	-	-	-	-
Other commitments	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>96 661 369</b>	<b>-</b>	<b>-</b>	<b>96 661 369</b>	<b>584 635</b>	<b>-</b>	<b>-</b>	<b>584 635</b>
<b>ECL coverage ratio</b>	GROUP				COMPANY			
<b>On-balance sheet items</b>								
Assets pledged as collateral at amortised cost	-	-	-	-	-	-	-	-
Assets pledged as collateral at FVOCI	-	-	-	-	-	-	-	-
Loans and advances to customers at amortised cost	1.65%	7.26%	25.32%	5.14%	-	-	-	-
Investment securities at amortised cost	0.89%	-	100.00%	1.92%	1.69%	-	-	1.69%
Investment securities at FVOCI	0.21%	-	-	0.21%	-	-	-	-
Other financial assets measured at amortised cost	5.32%	55.15%	65.60%	13.86%	1.40%	-	-	1.40%
<b>Sub-total</b>	<b>1.28%</b>	<b>8.62%</b>	<b>34.63%</b>	<b>3.91%</b>	<b>0.60%</b>	<b>-</b>	<b>-</b>	<b>0.60%</b>
<b>Off-balance sheet items</b>								
Performance bonds and guarantees	0.07%	-	-	0.07%	-	-	-	-
Clean line letters of credit	0.18%	-	-	0.18%	-	-	-	-
Other commitments	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>0.10%</b>	<b>-</b>	<b>-</b>	<b>0.10%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>1.12%</b>	<b>8.62%</b>	<b>34.63%</b>	<b>3.47%</b>	<b>0.60%</b>	<b>-</b>	<b>-</b>	<b>0.60%</b>

**Notes to the consolidated and separate financial statements**

**Trading Assets**

The Group's trading book comprises only debt securities and bills issued by the Federal Government of Nigeria and equity securities. The capital charge for the trading book is computed using the standardised approach. The standardised approach adopts a building block approach to capital computation, where individual capital requirements are summed for the different risk positions. Under the methodology, capital charge is computed for issuer risk, otherwise known as specific risk and for general market risk, which may result from adverse movement in market price. The capital charges cover the Group's debt instruments and equity securities in the trading book and the total banking book for foreign exchange. Commodities are excluded as the Group does not trade in commodities. The standardised method ignores diversification of risk and the risk positions are captured as on the day and not for a period.

The deployment of Value at Risk (VAR) will enable the Group to migrate to the internal model approach, which measures market risk loss at a given level of confidence and over a specified period. Also, this approach accounts for diversification (which is not done under standardised method).

An analysis of the counterparty credit exposure for the trading assets, which are neither past due nor impaired is as shown in the table below:

**GROUP**

**31 DEC 2025**

**In thousands of Naira**

Security type	Issuer rating	0 - 30 days	31 - 90 days	91 -180 days	181 - 365 days	1 - 5 years	above 5 years	Total
FGN Bonds	BB-	101 282 506	-	-	-	-	-	101 282 506
Nigerian Treasury Bills	BB-	95 854 155	-	-	-	-	-	95 854 155
Fund Investments Government and Others	BB-	-	242 584 073	-	-	-	-	242 584 073
		197 136 661	242 584 073	-	-	-	-	439 720 734

**31 DEC 2024**

**In thousands of Naira**

Security type	Issuer rating	0 - 30 days	31 - 90 days	91 -180 days	181 - 365 days	1 - 5 years	above 5 years	Total
FGN Bonds	BB-	82 388 763	-	-	-	496 730	3 296 114	86 181 607
Nigerian Treasury Bills	BB-	10 887 401	-	-	-	-	-	10 887 401
Fund Investments Government and Others	BB-	-	222 040 262	-	-	-	-	222 040 262
		93 276 164.00	222 040 262	-	-	496 730	3 296 114	319 109 270

**Notes to the consolidated and separate financial statements**

**Cash and cash equivalents**

The Group held cash and cash equivalents of N1299.09billion as at 31 December 2025 (31 December 2024: N791.68billion). The cash and cash equivalents are held with the Central Group, financial institutions and counterparties which are rated BBB- to AA based on acceptable external rating agency's ratings.

**Settlement Risk**

The Group like its peers in the industry is exposed to settlement risk – the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

This risk is generally mitigated through counterparty limits set to manage the Group's exposure to these counterparties. The counterparty limits are approved by the Executive Management and the Board of Directors.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. It is the potential loss to the Group arising from either its inability to meet its obligations or to fund committed increases in assets as they fall due without incurring unacceptable costs or losses.

**Management of liquidity risk**

The Board of directors sets the strategy for liquidity risk and delegates the responsibility for oversight and implementation of the policy to the Assets and Liability Committee (ALCO). The liquidity position is managed daily by Treasury and Financial Services Division in conjunction with Market Risk Management Department. Assessment of liquidity is carried out through daily and weekly reports aimed at evaluating limit compliances across all the key liquidity management criteria e.g., funding gap, liquidity mismatches, etc.

The Assets & Liability Committee (ALCO) has the primary responsibility for managing liquidity risk arising from assets and liability creation activities. Deliberate strategies put in place to ensure the Group is protected from liquidity risk include:

- Liquidity risk identification at transaction, portfolio and entity levels using the defined early warning liquidity risk indicators such as deposit attrition, funding mismatch and funding concentrations.
- Establishment of the Group's liquidity risk appetite, which is the amount of risk FCMB is willing to accept in pursuit of value using relevant liquidity risk ratios and assets and liability funding gaps.
- Establishment of methodologies for measuring and reporting on the Group's liquidity risk profile against set appetite and sensitizing against unforeseen circumstances using liquidity risk scenario analysis
- Establishment of preventive (limit setting and management) as well as corrective (Contingency Funding Plan -CFP) controls over liquidity risk
- Maintaining a diversified funding base consisting of customer deposit (both retail and corporate) and wholesale market deposits and contingency deposits and liabilities.
- Carrying a portfolio of highly liquid assets, diversified by currency and maturity
- Monitoring liquidity ratios, maturity mismatches, behavioural characteristics of the Group's financial assets and liabilities, and the extent to which they are encumbered

The Group conducts regular stress testing on its liquidity position using different scenarios including Normal, Mild and Severe stress situations. The scenarios anticipate changes in key financial indicators such as interest rate movement, sharp reduction in Development Financial Institutions (DFIs) as a result of current security challenges, economic downturn among others. Stress results are presented to ALCO to elicit proactive liquidity management decisions. The committee's resolutions are tracked for impact assessment and anticipated stability in liquidity management.

The Risk Management Division acts as the secretariat for ALCO and provides the necessary analytics (Maturity/Repricing Gap and Balance sheet analysis) required for taking proactive liquidity management decisions. The Group's Treasury & Financial Services division is responsible for executing ALCO decisions and in particular, ensuring that the Group is optimally and profitably funded at any point in time.

**i Exposure to Liquidity Risk**

The key measures adopted by the Group for liquidity management are Maturity Profile (on and off balance sheet) and Maturity Analysis. Details of reported ratio of the Group's net liquid assets to deposit from customers as at the reporting period is given as:

PERIOD	31 DEC 2025	31 DEC 2024
At 31 December	66.5%	40.6%
Average for the year	55.4%	40.6%
Maximum for the year	82.5%	49.7%
Minimum for the year	34.8%	34.1%

Liquidity ratio which is a measure of liquidity risk is calculated as a ratio of naira liquid assets to local currency deposits and its is expressed in percentages.

The exposure to liquidity risk during the review period is as presented below:

**ii Maturity Analysis for financial assets and liabilities**

The table below analyses financial assets and liabilities of the Group into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. These include both principal and interest cash flows across the different maturity periods. The following tables show the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow/ (outflow) disclosed in the table is the contractual, undiscounted cash flows on the financial assets and liabilities.

Notes to the consolidated and separate financial statements

**GROUP**  
**31 DEC 2025**

In thousands of Naira	Note	Carrying amount	Gross nominal inflow / (outflow)	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1 - 5 years	above 5 years	Total
<b>Non-derivative assets</b>										
Cash and cash equivalent	21	1 298 920 721	1 298 941 384	1 298 941 384	-	-	-	-	-	1 298 941 384
Restricted reserve deposit	28	1 198 149 879	1 198 149 879	1 198 149 879	-	-	-	-	-	1 198 149 879
Non-pledged trading assets	22(a)	439 720 734	463 001 444	22 142 507	(11 568 351)	9 959 860	72 992 052	278 784 535	90 690 841	463 001 444
Loans and advances to customers	26	2 365 686 373	2 445 667 992	364 672 973	706 032 058	273 804 034	292 647 910	557 090 783	251 420 234	2 445 667 992
Asset pledged as collateral	25	104 900 576	243 823 586	1 183 837.00	2 367 673	3 551 510	7 300 326	66 111 020	163 309 221	243 823 587
Investment securities	24	2 035 651 897	2 074 767 872	61 494 846	89 802 905	110 824 766	90 584 718	344 479 840	1 377 580 797	2 074 767 872
Other financial assets (net)	27(a)	41 208 707	71 948 560	87 618 990.00	-	-	(2 801 880)	-	(12 868 550)	71 948 560
		<b>7 484 238 887</b>	<b>7 796 300 717</b>	<b>3 034 204 416</b>	<b>786 634 285</b>	<b>398 140 170</b>	<b>460 723 126</b>	<b>1 246 466 178</b>	<b>1 870 132 543</b>	<b>7 796 300 718</b>
<b>Derivative assets</b>										
Risk management:	23(a)	4 276 814	-	-	-	-	-	-	-	-
Inflow		-	1 566 497	-	-	1 566 497	-	-	-	1 566 497
Outflow		-	(1 045 781)	-	-	(1 045 781)	-	-	-	(1 045 781)
		<b>4 276 814</b>	<b>520 716</b>	<b>-</b>	<b>-</b>	<b>520 716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>520 716</b>
<b>Derivative liabilities</b>										
Risk management:	23(b)	608 639	-	-	-	-	-	-	-	-
Inflow		-	2 046 053	-	-	2 046 053	-	-	-	2 046 053
Outflow		-	(1 047 721)	-	-	(1 047 721)	-	-	-	(1 047 721)
		<b>608 639</b>	<b>998 332</b>	<b>-</b>	<b>-</b>	<b>998 332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>998 332</b>
<b>Non-derivative liabilities</b>										
Trading liabilities	22(b)	-	-	-	-	-	-	-	-	-
Deposits from banks	33	1 010 355 965	1 135 109 325	225 610 014	264 962 622	442 124 163	121 451 108	80 961 418.00	-	1 135 109 325
Deposits from customers	34	4 418 520 958	4 430 636 454	4 000 503 546	109 060 119	174 664 825	85 718 307	60 689 656.00	-	4 430 636 453
Borrowings	40	365 570 331	365 569 148	145 124 267	0	3 085 082	23 059 472	194 300 327	-	365 569 148
On-lending facilities	38	318 192 503	318 192 503	7 788 583	2 375 888	5 095 325	16 450 943	128 606 315	157 875 450	318 192 504
Debt securities issued	39	121 583 156	122 718 363	-	80 011 693	1 489 851	1 508 092.00	39 708 726.00	-	122 718 362
Other financial liabilities	36(a)	447 239 762	588 690 654	349 125 146	20 859 362.00	166 795 409	751 254	30 796 970	20 362 512.00	588 690 653
		<b>6 681 462 675</b>	<b>6 960 916 447</b>	<b>4 728 151 556</b>	<b>477 269 684</b>	<b>793 254 655</b>	<b>248 939 176</b>	<b>535 063 412</b>	<b>178 237 962</b>	<b>6 960 916 445</b>

Notes to the consolidated and separate financial statements

**31 DEC 2024**

In thousands of Naira	Note	Carrying amount	Gross nominal inflow / (outflow)	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1 - 5 years	above 5 years	Total
<b>Non-derivative assets</b>										
Cash and cash equivalent	21	795 387 019	795 387 019	795 387 019	-	-	-	-	-	795 387 019
Restricted reserve deposit	28	1 441 465 091	1 441 465 091	-	-	-	1 441 465 091	-	-	1 441 465 091
Non-pledged trading assets	22(a)	319 109 270	823 278 788	14 701 067	16 484 428	31 078 107	63 589 569	326 118 617	371 306 999	823 278 788
Loans and advances to customers	26	2 357 303 173	2 485 078 216	1 247 966 260	113 213 078	88 414 324	164 782 439	560 044 771	310 657 344	2 485 078 216
Asset pledged as collateral	25	401 703 741	351 196 850	48 068	96 136	144 204	296 420	2 339 317	348 272 704	351 196 850
Investment securities	24	1 189 410 706	2 330 063 194	98 381 472	103 496 638	65 805 158	210 429 600	570 106 074	1 281 844 252	2 330 063 194
Other financial assets (net)	27(a)	419 870 245	487 451 088	46 495 458	-	-	291 285 520	144 972 201	4 697 909	487 451 088
		<b>6 924 249 245</b>	<b>8 713 920 245</b>	<b>2 202 979 344</b>	<b>233 290 280</b>	<b>185 441 794</b>	<b>2 171 848 639</b>	<b>1 603 580 979</b>	<b>2 316 779 207</b>	<b>8 713 920 245</b>
<b>Derivative assets</b>										
Risk management:	23(a)	1 451 932	-	-	-	-	-	-	-	-
Inflow		-	16 566 497	-	-	1 566 497	-	-	-	1 566 497.00
Outflow		-	-15 045 781	-	-	-1 045 781	-	-	-	- 1 045 781.00
		<b>1 451 932</b>	<b>1 520 716</b>	<b>-</b>	<b>-</b>	<b>520 716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>520 716.00</b>
<b>Derivative liabilities</b>										
Risk management:	23(b)	2 608 146	-	-	-	-	-	-	-	-
Inflow		-	17 046 053	-	-	2 046 053	-	-	-	2 046 053.00
Outflow		-	-16 047 721	-	-	-1 047 721	-	-	-	- 1 047 721.00
		<b>2 608 146</b>	<b>998 332</b>	<b>-</b>	<b>-</b>	<b>998 332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>998 332.00</b>
<b>Non-derivative liabilities</b>										
Trade liabilities		-	-	-	-	-	-	-	-	-
Deposits from banks	33	834 893 228	847 292 293	668 228 653	169 252 503	9 811 137	-	-	-	847 292 293
Deposits from customers	34	4 296 485 849	4 336 051 813	3 097 698 832	417 884 283	407 151 485	406 144 011	7 173 202	-	4 336 051 813
Borrowings	40	359 862 027	362 217 796	2 101 230	-	82 498 897	5 574 664	136 636 901	135 406 104	362 217 796
On-lending facilities	38	204 803 631	231 877 813	4 115 448	1 631 440	4 318 513	10 386 835	84 433 409	126 992 168	231 877 813
Debt securities issued	39	199 075 949	267 267 645	-	3 427 773	5 596 373	92 136 089	116 679 110	49 428 300	267 267 645
Other financial liabilities	36(a)	369 547 098	369 547 098	34 886 301	62 045 396.00	80 135 408	-	192 479 993	-	369 547 098
		<b>6 264 667 782</b>	<b>6 414 254 458</b>	<b>3 807 030 464</b>	<b>654 241 395</b>	<b>589 511 813</b>	<b>514 241 598</b>	<b>537 402 616</b>	<b>311 826 572</b>	<b>6 414 254 458</b>

Notes to the consolidated and separate financial statements

**COMPANY**  
**31 DEC 2025**

In thousands of Naira	Note	Carrying amount	Gross nominal inflow / (outflow)	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1 - 5 years	above 5 years	Total
<b>Non-derivative assets</b>										
Cash and cash equivalent	21	3 014 998	3 014 998	3 014 998	-	-	-	-	-	3 014 998
Restricted reserve deposit	28	-	-	-	-	-	-	-	-	-
Non-pledged trading assets	22(a)	-	-	-	-	-	-	-	-	-
Loans and advances to customers	26	-	-	-	-	-	-	-	-	-
Asset pledged as collateral	25	-	-	-	-	-	-	-	-	-
Investment securities	24	85 157 405	94 243 409	16 816 598	3 720 941	2 360 918	1 849 986	19 164 368	50 330 599	94 243 409
Other financial assets (net)	27(a)	25 972 082	26 194 374	15 809 495	-	-	10 384 879	-	-	26 194 374
		<b>114 144 485</b>	<b>123 452 781</b>	<b>35 641 091</b>	<b>3 720 941</b>	<b>2 360 918</b>	<b>12 234 865</b>	<b>19 164 368</b>	<b>50 330 599</b>	<b>123 452 781</b>
<b>Derivative assets</b>										
Risk management:	23(a)	-	-	-	-	-	-	-	-	-
Inflow		-	-	-	-	-	-	-	-	-
Outflow		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Derivative liabilities</b>										
Risk management:	23(b)	-	-	-	-	-	-	-	-	-
Inflow		-	-	-	-	-	-	-	-	-
Outflow		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Non-derivative liabilities</b>										
Deposits from banks	33	-	-	-	-	-	-	-	-	-
Deposits from customers	34	-	-	-	-	-	-	-	-	-
Borrowings	40	5 708 894	5 708 894	-	3 450 572	2 258 322	-	-	-	5 708 894
On-lending facilities	38	-	-	-	-	-	-	-	-	-
Debt securities issued	39	-	-	-	-	-	-	-	-	-
Other financial liabilities	36(a)	18 540 316	18 540 316	17 173 847	-	-	-	1 366 469	-	18 540 316
		<b>24 249 210</b>	<b>24 249 210</b>	<b>17 173 847</b>	<b>3 450 572</b>	<b>2 258 322</b>	<b>-</b>	<b>1 366 469</b>	<b>-</b>	<b>24 249 210</b>
<b>Net liquidity gap</b>		<b>89 895 275</b>	<b>99 203 571</b>	<b>18 467 244</b>	<b>270 369</b>	<b>102 596</b>	<b>12 234 865</b>	<b>17 797 899</b>	<b>50 330 599</b>	<b>99 203 571</b>

**Notes to the consolidated and separate financial statements**

**31 DEC 2024**

In thousands of Naira	Note	Carrying amount	Gross nominal inflow / (outflow)	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1 - 5 years	above 5 years	Total
<b>Non-derivative assets</b>										
Cash and cash equivalent	21	14 371 980	14 371 980	14 371 980	-	-	-	-	-	14 371 980
Restricted reserve deposit	28	-	-	-	-	-	-	-	-	-
Non-pledged trading assets	22(a)	-	-	-	-	-	-	-	-	-
Loans and advances to customers	26	-	-	-	-	-	-	-	-	-
Asset pledged as collateral	25	-	-	-	-	-	-	-	-	-
Investment securities	24	68 603 349	75 813 808	-	-	-	-	-	75 813 808	75 813 808
Other financial assets (net)	27(a)	13 101 405	13 101 405	13 101 405	-	-	-	-	-	13 101 405
		<u>96 076 734</u>	<u>103 287 193</u>	<u>27 473 385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75 813 808</u>	<u>103 287 193</u>
<b>Derivative assets</b>										
Risk management:	23(a)	-	-	-	-	-	-	-	-	-
Inflow		-	-	-	-	-	-	-	-	-
Outflow		-	-	-	-	-	-	-	-	-
<b>Derivative liabilities</b>										
Risk management:	23(b)	-	-	-	-	-	-	-	-	-
Inflow		-	-	-	-	-	-	-	-	-
Outflow		-	-	-	-	-	-	-	-	-
<b>Non-derivative liabilities</b>										
Deposits from banks	33	-	-	-	-	-	-	-	-	-
Deposits from customers	34	-	-	-	-	-	-	-	-	-
Borrowings	40	5 320 125	5 574 664	-	-	-	5 574 664	-	-	5 574 664
On-lending facilities	38	-	-	-	-	-	-	-	-	-
Debt securities issued	39	-	-	-	-	-	-	-	-	-
Other financial liabilities	36(a)	2 161 827	2 411 502	145 906	-	-	2 265 596	-	-	2 411 502
		<u>7 481 952</u>	<u>7 986 166</u>	<u>145 906</u>	<u>-</u>	<u>-</u>	<u>2 265 596</u>	<u>-</u>	<u>-</u>	<u>7 986 166</u>

The amounts in the table above have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Derivative financial liabilities and financial assets held	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement and the net amounts for derivatives that are net settled.
Trading derivative liabilities and assets forming part of the Group's proprietary trading operations that are expected to be closed out before contractual maturity	Fair values at the date of the statement of financial position. This is because contractual maturities are not reflective of the liquidity risk exposure arising from these positions. These fair values are disclosed in the 'less than 0-30 days' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:

- demand deposits from customers are expected to remain stable or increase;
- unrecognised loan commitments are not all expected to be drawn down immediately; and
- retail mortgage loans have an original contractual maturity of between 10 and 15 years. But an average expected maturity of six years because customers take advantage of early repayment options.

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents, and debt securities issued by Central Bank of Nigeria, which can be readily sold to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral with Central Banks.

**Notes to the consolidated and separate financial statements**

iii **Liquidity reserves**

The table below sets out the components of the Group's liquidity reserve.

In thousands of Naira	Note	31 DEC 2025		31 DEC 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Balances with central banks	21	16 589 816	16 589 816	20 057 451	20 057 451
Cash and balances with other banks	21	1 282 330 905	1 282 330 905	775 329 568	775 329 568
Unencumbered debt securities issued by Central Bank of Nigeria		1 771 642 149	2 206 441 017	1 059 653 341	1 478 120 781
<b>Total liquidity reserve</b>		<b>3 070 562 870</b>	<b>3 505 361 738</b>	<b>1 855 040 360</b>	<b>2 273 507 800</b>

Included in the unencumbered debt securities issued by central banks are: Federal Government of Nigeria (FGN) Bonds N835.11billion (31 December 2024: N835.11billion), Treasury Bills N189.13billion (31 December 2024: N189.13billion) under note 23(a), 26(a) and (b).

iv **Financial assets available to support future funding**

The table below shows availability of the Group's financial assets to support future funding:

31 DEC 2025						
In thousands of Naira	Note	Encumbered		Unencumbered		Total
		Pledged as collateral	Other*	Available as collateral	Other**	
Cash and cash equivalents	21	-	-	1 298 920 721	-	1 298 920 721
Restricted reserve deposits	28	-	1 198 149 879	-	-	1 198 149 879
Non-pledged trading assets	22(a)	-	-	-	439 720 734	439 720 734
Loans and advances	26	-	-	-	2 365 686 373	2 365 686 373
Assets pledged as collateral	25	104 900 576	-	-	-	104 900 576
Investment securities	24	-	-	2 035 651 897	-	2 035 651 897
Other assets (net)	27	-	-	-	41 208 707	41 208 707
<b>Total Assets</b>		<b>104 900 576</b>	<b>1 198 149 879</b>	<b>3 334 572 618</b>	<b>2 846 615 814</b>	<b>7 484 238 887</b>

31 DEC 2024						
In thousands of Naira	Note	Encumbered		Unencumbered		Total
		Pledged as collateral	Other*	Available as collateral	Other**	
Cash and cash equivalents	21	-	-	795 387 019	-	795 387 019
Restricted reserve deposits	28	-	1 441 465 091	-	-	1 441 465 091
Non-pledged Trading assets	22(a)	-	-	-	319 109 270	319 109 270
Loans and advances	26	-	-	-	2 357 303 173	2 357 303 173
Assets pledged as collateral	25	401 703 741	-	-	-	401 703 741
Investment securities	24	-	-	1 189 410 706	-	1 189 410 706
Other assets (net)	27	-	-	-	419 870 245	419 870 245
<b>Total Assets</b>		<b>401 703 741</b>	<b>1 441 465 091</b>	<b>1 984 797 725</b>	<b>3 096 282 688</b>	<b>6 924 249 245</b>

**Notes to the consolidated and separate financial statements**

\*Represents assets which are not pledged but the Group believes they are restricted (either by law or other reasons) from being used to secure funding.

\*\* These are assets that are available i.e. not restricted as collateral to secure funding but the Group would not consider them as readily available in the course of regular business.

**Financial assets pledged as collateral**

The total financial assets recognised in the statement of financial position that had been pledged as collateral for liabilities at 31 December 2025 and 31 December 2024 is shown in the preceding table.

Financial assets are pledged as collateral as part of securities borrowing, clearing and client's collection transactions under terms that are usual and customary for such activities.

**(d) Market Risk**

Market risk is the risk that changes in market prices such as interest rate, equity/commodity prices, foreign exchange rates will affect the Group's income or the value of its holdings in financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters in order to ensure the Group's solvency while optimizing the return on risk.

**Management of market risk**

Market risk is the risk that movements in market factors, including foreign exchange rates and interest rates, credit spreads and equity prices, will reduce the Group's income or the value of its portfolios. The Group classifies its market risk into asset and liability management (ALM) risk, investment risk and trading risk.

The Group separates its market risk exposures between trading and non-trading portfolios. Trading portfolios are mainly held by the Treasury and Financial Services Division and include positions from market making and proprietary positions taking, together with financial assets and liabilities that are managed on fair value basis. Non-trading portfolios are mainly held by Asset and Liability Management (ALM) Department and include portfolios held under amortised cost and fair value through other comprehensive income.

The Group has a robust methodology and procedures for the identification, assessment, control, monitoring and reporting of market risks within its trading portfolio and the rest of the Group's balance sheet. The Market Risk Management Unit within Risk Management Division is responsible for measuring market risk exposures in accordance with the policies defined by the Board, monitoring and reporting the exposures against the prescribed limits.

Overall authority for market risk is vested by the Board in ALCO which sets up limits for each type of risk in aggregate. However, Market & Liquidity Risk Department within Risk Management is responsible for limit tracking and reporting to the Chief Risk Officer and ultimately, Assets and Liability Committee. The Group employs a range of tools to monitor and ensure risk acceptance is kept within defined limit. Detail of market risk exposures as at 31 December 2025 are provided below:

**MARKET RISK MEASURES:**

The table below sets out the allocation of assets and liabilities subject to price risk, classified by trading and non-trading portfolio:

**31 DEC 2025**

In thousands of Naira	Note	GROUP			COMPANY		
		Carrying Amount	Trading portfolios	Non-trading portfolios	Carrying Amount	Trading portfolios	Non-trading portfolios
<b>Assets subject to market risk:</b>							
Cash and cash equivalents	21	1 298 920 721	-	1 298 920 721	3 014 998	-	3 014 998
Restricted reserve deposits	28	1 198 149 879	-	1 198 149 879	-	-	-
Non-pledged trading assets	22(a)	439 720 734	439 720 734	-	-	-	-
Derivative assets held for risk management	23(a)	4 276 814	-	4 276 814	-	-	-
Loans and advances to customers	26	2 365 686 373	-	2 365 686 373	-	-	-
Assets pledged as collateral	25	104 900 576	-	104 900 576	-	-	-
Investment securities	24	2 035 651 897	-	2 035 651 897	85 157 405	-	85 157 405
Other financial assets (net)	27(a)(c)	41 208 707	-	41 208 707	25 972 082	-	25 972 082
<b>Liabilities subject to market risk:</b>							
Derivative liabilities held for risk management	23(b)	608 639	-	608 639	-	-	-
Deposits from banks	33	1 010 355 965	-	1 010 355 965	-	-	-
Deposits from customers	34	4 418 520 958	-	4 418 520 958	-	-	-
Borrowings	40	365 570 331	-	365 570 331	5 708 894	-	5 708 894
On-lending facilities	38	318 192 503	-	318 192 503	-	-	-
Debt securities issued	39	121 583 156	-	121 583 156	-	-	-
Other financial liabilities	36(a)	447 239 762	-	447 239 762	18 540 316	-	18 540 316

**Notes to the consolidated and separate financial statements**

<b>31 DEC 2024</b>							
<b>In thousands of Naira</b>	<b>Note</b>	<b>GROUP</b>			<b>COMPANY</b>		
		<b>Carrying Amount</b>	<b>Trading portfolios</b>	<b>Non-trading portfolios</b>	<b>Carrying Amount</b>	<b>Trading portfolios</b>	<b>Non-trading portfolios</b>
<b>Assets subject to market risk:</b>							
Cash and cash equivalents	21	795 387 019	-	795 387 019	14 371 980	-	14 371 980
Restricted reserve deposits	28	1 441 465 091	-	1 441 465 091	-	-	-
Non-pledged trading assets	22(a)	319 109 270	319 109 270	-	-	-	-
Derivative assets held for risk management	23(a)	1 451 932	-	1 451 932	-	-	-
Loans and advances to customers	26	2 357 303 173	-	2 357 303 173	-	-	-
Assets pledged as collateral	25	401 703 741	-	401 703 741	-	-	-
Investment securities	24	1 189 410 706	-	1 189 410 706	68 603 349	-	68 603 349
Other financial assets (net)	27(a)(c)	419 870 245	-	419 870 245	13 101 405	-	13 101 405
<b>Liabilities subject to market risk:</b>							
Derivative liabilities held for risk management	23(b)	2 608 146	-	2 608 146	-	-	-
Deposits from banks	33	834 893 228	-	834 893 228	-	-	-
Deposits from customers	34	4 296 485 849	-	4 296 485 849	-	-	-
Borrowings	40	359 862 027	-	359 862 027	5 320 125	-	5 320 125
On-lending facilities	38	204 803 631	-	204 803 631	-	-	-
Debt securities issued	39	199 075 949	-	199 075 949	-	-	-
Other financial liabilities	36(a)	369 547 098	-	369 547 098	2 161 827	-	2 161 827

**Notes to the consolidated and separate financial statements**

**Exposure to interest rate risk - non trading portfolios**

The principal risk to which non-trading portfolios are exposed is the risk of loss arising from fluctuations in the fair values of future cash flows from financial instruments because of a change in the market interest rate. Interest rate risk is managed principally through active monitoring of gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Treasury and Financial Services Division.

A summary of the interest rate gap position on non-trading portfolios is as follows:

<b>GROUP</b>		31 DEC 2025				31 DEC 2024			
In thousands of Naira	Note	Carrying Amount	Rate	sensitive	Non rate sensitive	Carrying Amount	Rate	sensitive	Non rate sensitive
<b>Assets</b>									
Cash and cash equivalents	21	1 298 920 721	80 085 924	1 218 834 797	-	795 387 019	7 259 998	788 127 021	-
Restricted reserve deposits	28	1 198 149 879	-	1 198 149 879	-	1 441 465 091	-	1 441 465 091	-
Loans and advances to customers (gross)	26	2 475 470 182	2 475 470 182	-	-	2 485 078 216	2 485 078 216	-	-
Assets pledged as collateral	25	104 900 576	104 900 576	-	-	401 703 741	401 703 741	-	-
Investment securities	24	2 035 651 897	1 915 830 839	119 821 058	-	1 189 410 706	1 079 349 193	110 061 513	-
Other financial assets (gross)	27(a)	111 057 076	-	111 057 076	-	487 451 088	-	487 451 088	-
		<b>7 224 150 331</b>	<b>4 576 287 521</b>	<b>2 647 862 810</b>	<b>-</b>	<b>6 800 495 861</b>	<b>3 973 391 148</b>	<b>2 827 104 713</b>	<b>-</b>
<b>Liabilities</b>									
Deposits from banks	33	1 010 355 965	1 010 355 965	-	-	834 893 228	834 893 228	-	-
Deposits from customers	34	4 418 520 958	4 418 520 958	-	-	4 296 485 849	4 296 485 849	-	-
Borrowings	40	365 570 331	365 570 331	-	-	359 862 027	359 862 027	-	-
On-lending facilities	38	318 192 503	318 192 503	-	-	204 803 631	204 803 631	-	-
Debt securities issued	39	121 583 156	77 383 434	44 199 722	-	199 075 949	81 946 349	117 129 600	-
Other financial liabilities	36(a)	447 239 762	-	447 239 762	-	369 547 098	-	369 547 098	-
		<b>6 681 462 675</b>	<b>6 190 023 191</b>	<b>491 439 484</b>	<b>-</b>	<b>6 264 667 782</b>	<b>5 777 991 084</b>	<b>486 676 698</b>	<b>-</b>
<b>Total interest repricing gap</b>		<b>542 687 656</b>	<b>-1 613 735 670</b>	<b>2 156 423 325</b>	<b>-</b>	<b>535 828 079</b>	<b>-1 804 599 936</b>	<b>2 340 428 015</b>	<b>-</b>

<b>GROUP</b>								
In thousands of Naira	Note	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1 - 5 years	above 5 years	Total
<b>31 DEC 2025</b>								
<b>Assets subject to market interest rate risk:</b>								
Cash and cash equivalents	21	80 085 924	-	-	-	-	-	80 085 924
Loans and advances to customers (gross)	26	898 080 148	686 032 058	227 276 639	288 030 216	124 630 887	251 420 234	2 475 470 182
Assets pledged as collateral	25	-	-	-	-	21 570 868	83 329 708	104 900 576
Investment securities	24	65 927 546	89 802 905	110 824 766	90 584 718	344 479 840	1 214 211 064	1 915 830 839
		<b>1 044 093 618</b>	<b>775 834 963</b>	<b>338 101 405</b>	<b>378 614 934</b>	<b>490 681 595</b>	<b>1 548 961 006</b>	<b>4 576 287 521</b>
<b>Liabilities subject to market interest rate risk:</b>								
Deposits from banks	33	497 851 565	121 911 672	275 219 862	115 372 866	-	-	1 010 355 965
Deposits from customers	34	3 677 135 947	460 626 809	108 367 013	172 391 189	-	-	4 418 520 958
Borrowings	40	145 125 450	-	3 085 082	23 059 472	194 300 327	-	365 570 331
On-lending facilities	38	4 879 702	7 703 608	4 309 250	13 024 812	104 370 567	183 904 564	318 192 503
Debt securities issued	39	-	35 865 703	-	-	-	41 517 731	77 383 434
		<b>4 324 992 664</b>	<b>626 107 792</b>	<b>390 981 207</b>	<b>323 848 339</b>	<b>298 670 894</b>	<b>225 422 295</b>	<b>6 190 023 191</b>
<b>Total interest repricing gap</b>		<b>(3 280 899 046)</b>	<b>149 727 171</b>	<b>(52 879 802)</b>	<b>54 766 595</b>	<b>192 010 701</b>	<b>1 323 538 711</b>	<b>(1 613 735 670)</b>

**Notes to the consolidated and separate financial statements**

**31 DEC 2024**

In thousands of Naira	Note	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1 - 5 years	above 5 years	Total
<b>Assets subject to market interest rate risk:</b>								
Cash and cash equivalents	21	7 259 998	-	-	-	-	-	7 259 998
Loans and advances to customers (gross)	26	1 279 898 540	113 213 078	56 482 044	164 782 439	560 044 771	310 657 344	2 485 078 216
Assets pledged as collateral	25	-	10 400 000	27 694 343	28 151 398	73 655 292	261 802 708	401 703 741
Investment securities	24	118 188 656	110 320 208	37 000 000	95 027 014	87 021 902	631 791 413	1 079 349 193
		<u>1 405 347 194</u>	<u>233 933 286</u>	<u>121 176 387</u>	<u>287 960 851</u>	<u>720 721 965</u>	<u>1 204 251 465</u>	<u>3 973 391 148</u>
<b>Liabilities subject to market interest rate risk:</b>								
Deposits from banks	33	655 829 588	169 252 503	9 811 137	-	-	-	834 893 228
Deposits from customers	34	3 005 857 292	470 159 859	407 151 485	406 144 011	7 173 202	-	4 296 485 849
Borrowings	40	87 819 022	-	-	-	136 636 901	135 406 104	359 862 027
On-lending facilities	38	4 115 449	1 631 440	4 318 513	10 379 842	84 382 369	99 976 018	204 803 631
Debt securities issued	39	-	-	-	72 260 850	-	9 685 499	81 946 349
		<u>3 753 621 351</u>	<u>641 043 802</u>	<u>421 281 135</u>	<u>488 784 703</u>	<u>228 192 472</u>	<u>245 067 621</u>	<u>5 777 991 084</u>
<b>Total interest repricing gap</b>		<u>(2 348 274 157)</u>	<u>(407 110 516)</u>	<u>(300 104 748)</u>	<u>(200 823 852)</u>	<u>492 529 493</u>	<u>959 183 844</u>	<u>(1 804 599 936)</u>

**COMPANY**

In thousands of Naira	Note	31 DEC 2025			31 DEC 2024		
		Carrying Amount	Rate sensitive	Non rate sensitive	Carrying Amount	Rate sensitive	Non rate sensitive
<b>Assets</b>							
Cash and cash equivalents	21	3 014 998	-	3 014 998	14 371 980	-	14 371 980
Restricted reserve deposits	25	-	-	-	-	-	-
Loans and advances to customers (gross)	26	-	-	-	-	-	-
Assets pledged as collateral	25	-	-	-	-	-	-
Investment securities	24	85 157 405	85 157 405	0	68 603 349	68 603 349	-
Other financial assets (gross)	27(a)	26 194 374	-	26 194 374	13 286 972	-	13 286 972
		<u>114 366 777</u>	<u>85 157 405</u>	<u>29 209 372</u>	<u>96 262 301</u>	<u>68 603 349</u>	<u>27 658 952</u>
<b>Liabilities</b>							
Deposits from banks	33	-	-	-	-	-	-
Deposits from customers	34	-	-	-	-	-	-
Borrowings	40	5 708 894	5 708 894	-	5 320 125	5 320 125	-
On-lending facilities	38	-	-	-	-	-	-
Debt securities issued	39	-	-	-	-	-	-
Other financial liabilities	36(a)	18 540 316	-	18 540 316	2 161 827	-	2 161 827
		<u>24 249 210</u>	<u>5 708 894</u>	<u>18 540 316</u>	<u>7 481 952</u>	<u>5 320 125</u>	<u>2 161 827</u>
<b>Total interest repricing gap</b>		<u>90 117 567</u>	<u>79 448 511</u>	<u>10 669 056</u>	<u>88 780 349</u>	<u>63 283 224</u>	<u>25 497 125</u>

**Notes to the consolidated and separate financial statements**

COMPANY								
In thousands of Naira	Note	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1 - 5 years	above 5 years	Total
<b>31 DEC 2025</b>								
<b>Assets subject to market risk:</b>								
Cash and cash equivalents	21	-	-	-	-	-	-	-
Loans and advances to customers (gross)	26	-	-	-	-	-	-	-
Assets pledged as collateral	25	-	-	-	-	-	-	-
Investment securities	24	7 164 528	-	18 812 084	2 194 199	-	56 986 594	85 157 405
		<u>7 164 528</u>	<u>-</u>	<u>18 812 084</u>	<u>2 194 199</u>	<u>-</u>	<u>56 986 594</u>	<u>85 157 405</u>
<b>Liabilities subject to market risk:</b>								
Deposits from banks	33	-	-	-	-	-	-	-
Deposits from customers	34	-	-	-	-	-	-	-
Borrowings	40	-	-	-	-	5 708 894	-	5 708 894
On-lending facilities	38	-	-	-	-	-	-	-
Debt securities issued	39	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5 708 894</u>	<u>-</u>	<u>5 708 894</u>
<b>Total interest repricing gap</b>		<u>7 164 528</u>	<u>-</u>	<u>18 812 084</u>	<u>2 194 199</u>	<u>-5 708 894</u>	<u>56 986 594</u>	<u>79 448 511</u>
<b>31 DEC 2024</b>								
In thousands of Naira	Note	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1 - 5 years	above 5 years	Total
<b>Assets subject to market risk:</b>								
Cash and cash equivalents	21	-	-	-	-	-	-	-
Loans and advances to customers (gross)	26	-	-	-	-	-	-	-
Assets pledged as collateral	25	-	-	-	-	-	-	-
Investment securities	24	2 394 609	-	-	7 714 288	45 457 558	13 036 894	68 603 349
		<u>2 394 609</u>	<u>-</u>	<u>-</u>	<u>7 714 288</u>	<u>45 457 558</u>	<u>13 036 894</u>	<u>68 603 349</u>
<b>Liabilities subject to market risk:</b>								
Deposits from banks	33	-	-	-	-	-	-	-
Deposits from customers	34	-	-	-	-	-	-	-
Borrowings	40	-	-	-	5 320 125	-	-	5 320 125
On-lending facilities	38	-	-	-	-	-	-	-
Debt securities issued	39	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>5 320 125</u>	<u>-</u>	<u>-</u>	<u>5 320 125</u>
<b>Total interest repricing gap</b>		<u>2 394 609</u>	<u>-</u>	<u>-</u>	<u>2 394 163</u>	<u>45 457 558</u>	<u>13 036 894</u>	<u>63 283 224</u>

**Notes to the consolidated and separate financial statements**

**Sensitivity of projected net interest income**

The management of interest rate risk against interest rate gap is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 50 basis points and 100 basis points (bps) parallel fall or rise. The financial assets and liabilities sensitive to interest rate risk are loans and advances, cash and cash equivalents (placements), assets pledged as collateral (treasury bills and FGN bonds), investment securities (treasury bills, FGN bonds, state government bonds and corporate bonds) and deposits from banks, deposits from customers, borrowings, on-lending facilities and debt securities issued. A weighted average rate has been applied and the effects are shown in the table below:

<b>GROUP</b>							
<b>31 DEC 2025</b>							
		Weighted average interest rate	Interest due at current weighted average rate	50bps	(50bps)	100bps	(100bps)
<b>In thousands of Naira</b>	<b>Gross amount</b>						
Non-trading assets subject to rate sensitivity	4 576 287 521	22%	1 005 329 106	1 028 210 544	982 447 668	1 051 091 981	959 566 231
Non-trading liabilities subject to rate sensitivity	6 190 023 191	8%	(499 422 106)	(530 372 222)	(468 471 990)	(561 322 338)	(437 521 874)
			505 907 000	497 838 322	513 975 678	489 769 643	522 044 357
Impact on net interest income				(8 068 678)	8 068 678	(16 137 357)	16 137 357

<b>31 DEC 2024</b>							
		Weighted average interest rate	Interest due at current weighted average rate	50bps	(50bps)	100bps	(100bps)
<b>In thousands of Naira</b>	<b>Gross amount</b>						
Non-trading assets subject to rate sensitivity	3 973 391 148	16%	621 803 795	641 670 751	601 936 839	661 537 706	582 069 884
Non-trading liabilities subject to rate sensitivity	5 777 991 084	7%	(396 503 592)	(425 393 547)	(367 613 637)	(454 283 503)	(338 723 681)
			225 300 203	216 277 204	234 323 202	207 254 203	243 346 203
Impact on net interest income				-9 022 999	9 022 999	-18 046 000	18 046 000

<b>COMPANY</b>							
<b>31 DEC 2025</b>							
		Weighted average interest rate	Interest due at current weighted average rate	50bps	(50bps)	100bps	(100bps)
<b>In thousands of Naira</b>	<b>Gross amount</b>						
Non-trading assets subject to rate sensitivity	85 157 405	10%	8 151 804	8 577 591	7 726 017	9 003 378	7 300 230
Non-trading liabilities subject to rate sensitivity	5 708 894	22%	(1 265 968)	(1 294 512)	(1 237 424)	(1 323 057)	(1 208 879)
			6 885 836	7 283 079	6 488 593	7 680 321	6 091 351
Impact on net interest income				397 243	(397 243)	794 485	(794 485)

<b>31 DEC 2024</b>							
		Weighted average interest rate	Interest due at current weighted average rate	50bps	(50bps)	100bps	(100bps)
<b>In thousands of Naira</b>	<b>Gross amount</b>						
Non-trading assets subject to rate sensitivity	68 603 349	13%	8 857 206	9 200 223	8 514 189	9 543 239	8 171 173
Non-trading liabilities subject to rate sensitivity	5 320 125	17%	(928 052)	(954 653)	(901 451)	(981 253)	(874 851)
			7 929 154	8 245 570	7 612 738	8 561 986	7 296 322
Impact on net interest income				316 416	(316 416)	632 832	(632 832)

**Exposure to other market risk non-trading portfolios**

The non trading book includes the loans, deposits, investments, placements, etc. Price risk in non-trading portfolios is measured with portfolio duration and convexity. The sensitivity of earnings to specified upward and downward instantaneous parallel 50 and 100 basis point shifts in the yield curve, over one-year horizon under business-as-usual conditions assuming static portfolio indicates the potential risk.

**Exposure to market risk - trading portfolios**

The principal tools used by Treasury Risk Management Department to measure and control market risk exposure within the Group's trading portfolios are the Open Position limits, Mark-to-Market Analysis, Value at-Risk Analysis, Sensitivity Analysis and the Earning-at-Risk Analysis. Limit measurements (regulatory and internal) across the trading portfolios have been clearly defined, in line with the Group's risk appetite. These set limits shall prevent undue exposure in the event of abrupt market volatility. The Treasury Risk Management Department ensures that these limits and triggers are adhered to by the Treasury Division.

The trading book includes the treasury bills and FGN bonds. The sensitivity to earnings was not considered because it does not have material impact on earnings.

**Notes to the consolidated and separate financial statements**

**Foreign exchange risk**

FCMB takes on foreign exchange risks through its activities in both the trading and banking books. The Group engages in currency trading on behalf of itself and creates foreign currency positions on the banking book in the course of its financial intermediation role. The Group is thus exposed to the risk of loss on both its trading and banking book positions in the event of adverse movements in currency prices. The mark-to-market currency rates applied are the rates published by Central Bank of Nigeria.

However, the Group sets exposure limits (open position limits) at currency levels and uses a combination of counterparty, dealer and stop loss limits to manage market risks inherent in all foreign currency trading positions. All limits are set for both overnight and intra-day positions and approved by the Board of Directors. Compliance with the Board approved limits is enforced through daily monitoring by the Risk Management Division.

The table below summarises foreign currency exposures of the Group as at the year ended;

<b>GROUP</b>							
<b>31 DEC 2025</b>							
In thousands of Naira	Note	NGN	USD	GBP	EUR	OTHERS	Grand Total
<b>Assets</b>							
Cash and cash equivalents	21	115 605 348	1 121 075 967	30 550 528	31 429 721	259 157	1 298 920 721
Restricted reserve deposit	28	1 198 149 879	-	-	-	-	1 198 149 879
Non-pledged trading assets	22(a)	439 720 734	-	-	-	-	439 720 734
Derivative assets held for risk management	23(a)	3 436.00	4 273 378	-	-	-	4 276 814
Loans and advances (net)	26	1 013 898 904	1 349 799 495	274 657	1 713 317	-	2 365 686 373
Investment securities	24	1 493 979 339	541 672 558	-	-	-	2 035 651 897
Asset pledged as collateral	25	104 900 576	-	-	-	-	104 900 576
Other assets	27	32 952 111	8 242 759	-	13 837	-	41 208 707
<b>Total assets</b>		<b>4 399 210 327</b>	<b>3 025 064 157</b>	<b>30 825 185</b>	<b>33 156 875</b>	<b>259 157</b>	<b>7 488 515 701</b>
<b>Liabilities</b>							
Deposits from customers	34	2 758 405 027	1 628 617 816	16 368 336	15 129 742	37	4 418 520 958
Deposits from banks	33	44 003 756.00	966 352 209	-	-	-	1 010 355 965
Borrowings	40	145 125 450	220 444 881	-	-	-	365 570 331
On-lending facilities	38	318 192 503	-	-	-	-	318 192 503
Debt securities issued	39	96 239 195	25 343 961	-	-	-	121 583 156
Derivative liability held for risk management	23(b)	-	605 204	-	-	-	605 204
Provision	37	4 583 992	7 234 416	-	-	-	11 818 408
Other liabilities	36	311 293 840	128 133 158	1 622 204	5 929 652	260 908	447 239 762
<b>Total liabilities</b>		<b>3 677 843 763</b>	<b>2 976 731 645</b>	<b>17 990 540</b>	<b>21 059 394</b>	<b>260 945</b>	<b>6 693 886 287</b>
<b>Net on-balance sheet financial position</b>		<b>721 366 564</b>	<b>48 332 512</b>	<b>12 834 645</b>	<b>12 097 481</b>	<b>(1 788)</b>	<b>794 629 414</b>
<b>Off-balance sheet financial position</b>	44	<b>534 676 408</b>	<b>293 490 815</b>	<b>154 679</b>	<b>1 765 739</b>	<b>-</b>	<b>830 087 641</b>

**Notes to the consolidated and separate financial statements**

**31 DEC 2024**

In thousands of Naira	Note	NGN	USD	GBP	EUR	OTHERS	Grand Total
<b>Assets</b>							
Cash and cash equivalents	21	38 057 994	695 277 699	27 188 123	34 081 346	781 857	795 387 019
Restricted reserve deposit	28	1 441 465 091	-	-	-	-	1 441 465 091
Non-pledged trading assets	22(a)	319 109 270	-	-	-	-	319 109 270
Derivative assets held for risk management	23(a)	(93 573)	1 545 505	-	-	-	1 451 932
Loans and advances (net)	26	830 562 412	1 524 356 683	275 285	2 108 793	-	2 357 303 173
Investment securities	24	1 105 694 198	83 716 508	-	-	-	1 189 410 706
Asset pledged as collateral	25	401 703 741	-	-	-	-	401 703 741
Other assets	27	58 242 726	387 701 195	98 353	26 442	-	446 068 716
<b>Total assets</b>		<b>4 194 741 859</b>	<b>2 692 597 590</b>	<b>27 561 761</b>	<b>36 216 581</b>	<b>781 857</b>	<b>6 951 899 648</b>
<b>Liabilities</b>							
Trading liabilities	22(b)	-	-	-	-	-	-
Deposits from customers	34	2 752 661 497	1 517 338 929	12 861 923	13 623 460	40	4 296 485 849
Deposits from banks	33	211 862 602	623 030 626	-	-	-	834 893 228
Borrowings	40	87 819 022	272 043 005	-	-	-	359 862 027
On-lending facilities	38	204 803 631	-	-	-	-	204 803 631
Debt securities issued	39	17 606 350	181 469 599	-	-	-	199 075 949
Derivative liability held for risk management	23(b)	-	2 608 146	-	-	-	2 608 146
Provision	37	5 254 364	7 767 882	-	-	-	13 022 246
Other liabilities	36	159 344 653	237 692 868	1 350 678	12 238 553	784 452	411 411 204
<b>Total liabilities</b>		<b>3 439 352 119</b>	<b>2 841 951 055</b>	<b>14 212 601</b>	<b>25 862 013</b>	<b>784 492</b>	<b>6 322 162 280</b>
<b>Net on-balance sheet financial position</b>		<b>755 389 740</b>	<b>(149 353 465)</b>	<b>13 349 160</b>	<b>10 354 568</b>	<b>(2 635)</b>	<b>629 737 368</b>
<b>Off-balance sheet financial position</b>	44	<b>561 288 192</b>	<b>144 838 957</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>706 127 149</b>

**COMPANY**

**31 DEC 2025**

In thousands of Naira	Note	NGN	USD	GBP	EUR	OTHERS	Grand Total
<b>Assets</b>							
Cash and cash equivalents	21	1 727 113	1 251 605	35 108	1 172	-	3 014 998
Restricted reserve deposit	28	-	-	-	-	-	-
Non-pledged trading assets	22(a)	-	-	-	-	-	-
Loans and advances (net)	26	-	-	-	-	-	-
Investment securities	24	66 029 910	19 127 495	-	-	-	85 157 405
Investment in subsidiaries	29	295 894 665	-	-	-	-	295 894 665
Asset pledged as collateral	25	-	-	-	-	-	-
Other assets	27	25 972 082	-	-	-	-	25 972 082
<b>Total assets</b>		<b>389 623 769</b>	<b>20 379 100</b>	<b>35 108</b>	<b>1 172</b>	<b>-</b>	<b>410 039 150</b>
<b>Liabilities</b>							
Deposits from customers	34	-	-	-	-	-	-
Deposits from banks	33	-	-	-	-	-	-
Borrowings	40	5 708 894	-	-	-	-	5 708 894
On-lending facilities	38	-	-	-	-	-	-
Debt securities issued	39	-	-	-	-	-	-
Provision	37	-	-	-	-	-	-
Other liabilities	36	18 540 316	-	-	-	-	18 540 316
<b>Total liabilities</b>		<b>24 249 210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 249 210</b>
<b>Net on-balance sheet financial position</b>		<b>365 374 560</b>	<b>20 379 100</b>	<b>35 108</b>	<b>1 172</b>	<b>-</b>	<b>385 789 940</b>
<b>Off-balance sheet financial position</b>	44	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes to the consolidated and separate financial statements**

<b>31 DEC 2024</b>							
<b>In thousands of Naira</b>	<b>Note</b>	<b>NGN</b>	<b>USD</b>	<b>GBP</b>	<b>EUR</b>	<b>OTHERS</b>	<b>Grand Total</b>
<b>Assets</b>							
Cash and cash equivalents	21	14 348 656	1 180	21 029	1 116	-	14 371 980
Restricted reserve deposit	28	-	-	-	-	-	-
Non-pledged trading assets	22(a)	-	-	-	-	-	-
Loans and advances (net)	26	-	-	-	-	-	-
Investment securities	24	53 171 847	15 431 502	-	-	-	68 603 349
Investment in subsidiaries	29	273 168 431	-	-	-	-	273 168 431
Asset pledged as collateral	25	-	-	-	-	-	-
Other assets	27	13 219 384	-	-	-	-	13 219 384
<b>Total assets</b>		<b>353 908 318</b>	<b>15 432 682</b>	<b>21 029</b>	<b>1 116</b>	<b>-</b>	<b>369 363 144</b>
<b>Liabilities</b>							
Trading liabilities	22(b)	-	-	-	-	-	-
Deposits from customers	34	-	-	-	-	-	-
Deposits from banks	33	-	-	-	-	-	-
Borrowings	40	5 320 125	-	-	-	-	5 320 125
On-lending facilities	38	-	-	-	-	-	-
Debt securities issued	39	-	-	-	-	-	-
Provision	37	-	-	-	-	-	-
Other liabilities	36	3 760 605	-	-	-	-	3 760 605
<b>Total liabilities</b>		<b>9 080 730</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 080 730</b>
<b>Net on-balance sheet financial position</b>		<b>344 827 588</b>	<b>15 432 682</b>	<b>21 029</b>	<b>1 116</b>	<b>-</b>	<b>360 282 414</b>
<b>Off-balance sheet financial position</b>	44	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

In line with Central Bank of Nigeria guidelines, percentage of foreign borrowings to the shareholders' fund as at 31 December 2025 is 58.29% (31 December 2024: 77.52%) which is below the limit of 125%.

**Notes to the consolidated and separate financial statements**

**Exposure to currency risks – Non-trading portfolios**

At 31 December 2025, if foreign exchange rates at that date had been 80 percent lower with all other variables held constant, profit and equity for the period would have been N58.61billion (31 December 2024: N100.59billion) lower, arising mainly as a result of the decrease in revaluation of loans as compared to borrowings, foreign currency deposits and other foreign currency liabilities. If foreign exchange rates had been 80 percent higher, with all other variables held constant, profit and equity would have been N58.61billion (31 December 2024: N100.59billion) higher, arising mainly as a result of higher increase in revaluation of loans and advances than the increase on borrowings, foreign currency deposits and other foreign currency liabilities.

**Foreign exchange risk (USD)**

The following analysis details the Group's sensitivity to a 80 percent increase and decrease in the value of the Naira against USD. 80 percent is the sensitivity rate used when reporting foreign currency risk internally and represents management's assessment of the reasonably possible change in foreign exchange rates. The table below summarises the impact on profit or loss and equity for each category of USD financial instruments held as at 31 December 2025. It includes the Group's USD financial instruments carried at Nigerian Autonomous Foreign Exchange Rate Fixing (NAFEX) rate at N1,479.44/\$.

GROUP	31 DEC 2025			31 DEC 2024		
	Carrying amount	80% decrease in the value of Naira against USD	80% increase in the value of Naira against USD	Carrying amount	80% decrease in the value of Naira against USD	80% increase in the value of Naira against USD
<b>In thousands of Naira</b>						
<b>Financial assets</b>						
Cash and cash equivalents	1 121 075 967	896 860 774	(896 860 774)	695 277 699	556 222 159	(556 222 159)
Derivative assets held for risk management	4 273 378	3 418 702	(3 418 702)	1 545 505	1 236 404	(1 236 404)
Loans and advances to customers	1 349 799 495	1 079 839 596	(1 079 839 596)	1 524 356 683	1 219 485 346	(1 219 485 346)
Investment securities	541 672 558	433 338 046	(433 338 046)	83 716 508	66 973 206	(66 973 206)
Other assets	8 242 759	6 594 207	(6 594 207)	387 701 195	310 160 956	(310 160 956)
<b>Impact on financial assets</b>	<b>3 025 064 157</b>	<b>2 420 051 325</b>	<b>(2 420 051 325)</b>	<b>2 692 597 590</b>	<b>2 154 078 071</b>	<b>(2 154 078 071)</b>
<b>Financial liabilities</b>						
Deposits from banks	966 352 209	773 081 767	(773 081 767)	623 030 626	498 424 501	(498 424 501)
Deposits from customers	1 628 617 816	1 302 894 253	(1 302 894 253)	1 517 338 929	1 213 871 143	(1 213 871 143)
Borrowings	220 444 881	176 355 905	(176 355 905)	272 043 005	217 634 404	(217 634 404)
Debt securities issued	25 343 961	20 275 169	(20 275 169)	181 469 599	145 175 679	(145 175 679)
Derivative liabilities held for risk management	605 204	484 163	(484 163)	2 701 718	2 161 374	(2 161 374)
Provision	7 234 416	5 787 533	(5 787 533)	7 767 882	6 214 306	(6 214 306)
Other liabilities	128 133 158	102 506 526	(102 506 526)	237 692 868	190 154 294	(190 154 294)
<b>Impact on financial liabilities</b>	<b>2 976 731 645</b>	<b>2 381 385 316</b>	<b>(2 381 385 316)</b>	<b>2 842 044 627</b>	<b>2 273 635 701</b>	<b>(2 273 635 701)</b>
<b>Total increase / (decrease)</b>	<b>48 332 512</b>	<b>38 666 009</b>	<b>(38 666 009)</b>	<b>(149 447 037)</b>	<b>(119 557 630)</b>	<b>119 557 630</b>
<b>COMPANY</b>						
<b>In thousands of Naira</b>						
<b>Financial assets</b>						
Cash and cash equivalents	1 251 605	1 001 284	(1 001 284)	1 180	944	(944)
Loans and advances to customers	-	-	-	-	-	-
Investment securities	19 127 495	15 301 996	(15 301 996)	15 431 502	12 345 202	(12 345 202)
Other assets	-	-	-	-	-	-
<b>Impact on financial assets</b>	<b>20 379 100</b>	<b>16 303 280</b>	<b>(16 303 280)</b>	<b>15 432 682</b>	<b>12 346 146</b>	<b>(12 346 146)</b>
<b>Financial liabilities</b>						
Deposits from banks	-	-	-	-	-	-
Deposits from customers	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-
Provision	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Impact on financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total increase / (decrease)</b>	<b>20 379 100</b>	<b>16 303 280</b>	<b>(16 303 280)</b>	<b>15 432 682</b>	<b>12 346 146</b>	<b>(12 346 146)</b>

**Notes to the consolidated and separate financial statements**

**Foreign exchange risk (GBP)**

The following analysis details the Group's sensitivity to a 80 percent increase and decrease in the value of the Naira against GBP. 80 percent is the sensitivity rate used when reporting foreign currency risk internally and represents management's assessment of the reasonably possible change in foreign exchange rates. The table below summarises the impact on profit or loss and equity for each category of GBP financial instruments held as at 31 December 2025. It includes the Group's GBP financial instruments at carrying amounts.

GROUP	31 DEC 2025			31 DEC 2024		
	Carrying amount	80% decrease in the value of Naira against GBP	80% increase in the value of Naira against GBP	Carrying amount	80% decrease in the value of Naira against GBP	80% increase in the value of Naira against GBP
<b>In thousands of Naira</b>						
<b>Financial assets</b>						
Cash and cash equivalents	30 550 528	24 440 422	(24 440 422)	27 188 123	21 750 498	(21 750 498)
Loans and advances to customers	274 657	219 726	(219 726)	275 285	220 228	(220 228)
Other assets	-	-	-	98 353	78 682	(78 682)
<b>Impact on financial assets</b>	<b>30 825 185</b>	<b>24 660 148</b>	<b>(24 660 148)</b>	<b>27 561 761</b>	<b>22 049 408</b>	<b>(22 049 408)</b>
<b>Financial liabilities</b>						
Deposits from customers	16 368 336	13 094 669	(13 094 669)	12 861 923	10 289 538	(10 289 538)
Other liabilities	1 622 204	1 297 763	(1 297 763)	1 350 678	1 080 542	(1 080 542)
<b>Impact on financial liabilities</b>	<b>17 990 540</b>	<b>14 392 432</b>	<b>(14 392 432)</b>	<b>14 212 601</b>	<b>11 370 080</b>	<b>(11 370 080)</b>
<b>Total increase / (decrease)</b>	<b>12 834 645</b>	<b>10 267 716</b>	<b>(10 267 716)</b>	<b>13 349 160</b>	<b>10 679 328</b>	<b>(10 679 328)</b>
<b>COMPANY</b>						
<b>In thousands of Naira</b>						
<b>Financial assets</b>						
Cash and cash equivalents	35 108	28 086	(28 086)	21 029	16 823	(16 823)
Loans and advances to customers	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Impact on financial assets</b>	<b>35 108</b>	<b>28 086</b>	<b>(28 086)</b>	<b>21 029</b>	<b>16 823</b>	<b>(16 823)</b>
<b>Financial liabilities</b>						
Deposits from customers	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Impact on financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total increase / (decrease)</b>	<b>35 108</b>	<b>28 086</b>	<b>(28 086)</b>	<b>21 029</b>	<b>16 823</b>	<b>(16 823)</b>

**Notes to the consolidated and separate financial statements**

**Foreign exchange risk (EUR)**

The following analysis details the Group's sensitivity to a 80 percent increase and decrease in the value of the Naira against EUR. 80 percent is the sensitivity rate used when reporting foreign currency risk internally and represents management's assessment of the reasonably possible change in foreign exchange rates. The table below summarises the impact on profit or loss and equity for each category of EUR financial instruments held as at 31 December 2025. It includes the Group's EUR financial instruments at carrying amounts.

GROUP	31 DEC 2025			31 DEC 2024		
	Carrying amount	80% decrease in the value of Naira against EUR	80% increase in the value of Naira against EUR	Carrying amount	80% decrease in the value of Naira against EUR	80% increase in the value of Naira against EUR
<b>In thousands of Naira</b>						
<b>Financial assets</b>						
Cash and cash equivalents	31 429 721	25 143 777	(25 143 777)	34 081 346	27 265 077	(27 265 077)
Loans and advances to customers	1 713 317	1 370 654	(1 370 654)	2 108 793	1 687 034	(1 687 034)
Other assets	13 837	11 070	(11 070)	26 442	21 154	(21 154)
<b>Impact on financial assets</b>	<b>33 156 875</b>	<b>26 525 501</b>	<b>(26 525 501)</b>	<b>36 216 581</b>	<b>28 973 265</b>	<b>(28 973 265)</b>
<b>Financial liabilities</b>						
Deposits from customers	15 129 742	12 103 794	(12 103 794)	13 623 460	10 898 768	(10 898 768)
Other liabilities	5 929 652	4 743 722	(4 743 722)	12 238 553	9 790 842	(9 790 842)
<b>Impact on financial liabilities</b>	<b>21 059 394</b>	<b>16 847 516</b>	<b>(16 847 516)</b>	<b>25 862 013</b>	<b>20 689 610</b>	<b>(20 689 610)</b>
<b>Total increase / (decrease)</b>	<b>12 097 481</b>	<b>9 677 985</b>	<b>(9 677 985)</b>	<b>10 354 568</b>	<b>8 283 655</b>	<b>(8 283 655)</b>
<b>COMPANY</b>						
	31 DEC 2025			31 DEC 2024		
	Carrying amount	80% decrease in the value of Naira against EUR	80% increase in the value of Naira against EUR	Carrying amount	80% decrease in the value of Naira against EUR	80% increase in the value of Naira against EUR
<b>In thousands of Naira</b>						
<b>Financial assets</b>						
Cash and cash equivalents	1 172	938	(938)	1 116	893	(893)
Loans and advances to customers	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Impact on financial assets</b>	<b>1 172</b>	<b>938</b>	<b>(938)</b>	<b>1 116</b>	<b>893</b>	<b>(893)</b>
<b>Financial liabilities</b>						
Deposits from customers	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Impact on financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total increase / (decrease)</b>	<b>1 172</b>	<b>938</b>	<b>(938)</b>	<b>1 116</b>	<b>893</b>	<b>(893)</b>

**(e) Operational Risk Management**

FCMB defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems and/or from external events. Our operational risk processes capture the following major types of losses/exposures:

- Fraud (internal and external)
- Fines, penalties or expenses incurred as a result of settlement delays and regulatory infractions
- Losses arising from litigation processes including out-of-court settlements
- Un-reconciled cash (teller, vault, ATM) shortages written-off in the course of the period.
- Losses incurred as a result of damages to physical assets
- Losses incurred as a result of disruption to business or system failure - system malfunction, downtime and/or disruption

The Group's appetite for operational risk losses is set by the Board Risk Management Committee and reviewed on an annual basis, and this sets the tone for operational risk management practices in the course of the period. The appetite is set in terms of the maximum amount of operational risk losses the Group expects to incur given risk-reward considerations for the period.

All business and process owners across the Group proactively identifies threats/risks across their respective functions, activities, processes and systems using the process risk assessment and risk and control self-assessment (RCSA). The Risk Management Division validates the results from the assessments for reasonability, completeness and recommends appropriate mitigating controls to reduce or eliminate inherent process risks. The Group conducts RCSA twice in a year and there is regular update of the risk register, triggered by change(s) to processes, activities, systems or other factors such as introduction of new product/service or the occurrence of risk events.

### **Notes to the consolidated and separate financial statements**

The results of the process risk assessments and completed RCSAs are further subjected to analysis by the Risk Management Department in order to understand the major threats to the achievement of corporate objectives and their root causes. The outcomes of such assessments, apart from being escalated to the Executive Management and Board, are useful for improving the control environment. They are a risk-based form of addressing major issues that cut across all functions in the Group, thereby increasing effectiveness and efficiency of resolution. The Group also conducts risk assessment for all new products and services, including any major changes to existing Key Risk Indicators are used to track/measure as well as monitor operational risk exposures across all activities, processes and systems. Key Risk Indicators (KRIs) are defined for significant risks that require active monitoring and control. This process enables the Group to identify and resolve risk issues and control failure points before they crystallize into losses. Thresholds are set for each risk indicator and used as the basis for reporting risk exposures to the respective risk committees, including the Operational Risk Committee and the Board Risk & Compliance Committee (BRCC)

Operational risk losses are periodically collated and analyzed by the Risk Management Division. The analyzed loss experience enables the Group to determine causal factors and put in place new controls/processes to prevent the re-occurrence of adverse events. In addition, the loss collation and analysis process provides the Group with the basis for justifying the cost of new/improving controls and assessing their effectiveness. The Group's loss experience is escalated to the Board Risk Management Committee supported by clearly defined action plans to remediate the root causes leading to the losses. Periodic operational risk meetings are held across all functions to boost risk awareness and entrench risk management culture in the Group. This meeting also affords risk owners to enhance their knowledge of risk management, identify control gaps and proffer remedial actions.

Operational risk management processes have been linked to performance management through the use of a Risk and Control Index (R&CI) that represents a key component of employee performance appraisals. This initiative has helped to drive the desired behaviour in employees, ensuring that there is a concerted effort by all employees to manage operational risks across the Group.

Independent assurance of the adequacy and effectiveness of the operational risk management process is provided by the Group Internal Audit (GIA) function on an annual basis. The assessment report is presented to the Board Risk Management Committee as part of the annual review process.

The Group uses a combination of provision and insurance to mitigate residual risks arising from operational risk events. A number of insurance policies have been undertaken by the Group to minimize losses in the event of an operational risk incident while provision is also made for expected operational risk losses in order to minimise variations in the financial performance of the Group.

Capital is reserved for unexpected operational risks losses based on Basel II Basic Indicator Approach, as advised by the Central Bank of Nigeria. Enhanced operational risk practices will enable the Group adopt the more advanced approaches for operational risk capital computation in the near future - the Revised Standardized Approach.

The implemented operational risk management structures provide the Group with the capacity to continuously improve its processes and controls, thereby minimizing losses and protecting shareholder value. The Operational risk management processes have been automated and the Operational Risk Champions across all functions of the organization report operational risk incidents using the operational risk management software.

#### **Operational risk loss experience**

The Group continues to manage its various operational risk exposures in order to be within the Board approved risk appetite. It also ensures that all operational risk losses are recognised immediately in the financial year.

In line with the provisions of the Basel II Accord, operational risk within credit and market risks is duly recognised for effective management. Boundary events are considered when capturing operational risk events in the loss database which implies that only incidents considered to have operational risk undertone in other risk areas are considered.

Existing controls have been strengthened to address the identified lapses and the Group continues to collaborate with other stakeholders, including regulators to curb the spate of fraud, including cyber risk exposures, which has escalated in recent times across the industry because of remote operations, increased automation and migration of customers to alternate channels.

In response to the observed trend, and emerging risks, the Group took the following measures to curb the spate of operational risk events:

- Establishment of a fraud monitoring desk.
- Implementation of an operational risk management software and automation of the operational risk management process.
- Implementation of an enterprise fraud monitoring solution.
- Implementation of an automated fraud alert system that monitors suspicious inflow (transactions from other banks) and outflow transactions from various e-channel platforms based on fraud trends.
- Monthly operational risk/ fraud awareness tips sent to customers and periodic fraud awareness training for staff.
- Proactive implementation of fraud prevention rules on transacting applications based on global and local fraud trends, and in line with the Bank's risk appetite.
- Activities around the major areas of vulnerabilities are reviewed in order to strengthen the controls in these areas.
- A second level (two-factor) authentication is being extended to critical internal and alternate channel applications.

Information/ cyber security management has received increased attention in the Group. The information security office (ISO) has been restructured to improve security monitoring and incident response. Also, the Group has developed a Cyber Security Strategy and approved the implementation of security tools including the Security Operations Centre(SOC). Implementation of the cybersecurity strategy has reached an advanced stage with requisite skills upgrade within the Information Security Office and the appointment of a Chief Information security Officer (CISO).

Operational risk management function in FCMB extends to the management of legal, reputational and strategic risks.

**Strategic risk:** the risk of incurring an economic loss as a result of adverse impact of internal and external factors on the Group's earnings and/or ability to achieve its strategic objectives. It is the current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment. It is also the risk associated with future business plans and strategies, including plans for entering new business lines, expanding existing services and enhancing infrastructure.

The Group is exposed to strategic risks in its business planning activities and to strategic execution risk in all key operations impacted by the Group's strategy. The crystallization of this risk could occur as a result of wrong strategic/ business decisions (e.g. poorly planned and executed decisions regarding mergers, divestitures, acquisitions, etc.), inadequate corporate strategy, improper analysis that can impact the implementation of key decisions, inability to respond promptly to business opportunities, lack of responsiveness to industry changes, improper communication of the Group's strategic objectives, inability to recruit personnel with skills and experience required to execute strategy and lack of complete and accurate information. These could all directly or indirectly erode the Group's earnings.

FCMB addresses strategic risk through its strategic risk management framework, providing guidance for the management of the Group's strategic risks. It describes the processes, systems and controls established by the Group to identify, assess, monitor, control and report strategic risk. The Group also has a three year rolling corporate strategy plan, which is reviewed annually and closely monitored to ensure that strategic plans are properly aligned with the Group's operating model. The Group scans the environment for any economic, regulatory, legal and political changes that might affect its strategy.

**Reputational risk:** The potential loss due to damage or erosion of goodwill as a result of failed risk management, weak corporate governance practices, environmental, social and ethical performance, poor customer relationship management practices, non-compliance with regulatory and statutory requirements, weak financial performance or any other factor that affects stakeholders perception of the Group.

## Notes to the consolidated and separate financial statements

Reputational risks to the Group could crystallize as a result of operating in a highly regulated environment with significant vulnerability to regulatory actions that may adversely impact the Group's reputation. FCMB recognizes the following as its sources of reputational risk, among others:

- Poor corporate governance; conflict of interest, executive compensation, influence on board members, insider related lending;
- Compliance breaches: violation of regulations and laws, aiding/abetting illegal activities, tax structures or fraud, fraudulent disclosures;
- Poor employee relations; discrimination/harassment, poor employment conditions and welfare;
- Poor financial performance: missed projection and earnings surprise, significant earnings volatility, financial irregularities;
- Social, environmental and ethical: bribes/kick-backs, facilitating corruption, community / environmental neglect;
- Control failures: significant operational risk failures;
- Communications / crisis management: adverse stakeholder relations (media, investors, regulators, customers, trade unions, etc.);
- Poor customer relationship management: mis-selling, unfair/deceptive practices (e.g., high pricing, hidden transaction costs, illegal charges, over-charging, etc.), mishandling of complaints, privacy/confidentiality breaches;

Reputational risk can materialize as a result of adverse opinions of stakeholders, operating losses, litigation, sanctions or fines imposed by regulators, failure of directors, management and staff to adhere to ethical code of conduct, failure to deliver quality service to customers, failure to address issues of public concern, labour unrest and failure to adhere to good employment practices. Consequently, the Group could suffer loss due to decline in customer base and loss of market share as well as deterioration of brand value.

The reputational risk management framework outlines how reputation risk is to be identified, assessed, mitigated and monitored. The Business and Operational Risk Management Department monitors the major drivers of this risk. The Group also has formal policies (whistle blower policies, confidentiality policies, performance management framework and policies, code of business ethics, service delivery model, CRM Strategy/Service Charter, etc.) and procedures to control exposure to its recognized reputational risk drivers. In addition, the Group has developed a self-assessment process to mitigate identified reputational loss events. Events in relation to customer query are tracked to ensure they are treated within the established service level agreement and issues are escalated where necessary. The Group consciously seeks to understand stakeholders' expectations and perception by conducting survey which it uses to design and execute appropriate management responses.

**Legal risk:** is the possible consequence that flows from actions attributable to the Group's businesses and could be described as the risk of the unexpected application of a law or regulation, usually resulting in a loss. The Group has a Legal Department that primarily liaises with all functions to ensure legal risk is managed in the Group. The Operational Risk Management function ensures the development and maintenance of a Legal Risk Management policy, publicizing the knowledge of legal risks with a view to creating awareness and understanding among all levels of staff within the Group, carrying out quarterly legal risk assessment, ensuring that defined controls are risk focused and recommending risk policies to Legal Risk Management where there are control lapses.

### Business continuity management

The Group has been certified compliant to the ISO 22301 Business Continuity Management System international standard, providing evidence of the Group's readiness and resilience against adverse incidents that could deter the achievement of business objectives. The Business Continuity Management System is fully operational in the Group with more capabilities established in the areas of Disaster Recovery and periodic testing of the Business Continuity Plan. The Business Continuity plans are reviewed and approved by the Board annually and the Business Continuity Management System is certified by TCIC Global LTD to ensure compliance with ISO 22301 standards.

### Operational risk awareness

The Group intensified its operational risk awareness campaign in the course of the period through several mechanisms including electronic newsletters, risk meetings/workshops, operational risk diaries, continuous training and education of staff and customers. This is to embed risk management across the entire organization and significantly improve the risk management culture and buy-in amongst all employees.

### Group operational risk practices

The subsidiary companies continue to improve on their operational risk management activities and reporting, thereby enhancing the Enterprise Risk Management practices in the Group.

## (f) CAPITAL MANAGEMENT

The Central Bank of Nigeria requires the banking subsidiary with international authorisation to hold minimum regulatory capital of N50 billion and maintain a capital adequacy ratio (total regulatory capital to risk weighted assets) of 15%. Whilst the finance company and microfinance banking subsidiaries are to maintain minimum regulatory capitals of N100 million and N1 billion and capital adequate ratios of 12.5% and 10% respectively. Capital Adequacy Ratio (CAR) as a measure of the ratio of Capital to Risk Weighted Assets (RWA).

The Risk Management Committee (RMC) has delegated mandate of ensuring that capital levels (capital adequacy ratio) remain adequate and appropriate for the level of risks undertaken in the normal course of business. The committee is responsible for implementing the capital strategy of the Group which includes:

- Ensuring the Bank fully complies with minimum regulatory capital adequacy requirements and remains a going concern.
- Ensuring the Bank is adequately capitalized – that the Bank has enough capital to support its level of risk exposures.
- Ensuring disciplined and selective asset growth (based on desired obligor risk profile).
- Maintaining expected losses (EL) within defined limits as a direct consequence of selective and disciplined asset growth.
- Ensuring risks taken by the respective Business Lines are within approved limits and allocated capital.
- Ensuring Business Lines generate adequate risk adjusted returns on allocated capital.
- Driving Business Unit and overall Group performance through the application of Economic Capital budgeting.

The Group's regulatory capital can be segmented into two tiers:

- Tier 1 capital includes share capital, retained earnings and reserves created by appropriations to earnings. Book value of goodwill (where applicable) is deducted in arriving at Tier 1 capital. Deferred tax and regulatory risk reserve (RRR) are also deducted from capital but the RRR is recognised as balance sheet item (exposures are risk-weighted net of the provisions in the RRR).
- Tier 2 capital includes preference shares, minority interests arising on consolidation, qualifying debt stock, fixed assets revaluation reserves, foreign currency revaluation reserves, general provisions subject to a maximum of 1.25% of risk assets, and hybrid instruments – convertible bonds, debt security qualifies for the tier 2 capital having met the conditions specified by CBN.

**Notes to the consolidated and separate financial statements**

---

As directed by the CBN, the Bank adopts the following approaches for the computation of Capital Adequacy Ratio under Pillar 1:

- Standardised Approach for Credit Risk
- Standardised Approach for Market Risk and
- Basic Indicator Approach for Operational Risk

In line with the CBN guideline for the Standardised Approach, the Risk Weighted Assets (RWA) for credit risks are derived using the CBN specified risk weights (RW) for the different asset classes.

The Banking subsidiary also complies with the Pillar 2 requirement, which requires it to do an assessment of internal capital required to cover all material risk exposures, including the credit, market and operational risks addressed under Pillar 1. This process, known as Internal Capital Adequacy Assessment Process (ICAAP), was completed for the financial year and submitted to the Central Bank of Nigeria (CBN). The ICAAP reveals that the Bank has sufficient capital under normal business conditions but would require additional capital under severe stress testing scenarios, triggered by events leading to significant non-performing loans and resultant provisioning. Apart from the possibility of having savings from the operating expenses and the raising of additional tier 1 capital, the Bank will continue to intensify effort in the following areas:

- Proactive loan monitoring and portfolio review of risk assets
- Proactive identification of loans showing signs of defaults to put them on remedial management
- Intense recovery of bad loans
- Implementation of the Bank's portfolio plan, including gradual deleveraging and diversification of the loan book
- Implementation of the Bank's revised lending framework and Risk Acceptance Criteria (RAC)
- Investment of funds in safer, alternative earning assets
- Optimise capital – risk adjusted pricing and return on capital/performance management
- Investment in product innovation
- Delivery of quality and superior service to customers. This will improve patronage and referral
- Optimisation of alternate channel opportunities
- Expansion of payment and settlement opportunities in Transaction Banking
- Cost management – optimal staffing and management of capital expenditure
- Control and monitoring of cost to income ratio
- Growing of stable low cost deposits.
- Continuous tracking and trapping of retail banking opportunities with corporate customers

**Internal Capital Adequacy Assessment Process (ICAAP)**

The Bank observes the following procedures in the Internal Capital Adequacy Assessment Process (ICAAP):

- (i) Computation of Capital Adequacy Ratio (CAR) and Capital Requirement under Pillar 1
- (ii) Material Risk Identification and Assessment (MRIA) Process
- (iii) Stress Testing & Scenario Analysis
- (iv) Internal Capital Assessment
- (v) ICAAP Review & Approval

**(i) Computation of Capital Adequacy ratio (CAR) and Capital Requirement under Pillar 1**

The Bank computed the capital adequacy ratio and capital requirement to cover Pillar 1 risks using the following methodologies:

- Credit Risk – Standardised Approach
- Market Risk – Standardised Approach
- Operational Risk – Basic Indicator Approach.

**Notes to the consolidated and separate financial statements**

**(ii) Material Risk Identification and Assessment (MRIA) Process**

One of the key purposes of the ICAAP is to embed the principles of risk and capital management in the Bank's business activities. The MRIA process identifies the key risk exposures of the Bank, determines management's assessment of the residual risk exposures and the corresponding capital requirements. The steps below are essential to completing this risk assessment.

**Risk Identification**

A catalogue of material risks relevant to the Bank are identified through a combination of the following activities:

(a) Review of the Bank's operating environment – A forward and backward looking analysis of the Bank's operating environment and business activities was conducted in order to identify various threats in the business and operating environment, including regulatory changes and implication on the business;

(b) Identification of the sources of risk, through a review of the products, services, business areas and activities that could generate the risks within the Group;

(c) Review of available data from the business, risk and internal audit functions to assist with the Material Risk Identification Assessment (MRIA) process. The following are examples of some key data considered in completing the MRIA;

- Most recent risk and control self-assessment (RCSA) results;
- Near misses, incidents and frauds reports;
- Internal audit findings.

(d) Material Risk Assessment Workshop: A Material Risk Identification and Assessment (MRIA) workshop was conducted to identify and assess the major risk exposures of the Bank – other than Credit, Market & Operational Risks. The workshop included key stakeholders representing the major functions and departments of the Bank (for Enterprise Risk Management) or the related business units (for specific/functional risk management). This workshop leveraged on different experiences and perspectives of the participants in the risk identification and assessment process. To ensure its effectiveness, the following guidelines were followed:

- The number of attendees were diverse but restricted;
- All relevant business process expertise and experience was represented;
- Sufficient time was allowed for the deliberation;
- The workshop started with an introduction by Risk Management on ICAAP and highlight of the purpose of the workshop;
- People were encouraged to express identified threats in their own words. This is to ensure they are not constrained to any Risk Management jargon and therefore limited in their expression.

The risks identified were reviewed and assessed at the workshop to determine the residual risk and capital requirement.

**Risk Assessment**

The activities carried out are as follows:

(a) An assessment of the identified risks is conducted considering existing documentation, experience and expert judgement;

(b) The inherent likelihood of occurrence and impact of the risk is determined;

(c) The controls designed to mitigate the risks are reviewed in order to determine the residual risk exposure of the Bank

Although coordinated by Risk Management, the initial assessment above is done in conjunction with key stakeholders across the business, before a more elaborate workshop is held with Management and key business and process owners. The risk assessment for the materials risks culminated in the computation of capital for each risk exposure, with the methodology also presented and validated at the workshop.

Usually, more than one material risk assessment workshop is held in order to complete and finalise review of the risk exposures, data and methodology used for the computation. This also becomes necessary in order to determine and agree the action plans to address observed lapses and gaps. The ICAAP documentation for the MRIA include:

- Definition and sources of the risk;
- Manifestation of the risk and how it could impact the Bank;
- Current mitigation techniques of the risks and
- Capital required for the residual risk exposure.

The ICAAP is also forward looking, ensuring that the capital plan considers the Bank's strategic business plan and stress scenarios.

**(iii) Stress Testing and Scenario Analysis**

Extreme but plausible scenario was run on the business projections and related total capital (ICAAP) required under normal condition in order to compute the capital required under stress condition and determine the need for any additional capital. This exercise was conducted by a group of people across the Group to ensure that they were relevant and robust enough.

We ensured that:

- The assumptions about the level of adverse shock scenarios and their duration were severe but plausible.
- The model used was risk sensitive to view the outcome based on changes to the different parameters or risk factors

The exercise was conducted on the base case projections to assess the adequacy of FCMB's capital levels, capital buffer and capital ratios. The stress testing exercise determines the potential volatility of capital requirements with respect to the five year financial projections. The base case capital projections and stressed capital can vary based on changes to key assumptions or risk factors. The conservative approach has been adopted to ensure that the outcome of the exercise is reasonable and representative of a likely outcome in a stressed condition/situation.

The following sensitivities were considered before coming up with a plausible scenario, the Macro- Economic Stress, which considers some of them:

- Reduction in net interest margin
- Increased operational costs
- Increased credit losses
- Sector concentration risk
- Liquidity stress

**Notes to the consolidated and separate financial statements**

**(iv) Assessment of Internal Capital**

The Bank's internal capital (which is the capital required to cover material risk exposures) as determined by the internal capital assessment process (ICAAP) was compared to the capital available under normal and stress condition to determine the capital planning buffer (CPB) required by the Bank and the amount of shortfall to be provided.

**(v) ICAAP Review and Approval**

Although the Executive Management of the Bank and other key stakeholders play key role in the preparation of the Group's ICAAP, the Board of Directors (BOD) has overall responsibility for the ICAAP. Therefore, it is involved in the review of the ICAAP and the final approval of the document lies with it. Subsequent to the final review and approval of the Board of Directors, the ICAAP document is forwarded to the Central Bank of Nigeria (CBN), preparatory to its Supervisory Review and Evaluation Process (SREP).

The table below shows the break-down of the Commercial and Retail Banking Business Segment and the Banking subsidiary's regulatory capital as at 31 December 2025 and 31 December 2024

Tier 1 capital includes share capital, share premium, retained earnings and reserves created by appropriations to earnings less the book value of goodwill (where applicable), deferred tax and under-impairment (regulatory risk reserve -RRR), losses for the current financial period, investment in own shares (treasury stock), including cross holding of related companies' equity, 50% of investments in unconsolidated banking and financial subsidiary/associate companies, excess exposure(s) over single obligor without CBN approval, exposures to own financial holding company, unsecured lending to subsidiaries within the same group.

Tier 2 capital includes preference shares, minority interests arising on consolidation, qualifying debt stock, fixed assets revaluation reserves, foreign currency revaluation reserves, hybrid instruments – convertible bonds, hybrid (debt / equity) capital instruments, eligible subordinated term debt, other comprehensive income and fair reserves. This will be limited to a maximum of one-third (1/3) of Tier 1 capital after regulatory deductions.

Debt securities issued qualify under tier 2 capital have met the following Central Bank of Nigeria conditions - they are unsecured, subordinated and fully paid-up, they are not redeemable at the initiative of the holder or without the prior consent of the Central Bank of Nigeria, the debt has an original maturity of at least five years; where there is no set maturity, repayment shall be subject to at least five years' prior notice.

Investments in unconsolidated banking and financial subsidiary/associate companies are deducted from Tier 1 and 2 capital to arrive at total regulatory capital. 50% of investments in unconsolidated banking and financial subsidiary/associate companies from Tier 1 and 2 respectively.

**CAPITAL ADEQUACY COMPUTATION:**

In thousands of Naira	COMMERCIAL AND RETAIL		BANKING SUBSIDIARY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>Tier 1 Capital</b>				
Share capital	8 775 000	8 500 000	7 275 000	7 000 000
Additional tier 1 (AT1) capital issued	46 686 000	46 686 000	46 686 000	46 686 000
Share premium	259 238 159	236 786 925	259 238 159	236 786 925
Statutory reserves	81 946 671	56 704 774	75 986 444	53 288 431
AGSMEIS reserve	18 766 328	11 200 323	18 766 328	11 200 323
Retained earnings	162 088 399	138 081 146	148 273 026	124 389 462
Regulatory risk reserve	105 515 480	25 274 431	104 700 712	24 680 712
<b>Total qualifying tier 1 capital</b>	<b>683 016 037</b>	<b>523 233 599</b>	<b>660 925 669</b>	<b>504 031 853</b>
<b>Less regulatory deductions:</b>				
Goodwill	(5 993 863)	(5 993 863)	(5 993 863)	(5 993 863)
Deferred tax assets	(9 257 116)	(8 012 464)	(8 932 153)	(8 007 506)
Software	(19 413 282)	(15 252 644)	(17 618 095)	(14 782 203)
Investments in unconsolidated Subsidiaries	-	-	-	-
Regulatory risk reserve	(105 573 543)	(25 274 431)	(104 700 712)	(24 680 712)
<b>Adjusted total qualifying tier 1 capital</b>	<b>542 778 232</b>	<b>468 700 197</b>	<b>523 680 846</b>	<b>450 567 569</b>
<b>Tier 2 Capital</b>				
Translation reserve	64 012 457	70 127 829	64 012 457	70 127 829
Fair value reserve	30 955 096	44 911 779	27 619 371	44 911 779
Debt securities issued	43 707 239	120 233 568	41 693 023	120 233 568
<b>Total qualifying tier 2 capital</b>	<b>138 674 791</b>	<b>235 273 176</b>	<b>133 324 851</b>	<b>235 273 176</b>
<b>Total qualifying tier 2 capital restricted to one-third (1/3) of Tier 1 capital after regulatory deductions</b>	<b>180 926 077</b>	<b>156 233 399</b>	<b>174 560 282</b>	<b>150 189 190</b>
<b>Total regulatory capital</b>	<b>681 453 023</b>	<b>624 933 596</b>	<b>657 005 697</b>	<b>600 756 759</b>
Less: Investments in unconsolidated Subsidiaries	-	-	-	-
<b>Total qualifying capital</b>	<b>681 453 023</b>	<b>624 933 596</b>	<b>657 005 697</b>	<b>600 756 759</b>
<b>RISK WEIGHTED ASSETS</b>				
Risk-weighted Amount for Credit Risk	3 105 652 435	3 050 707 988	2 990 655 693	2 977 334 895
Risk-weighted Amount for Operational Risk	581 959 233	386 698 911	581 959 233	350 614 853
Risk-weighted Amount for Market Risk	96 342 371	36 387 010	96 342 371	36 387 010
<b>Risk-weighted assets</b>	<b>3 783 954 038</b>	<b>3 473 793 909</b>	<b>3 668 957 297</b>	<b>3 364 336 758</b>
<b>Capital adequacy ratio</b>	<b>18.01%</b>	<b>17.99%</b>	<b>17.91%</b>	<b>17.86%</b>

**Note on capital adequacy ratio**

The Basel II capital adequacy ratio is 18.01% and 17.91% for the Commercial and Retail Banking Business Segment and the Banking Subsidiary respectively, as at 31 December 2025 (31 December 2024: 17.99% and 17.86%), with the Group and Banking subsidiary above the CBN minimum capital adequacy requirements of 15%.

**Notes to the consolidated and separate financial statements**

---

**Capital adequacy ratio computation under Basel III guidelines**

According to the recent CBN circular on Basel III implementation guidelines for Banks in Nigeria, the recommendations contained therein will be implemented in a parallel run beginning November 2021 for a six-month period, which could be extended by another three months if supervisory expectations are achieved. According to the CBN, the Basel III Guidelines will run concurrently with the existing Basel II Guidelines during the parallel run, and the Basel III Guidelines will become completely effective after the parallel run is over.

**Capital Planning Programme**

In March 2024, the Central Bank of Nigeria (CBN) issued a circular on the Review of Minimum Capital Requirements for Commercial, Merchant and Non-Interest Banks in Nigeria.

The Circular required commercial banks with National authorisation to maintain minimum capital of ₦200 billion while commercial banks with International authorisation are to maintain minimum capital of ₦500 billion. The circular also stipulated that:

- The minimum capital specified comprises paid-up capital and share premium only
- Additional Tier 1 (AT1) capital is not eligible for meeting the new requirement
- Bonus issues from retained earnings not eligible
- The timeline for compliance is within 24 months commencing from 1 April 2024, and terminating on 31 March 2026.
- Banks are to ensure strict compliance with the minimum capital adequacy ratio (CAR) applicable to their license authorization.
- Banks that breach the capital requirement shall be required to inject fresh capital to regularize their positions

First City Monument Bank Limited ("the Bank") submitted a Recapitalisation Plan, approved by its Board to the Central Bank of Nigeria.

The Recapitalisation Plan indicated that the recapitalization of the Bank would be largely led by its holding company, FCMB Group Plc, as principal shareholder and fund-raising entity. The funds for recapitalization will be raised by the holding company and invested in the Bank. The Recapitalisation Plan highlighted that the fund raising would be in three phases including:

Phase I – a public offer

Phase II – intra group funding arrangements, such as partial disposal in some group entities, mergers and acquisitions and higher retention of dividends

Phase III – private placements with selected investors

Phase I of the fund raising has been concluded, with FCMB Group Plc raising ₦144 billion, out of which it invested ₦140.9 billion (after deducting issue costs).

The injection of ₦140.9 billion into the Banking subsidiary's capital increased share capital and share premium to ₦243.8 billion. Additional capital of ₦22.45 billion has been raised and injected to the Bank by the holding company.

The Group is working with its Banking subsidiary to ensure that the remaining phase of the fund-raising plan is successfully completed ahead of the CBN deadline of 31 March 2026.

**(g) Information/Cyber Security Risk**

In line with the requirements of section 3 of the CBN Risk-Based Cyber Security Framework and Guidelines for Deposit Money Bank and Payment Service Providers (Ref BSD/DIR/GEN/LAB/11/25), the Group has extended its ERM Framework, with respect to management of material risks, to cover cyber risk exposures of the Group, to ensure they are managed within the Board approved risk appetite. Therefore, the standard risk management process and options enumerated in the Group's ERM framework apply to cyber risks. In addition, cyber security risks management is guided by the provisions of the information/cyber security policies of the Group, as approved by the Board of Directors. The Chief Information Security Officer (CISO) is responsible for the implementation of the Board approved cyber security program, including day to day cyber security activities and mitigation of cyber risks. Risk Management division however continues to have oversight to ensure that such risks are identified and appropriately managed.

**Information Security Steering Committee (ISSC)**

The bank established Information Security Steering Committee (ISSC) as a Senior Management committee responsible for the governance of the Bank's information/cyber security program. The Committee reports to the Board Risk & Compliance Committee (BRCC).

The roles and responsibilities of the Information Security Steering Committee include (but not limited to):

- Establish lines of authority and responsibility for managing all information / cyber risks in line with the Board's overall direction.
- Ensure written policies and procedures for managing all information / cyber security risk exposures of the Group are developed, implemented and effectively communicated throughout the Group.
- Review the Group's framework for managing information / cyber security risks and recommend improvements as may be required.
- Review the Group's cyber risk profile on a periodic basis and ensure risk exposures are managed within the Board approved appetite.
- Ensure the Group holds adequate regulatory and economic capital as cushion for unexpected information /cyber security losses through the internal capital adequacy assessment process (ICAAP).
- Provide feedback to the Board Risk Management Committee on the adequacy and effectiveness of the Group's information security framework and policies.
- Advise the Board on cyber risk appetite and tolerance, taking into consideration the Group's current financial situation, its future strategy and overall degree of risk aversion.

The ISSC meets quarterly or as may be required.

**Notes to the consolidated and separate financial statements**

**5 Use of estimates and judgments**

The preparation of the consolidated and separate financial statements in conformity with IFRS Accounting Standards requires Directors to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Management discusses with the Group Audit Committee the development, selection and disclosure of the Group's critical accounting policies and their application and assumptions made relating to major estimation uncertainties. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are disclosed below.

These disclosures supplement the commentary on financial risk management (see Note 4).

**Key sources of estimation uncertainty**

**(a) Impairment**

**(i) Impairment losses on loans and advances**

Impairment of financial instruments assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward looking information in the measurement of expected credit losses, see Note 3(k)(vii).

**(b) Fair value**

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

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the requirements:

- **Level 1:** Quoted market price in an active market for an identical instrument.

- **Level 2:** Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair value using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist 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 rates, 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 determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arms length.

The Group uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of 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.

For more complex instruments, 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. Example of instruments involving significant unobservable inputs include certain over the counter structured derivatives, certain loans and security for which there is no active market and retained interests in securitizations. 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 probability of counterparty default and prepayments and selection of appropriate discount rates.

**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. The Group adopted discounted cash flow technique in determining the fair value of the derivative, using observable market data (Forward rate, discount rate etc.)

**Disclosure Requirements for Level 3 Financial Instruments**

**Valuation Technique:**

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

IFRS 13 - Fair Value Measurement outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in each of the unquoted equity securities at the end of the financial year using the income approach.

The Discounted Cash flow (DCF) technique of the income approach was adopted in valuing each of these equity investments taken into cognizance the suitability of the model to each equity investment and the available financial information.

**Description of Valuation Methodology and inputs:**

**Discounted Cash flow Technique (DCF)**

The fair value of the other unquoted equity securities was derived using the Discounted Cash Flow technique. The steps involved in estimating the fair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

Step 1: A five-year forecast of the Free Cash Flow to the company (FCFC) for each of the equity investments was made (see (a) below for the definition, explanation and derivation of the Free Cash Flow to the company).

Step 2: The yearly FCFC forecasts were discounted to present value using the company's WACC. (See (b) below for the definition, explanation and derivation of WACC).

Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFC by the capitalization rate (please see (c) below).

Step 4: The terminal value was discounted to present value using the company's WACC

**Notes to the consolidated and separate financial statements**

Step 5: The firm value was obtained by adding the present value of the five-year FCFC obtained in step (2) above to the present value of terminal value obtained in step (4) above.

Step 6: The equity value of the company was obtained by deducting the value of the debt of the company from the company value obtained in step (5) above (i.e. Company value minus market value of debt = Equity value).

Step 7: The equity value per share was obtained by dividing the Equity value obtained in step (6) above by the number of shares outstanding in the company.

Step 8: The fair value of the group's investment in each of the relevant unquoted equity securities was derived by multiplying the number of the Groups' shares in the investee by the value per share obtained in step (7) above.

a. Free Cash flow to the Company (FCFC): A measure of financial performance that expresses the net amount of cash that is generated for the firm, consisting of expenses, taxes and changes in net working capital and investments. Free cash flow to the firm is the cash available to all investors, both equity and debt holders.

$$FCFC = NI + NCC + [Int \times (1 - \text{tax rate})] - \text{Changes in FCInv} - \text{Changes in WCInv}$$

**Where:**

NI = Net Income

NCC = Non- Cash Charges

Int = Interest

T = tax rate

FCI = Fixed Capital Investment

WCI = Working Capital Investment

b. Weighted average Cost of Capital (WACC): This is the average cost of both equity and debt capital used in financing a business.

$$WACC = \{(D/D+E) \times Kd(1-T)\} + \{(E/D+E) \times Ke \}$$

**Where:**

D = Value of Debt

E = Equity value

Ke = Cost of equity

Kd = Cost of debt

T = tax rate

c. Capitalization Rate = WACC – g

$$\text{Terminal value} = (FCFC_5 \times (1+g)^5) / (WACC - g)$$

**Where:**

FCFC = Year 5 FCFC

g = Growth rates

WACC = Weighted average Cost of Capital

**Valuation Assumptions – Discounted Cash flow**

(1). The Bank applies Capital Asset Pricing Model in determining the cost of equities for its various unquoted equities which were fair valued at the reporting period

(2). The risk-free rate was determined using the yield on the 10-year Nigerian Government bond (for unquoted securities denominated in Naira) of 13.7% and the yield on the 10-year US Government bond (for unquoted securities denominated in US \$) of 3.82%.

(3). Market premium of 5.94% was adopted based on trend analysis and research of market premiums across the globe by Aswath Damodaran.

(4). Beta = 1

(5). Growth rate used is growth rate in earnings between the latest period and prior period.

**Notes to the consolidated and separate financial statements**

**Financial instruments measured at fair value**

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:

<b>GROUP</b>					
In thousands of Naira	Note	Level 1	Level 2	Level 3	Total
<b>31 DEC 2025</b>					
<b>ASSETS</b>					
Trading assets	22(a)	439 720 734	-	-	439 720 734
Derivative assets held for risk management	23(a)	-	4 276 814	-	4 276 814
Assets pledged as collateral	25(a)	-	-	-	-
Investment securities	24(d)(d)(g)	626 266 506	-	119 504 371	745 770 877
		1 065 987 240	4 276 814	119 504 371	1 189 768 425
<b>LIABILITIES</b>					
Derivative liabilities held for risk management	23(b)	-	608 639	-	608 639
		-	608 639	-	608 639

<b>31 DEC 2024</b>					
<b>ASSETS</b>					
Trading assets	22(a)	319 109 270	-	-	319 109 270
Derivative assets held for risk management	23(a)	-	1 451 932	-	1 451 932
Assets pledged as collateral	25(a)	172 424	-	-	172 424
Investment securities	24(d)(d)(g)	382 985 387	-	109 952 588	492 937 975
		702 267 081	1 451 932	109 952 588	813 671 601
<b>LIABILITIES</b>					
Trading liabilities	22(b)	-	-	-	-
Derivative liabilities held for risk management	23(b)	-	2 608 146	-	2 608 146
		-	2 608 146	-	2 608 146

<b>COMPANY</b>					
In thousands of Naira	Note	Level 1	Level 2	Level 3	Total
<b>31 DEC 2025</b>					
<b>ASSETS</b>					
Trading assets	22(a)	-	-	-	-
Assets pledged as collateral	25(a)	-	-	-	-
Investment securities	24(d)(d)(g)	-	-	50 330 599	50 330 599
		-	-	50 330 599	50 330 599
<b>31 DEC 2024</b>					
<b>ASSETS</b>					
Trading assets	22(a)	-	-	-	-
Assets pledged as collateral	25(a)	-	-	-	-
Investment securities	24(d)(d)(g)	-	-	45 457 558	45 457 558
		-	-	45 457 558	45 457 558
<b>LIABILITIES</b>					
Trading liabilities	22(b)	-	-	-	-
Derivative liabilities held for risk management	23(b)	-	-	-	-
		-	-	-	-

The carrying amount under Level 3 represents the fair value of unquoted equity investments. The movement has been disclosed in Note 24(i).

**Notes to the consolidated and separate financial statements**

**Financial instruments not measured at fair value**

The table below sets out the fair value of financial instruments not measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised.

**GROUP**  
**31 DEC 2025**

In thousands of Naira	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<b>ASSETS</b>						
Loans and advances to customers	26	-	-	2 445 667 992	2 445 667 992	2 365 686 373
Assets pledged as collateral	25	269 407 004	-	-	269 407 004	104 900 576
Investment securities	24(a)	1 403 200 503	-	-	1 403 200 503	1 289 881 020

**31 DEC 2024**

In thousands of Naira	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<b>ASSETS</b>						
Loans and advances to customers	26	-	-	2 485 078 216	2 485 078 216	2 357 303 173
Assets pledged as collateral	25	69 076 992	-	-	69 076 992	333 112 327
Investment securities	24(a)	910 224 863	-	-	910 224 863	696 472 731

**COMPANY**

**31 DEC 2025**

In thousands of Naira	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<b>ASSETS</b>						
Loans and advances to customers	26	-	-	-	-	-
Assets pledged as collateral	25	-	-	-	-	-
Investment securities	24(a)	34 826 806	-	-	34 826 806	34 826 806

**31 DEC 2024**

In thousands of Naira	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<b>ASSETS</b>						
Loans and advances to customers	26	-	-	-	-	-
Assets pledged as collateral	25	-	-	-	-	-
Investment securities	24(a)	23 145 791	-	-	23 145 791	23 145 791

**Notes to the consolidated and separate financial statements**

**(c) Income Taxes**

The Group is subject to income taxes in the jurisdictions where the Group operate. Significant estimates are required in determining the groupwide provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**(d) Deferred tax**

The deferred tax assets and liabilities recognized by the Group is dependent on the availability of taxable profit in the foreseeable future to utilize the deferred tax. The Group reviews the carrying amount of the deferred tax at the end of each reporting period and recognizes an amount such that it is probable that sufficient taxable profit will be available which the Group can use the benefit therefrom.

In determining the deferred tax assets recognized in the financial statements, the Group has applied judgement in estimating the deferred tax recoverable in the foreseeable future. This involves the estimation of future income and expenses, and the consideration of non-taxable income and disallowable expenses in order to arrive at the future taxable profit / loss.

Effective January 2022, the tax exemption granted on short term Federal Government of Nigeria securities [such as Treasury bills, promissory notes etc.] and non-Federal Government of Nigeria Bonds, and the interest earned by the holder of these instruments, under the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011, elapses. In determining the extent to which it is probable that future taxable profit will be available against which the unused tax losses of the Group can be utilized, the Group has applied judgment that the Federal Government of Nigeria (FGN) will likely extend the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011, beyond 2021, in order to stimulate continuous participation in the treasury bills market and to meet government funding needs. See note 31 for details on deferred tax.

**(f) Assessment of impairment of goodwill**

Goodwill was tested for impairment using discounted cash flow valuation method. Projected cash flows were discounted to present value using a discount rate of 36.72% (December 2024: 36.72%) and a cash flow growth rate of 5.0% (December 2024: 5.0%) over a period of five years. The Group determined the appropriate discount rate at the end of the year by making reference to the rate of the Sovereign 10-year Bond yield issued in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. See note 31(d) & (e) for further details.

**(g) Determination of regulatory risk reserves**

Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the expected loss model (IFRS 9). As a result of the differences in the methodology/provision regime, there will be variances in the impairment allowances required under the two methodologies.

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

- (i) Provisions for loans recognised in profit or loss should be determined based on the requirements of IFRS Accounting Standards. However, the IFRS Accounting Standards provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:
- Prudential Provisions is greater than IFRS Accounting Standards provisions; the excess provision resulting should be transferred from the retained reserve account to a "regulatory risk reserve".
  - Prudential Provisions is less than IFRS Accounting Standards provisions; IFRS Accounting Standards determined provision is charged to the statement of profit or loss and other comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the retained earnings account
- (ii) The non-distributable reserve (excluding regulatory risk reserve) should be classified under Tier 1 as part of the core capital.

The Banking subsidiaries has complied with the requirements of the guidelines as follows:

<b>Prudential adjustments for the year ended 31 December 2025</b>			
<b>In thousands of Naira</b>	<b>Note</b>	<b>31 DEC 2025</b>	<b>31 DEC 2024</b>
<b>Impairment assessment under IFRS</b>			
<b>Loans &amp; advances:</b>			
Stage 1	26(c)	39 989 040	28 130 696
Stage 2	26(c)	18 850 214	39 437 930
Stage 3	26(c)	50 944 559	60 205 275
<b>Total impairment allowances on loans</b>		<b>109 783 813</b>	<b>127 773 901</b>
<b>Other financial assets:</b>			
Stage 1	27(c)	26 101 180	22 128 293
Stage 2	27(c)	8 485 814	8 723 053
Stage 3	27(c)	35 261 375	36 729 497
Provision	37	11 818 408	13 022 246
Investment securities at amortised cost	24(b)	9 868 725	13 637 058
Investment securities at FVOCI	24(d)	2 686 458	199 371
Cash and cash equivalents	21(a)	167 849	18 017
<b>Total impairment allowances on other financial assets and provision</b>		<b>94 389 809</b>	<b>94 457 535</b>
<b>Total impairment allowances by the Banking subsidiary (a)</b>		<b>204 173 622</b>	<b>222 231 436</b>
<b>Total regulatory impairment based on prudential guidelines (b)</b>		<b>306 913 622</b>	<b>222 512 060</b>
<b>Required balance in regulatory risk reserves (c = b - a) &lt;0 returned 0, else (b-a)</b>		<b>102 740 000</b>	<b>280 624</b>
<b>Balance, 1 January 2025</b>		<b>22 720 000</b>	<b>22 720 000</b>
<b>Transfer to regulatory risk reserve</b>		<b>80 020 000</b>	
<b>Balance, 31 December</b>		<b>102 740 000</b>	<b>22 720 000</b>

**Notes to the consolidated and separate financial statements**

**6 Operating segments**

The Group has seven reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the strategic divisions, the Executive Management Committee reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

**Investment Banking** - provides comprehensive banking services to highly structured large corporate organisations. The Group is also involved in capital raising activities for organisations both in money and capital markets as well as provides financial advisory services to organisations in raising funds.

**Investment Management** - administer and manages the pension fund assets and other investment portfolios for structured retiree savings account holders and other equity fund account holders.

**SME Banking** - provides banking services to Small and Medium Enterprises (SME) and commercial registered businesses with an annual turnover less than N2.5billion.

**Commercial Banking** - provides banking services to Small and Medium Enterprises (SME) and commercial registered businesses with an annual turnover between N2.5bn and N5billion.

**Corporate Banking** – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products. The corporate banking business unit caters for the specific needs of companies and financial institutions with an annual turnover in excess of N5billion.

**Personal Banking** - incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages. Retail banking business unit caters for needs of individuals.

**Institutional Banking** - government financing, financial institutions, multilateral agencies. The business unit caters for governments at the various levels and their agencies.

**Treasury and Financial Markets** – Treasury and financial markets group provides funding support to various business segments while ensuring the liquidity of the Banking subsidiary is not compromised. The Group is also involved in currency trading incorporating financial instruments trading and structured financing.

Information regarding the results of each reporting segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

No single external customer accounts for 10% or more of the Group's revenue.

Information about operating segments;

(i) **The business segment results are as follows:**

<b>GROUP:</b>									
<b>31 DEC 2025</b>									
<b>In thousands of Naira</b>	<b>Investment Banking</b>	<b>Investment Management</b>	<b>SME Banking</b>	<b>Commercial Banking</b>	<b>Corporate Banking</b>	<b>Personal Banking</b>	<b>Institutional Banking</b>	<b>Treasury &amp; Financial Markets</b>	<b>Total</b>
<b>External revenues:</b>									
Interest Income	59 432 356	1 122 447	207 448 109	14 499 480	266 870 597	223 737 746	20 472 593	211 745 778	<b>1 005 329 106</b>
Interest Expense	(26 528 185)	-	(109 384 835)	(8 316 880)	(168 097 868)	(102 639 168)	(18 170 362)	(66 284 808)	<b>(499 422 106)</b>
<b>Net interest income</b>	<b>32 904 171</b>	<b>1 122 447</b>	<b>98 063 274</b>	<b>6 182 600</b>	<b>98 772 729</b>	<b>121 098 578</b>	<b>2 302 231</b>	<b>145 460 970</b>	<b>505 907 000</b>
Net fee and commission income	7 659 263	16 899 242	21 364 449	1 491 875	25 764 310	5 014 115	264 442	(1 807 120)	<b>76 650 576</b>
Net trading income	1 656 213	-	-	-	-	-	-	36 136 185	<b>37 792 398</b>
Other revenue	(1 673 161)	132 126	161 050	84 594	491 702	587 469	13 119	(11 912 606)	<b>(12 115 707)</b>
Other income	1 094 236	-	-	-	-	-	-	1 782 647	<b>2 876 883</b>
<b>Inter-segment revenue</b>	<b>-</b>	<b>-</b>	<b>14 166 786</b>	<b>1 474 134</b>	<b>(10 069 827)</b>	<b>25 192 001</b>	<b>13 253 376</b>	<b>(44 016 470)</b>	<b>-</b>
<b>Total segment revenue</b>	<b>41 640 721</b>	<b>18 153 816</b>	<b>133 755 559</b>	<b>9 233 203</b>	<b>114 958 914</b>	<b>151 892 163</b>	<b>15 833 168</b>	<b>125 643 606</b>	<b>611 111 150</b>
<b>Expenses:</b>									
Operating expenses	(34 905 808)	(9 483 892)	(80 562 130)	(6 736 248)	(52 728 680)	(101 429 892)	(8 952 153)	(16 376 200)	<b>(311 175 003)</b>
Net Impairment losses on financial instruments	(9 567 860)	(23 504)	(15 713 855)	(4 514 572)	(29 868 737)	(4 682 429)	(383 100)	(16 952 842)	<b>(81 706 899)</b>
Depreciation and amortisation expenses	(1 413 763)	(660 595)	(5 250 154)	(756 119)	(1 853 519)	(6 175 389)	(670 513)	(536 530)	<b>(17 316 582)</b>
	<b>(45 887 431)</b>	<b>(10 167 991)</b>	<b>(101 526 139)</b>	<b>(12 006 939)</b>	<b>(84 450 936)</b>	<b>(112 287 710)</b>	<b>(10 005 766)</b>	<b>(33 865 572)</b>	<b>(410 198 484)</b>
<b>Reportable segment profit/(loss) before income tax</b>	<b>(4 246 710)</b>	<b>7 985 825</b>	<b>32 229 420</b>	<b>(2 773 736)</b>	<b>30 507 978</b>	<b>39 604 453</b>	<b>5 827 402</b>	<b>91 778 034</b>	<b>200 912 666</b>
Reportable segment assets	771 077 582	29 674 040	560 274 973	140 104 333	1 659 903 683	426 798 496	20 530 905	2 705 091 556	<b>6 313 455 568</b>
Reportable segment liabilities	626 971 100	19 295 917	1 191 839 421	205 822 214	1 324 242 828	1 526 042 516	611 375 006	1 237 875 866	<b>6 743 464 868</b>

**Notes to the consolidated and separate financial statements**

**31 DEC 2024**

In thousands of Naira	Investment Banking	Investment Management	SME Banking	Commercial Banking	Corporate Banking	Personal Banking	Institutional Banking	Treasury & Financial Markets	TOTAL
<b>External revenues:</b>									
Interest Income	61 113 723	623 860	132 261 566	14 474 582	190 128 242	161 612 803	17 495 512	44 093 506	<b>621 803 795</b>
Interest Expense	(25 175 910)	-	(100 453 043)	(9 120 903)	(134 608 736)	(84 062 535)	(12 806 653)	(30 275 811)	<b>(396 503 592)</b>
<b>Net interest income</b>	<b>35 937 813</b>	<b>623 860</b>	<b>31 808 523</b>	<b>5 353 679</b>	<b>55 519 506</b>	<b>77 550 268</b>	<b>4 688 859</b>	<b>13 817 695</b>	<b>225 300 203</b>
Net fee and commission income	6 687 745	10 904 338	11 897 721	1 212 797	17 609 238	10 137 862	370 791	(23 668)	<b>58 796 824</b>
Net trading income	462 767	-	-	-	-	-	-	53 330 178	<b>53 792 945</b>
Other revenue	6 062 174	907 783	5 017 471	331 047	2 486 589	3 272 509	2 590	21 475 169	<b>39 555 332</b>
Other income	3 287 905	-	-	-	-	-	-	1 682 691	<b>4 970 596</b>
<b>Inter-segment revenue</b>	-	-	(1 347 584)	130 908	6 240 281	7 076 815	1 491 020	(13 591 440)	-
<b>Total segment revenue</b>	<b>52 438 404</b>	<b>12 435 981</b>	<b>47 376 131</b>	<b>7 028 431</b>	<b>81 855 614</b>	<b>98 037 454</b>	<b>6 553 260</b>	<b>76 690 625</b>	<b>382 415 900</b>
<b>Expenses:</b>									
Operating expenses	(30 248 016)	(6 420 412)	(28 291 443)	(5 288 753)	(56 271 313)	(72 125 062)	(7 572 645)	(8 961 758)	<b>(215 179 402)</b>
Net impairment losses on financial instruments	1 443 432	(24 935)	(12 611 012)	(1 499 134)	(10 097 698)	(2 422 797)	(336 505)	(15 691 815)	<b>(41 240 464)</b>
Depreciation and amortisation expenses	(1 369 173)	(478 667)	(1 407 959)	(568 295)	(4 120 184)	(5 028 101)	(498 699)	(406 374)	<b>(13 877 452)</b>
	<b>(30 173 757)</b>	<b>(6 924 014)</b>	<b>(42 310 414)</b>	<b>(7 356 182)</b>	<b>(70 489 195)</b>	<b>(79 575 960)</b>	<b>(8 407 849)</b>	<b>(25 059 947)</b>	<b>(270 297 318)</b>
<b>Reportable segment profit/(loss) before income tax</b>	<b>22 264 647</b>	<b>5 511 967</b>	<b>5 065 717</b>	<b>-327 751</b>	<b>11 366 419</b>	<b>18 461 494</b>	<b>(1 854 589)</b>	<b>51 630 678</b>	<b>112 118 582</b>
Reportable segment assets	662 334 374	12 326 769	1 309 738 512	128 211 141	483 744 253	330 659 120	18 758 069	2 544 219 128	<b>5 508 982 625</b>
Reportable segment liabilities	558 771 158	9 463 862	1 219 899 594	149 400 014	1 493 800 843	1 465 715 709	260 095 657	1 185 432 196	<b>6 306 531 888</b>

(ii) **Reconciliations of reportable segments revenues, profit or loss and assets and liabilities**

In thousands of Naira	GROUP	
	31 DEC 2025	31 DEC 2024
<b>Revenues</b>		
Total revenue for reportable segments	611 111 150	382 415 900
Unallocated amounts	-	-
Elimination of inter-segment revenue	-	-
<b>Total net revenue</b>	<b>611 111 150</b>	<b>382 415 900</b>
<b>Profit or loss</b>		
Total profit or loss for reportable segments	200 912 666	112 118 582
Unallocated amounts	-	-
<b>Profit before income tax</b>	<b>200 912 666</b>	<b>112 118 582</b>
<b>Assets</b>		
Total assets for reportable segments	6 313 455 568	5 508 982 625
Other unallocated amounts	1 317 533 211	1 545 183 294
<b>Total assets</b>	<b>7 630 988 779</b>	<b>7 054 165 919</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	6 743 464 868	6 306 531 888
Other unallocated amounts	51 112 545	58 653 000
<b>Total liabilities</b>	<b>6 794 577 413</b>	<b>6 365 184 888</b>

**Geographical segments**

The Group operates in two geographic regions, being: Nigeria and Europe (UK).

In presenting information on the basis of geographical areas, revenue is based on the customers' country of domicile and assets are based on the geographical location of the assets.

**31 DEC 2025**

External revenues:	NIGERIA	EUROPE	TOTAL
Interest Income	952 755 088	52 574 018	1 005 329 106
Interest Expense	(471 104 984)	(28 317 122)	(499 422 106)
<b>Net interest income</b>	<b>481 650 104</b>	<b>24 256 896</b>	<b>505 907 000</b>
Net fee and commission income	73 415 776	3 234 800	76 650 576
Net trading income	36 443 118	1 349 280	37 792 398
Other revenue	(12 693 126)	577 419	(12 115 707)
Other income	2 876 883	-	2 876 883
<b>Total revenue</b>	<b>581 692 755</b>	<b>29 418 395</b>	<b>611 111 150</b>
<b>Expenses:</b>			
Operating expenses	(282 902 013)	(28 272 990)	(311 175 003)
Net impairment losses on financial instruments	(73 507 119)	(8 199 780)	(81 706 899)
Depreciation and amortisation expenses	(16 102 629)	(1 213 953)	(17 316 582)
	<b>(372 511 761)</b>	<b>(37 686 723)</b>	<b>(410 198 484)</b>
<b>Profit before income tax</b>	<b>209 180 994</b>	<b>(8 268 328)</b>	<b>200 912 666</b>
Reportable assets	5 580 678 183	732 777 385	6 313 455 568
Reportable liabilities	6 114 147 834	629 317 034	6 743 464 868

**Notes to the consolidated and separate financial statements**

**31 DEC 2024**

	NIGERIA	EUROPE	TOTAL
<b>External revenues:</b>			
Interest Income	560 690 072	61 113 723	621 803 795
Interest Expense	(371 327 682)	(25 175 910)	(396 503 592)
Net interest income	189 362 390	35 937 813	225 300 203
Net fee and commission income	52 109 079	6 687 745	58 796 824
Net trading income	53 330 178	462 767	53 792 945
Other revenue	33 493 158	6 062 174	39 555 332
Other income	1 682 691	3 287 905	4 970 596
<b>Total segment revenue</b>	<b>329 977 496</b>	<b>52 438 404</b>	<b>382 415 900</b>
<b>Expenses:</b>			
Operating expenses	(184 931 386)	(30 248 016)	(215 179 402)
Net Impairment losses on financial instruments	(42 683 896)	1 443 432	(41 240 464)
Depreciation and amortisation expenses	(12 705 119)	(1 172 333)	(13 877 452)
	<b>(240 320 401)</b>	<b>(29 976 917)</b>	<b>(270 297 318)</b>
<b>Reportable segment profit /(loss) before income tax</b>	<b>89 657 095</b>	<b>22 461 487</b>	<b>112 118 582</b>
Reportable assets	4 846 648 251	662 334 374	5 508 982 625
Reportable liabilities	5 747 760 730	558 771 158	6 306 531 888

(iii) **The Geographical information result for 31 December 2025 is as follows:**

<b>In thousands of Naira</b>	NIGERIA	EUROPE	TOTAL
Revenues	581 692 755	29 418 395	611 111 150
Non-current assets (see note 6 (v) below)	110 517 131	2 458 100	112 975 231

(iv) **The Geographical information result for 31 December 2024 is as follows:**

<b>In thousands of Naira</b>	NIGERIA	EUROPE	TOTAL
Revenues	329 977 496	52 438 404	382 415 900
Non-current assets (see note 6 (v) below)	98 043 704	2 483 771	100 527 475

(v) Non-current assets includes property and equipment, intangible assets and deferred tax assets

(vi) Included in the Personal Banking reportable segment were group lending (micro-lending) business performance. The group lending business recorded profit of N1billion for the year ended 31 December 2025, (31 December 2024: N515.85million) and customer loans and advances of N9.39billion (31 December 2024: N5.69billion) and deposit from customer of N4.37billion (31 December 2024: N2.49billion).

**Notes to the consolidated and separate financial statements**

**7 Financial assets and liabilities**

**Accounting classification measurement basis and fair values**

Listed below are assets and liabilities that the carrying amount approximates the fair value as at the reporting date. These assets and liabilities have been excluded from the fair value table by hierarchy analysed below

- Cash and cash equivalents
- Restricted reserve deposits
- Other financial assets
- Deposits from banks
- Deposits from customers
- Borrowings
- Debt securities
- Other financial liabilities

The table below sets out the carrying amounts and fair values of the Group's financial assets and liabilities:

GROUP		31 DEC 2025			31 DEC 2024		
In thousands of Naira	Note	Carrying value	Fair value	Fair value hierarchy	Carrying value	Fair value	Fair value hierarchy
<b>Assets</b>							
<b>Carried at FVTPL:</b>							
Non-pledged trading assets	22(a)	439 720 734	439 720 734	1	319 109 270	319 109 270	1
Derivative assets held for risk management	23(a)	4 276 814	4 276 814	2	1 451 932	1 451 932	2
Assets pledged as collateral	25(b)	-	-	-	172 424	172 424	1
<b>Carried at FVOCI:</b>							
Investment securities - debts	24(d)(d)	626 266 506	626 266 506	1	382 985 387	382 985 387	1
Investment securities - unquoted equity investments	24(g)	119 504 371	119 504 371	3	109 952 588	109 952 588	3
Assets pledged as collateral	25(a)	-	-	-	68 418 990	68 418 990	1
<b>Carried at amortized cost:</b>							
Cash and cash equivalents	21	1 298 920 721	1 298 920 721	3	795 387 019	795 387 019	3
Restricted reserve deposits	28	1 198 149 879	1 198 149 879	3	1 441 465 091	1 441 465 091	3
Loans and advances to customers (Gross)	26(a)	2 475 470 182	2 445 667 992	3	2 485 078 216	2 485 078 216	3
Investment securities	24(a)	1 289 564 333	1 403 200 503	1	696 363 806	878 140 827	1
Assets pledged as collateral	25(c)	104 900 576	269 407 004	1	333 112 327	69 076 992	1
Other financial assets	27(a)	41 208 707	41 208 707	3	419 870 245	419 870 245	3
<b>Liabilities</b>							
<b>Carried at FVTPL:</b>							
Derivative liabilities held for risk management	23(b)	608 639	608 639	1	2 608 146	2 608 146	1
<b>COMPANY</b>		<b>31 DEC 2025</b>			<b>31 DEC 2024</b>		
In thousands of Naira	Note	Carrying value	Fair value	Fair value hierarchy	Carrying value	Fair value	Fair value hierarchy
<b>Assets</b>							
<b>Carried at FVTPL:</b>							
Non-pledged trading assets	22(a)	-	-	-	-	-	-
Derivative assets held for risk management	23(a)	-	-	-	-	-	-
Investment securities	24(c)	50 330 599	50 330 599	3	45 457 558	45 457 558	3
Assets pledged as collateral	25(b)	-	-	-	-	-	-
<b>Carried at FVOCI:</b>							
Investment securities - debts	24(d)(d)	-	-	-	-	-	-
Investment securities - unquoted equity investments	24(g)	-	-	-	-	-	-
Assets pledged as collateral	25(a)	-	-	-	-	-	-
<b>Carried at amortized cost:</b>							
Cash and cash equivalents	21	3 014 998	3 014 998	3	14 371 980	14 371 980	3
Restricted reserve deposits	28	-	-	-	-	-	-
Loans and advances to customers (Gross)	26(a)	-	-	-	-	-	-
Investment securities	24(a)	34 826 806	34 826 806	1	23 145 791	23 145 791	1
Assets pledged as collateral	25(c)	-	-	-	-	-	-
Other financial assets	27(a)	25 972 082	25 972 082	3	13 101 405	13 101 405	3

Where available, the fair value of loans and advances is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes expected lifetime credit losses, interest rates, prepayment rates and primary origination or secondary market spreads. For collateral – dependent impaired loans, the fair value is measured based on the value of the underlying collateral.

The fair value of deposits from banks and customers is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

Notes to the consolidated and separate financial statements

In thousands of Naira  
For the year ended

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>8 Interest and discount income</b>				
Cash and cash equivalents	145 330 421	12 800 764	6 208 044	7 059 430
Loans and advances to customers	611 632 549	433 214 628	-	-
Investment securities at amortised cost	148 901 181	109 747 642	1 444 686	1 365 735
Investment securities at FVOCI	99 464 955	66 040 761	499 074	432 041
<b>Total interest income calculated using the effective interest method</b>	<b>1 005 329 106</b>	<b>621 803 795</b>	<b>8 151 804</b>	<b>8 857 206</b>
Interest income on lease receivables	-	-	-	-
<b>Total interest income</b>	<b>1 005 329 106</b>	<b>621 803 795</b>	<b>8 151 804</b>	<b>8 857 206</b>

<b>9 Interest expense</b>				
Deposits from banks	60 357 317	45 073 055	-	-
Deposits from customers	268 107 209	254 377 756	-	-
	328 464 526	299 450 811	-	-
Borrowings	145 350 893	76 027 513	1 265 968	928 052
Debt securities issued	21 071 465	16 609 376	-	-
Onlending facilities	4 168 040	4 137 462	-	-
Interest expense on lease liabilities	367 182	278 430	-	-
	499 422 106	396 503 592	1 265 968	928 052

The amounts reported above include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and financial liabilities.

Financial assets measured at amortised cost	905 864 151	555 763 034	7 652 730	8 425 165
Financial assets measured at FVOCI	99 464 955	66 040 761	499 074	432 041
<b>Total</b>	<b>1 005 329 106</b>	<b>621 803 795</b>	<b>8 151 804</b>	<b>8 857 206</b>
Financial liabilities measured at amortised cost	499 422 106	396 503 592	1 265 968	928 052

<b>10 Net impairment loss on financial assets</b>				
Loan and advances (see note 26(c))	89 316 817	43 791 850	-	-
Other assets (see note 27(c))	4 609 140	3 852 727	36 725	48 794
Investment securities - amortised cost (see note 24(b))	(3 055 495)	3 080 857	176 280	92 207
Investment securities - fair value other comprehensive income (see note 24(e))	1 879 636	199 371	-	-
Cash and cash equivalents (see note 21(a))	142 671	-9 824	-	-
Financial guarantee contracts and loan commitment issued (see note 37(a))	46 773	154 140	-	-
Recoveries on loans previously written off	(11 232 643)	-9 828 657	-	-
	81 706 899	41 240 464	213 005	141 001

During the year ended 31 December 2025, the group recovered N11.23billion (2024: N9.83billion) from loans previously written off. These amounts have been recognized in the profit or loss as a net off in current period impairments. The recoveries relate to exposures that had been fully derecognized in prior periods.

In thousands of Naira  
For the year ended

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>11 Disaggregation of fee and commission income by major type of services;</b>				
Credit related fees	795 829	932 620	-	-
Account Maintenance	19 428 323	13 897 338	-	-
Letters of credit commission	6 129 870	2 879 659	-	-
Asset Management Fees	10 952 261	8 593 398	-	-
Administration Fees	285 332	285 332	-	-
Commission on off-balance sheet transactions	5 500 929	3 075 286	-	-
Electronics fees and commissions	14 345 421	13 652 059	-	-
Service fees and commissions	40 454 141	30 991 723	4 320 368	2 799 664
<b>Gross Fee and commission income</b>	<b>97 892 106</b>	<b>74 307 415</b>	<b>4 320 368</b>	<b>2 799 664</b>
Electronics fees and commissions recoverable expenses	(14 066 855)	(11 704 619)	-	-
Cheque books recoverable expenses	(89 555)	(77 240)	-	-
Other banks charges	(7 085 120)	(3 728 732)	(44 710)	(12 046)
<b>Fee and commission expense</b>	<b>(21 241 530)</b>	<b>(15 510 591)</b>	<b>(44 710)</b>	<b>(12 046)</b>
<b>Net fee and commission income</b>	<b>76 650 576</b>	<b>58 796 824</b>	<b>4 275 658</b>	<b>2 787 618</b>

Notes to the consolidated and separate financial statements

(a) Disaggregation of fee and commission income with the Group's reportable segments;  
For the year ended 31 December 2025

In thousands of Naira	Investment Banking	Investment Management	SME Banking	Commercial Banking	Corporate Banking	Personal Banking	Institutional Banking	Treasury & Financial Markets	TOTAL
Credit related fees	-	-	332 362	70 542	330 871	62 053	1	-	795 829
Account Maintenance	-	-	13 448 426	413 630	4 093 403	1 336 510	136 354	-	19 428 323
Letters of credit commission	-	-	186 339	263 294	5 680 237	-	-	-	6 129 870
Asset Management Fees	-	10 952 261	-	-	-	-	-	-	10 952 261
Administration Fees	-	285 332	-	-	-	-	-	-	285 332
Commission on off-balance sheet transactions	-	-	1 753 053	234 935	2 884 846	576 657	51 438.00	-	5 500 929
Electronics fees and commissions	-	-	1 125 488	203 655	5 009 094	7 944 773	62 325	86	14 345 421
Service fees and commissions	10 591 706	5 661 649	6 444 382	329 405	12 151 317	4 846 740	90 701	338 241	40 454 141
<b>Gross Fee and commission income</b>	<b>10 591 706</b>	<b>16 899 242</b>	<b>23 290 050</b>	<b>1 515 461</b>	<b>30 149 768</b>	<b>14 766 733</b>	<b>340 819</b>	<b>338 327</b>	<b>97 892 106</b>
Electronics fees and commissions recoverable expenses	-	-	(1 863 769)	(21 230)	(4 370 578)	(7 737 083)	(74 156)	(39)	(14 066 855)
Cheque books recoverable expenses	-	-	(1 305)	(50)	(999)	(85 585)	(47)	(1 569)	(89 555)
Other banks charges	(2 919 666)	(12 776)	(60 526)	(2 305)	(13 882)	(1 929 950)	(2 174)	(2 143 841)	(7 085 120)
<b>Fee and commission expense</b>	<b>(2 919 666)</b>	<b>(12 776)</b>	<b>(1 925 600)</b>	<b>(23 585)</b>	<b>(4 385 459)</b>	<b>(9 752 618)</b>	<b>(76 377)</b>	<b>(2 145 449)</b>	<b>(21 241 530)</b>
<b>Net fee and commission income</b>	<b>7 672 040</b>	<b>16 886 466</b>	<b>21 364 450</b>	<b>1 491 876</b>	<b>25 764 309</b>	<b>5 014 115</b>	<b>264 442</b>	<b>(1 807 122)</b>	<b>76 650 576</b>

For the year ended 31 December 2024

In thousands of Naira	Investment Banking	Investment Management	SME Banking	Commercial Banking	Corporate Banking	Personal Banking	Institutional Banking	Treasury & Financial Markets	TOTAL
Credit related fees	-	-	514 304	117 137	213 035	88 144	-	-	932 620
Account Maintenance	-	-	9 362 685	483 979	1 616 044	2 224 757	209 865	8	13 897 338
Letters of credit commission	-	-	369 078	50 218	2 460 360	3	-	-	2 879 659
Asset Management Fees	-	8 593 398	-	-	-	-	-	-	8 593 398
Administration Fees	-	285 332	-	-	-	-	-	-	285 332
Commission on off-balance sheet transactions	-	-	1 103 720	296 440	1 418 366	256 597	163	-	3 075 286
Electronics fees and commissions	-	-	1 361 190	97 800	3 775 323	8 354 553	62 890	303	13 652 059
Service fees and commissions	13 276 523	57 809	5 941 745	189 196	5 927 264	5 032 942	114 087	452 157	30 991 723
<b>Gross Fee and commission income</b>	<b>13 276 523</b>	<b>8 936 539</b>	<b>18 652 722</b>	<b>1 234 770</b>	<b>15 410 392</b>	<b>15 956 996</b>	<b>387 005</b>	<b>452 468</b>	<b>74 307 415</b>
Electronics fees and commissions recoverable expenses	-	-	(1 020 777)	(21 480)	(3 495 575)	(7 150 717)	(16 070)	-	(11 704 619)
Cheque books recoverable expenses	-	-	(1 716)	(37)	(1 939)	(73 537)	(11)	-	(77 240)
Other banks charges	(2 772 463)	(11 546)	(20 991)	(456)	(15 156)	(431 850)	(134)	(476 136)	(3 728 732)
<b>Fee and commission expense</b>	<b>(2 772 463)</b>	<b>(11 546)</b>	<b>(1 043 484)</b>	<b>(21 973)</b>	<b>(3 512 670)</b>	<b>(7 656 104)</b>	<b>(16 215)</b>	<b>(476 136)</b>	<b>(15 510 591)</b>
<b>Net fee and commission income</b>	<b>10 504 060</b>	<b>8 924 993</b>	<b>17 609 238</b>	<b>1 212 797</b>	<b>11 897 722</b>	<b>8 300 892</b>	<b>370 790</b>	<b>(23 668)</b>	<b>58 796 824</b>

(b) The fees and commission income reported above excludes amount included in determining effective interest rates on financial assets that are not carried at fair value through profit or loss.

(c) Performance obligations and revenue recognition policies:

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

**Notes to the consolidated and separate financial statements**

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
<b>Retail and corporate banking service</b>	The Group provides banking services to retail and corporate customers, including account management, provision of overdraft facilities, foreign currency transactions, credit card and servicing fees. Fees for ongoing account management are charged to the customer's account on a monthly basis. The Group sets the rates separately for retail and corporate banking customers in each jurisdiction on an annual basis. Transaction-based fees for interchange, foreign currency transactions and overdrafts are charged to the customer's account when the transaction takes place. Servicing fees are charged on a monthly basis and are based on fixed rates reviewed annually by the Group.	Revenue from account service and servicing fees is recognised over time as the services are provided. Revenue related to transactions is recognised at the point in time when the transaction takes place.
<b>Investment banking service</b>	The Group's investment banking segment provides various finance-related services, including loan administration and agency services, administration of a loan syndication, execution of client transactions with exchanges and securities underwriting. Fees for ongoing services are charged annually at the end of the calendar year to the customer's account. However, if a customer terminates the contract before 31 December, then on termination it is charged the fee for the services performed to date. Transaction-based fees for administration of a loan syndication, execution of transactions, and securities underwriting are charged when the transaction takes place.	Revenue from administrative agency services is recognised over time as the services are provided. The amounts to be collected from customers are recognised as trade receivables. Revenue related to transactions is recognised at the point in time when the transaction takes place.
<b>Investment management service</b>	The Group provides investment management services. Fees for asset management services are calculated based on a fixed percentage of the value of assets managed and deducted from the customer's account balance on a monthly basis. In addition, the Group charges a non-refundable up-front fee when opening an account.	Revenue from investment management services is recognised over time as the services are provided. Non-refundable up-front fees give rise to material rights for future services and are recognised as revenue over the period for which a customer is expected to continue receiving asset management services.

**In thousands of Naira**  
**For the year ended**

	<b>GROUP</b>		<b>COMPANY</b>	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>12 Net trading income</b>				
Foreign exchange trading income	9 766 604	12 230 660	-	-
Bonds trading income	15 682 572	35 660 029	-	-
Treasury bills trading income	12 343 222	5 902 256	-	-
	<b>37 792 398</b>	<b>53 792 945</b>	<b>-</b>	<b>-</b>
<b>13 Net income from financial instruments mandatorily measured at fair value through profit or loss</b>				
Net income arising on:				
Fair value instruments held	-	-	4 873 040	(4 394 049)
Fair value gain on derivative financial instruments held for risk management	-	-	4 873 040	(4 394 049)
	<b>-</b>	<b>-</b>	<b>9 746 080</b>	<b>(8 788 098)</b>
<b>14(a) Other gains /(losses)</b>				
Dividends on equity investment securities in the subsidiaries	-	-	-	-
Dividends on unquoted equity securities (see note (a)(i))	2 700 153	1 754 901	-	-
Foreign exchange (loss) / gains (see note (a)(ii))	(14 094 842)	36 469 263	(1 512 434)	7 110 602
Modification loss on restructured facilities (see note (a)(iii))	(721 018)	1 331 168	-	0
	<b>(12 115 707)</b>	<b>39 555 332</b>	<b>(1 512 434)</b>	<b>7 110 602</b>
<b>14(b) Other income</b>				
Gain on sale of property and equipment	885 249	2 409 966	31	517
Fair value gain on investment in associate (Note 30)	-	-100 862	-	-
Loss on disposal of associate	-	-227 177	-	-
Rental income	1 991 634	2 888 669	612 345	193 281
	<b>2 876 883</b>	<b>4 970 596</b>	<b>612 376</b>	<b>193 798</b>
<b>14(c) Intra group revenue</b>				
Dividends on equity investment securities in the subsidiaries (see note (c)(i))	-	-	17 807 220	21 530 385
Investment securities at FVTPL	-	-	7 466 366	7 409 672
	<b>-</b>	<b>-</b>	<b>25 273 586</b>	<b>28 940 057</b>

- (i) This amount represent dividend received from unquoted equity securities held for strategic purposes and for which the Group has elected to present the fair value gain and loss in other comprehensive income.  
(ii) Foreign currency revaluation gain represents unrealised foreign gains from the revaluation of foreign currency-denominated assets and liabilities held for the year ended.  
(iii) This represents the unrealised gain on restructured facilities during the year, which is unwinded over the restructured facilities.

**Notes to the consolidated and separate financial statements**

(i) The amount of N17.81billion in the Company represents N1.84billion (2024: N2.6billion) from FCMB Pensions Limited, N3billion (2024: N10billion) from First City Monument Bank Limited, N2billion (2024: N2.8billion) from CSL Stockbrokers Limited, N1.09billion (2024: N979.8million) from FCMB Capital Markets Limited, N140.32million (2024: N124.6million) from FCMB Trustees Limited and N9.73billion (2024: N5.0billion) from Credit Direct Finance Company Limited. The N3billion presented for FCMB Limited above relates to the final dividend for year 2024

In thousands of Naira For the year ended	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>15 Personnel expenses</b>				
Wages and salaries	70 601 691	58 535 271	1 264 985	522 623
Contributions to defined contribution plans (see note 35)	1 652 945	1 377 528	32 882	25 048
Other employee benefits (see note (a) below)	34 927 371	19 388 782	1 256 935	922 184
	<b>107 182 007</b>	<b>79 301 581</b>	<b>2 554 802</b>	<b>1 469 855</b>

(a) **Other employee benefits**

These are non-payroll staff cost, which includes medical expenses, club subscriptions and other staff related expenses not paid to staff.

<b>16 Depreciation and amortisation</b>				
Amortisation of intangibles (see note 31)	5 414 892	3 809 054	8 185	2 046
Depreciation of property and equipment and right of use assets (see note 30(a))	11 901 690	10 068 398	70 034	59 304
	<b>17 316 582</b>	<b>13 877 452</b>	<b>78 219</b>	<b>61 350</b>

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>17 General and administrative expenses</b>				
Communication, stationery and postage	7 694 626	5 624 133	28 741	19 747
Business travel expenses	6 636 361	4 305 123	139 519	144 436
Advert, promotion and corporate gifts	18 537 461	6 667 631	33 882	48 260
Business premises and equipment costs	14 454 097	11 928 343	50 783	44 492
Operating lease expenses	1 977 792	1 250 523	25 256	7 882
Directors' emoluments and expenses	5 754 723	3 506 052	2 922 416	985 064
IT & IS expenses	41 623 726	26 802 311	50 820	48 760
Contract Services and training expenses	14 626 947	13 758 175	23 910	20 407
Vehicles maintenance expenses	2 515 761	1 736 845	36 841	26 548
Security expenses	4 201 344	2 959 106	-	-
Auditors' remuneration (see note 17a below)	1 566 810	1 492 918	64 500	68 500
Professional charges	15 753 497	7 515 433	1 325 350	644 938
	<b>135 343 145</b>	<b>87 546 593</b>	<b>4 702 018</b>	<b>2 059 034</b>

(a) **Auditors' remuneration**

	2025		2024	
	Group Auditors	Component Auditors	Group Auditors	Component Auditors
Audit of the Group's annual consolidated and separate financial statements.	811 148	755 662	616 652	876 266
Other Assurance related services - ICFR	177 750	-	89 000	-
Tax services	-	-	-	-
Other non-audit services (NDIC Certification)	10 000	-	7 000	-
Included in professional fees is the amount paid to Deloitte as ICFR audit support fee: N117.75million (December 2024; 89million) and NDIC certification fee: N10 million (31 December 2024: 7million). The auditors were not paid for any non-audit services except as stated in the table above.				

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>18 Other operating expenses</b>				
NDIC Insurance Premium	19 360 000	13 616 700	-	-
AMCON Levy	35 168 349	21 926 026	-	-
FRCN expense (see note (c) below)	330 056	222 669	-	-
Insurance expenses	2 254 548	1 763 534	47 915	41 166
Others (see note (a) below)	11 536 898	10 802 299	831 275	619 544
	<b>68 649 851</b>	<b>48 331 228</b>	<b>879 190</b>	<b>660 710</b>

**Notes to the consolidated and separate financial statements**

(a) Others comprises:

AGM, meetings and shareholders expenses	912 940	676 416	513 409	389 856
Donation and sponsorship expenses (see note (b) below)	771 068	495 245	-	-
Entertainment expenses	1 771 941	1 432 412	77 544	21 668
Provision for fraud and forgery expense	25 928	1 224 263	-	-
Regulatory charges	30 946	23 770	30 946	23 770
Other accounts written off	275 287	590 035	-	-
PENCOM Recovery Agent Fee	9 857	973	-	-
Pension Protection Fund Expenses	328 744	259 191	-	-
Provision for litigation (see note 37(a))	2 700 000	3 410 000	-	-
Industrial training fund levy	649 188	579 453	55 438	26 028
Nigeria Social Insurance Trust Fund expenses	487 777	413 606	21 156	14 284
Penalties (see note 46)	490 190	136 653	-	-
Miscellaneous expenses	3 083 033	1 560 282	132 782	143 938
	<b>11 536 898</b>	<b>10 802 299</b>	<b>831 275</b>	<b>619 544</b>

(b) The Group made contributions to charitable and non-political organisations amounting to N771.07million (31 December 2024: N495.25million) during the year. The detailed analysis is in the Directors' report, page 14.

(c) Financial Reporting Council of Nigeria (Amendment) Act, 2023, which amended some provisions of the Financial Reporting Council of Nigeria Act of 2011, levy an amount equals to 0.05% of annual turnover, where the annual turnover of the entity is greater than N10 billion.

Notes to the consolidated and separate financial statements

In thousands of Naira

19 Earnings per share

Basic and diluted earnings per share

Profit attributable to equity holders (N'000)

Weighted average number of ordinary shares in issue ('000)

Basic earnings per share

Diluted earnings per share

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Profit attributable to equity holders (N'000)	169 548 148	65 724 641	26 333 057	22 993 015
Weighted average number of ordinary shares in issue ('000)	42 450 218	27 638 599	42 450 218	27 638 599
Basic earnings per share	3.99	2.38	0.62	0.83
Diluted earnings per share	3.99	2.38	0.62	0.83

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue for both year presented. The diluted earnings per share is the same as the basic EPS because there are no potential ordinary shares outstanding during the reporting year (see note 41 on share capital)

In line with the requirements of IAS 33. P64, The weighted average number of shares was determined by:

Determination of weighted average number of shares

Opening balance number of shares

Additional shares from convertible loan

Total number of shares in issue

Weighted average number of shares:

Pre issuance of new shares (see note a)

Post issuance of new shares (see note b)

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Opening balance number of shares	39 605 420	19 802 710	39 605 420	19 802 710
Additional shares from convertible loan	3 166 286	19 802 710	3 166 286	19 802 710
Total number of shares in issue	42 771 706	39 605 420	42 771 706	39 605 420
Pre issuance of new shares (see note a)	6 276 971	14 001 133	6 276 971	14 001 133
Post issuance of new shares (see note b)	36 173 248	13 637 466	36 173 248	13 637 466
Weighted average number of shares	42 450 218	27 638 599	42 450 218	27 638 599

- (a) The pre-issuance number of shares for the year 2025 has been determined by applying the adjusting factor on the number of shares in issue for days prior to the execution of a mandatory convertible loan (56 days) (2024: 1 January to 4 September 2024).
- (b) The post-issuance number of shares represents the time-weighted average number of shares in issue during the period, calculated by prorating both the initial shares and the shares converted from loan based on the number of days they were outstanding. i.e 309 days (2024:5 September 2024 to 31 December 2024).
- The adjusting factor 1.033 (2024: 1.027) was determined as the ratio of the market price per share at the date of loan conversion N13.35 (2024: N7.70k) to the theoretical ex-rights value per share of N12.92 (2024: N7.50K).
- (c) Per IAS 33.64, the prior year's weighted average number of shares has been adjusted to reflect the adjusting impact from the current year.

20 Tax expense

Current tax expense:

(i) Minimum tax (see note 20(ii))

National Information Technology Development Agency (NITDA) levy

Nigeria Police Trust Fund levy

National Agency for Science and Engineering Infrastructure levy

Tertiary education tax

Capital gain tax

Corporate income tax

Minimum tax	4 886 994	3 289 172	-	-
National Information Technology Development Agency (NITDA) levy	1 858 690	208 186	141 736	208 186
Nigeria Police Trust Fund levy	-	1 898	-	1 898
National Agency for Science and Engineering Infrastructure levy	429 238	-	-	-
Tertiary education tax	2 365 889	423 990	121 396	423 990
Capital gain tax	78 847	-	-	-
Corporate income tax	10 926 412	14 435 903	1 208 355	4 611 358
Minimum tax	20 546 070	18 359 149	1 471 487	5 245 432
Deferred tax expense:				
Origination of temporary differences (see note 31(b))	(3 290 082)	2 527 111	(3 290 082)	2 527 111
Income tax expense	(3 290 082)	2 527 111	(3 290 082)	2 527 111
Income tax expense	12 368 994	17 597 088	(1 818 595)	7 772 543
Windfall tax	7 573 475	17 671 442	-	-
Income tax expense	24 829 463	38 557 702	(1 818 595)	7 772 543

(iv) Reconciliation of effective tax rate

Profit before tax

Income tax using the domestic corporation tax rate

National Information Technology Development Agency (NITDA) levy

National Agency for Science and Engineering Infrastructure levy

Non-deductible expenses

Tax exempt income

Minimum tax

Unrecognised current year tax losses

Tertiary education tax

Total tax expense

	GROUP		COMPANY	
	31 DEC 2025		31 DEC 2024	
Profit before tax		202 100 396		31 980 828
Income tax using the domestic corporation tax rate	30.00%	60 630 119	30.00%	9 594 248
National Information Technology Development Agency (NITDA) levy	0.92%	1 858 690	0.44%	141 736
National Agency for Science and Engineering Infrastructure levy	0.21%	429 238	0.00%	0
Non-deductible expenses	13.00%	26 279 659	0.75%	238 434
Tax exempt income	(39.64%)	(80 104 368)	(0.21%)	-65 890
Minimum tax	2.42%	4 886 994	0.00%	0
Unrecognised current year tax losses	1.96%	3 966 304	(51.94%)	-16 611 329
Tertiary education tax	1.17%	2 365 889	0.38%	121 396
Total tax expense	12.29%	24 829 463	(15.98%)	-1 818 595

**Notes to the consolidated and separate financial statements**

	GROUP		COMPANY	
	31 DEC 2024			
Profit before tax		112 118 582		38 175 230
Income tax using the domestic corporation tax rate	30.0%	33 635 575	30.0%	11 452 569
National Information Technology Development Agency (NITDA) levy	0.2%	208 186	0.5%	208 186
Nigeria Police Trust Fund levy	0.0%	1 898	0.0%	1 898
National Agency for Science and Engineering Infrastructure levy	0.0%	-	0.0%	0
Non-deductible expenses	143.8%	161 279 659	422.5%	161 279 659
Tax exempt income	(173.1%)	(194 105 892)	(476.1%)	(181 747 431)
Minimum tax	2.9%	3 289 172	0.0%	0
Windfall tax	15.8%	17 671 442		
Unrecognised current year tax losses	10.7%	11 966 304	31.3%	11 966 304.00
<b>Total tax expense</b>	<b>34.4%</b>	<b>38 557 702</b>	<b>20.4%</b>	<b>7 772 543</b>

(v) The Banking subsidiary was assessed based on the minimum tax legislation for the year ended 31 December 2025.

The Group takes into cognisance the expiration of the Order exempts all interests earned on Bonds (Federal, state, local and corporate bodies including supra-national) and other short term securities such as Treasury Bills and Promissory Notes from being subjected to tax imposed under the Companies Income Tax Act. The Order is valid for a period of 10 years from the effective date of the Order, except for Bonds issued by the Federal Government, which will continue to enjoy the exemption. The exemption order has expired on 1 January 2022.

A significant portion of the Bank's investment income is derived from short-term securities and government bonds, and as a result, the Bank's current income tax assessment for the year under review yields a tax credit in its favour. Consequently, the Bank has applied the provisions of the Companies Income Tax Act that mandates a minimum tax assessment, where a tax payer does not have any tax liability arising from its tax assessment.

The Group has not recognised income tax on the Other Comprehensive Income (OCI) because the gain in the Bank's OCI is as a result of net unrealised fair value gains on Government securities. The Bank has also not recognized deferred tax on these gains as they will not be taxable when they are realised and as such do not represent temporary differences. Realised gains on Nigerian government securities, stocks and share are also exempt from Capital Gains Tax in line with section 30 of the CGT Act.

Nigeria Police Trust Fund Levy: On 24 June 2019, the Nigerian President signed the Nigeria Police Trust Fund (Establishment) Bill ("Police Trust Fund Act" or "the Act") into law. The Act establishes the Nigeria Police Trust Fund (Trust Fund) to provide funds for, inter alia, the training and welfare of personnel of the Nigeria Police Force. The levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year) of companies operating a business in Nigeria.

National Agency for Science and Engineering Infrastructure (NASENI) levy: (NASENI or "the Agency") was established by the NASENI Act, Cap N3 LFN 2004 ("the Act") in 1992. The Agency has a mandate to manage the research and development of capital goods, production and reverse engineering to enhance local mass production of standard parts, goods, and services required for the nation's technological advancement. In line with Finance Act 2021, the levy is computed on 0.25% of Profit Before Tax for commercial companies in the banking, mobile communication, ICT, aviation, maritime and oil and gas sectors.

**Windfall tax (see note 20(iii))**

The Finance Act 2023 as enacted by the National Assembly of the Federal Republic of Nigeria was amended by Finance Act (Amendment) Bill 2024 to impose and charge Windfall Tax on banks and to provide for the administration of the Tax. The windfall tax on foreign exchange is levied on all banks and paid to the benefits of the Federal Government of Nigeria. It is set at 70% of the realized profits from all foreign exchange transactions of banks within the 2023 and 2025 financial years. The Act was signed into law in 23 July 2024. The Federal Inland Revenue Service (FIRS) is responsible for assessing, collecting, and enforcing the payment of this tax. The assessment of the Windfall Tax payable by the Banking subsidiary for the 2025 and 2024 financial years are: N7,573,475,261 and N17,671,442 respectively

The Bank utilized the services of the following tax consultants during the year under review:

**NAME OF PROFESSIONAL**  
Kreston Pedabo Professional Services

**FRC\_NUMBER**  
FRC/2013/ICAN/0000000908

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
(ii) <b>Current income tax liability</b>				
At 1 January	38 227 831	11 296 167	5 382 217	410 283
Tax paid	(28 417 427)	(9 107 292)	(1 683 876)	(273 498)
Tax refund (see note (a) below)	(969 226)	-	(643 077)	-
Minimum tax (see note 20(i))	4 886 994	3 289 172	-	-
Windfall tax (see note 20(iii))	7 573 475	17 671 442	-	-
Capital gain tax	78 847	-	-	-
National Information Technology Development Agency (NITDA) levy (see note 20(i))	1 858 690	208 186	141 736	208 186
Nigeria Police Trust Fund levy (see note 20(i))	-	1 898	-	1 898
Tertiary education tax (see note 20(i))	2 365 889	423 990	121 395.86	423 990
National Agency for Science and Engineering Infrastructure (NASENI) levy (see note 20(i))	429 238	-	-	-
Income tax expense (see note 20(i))	10 926 412	14 435 903	1 208 355	4 611 358
Effect of movement in exchange rates	-	8 365	-	-
	<b>36 960 723</b>	<b>38 227 831</b>	<b>4 526 751</b>	<b>5 382 217</b>
Current	36 960 723	38 227 831	4 526 751	5 382 217
Non-current	-	-	-	-
	<b>36 960 723</b>	<b>38 227 831</b>	<b>4 526 751</b>	<b>5 382 217</b>

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

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>21 Cash and cash equivalents</b>				
Cash	28 287 313	33 636 696	-	-
Current balances with banks within Nigeria	301 269	643 838	3 014 998	14 371 980
Current balances with banks outside Nigeria (see note (c) below)	1 173 824 248	733 807 053	-	-
Placements with local banks	79 349 373	7 259 998	-	-
Placements with foreign banks	736 551	-	-	-
Unrestricted balances with Central banks	16 589 816	20 057 451	-	-
	<b>1 299 088 570</b>	<b>795 405 036</b>	<b>3 014 998</b>	<b>14 371 980</b>
Less impairment allowances (note (a) below)	(167 849)	(18 017)	-	-
	<b>1 298 920 721</b>	<b>795 387 019</b>	<b>3 014 998</b>	<b>14 371 980</b>
Current	1 298 920 721	795 387 019	3 014 998	14 371 980
Non-current	-	-	-	-
	<b>1 298 920 721</b>	<b>795 387 019</b>	<b>3 014 998</b>	<b>14 371 980</b>
(a) <b>Impairment allowance</b>				
Balance at 1 January	18 017	41 108	-	-
Net remeasurement of loss allowance (see note 10)	142 671	(9 824)	-	-
Effect of movement in exchange rates	7 161	(13 267)	-	-
Closing balance	<b>167 849</b>	<b>18 017</b>	-	-

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

(c) Balances with banks outside Nigeria include N41.06billion (31 December 2024: N163.84billion) which represents the naira value of foreign currency amounts held by the Bank on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (see Note 36(a)).

**Notes to the consolidated and separate financial statements**

**In thousands of Naira**

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>22(a) Non-pledged trading assets</b>				
Federal Government of Nigeria Bonds - fair value through profit or loss (FVTPL)	101 282 506	86 181 607	-	-
Treasury Bills - fair value through profit or loss (FVTPL)	95 854 155	10 887 401	-	-
Fund investments Government and others	242 584 073	222 040 262	-	-
	<b>439 720 734</b>	319 109 270	-	-
Current	439 720 734	315 316 426	-	-
Non-current	-	3 792 844	-	-
	<b>439 720 734</b>	319 109 270	-	-
<b>23 Derivative assets and liabilities held for risk management</b>				
<b>Instrument type</b>				
(a) Assets: - Non-deliverable forwards transactions	4 276 814	1 451 932	-	-
	<b>4 276 814</b>	1 451 932	-	-
Current	4 276 814	1 451 932	-	-
Non-current	-	-	-	-
	<b>4 276 814</b>	1 451 932	-	-
(b) Liabilities - Non-deliverable forwards transactions	608 639	2 608 146	-	-
	<b>608 639</b>	2 608 146	-	-
Current	608 639	2 608 146	-	-
Non-current	-	-	-	-
	<b>608 639</b>	2 608 146	-	-

Derivative financial instruments consist of short-term foreign exchange contracts. These are held for day to day cash management rather than for trading purposes and are held at fair value. All derivative contracts open at the year-end have intended settlement dates within twelve months. All derivative financial instruments are considered to be level two and are priced with reference to observable market data including prices from exchanges. The fair values of the foreign exchange contracts are reflected in the table above.

All derivative assets and liabilities are current.

Notes to the consolidated and separate financial statements

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>24 Investment securities</b>				
Investment securities at amortised cost (see note (a))	1 289 564 333	696 363 806	34 826 806	23 145 791
Investment securities at FVTPL - debt instruments (see note (c) below)	-	-	50 330 599	45 457 558
Investment securities at FVOCI - debt instruments (see note (d) below)	626 266 506	382 985 387	-	-
Investment securities at FVOCI - quoted equity investments (see note (f) below)	316 687	108 925	-	-
Investment securities at FVOCI - unquoted equity investments (see note (g) below)	119 504 371	109 952 588	-	-
	<b>2 035 651 897</b>	<b>1 189 410 706</b>	<b>85 157 405</b>	<b>68 603 349</b>
Current	357 139 935	360 535 878	28 170 811	10 108 897
Non-current	1 678 511 962	828 874 828	56 986 594	58 494 452
	<b>2 035 651 897</b>	<b>1 189 410 706</b>	<b>85 157 405</b>	<b>68 603 349</b>
<b>(a) Investment securities at amortised cost</b>				
Federal Government of Nigeria (FGN) Bonds - listed	766 621 338	451 231 683	2 194 199	2 394 609
Federal Government of Nigeria (FGN) EuroBonds - listed	486 917 712	222 759 378	-	-
State Government Bonds - unlisted	13 513 179	11 502 992	-	-
Corporate bonds - unlisted	9 987 977	15 075 382	11 529 035	13 036 894
Unclaimed dividend investment fund	2 866 836	2 601 872	2 866 836	2 601 872
Placements	19 526 016	6 829 557	18 812 084	5 511 484
	<b>1 299 433 058</b>	<b>710 000 864</b>	<b>35 402 154</b>	<b>23 544 859</b>
Less impairment allowances (see note (b) below)	(9 868 725)	(13 637 058)	(575 348)	(399 068)
	<b>1 289 564 333</b>	<b>696 363 806</b>	<b>34 826 806</b>	<b>23 145 791</b>
<b>(b) Impairment allowance</b>				
At 1 January	13 637 058	7 214 897	399 068	306 861
Net remeasurement of loss allowance (see note 10)	(3 055 495)	3 080 857	176 280	92 207
Translation difference	(712 838)	3 341 304	-	-
Closing balance	<b>9 868 725</b>	<b>13 637 058</b>	<b>575 348</b>	<b>399 068</b>
<b>(c) Investment securities at FVTPL</b>				
Bond - AT1 instrument	-	-	50 330 599	45 457 558
	-	-	<b>50 330 599</b>	<b>45 457 558</b>

The N50.33billion (2024: N45.46 billion) in the company represents the fair value of AT1 raised by the Group (in two series), used for the purchase of the Intercompany Notes issued by First City Monument Bank Limited (banking subsidiary), for purchase of incremental term lending in focus sectors and shoring up the Banking subsidiary's regulatory capital base. The Intercompany Notes were issued under the same terms as the AT1 issued by the Group (see Note 41(d) for details of the terms of the A

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>(d) Investment securities at FVOCI</b>				
Federal Government of Nigeria (FGN) Bonds - listed	317 133 983	119 275 196	-	-
Federal Government of Nigeria (FGN) Sukuk Bonds	11 639 000	10 463 903	-	-
Treasury bills - listed	248 166 094	170 037 192	-	-
Bank, Government bonds, and HQLA Investments	47 554 969	82 743 616	-	-
Legacy Debt Fund	46 913	41 883	-	-
Legacy USD Bond Fund	652 997	268 079	-	-
Legacy Money Market Fund	1 072 551	155 518	-	-
	<b>626 266 506</b>	<b>382 985 387</b>	-	-
<b>(e) Impairment allowance</b>				
At 1 January	806 822	607 451	-	-
Net remeasurement of loss allowance (see note 10)	1 879 636	199 371	-	-
Closing balance	<b>2 686 458</b>	<b>806 822</b>	-	-
<b>(f) Investment securities at FVOCI - quoted equity investments</b>				
Industrial and General Insurance Plc	29 826	4 227	-	-
Food Concepts	10 200	3 081	-	-
Legacy Equity Fund	276 661	101 618	-	-
	<b>316 687</b>	<b>108 925</b>	-	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
(g) Investment securities at FVOCI - unquoted equity investments				
Credit Reference Company Limited	1 035 500	425 917	-	-
Nigeria Inter-bank Settlement System Plc	25 140 300	23 321 317	-	-
Africa Finance Corporation	72 860 500	68 156 000	-	-
Africa Export-Import Bank, Cairo	5 905 600	6 147 981	-	-
Unified Payment Services Limited	3 807 400	2 816 110	-	-
FMDQ (OTC) Plc	10 095 931	8 685 327	-	-
Financial Derivative Ltd	136 090	22 450	-	-
Shared Agent Network Expansion Facilities Limited (SANEF)	523 050	377 486	-	-
	<b>119 504 371</b>	<b>109 952 588</b>	<b>-</b>	<b>-</b>

(h) The Group designated certain equity investments shown above in note (e) as equity securities at fair value through other comprehensive income. The fair value through other comprehensive income designation was made because the investments are expected to be held for the long-term for strategic purposes. None of these strategic investments was disposed during period / year ended 31 December 2025 / 31 December 2024.

(i) Debt securities classified at amortised cost have interest rates of 8.5% to 19.89% (31 December 2024: 8.50% to 19.89%) and mature between 2025 and 2053 years. Debt securities at fair value through other comprehensive income have stated interest rates of 11.2% to 19.98% (31 December 2024: 11.2% to 19.98%) and mature between 2025 and 2053 years.

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

(k) Movement in investment securities

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

GROUP						
Movements in investment securities during the year ended 31 December 2025						
	Unquoted equity securities at fair value through other comprehensive income	Debt securities at fair value through profit or loss	Debt securities at amortised cost	Debt securities at fair value through other comprehensive income	Quoted equity securities measured at fair value through profit or loss	Total
At 1 January	109 952 588	-	696 363 806	382 985 387	108 925	1 189 410 706
Foreign currency exchange differences recognised profit and loss	-	-	(47 778 896)	-	-	(47 778 896)
Additions	-	-	686 559 756	461 813 974	207 762	1 148 373 730
Disposals	-	-	-	(162 633 662)	-	(162 633 662)
Gains from changes in fair value recognised in profit or loss	-	-	-	-	-	-
Gains from changes in fair value recognised in other comprehensive income	13 522 888	-	-	(29 258 729)	-	(15 735 841)
Foreign currency translation differences recognised in other comprehensive income	(3 377 649)	-	-	-	-	(3 377 649)
Item reclassified subsequently to profit or loss due to disposal	-	-	-	-	-	-
Reclassification to assets pledged as collateral	-	-	-	-	-	-
Reclassification from other financial assets	-	-	-	-	-	-
Amortised cost adjustments	-	-	(35 711 608)	-	-	(35 711 608)
Impairment allowance	-	-	(9 868 725)	-	-	(9 868 725)
Translation difference	(593 456)	-	-	(26 640 464)	-	(27 233 920)
Closing balance	<b>119 504 371</b>	<b>-</b>	<b>1 289 564 333</b>	<b>626 266 506</b>	<b>316 687</b>	<b>2 035 651 897</b>
Movements in investment securities during the year ended 31 December 2024:						
	Unquoted equity securities at fair value through other comprehensive income	Debt securities at fair value through profit or loss	Debt securities at amortised cost	Debt securities at fair value through other comprehensive income	Quoted equity securities measured at fair value through profit or loss	Total
At 1 January	65 449 363	-	472 383 924	256 806 468	106 624	794 746 379
Foreign currency exchange differences recognised profit and loss	-	-	53 519 809	-	-	53 519 809
Additions	3 958 207	-	246 327 610	253 294 968	2 301	503 583 086
Disposals	-	-	(46 460 305)	(119 178 764)	-	(165 639 069)
Gains from changes in fair value recognised in other comprehensive income	11 897 452	-	-	(43 327 659)	-	(31 430 207)
Foreign currency translation differences recognised in other comprehensive income	28 647 566	-	-	-	-	28 647 566
Amortised cost adjustments	-	-	(15 770 174)	-	-	(15 770 174)
Impairment allowance	-	-	(13 637 058)	-	-	(13 637 058)
Translation difference	-	-	-	35 390 374	-	35 390 374
Closing balance	<b>109 952 588</b>	<b>-</b>	<b>696 363 806</b>	<b>382 985 387</b>	<b>108 925</b>	<b>1 189 410 706</b>

**Notes to the consolidated and separate financial statements**

**In thousands of Naira**

<b>COMPANY</b>						
<b>Movements in investment securities during the year ended 31 December 2025</b>						
	Unquoted equity securities at fair value through other comprehensive income	Debt securities at fair value through profit or loss	Debt securities at amortised cost	Debt securities at fair value through other comprehensive income	Quoted equity securities measured at fair value through profit or loss	Total
At 1 January	-	45 457 558	23 145 791	-	-	68 603 349
Foreign currency exchange differences recognised profit and loss	-	-	(949 851)	-	-	(949 851)
Additions	-	-	13 206 214	-	-	13 206 214
Gains from changes in fair value recognised in profit or loss	-	4 873 041	-	-	-	4 873 041
Impairment allowance	-	-	(575 348)	-	-	(575 348)
Closing balance	-	50 330 599	34 826 806	-	-	85 157 405

<b>Movements in investment securities during the year ended 31 December 2024:</b>						
	Unquoted equity securities at fair value through other comprehensive income	Debt securities at fair value through profit or loss	Debt securities at amortised cost	Debt securities at fair value through other comprehensive income	Quoted equity securities measured at fair value through profit or loss	Total
At 1 January	-	49 851 607	14 070 554	-	-	63 922 161
Foreign currency exchange differences recognised profit and loss	-	-	7 110 602	-	-	7 110 602
Additions	-	-	2 363 703	-	-	2 363 703
Disposals	-	-	-	-	-	-
Gains from changes in fair value recognised in profit or loss	-	(4 394 049)	-	-	-	(4 394 049)
Impairment allowance	-	-	(399 068)	-	-	(399 068)
Closing balance	-	45 457 558	23 145 791	-	-	68 603 349

<b>In thousands of Naira</b>	<b>GROUP</b>		<b>COMPANY</b>	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>(l) Foreign Currency Translation Differences Recognised in Other Comprehensive Income</b>				
<b>Translation differences on foreign operations</b>	<b>(5 992 876)</b>	33 037 493	-	-
	<b>(5 992 876)</b>	33 037 493	-	-

Foreign currency translation differences recognised in other comprehensive income relate to the translation of the financial statements of the Group's foreign operations from their functional currencies into the Group's presentation currency. These differences are accumulated in the foreign currency translation reserve within equity and are reclassified to profit or loss on the disposal of the relevant foreign operation.

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>25 Assets pledged as collateral</b>				
The nature and carrying amounts of the non tradable financial assets pledged as collaterals are as follows:				
(a) <b>Investment Securities - FVOCI</b>				
Treasury Bills - listed	-	54 170 491	-	-
Federal Government of Nigeria (FGN) Bonds - listed	-	14 248 499	-	-
Federal Government of Nigeria (FGN) Sukuk Bonds	-	-	-	-
	-	68 418 990	-	-
(b) <b>Investment Securities - FVTPL</b>				
Federal Government of Nigeria (FGN) Bonds - listed	-	172 424	-	-
Treasury Bills - listed	-	-	-	-
	-	172 424	-	-
(c) <b>Investment Securities - Amortized cost</b>				
Treasury Bills - listed	-	-	-	-
Federal Government of Nigeria (FGN) Bonds - listed	104 900 576	333 112 327	-	-
	104 900 576	333 112 327	-	-
	104 900 576	401 703 741	-	-
Current	14 403 346	112 138 487	-	-
Non-current	90 497 230	289 565 254	-	-
	104 900 576	401 703 741	-	-

As at the year end, the Group held no collateral, which it was permitted to sell or re-pledge in the absence of default by the owner of the collateral (31 December 2024: nil).

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

Counterparties	Reasons for pledged securities				
Nigeria Inter-bank Settlement Plc (NIBSS)	Cards, POS transactions settlements	2 444 136	2 346 237	-	-
Interswitch Nigeria Limited	Cards, POS transactions settlements	25 816 648	24 782 565	-	-
Federal Inland Revenue Service(FIRS)	Third parties collection transactions	1 678 295	1 611 071	-	-
Central Bank of Nigeria (CBN)	Third parties clearing instruments	14 545 221	13 962 613	-	-
Bank of Industry (BOI)	On-lending facilities to customers	47 775 361	15 251 380	-	-
System Specs/Remita	Remita Transfer Transactions	335 659	322 214	-	-
E-transact	Cards, POS transactions settlements	1 365 013	1 310 338	-	-
Development Bank of Nigeria (DBN)	On-lending facilities to customers	6 464 791	6 205 845	-	-
Central Bank of Nigeria (CBN)	FMDQ OTC settlement transactions	3 356 589	3 222 142	-	-
Central Bank of Nigeria (CBN)	Interbank Funding under repurchase agreement	-	331 615 291	-	-
Citi Nominee	FMDQ OTC settlement transactions	1 118 863	1 074 045	-	-
		104 900 576	401 703 741	-	-

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>26 Loans and advances to customers</b>				
(a) <b>Overdrafts</b>				
Term loans	299 389 199	278 970 027	-	-
On-lending facilities	1 945 386 607	1 971 070 343	-	-
Advances under finance lease (see note (b) below)	229 710 891	234 120 454	-	-
	983 485	917 392	-	-
<b>Gross loans and advances to customers at amortised costs</b>	2 475 470 182	2 485 078 216	-	-
Less impairment loss allowance	(109 783 809)	(127 775 043)	-	-
<b>Net loans and advances to customers</b>	2 365 686 373	2 357 303 173	-	-
Current	2 099 419 061	1 614 376 101	-	-
Non-current	266 267 312	742 927 072	-	-
	2 365 686 373	2 357 303 173	-	-

Notes to the consolidated and separate financial statements

GROUP	31 DEC 2025			31 DEC 2024		
	Gross amount	ECL allowance	Carrying Amount	Gross amount	ECL allowance	Carrying Amount
Retail customers:						
Mortgage lending	7 016 320	(569 515)	6 446 805	4 606 777	(153 280)	4 453 497
Personal loans	381 305 939	(17 979 638)	363 326 301	196 372 224	(6 121 525)	190 250 699
Credit cards	6 574 167	(556 323)	6 017 844	7 072 079	(453 086)	6 618 993
Corporate customers:						
Finance leases (see note (b) below)	983 485	(70 178)	913 307	917 392	-	917 392
Other secured lending	2 079 590 271	(90 608 155)	1 988 982 116	2 276 109 744	(121 047 152)	2 155 062 592
	<b>2 475 470 182</b>	<b>(109 783 809)</b>	<b>2 365 686 373</b>	<b>2 485 078 216</b>	<b>(127 775 043)</b>	<b>2 357 303 173</b>

In thousands of Naira

(b) Finance lease

Loan and advances to customer at amortised cost include the following finance lease:

Gross investment:

  Less than one year

  Between one and five years

Unearned finance income

Net investment in finance leases

Less impairment allowance

**Net investment in finance leases**

Net investment in finance leases, receivables:

  Less than one year

  Between one and five years

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
	381 776	325 629	-	-
	1 310 266	1 378 326	-	-
	1 692 042	1 703 955	-	-
	(708 557)	(786 563)	-	-
	983 485	917 392	-	-
	(70 178)	-	-	-
	913 307	917 392	-	-
	307 346	325 629	-	-
	676 139	591 763	-	-
	983 485	917 392	-	-

In thousands of Naira

(c) Movement on ECL allowance loans and advances to customers at amortised cost

GROUP	31 DEC 2025				31 DEC 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January	28 130 696	39 437 930	60 205 275	127 773 901	15 156 299	12 737 070	60 174 636	88 068 005
Transfer to stage 1	159 038	(53 361)	(105 677)	-	3 245 328	(1 283 759)	(1 961 569)	-
Transfer to stage 2	(624 412)	639 916	(15 504)	-	(620 469)	754 891	(134 422)	-
Transfer to stage 3	(158 091)	(1 614 253)	1 772 344	-	(259 975)	(1 893 826)	2 153 801	-
Net remeasurement of loss allowances (see note 10)	13 106 918	(18 827 569)	95 038 078	89 316 817	8 227 553	25 110 892	10 453 405	43 791 850
Write-offs	-	-	(99 648 784)	(99 648 784)	-	-	(23 276 237)	(23 276 237)
Translation difference	(625 109)	(732 449)	(6 301 173)	(7 658 731)	2 381 960	4 012 662	12 795 661	19 190 283
Closing balance	<b>39 989 040</b>	<b>18 850 214</b>	<b>50 944 559</b>	<b>109 783 809</b>	<b>28 130 696</b>	<b>39 437 930</b>	<b>60 205 275</b>	<b>127 773 901</b>

(d) Classification of loans by security type

Secured against real estate

Secured by shares of quoted and unquoted companies

Cash Collateral

Fixed and floating assets

Otherwise secured

Unsecured

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
	226 779 743	279 774 589	-	-
	-	12 123 683	-	-
	151 667 074	197 328 551	-	-
	856 092 973	1 138 697 331	-	-
	724 021 102	168 251 237	-	-
	516 909 290	688 902 825	-	-
	<b>2 475 470 182</b>	<b>2 485 078 216</b>	<b>-</b>	<b>-</b>

(e) Information about the Group's credit analysis, market risks, and impairment losses for loans and advances is included in Note 4.

**Notes to the consolidated and separate financial statements**

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>27 Other assets</b>				
<b>(a) Other financial assets:</b>				
E-settlement receivables (See note (d) below)	35 618 875	31 508 947	-	-
Agric SMEIS receivables (See note (e) below)	4 697 909	4 697 909	-	-
Related parties receivables	-	-	15 809 495	10 545 855
Insurance claims and fraud receivables (See note (f) below)	16 674 327	8 159 970	-	-
Judgement debt receivables (See note (g) below)	9 222 110	9 770 882	-	-
Accounts receivable - deposits for investments (See note (h) below)	-	30 577 260	-	-
Accounts receivable- TSA refunds	433 101	433 101	-	-
Accounts receivable- remittances	1 052 795	1 168 382	-	-
FX forwards receivable (See note i) below)	13 103 363	292 453 902	-	-
Accounts receivables	30 254 596	108 680 735	10 384 879	2 741 117
	111 057 076	487 451 088	26 194 374	13 286 972
	<b>(69 848 369)</b>	<b>(67 580 843)</b>	<b>(222 292)</b>	<b>(185 567)</b>
Less impairment allowances (note (c) below)				
	<b>41 208 707</b>	<b>419 870 245</b>	<b>25 972 082</b>	<b>13 101 405</b>
<b>(b) Other non-financial assets:</b>				
Prepayments	24 177 754	23 476 985	209 339	117 979
Consumables	3 188 806	2 721 486	-	-
	<b>27 366 560</b>	<b>26 198 471</b>	<b>209 339</b>	<b>117 979</b>
	<b>68 575 267</b>	<b>446 068 716</b>	<b>26 181 421</b>	<b>13 219 384</b>
<b>(c) Movement in impairment on other financial assets</b>				
At 1 January	67 580 843	50 775 664	185 567	136 773
Net remeasurement of loss allowances (see note 10)	4 609 140	3 852 727	36 725	48 794
Write-offs	(33)	(25 628)	-	-
Translation difference	(2 341 581)	12 978 080	-	-
Balance at the end	<b>69 848 369</b>	<b>67 580 843</b>	<b>222 292</b>	<b>185 567</b>

(d) E-settlement receivables represent settlements due from other banks use of the Banking subsidiary's electronic channels by their customers. The Group's payables to other banks is contained in Note 36.

(e) Agric SMEIS receivables represents the Banking subsidiary's deposit as equity investment in Agri-business/Small and Medium Enterprises Investment Scheme. As approved by the Bankers' Committee on 9th February 2017, all Deposit Money Banks are required to invest 5% of prior year's Profit After Tax as equity investment in the scheme. The balance is warehoused in other assets pending allocation of investment units from the scheme.

(f) The amount represents refunds to customers pending the investigation report and recoveries from insurance. This amount has been fully provisioned.

(g) The amount includes Judgement debt receivables in respect of suit against the Bank in United Kingdom as ordered by the court of which the sum of £3.34million (N1.82billion) has been transferred to Zumax with recourse. The Bank won the case as judgement was awarded in its favour and ordered Zumax to repay the Bank the sum of £3.29million released from the Court Funds Office pursuant to and on terms of the undertakings in the 13 November 2018 Order This amount has been fully provisioned pending recovery.

(h) Accounts receivable - deposits for investments balance relates to deposits paid for the Federal Government of Nigeria (FGN) US Dollar denominated Bond investment for which bond certificate have not been issued to the Bank.

(i) The balance represents the Naira transaction value of matured forwards contracts with the Central Bank of Nigeria (CBN).

**Notes to the consolidated and separate financial statements**

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>28 Restricted reserve deposits</b>				
Restricted mandatory reserve deposits with central banks (see note (a) below)	1 023 889 826	1 236 331 958	-	-
Special Cash Reserve Requirement (see note (b) below)	23 019 130	23 019 130	-	-
Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (c) below)	151 168 628	182 041 708	-	-
LDR Cash Reserve (see note (d) below)	72 295	72 295	-	-
	<b>1 198 149 879</b>	<b>1 441 465 091</b>	<b>-</b>	<b>-</b>
Current	-	-	-	-
Non-current	<b>1 198 149 879</b>	<b>1 441 465 091</b>	<b>-</b>	<b>-</b>
	<b>1 198 149 879</b>	<b>1 441 465 091</b>	<b>-</b>	<b>-</b>

- (a) Restricted mandatory reserve deposits are not available for use in the Bank and Group's day-to-day operations. Mandatory reserve deposits are non interest-bearing and are computed as a fixed percentage of the Bank's qualifying deposit liabilities.
- (b) Special Cash Reserve Requirement represents a 5% special intervention reserve held with the Central Bank of Nigeria as a regulatory requirement.
- (c) Differentiated Cash Reserve Requirement Scheme (DCRR) represents restricted reserve set up scheme to fund Real Sector Support Facility (RSSF).
- (d) LDR Cash Reserve represents restricted reserve for failure of the bank to meet the Loan to Deposit Ratio of 65% as at 31 December 2025 was N72.30million (2024: N72.30million). In April 2024, The Central Bank of Nigeria has directed all Deposit Money Banks to reduce the Loan-to-Deposit Ratio (LDR) to 50% from 65%, which the Bank has complied, but the LDR cash reserve has not been reversed.
- (e) For the purposes of the Statement of cashflow, all the restricted balances above are excluded from cash and cash equivalents.

In thousands of Naira				
<b>29 Investment in Subsidiaries</b>				
(a) Investment in subsidiaries comprises:				
First City Monument Bank Limited (see note (i) below)	-	-	279 088 794	256 362 560
FCMB Capital Markets Limited (see note (ii) below)	-	-	240 000	240 000
CSL Stockbrokers Limited (CSLS) (see note (iii) below)	-	-	3 053 777	3 053 777
FCMB Trustees Limited (see note (iv) below)	-	-	220 000	220 000
FCMB Microfinance Bank Limited (see note (v) below)	-	-	1 000 000	1 000 000
FCMB Pensions Limited (see note (vi) below)	-	-	11 925 884	11 925 884
Credit Direct Finance Company Limited (see note (vii) below)	-	-	366 210	366 210
Carrying amount	-	-	<b>295 894 665</b>	<b>273 168 431</b>
Current	-	-	-	-
Non-current	-	-	<b>295 894 665</b>	<b>273 168 431</b>
	-	-	<b>295 894 665</b>	<b>273 168 431</b>

- (b) **Group entities**  
The subsidiary companies, country of incorporation, nature of business, percentage equity holding and period consolidated with the parent company are as detailed below:

Company Name	Country of incorporation	Nature of Business	Percentage of Financial year equity capital held end (Direct holdings)	
(1) First City Monument Bank Limited (see Note (i) below)	Nigeria	Banking	100%	31 Dec 2025
(2) FCMB Capital Markets Limited (see Note (ii) below)	Nigeria	Capital Market	100%	31 Dec 2025
(3) CSL Stockbrokers Limited (CSLS) (see Note (iii) below)	Nigeria	Stockbroking	100%	31 Dec 2025
(4) FCMB Trustees Limited (see Note (iv) below)	Nigeria	Trusteeship	100%	31 Dec 2025
(5) FCMB Microfinance Bank Limited (see Note (v) below)	Nigeria	Micro-lending Pension Fund	100%	31 Dec 2025
(6) FCMB Pensions Limited (see Note (vi) below)	Nigeria	Administrator	91.71%	31 Dec 2025
(7) Credit Direct Finance Company Limited (see Note (vii) below)	Nigeria	Micro-lending	100%	31 Dec 2025

- (i) This represents the cost of the Company's 100% equity holding in First City Monument Bank Limited. The Company was incorporated under the Companies and Allied Matters Act as a Private Limited Liability Company on 20 April, 1982. It was licensed on 11 August, 1983 to carry on the business of Commercial Banking and Commercial Business on 1 September 1983. The Bank was converted into a Public Limited Liability Company and its shares listed on the Nigerian Stock Exchange on 21 December, 2004. The Bank was however delisted from the Nigerian Stock Exchange on 21 June 2013 and registered as a Limited Liability Company on 4 September 2013 following the group restructuring. In line with the Central Bank of Nigeria recapitalisation policy, the company invested additional N140.9bn to shore up the capital base of the Bank in December 2024 and another N22.73bn in September 2025.
- (ii) This represents the cost of the Company's 100% equity holding in FCMB Capital Markets Limited. The Company was incorporated in April 4, 2002.
- (iii) This represents the cost of the Company's 100% equity holding in CSL Stockbrokers Limited. The Company was incorporated on January 24, 1979 and commenced operations in May 1979.
- (iv) This represents the cost of the Company's 100% equity holding in FCMB Trustees Limited. The Company was incorporated in November 24, 2010. The company invested additional N180m in FCMB Trustees Limited in September 2015 in order to recapitalise the business in line with the new SEC minimum capitalisation policy of N300m for trustee businesses in Nigeria. The company changed it's name from CSL Trustees Limited to FCMB Trustees Limited in February 2019.
- (v) This represents the cost of the Company's 100% equity holding in FCMB Microfinance Bank Limited. The Company was incorporated on February 25, 2015 and started operations on January 1, 2017. The company invested additional N850m in FCMB Microfinance Bank Limited in December 2022 in order to recapitalise the business in line with the Central Bank of Nigeria directive to recapitalise Microfinance Banks with State License to N1billion.

**Notes to the consolidated and separate financial statements**

(vi) This represents the Company's 91.71% equity holding in FCMB Pensions Limited, a pension fund manager licensed to carry on the business of fund and pension management. The company was incorporated in April 2005 and commenced operations in May 2005. FCMB Pensions Limited was a former associate company to the Group by virtue of the Group's initial 28.22% equity holding. However, the Group acquired additional 60% ,3.42% and 1.16% equity holding in November 2017, August 2018 and August 2020 respectively thereby raising the total equity holding to 92.80%. The company changed its name from Legacy Pension Managers Limited to FCMB Pensions Limited in November 2018.

In October 2021, FCMB Pensions Limited obtained approval for the acquisition of 60% stake in AIICO Pensions Limited. Another approval was obtained in February 2022 for additional 36.3% shareholding of AIICO Pension Limited bringing the total interest in the entity to 96%. FCMB Pensions concluded the acquisition of the 96% stake in AIICO Pensions on February 28, 2022 and integrated both businesses. After the integration, the Group's equity interest in FCMB Pensions was 91.71% from 92.80%. With this integration the FCMB Pensions Limited now accounts for one of the largest PFAs in Nigeria with a combined total Assets Under Management of N592billion and increase in the number of contributors nationwide. In 2022, FCMB Group Plc took up a right issue of N4billion in FCMB Pensions Limited.

(vii) This represents the Company's 100% equity holding in Credit Direct Finance Company Limited. The Company was incorporated on June 13, 2006 and commenced operations in January 2007.

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

(ix) The investments are carried at cost less impairment. There was no impairments on any of the subsidiaries as at the reporting date (2024; nil).

**In thousands of Naira**

**30 Investment in associates**

(a) Investment in associate company:

Balance at 1 January  
Net assets transferred on disposal of subsidiary  
Loss on remeasurement of disposed interest  
Dividend received during the year  
Share of profit/(loss) after tax  
Share of associate's other comprehensive income/(loss)  
Balance at year end

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31 DEC 2025</b>	<b>31 DEC 2024</b>	<b>31 DEC 2025</b>	<b>31 DEC 2024</b>
Balance at 1 January	1 738 796	-	-	-
Net assets transferred on disposal of subsidiary	-	1 733 907	-	-
Loss on remeasurement of disposed interest	-	(100 862)	-	-
Dividend received during the year	(795 239)	332 928	-	-
Share of profit/(loss) after tax	1 187 730	(223 412)	-	-
Share of associate's other comprehensive income/(loss)	-	(3 765)	-	-
<b>Balance at year end</b>	<b>2 131 287</b>	<b>1 738 796</b>	<b>-</b>	<b>-</b>

Notes to the consolidated and separate financial statements

In thousands of Naira

- 31 This comprises:  
(a) Property and equipment, and right of use assets

GROUP									
31 DEC 2025									
In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
<b>Cost</b>									
At 1 January	4 684 743	26 978 705	5 660 562	7 191 035	7 900 419	39 667 584	6 896 597	2 405 200	101 384 845
Additions during the year	401	1 880 808	3 223 384	-	3 429 091	9 246 619	2 077 129	1 194 717	21 052 149
Reclassifications	-	495 914	-	-	23 566	491 821	144 808	(1 156 109)	-
Transfer from intangible assets (see note 31)	-	-	-	-	-	-	-	(324 096)	(324 096)
Transfer to other prepaid expenses	-	-	-	-	-	-	-	-	-
Disposal during the year	-	(288 216)	-	(7 615)	(193 510)	(68 036)	-	-	(557 377)
Derecognised during the year	-	-	(576 005)	-	-	-	-	-	(576 005)
Items written-off during the year	-	-	-	-	-	-	-	(135)	(135)
Effect of movements in exchange rates	-	(278 084)	(90 713)	(71 859)	(130 324)	(828 387)	(136 872)	-	(1 536 239)
Balance at the end	4 685 144	28 789 127	8 217 228	7 111 561	11 029 242	48 509 601	8 981 662	2 119 577	119 443 142
<b>Accumulated depreciation</b>									
At 1 January	-	6 336 422	1 192 653	5 837 854	5 215 882	24 050 259	2 757 307	-	45 390 377
Depreciation for the year (see note 16)	-	595 989	1 244 175	174 154	1 475 096	6 696 384	1 715 892	-	11 901 690
Eliminated on Disposal	-	(151 920)	-	-	(193 510)	(68 036)	(2 122)	-	(415 588)
Derecognised during the year	-	-	(333 414)	-	-	-	-	-	(333 414)
Effect of movements in exchange rates	-	-	(45 229)	17 950	(170 749)	(116 886)	(145 391)	-	(460 305)
Balance at the end	-	6 780 491	2 058 185	6 029 958	6 326 719	30 561 721	4 325 686	-	56 082 760
31 DEC 2024									
In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
<b>Cost</b>									
At 1 January	4 684 910	26 003 021	4 563 320	6 791 093	6 257 772	35 218 293	5 583 036	2 484 198	91 585 643
Additions during the year	-	379 773	1 285 686	164 247	1 561 159	3 506 639	862 843	2 039 515	9 799 862
Reclassifications	-	595 911	-	-	137 671	658 687	375 006	(1 767 275)	-
Transfer from intangible assets (see note 31)	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	(56 183)	(114)	(200 471)	(351 021)	(607 789)
Derecognised during the year	-	-	(1 083 503)	-	-	-	-	-	(1 083 503)
Items written-off during the year	-	-	-	-	-	-	-	(217)	(217)
Effect of movements in exchange rates	(167)	-	895 059	235 695	-	284 079	276 183	-	1 690 849
Balance at the end	4 684 743	26 978 705	5 660 562	7 191 035	7 900 419	39 667 584	6 896 597	2 405 200	101 384 845
<b>Accumulated depreciation</b>									
At 1 January	-	6 220 016	1 713 362	5 012 656	4 809 341	18 143 166	1 554 238	-	37 452 779
Depreciation for the year (see note 16)	-	579 226	1 182 817	166 814	692 928	6 054 786	1 391 826	-	10 068 397
Eliminated on Disposal	-	(462 820)	-	-	(56 183)	(101)	(194 528)	-	(713 632)
Derecognised during the year	-	-	(1 703 526)	-	-	-	-	-	(1 703 526)
Effect of movements in exchange rates	-	-	-	658 384	(230 204)	(147 592)	5 771	-	286 359
Balance at the end	-	6 336 422	1 192 653	5 837 854	5 215 882	24 050 259	2 757 307	-	45 390 377
<b>Carrying amounts:</b>									
Balance at end of the period	4 685 144	22 008 636	6 159 043	1 081 603	4 702 523	17 947 880	4 655 976	2 119 577	63 360 382
Balance at 31 December 2024	4 684 743	20 642 283	4 467 909	1 353 181	2 684 537	15 617 325	4 139 290	2 405 200	55 994 468

Notes to the consolidated and separate financial statements

COMPANY									
31 DEC 2025									
In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
<b>Cost</b>									
At 1 January	-	-	-	68 133	192 527	32 956	32 478	-	326 094
Additions during the year	-	-	-	-	-	8 002	10 578	244 596	263 176
Derecognised during the year	-	-	-	-	-	(116)	(2 241)	-	(2 356)
Balance at the end	-	-	-	68 133	192 527	40 843	40 815	244 596	586 914
<b>Accumulated depreciation</b>									
At 1 January	-	-	-	8 694	53 513	16 480	11 645	-	90 332
Depreciation for the year (see note 16)	-	-	-	6 295	48 132	7 095	8 513	-	70 035
Eliminated on Disposal	-	-	-	-	-	(115)	(2 122)	-	(2 237)
Balance at the end	-	-	-	14 989	101 645	23 460	18 036	-	158 130
<b>31 DEC 2024</b>									
In thousands of Naira	Leasehold land	Buildings	Right-of-use Assets - Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
<b>Cost</b>									
At 1 January	-	-	-	5 181	191 815	21 971	17 497	-	236 464
Additions during the year	-	-	-	62 952	53 212	11 099	15 652	-	142 915
Disposal during the year	-	-	-	-	(52 500)	(114)	(671)	-	(53 285)
Balance at the end	-	-	-	68 133	192 527	32 956	32 478	-	326 094
<b>Accumulated depreciation</b>									
At 1 January	-	-	-	5 143	61 207	11 157	6 793	-	84 300
Depreciation for the year (see note 16)	-	-	-	3 551	44 806	5 424	5 523	-	59 304
Eliminated on Disposal	-	-	-	-	(52 500)	(101)	(671)	-	(53 272)
Derecognised during the year	-	-	-	-	-	-	-	-	-
Balance at the end	-	-	-	8 694	53 513	16 480	11 645	-	90 332
<b>Carrying amounts:</b>									
Balance at end of the period	-	-	-	53 144	90 882	17 383	22 779	244 596	428 784
Balance at 31 December 2024	-	-	-	59 439	139 014	16 476	20 833	-	235 762

Notes to the consolidated and separate financial statements

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>31 Intangible assets</b>				
Software (see note (a) below)	19 674 506	15 653 567	149 160	157 345
Goodwill (see note (d) below)	19 291 037	19 291 037	-	-
Customer relationships (see note (e) below)	1 299 022	1 397 682	-	-
	<b>40 264 565</b>	<b>36 342 286</b>	<b>149 160</b>	<b>157 345</b>
<b>(a) Software</b>				
<b>Cost</b>				
At 1 January	36 872 317	26 991 562	163 243	185 738
Additions during the year	39 219 051	7 479 708	-	147 298
Work-in-progress - additions during the year	4 919 864	6 022 137	-	-
Capitalised during the year	(6 260 136)	(5 948 885)	-	-
Transfer from property and equipment (see note 30)	-	(169 793)	-	(169 793)
Effect of movement in exchange rates	(28 774 403)	2 497 588	-	-
Balance at the end	<b>45 976 693</b>	<b>36 872 317</b>	<b>163 243</b>	<b>163 243</b>
<b>Accumulated amortisation</b>				
At 1 January	21 218 750	16 514 151	5 898	3 851
Amortisation for the year (see note 16)	5 414 892	3 809 054	8 185	2 047
Disposal during the year	-	-	-	-
Effect of movement in exchange rates	(331 455)	895 545	-	-
Balance at the end	<b>26 302 187</b>	<b>21 218 750</b>	<b>14 083</b>	<b>5 898</b>
<b>Carrying amount</b>	<b>19 674 506</b>	<b>15 653 567</b>	<b>149 160</b>	<b>157 345</b>
(b) There were no capitalised borrowing costs related to any acquisition during the period (31 December 2024: nil)				
(c) There was no impairment loss on the Bank's software during the period (31 December 2024: nil)				
<b>(d) Goodwill</b>				
At 1 January	19 291 037	19 291 037	-	-
Acquired during the preceding year	-	-	-	-
Transfer to assets held for sale & HoldCo	-	-	-	-
Impairment charge	-	-	-	-
<b>Carrying amount</b>	<b>19 291 037</b>	<b>19 291 037</b>	<b>-</b>	<b>-</b>
<b>(e) Customer relationships</b>				
At 1 January	1 677 217	1 677 217	-	-
Acquired during the year- (see note (g) below)	-	-	-	-
<b>Accumulated depreciation</b>				
At 1 January	279 535	180 875	-	-
Charged during the year:	98 660	98 660	-	-
	<b>378 195</b>	<b>279 535</b>	<b>-</b>	<b>-</b>
Net book value	<b>1 299 022</b>	<b>1 397 682</b>	<b>-</b>	<b>-</b>
	<b>40 264 565</b>	<b>36 342 286</b>	<b>149 160</b>	<b>157 345</b>
Current	-	-	-	-
Non-current	<b>40 264 565</b>	<b>36 342 286</b>	<b>149 160</b>	<b>157 345</b>
	<b>40 264 565</b>	<b>36 342 286</b>	<b>149 160</b>	<b>157 345</b>

(e) Goodwill is reviewed annually or more frequently for impairment when there are objective indicators that impairment may have occurred by comparing the carrying value to its recoverable amount. The recoverable amount has been calculated based on the value in use of the Personal Banking Segment Cash Generating Units (CGU), determined by discounting the future cashflows expected to be generated from the continuing use of the CGU assets and the ultimate disposals.

No impairment losses were recognised during the year ended 31 December 2025 (31 December 2024: nil) because the recoverable amounts of these CGU were determined to be higher than the carrying amount by N24.34billion.

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

**Notes to the consolidated and separate financial statements**

	FCMB Pensions Limited		CSL Stockbrokers Limited		Personal Banking Group	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Goodwill	<b>N13.09billion</b>	N13.09billion	<b>N0.21billion</b>	N0.21billion	<b>N5.99billion</b>	N5.99billion
Discount rate (see below)	<b>34.77%</b>	34.77%	<b>35.35%</b>	35.35%	<b>27.47%</b>	36.72%
Terminal value growth rate	<b>5.00%</b>	5.00%	<b>5.00%</b>	5.00%	<b>5.00%</b>	5.00%
Forecast profit before taxes (average of next five years)	<b>N5.96billion</b>	N5.96billion	<b>N5.99billion</b>	N5.99billion	<b>N43.48billion</b>	N28.39billion
Forecast profit before taxes growth rate (average of next five years)	<b>17.10%</b>	17.10%	<b>9.10%</b>	9.10%	<b>51.52%</b>	43.13%

For FCMB Pensions Limited and CSL Stockbrokers Limited, the discount rate was a pre-tax measure (26.54% and 31.50% respectively) derived using the capital asset pricing model (CAPM) approach and that reflects the inherent risks of the specific CGU. The discount rate for the Personal Banking Group of FCMB Limited was a pre-tax measure based on the yield of the 10-year Naira bond issued in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the CGU.

Five years of cash flows were included in the discounted cash flow model. The terminal growth rate was derived from the average GDP growth rate of Nigeria from 1982 until 2023, and adjusted for industry expectations on the growth of the relevant CGU

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

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

**In thousands of Naira**

**32 Deferred tax assets and liabilities**

**(a) Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

Group	31 DEC 2025			31 DEC 2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment	1 742 977	(540 762)	1 202 215	1 202 215	(380 803)	821 412
Allowances for loan losses	3 563 351	-	3 563 351	2 403 788	-	2 403 788
Tax loss carried forward	4 537 223	-	4 537 223	4 537 223	-	4 537 223
Effects of movement in exchange rates	47 495	(1 071 390)	(1 023 895)	47 495	(4 361 472)	(4 313 977)
<b>Net tax assets/ (liabilities)</b>	<b>9 350 284</b>	<b>(1 612 152)</b>	<b>8 278 894</b>	<b>8 190 721</b>	<b>(4 742 275)</b>	<b>3 448 446</b>

Company	31 DEC 2025			31 DEC 2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment	-	35 746	35 746.41	-	-	-
Allowances for loan losses	-	(1 109 000)	(1 109 000)	-	-	-
Effects of movement in exchange rate	-	-	-	-	(4 361 472)	(4 361 472)
<b>Net tax assets/ (liabilities)</b>	<b>-</b>	<b>(1 071 390)</b>	<b>(1 073 254)</b>	<b>-</b>	<b>(4 361 472)</b>	<b>(4 361 472)</b>

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>Deferred tax assets</b>				
Current	-	-	-	-
Non-current	9 350 284	8 190 721	(1 073 254)	(4 361 472)
	<b>9 350 284</b>	<b>8 190 721</b>	<b>(1 073 254)</b>	<b>(4 361 472)</b>

**(b) Movements in temporary differences during the year ended 31 December 2025**

	GROUP			
	Balance at 1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	Balance at year end
Balance transferred to Holdco	-	-	-	-
Property and equipment	1 202 215	-	-	1 202 215
Allowances for loan losses	2 403 788	1 159 563	-	3 563 351
Tax loss carried forward	4 537 223	-	-	4 537 223
Effects of movement in exchange rates brought forward	47 495	-	-	47 495
	<b>8 190 721</b>	<b>1 159 563</b>	<b>-</b>	<b>9 350 284</b>

Notes to the consolidated and separate financial statements

**Movements in temporary differences during the year ended 31 December 2024**

	<b>GROUP</b>			<b>Balance at 31 December 2024</b>
	<b>Balance at 1 January 2024</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income</b>	
Property and equipment	1 202 215	-	-	1 202 215
Allowances for loan losses	2 403 788	-	-	2 403 788
Tax loss carried forward	4 537 223	-	-	4 537 223
Effects of movement in exchange rates brought forward	13 332	34 163	-	47 495
	<b>8 156 558</b>	<b>34 163</b>	<b>-</b>	<b>8 190 721</b>

The Group has applied judgment that the Federal Government of Nigeria (FGN) will likely extend the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011, beyond 2021, in order to stimulate continuous participation in the treasury bills market and to meet government funding needs.

**In thousands of Naira**

**(c) Unrecognised deferred tax assets**

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

	<b>31 DEC 2025</b>		<b>31 DEC 2024</b>	
	<b>Gross amount</b>	<b>Tax Impact</b>	<b>Gross amount</b>	<b>Tax Impact</b>
Tax losses	80 387 327	24 116 198	180 639 036	54 191 711
Allowance for loan losses and other losses	30 044 941	9 013 482	73 489 654	24 251 586
Property and equipment (unutilised capital allowance)	16 154 961	4 846 488	45 125 408	13 537 622
Other deductible temporary differences	19 304 367	5 791 310	98 088 896	32 369 336
	<b>145 891 596</b>	<b>43 767 478</b>	<b>397 342 994</b>	<b>124 350 255</b>

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

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

**In thousands of Naira**

**33 Deposits from banks**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31 DEC 2025</b>	<b>31 DEC 2024</b>	<b>31 DEC 2025</b>	<b>31 DEC 2024</b>
Money market deposits	2 521 042	212 984 828	-	-
Trade related obligations to foreign banks	<b>1 007 834 923</b>	621 908 400	-	-
	<b>1 010 355 965</b>	834 893 228	-	-
Current	<b>1 010 355 965</b>	834 893 228	-	-
Non-current	-	-	-	-
	<b>1 010 355 965</b>	834 893 228	-	-

**In thousands of Naira**

**34 Deposits from customers**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31 DEC 2025</b>	<b>31 DEC 2024</b>	<b>31 DEC 2025</b>	<b>31 DEC 2024</b>
Term deposits	1 032 122 237	1 349 044 126	-	-
Current deposits	522 529 561	698 176 489	-	-
Savings	1 318 417 902	1 041 700 659	-	-
	<b>2 873 069 700</b>	3 088 921 274	-	-
<b>Corporate customers:</b>				
Term deposits	496 314 817	477 846 252	-	-
Current deposits	1 049 136 441	729 718 323	-	-
	<b>1 545 451 258</b>	1 207 564 575	-	-
	<b>4 418 520 958</b>	4 296 485 849	-	-
Current	<b>4 357 831 301</b>	4 288 780 515	-	-
Non-current	60 689 657	7 705 334	-	-
	<b>4 418 520 958</b>	4 296 485 849	-	-

Corporate customers represents deposits from corporate bodies, government agencies while retail customers represents deposits from individuals, unregistered small and medium scale business ventures.

**Notes to the consolidated and separate financial statements**

**35 Retirement benefit obligations**

Defined contribution scheme

The Group and its employees make a joint contribution, 18% of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators. During the year, the Group complied with the Pension Reform Act 2014 and contributed 10% while employees contributed 8%. The payment made to the pension fund administrators are up to date.

Total contributions to the scheme for the year were as follows:

At 1 January	52 502	123 631	-	-
Charged to profit or loss for the year (see note 15)	1 652 945	1 377 528	32 882	25 048
Employee contribution for the year	2 066 181	1 102 022	41 103	20 038
Total amounts remitted for the year	<b>(3 659 005)</b>	<b>(2 550 679)</b>	<b>(73 985)</b>	<b>(45 086)</b>
Balance at the end	<b>112 623</b>	<b>52 502</b>	<b>-</b>	<b>-</b>

In thousands of Naira

**36 Other liabilities**

(a) **Other financial liabilities:**

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Customers' deposit for letters of credit	41 060 287	163 839 967	-	-
Bank cheques/drafts	6 982 718	7 297 034	-	-
Negotiated letters of credits	44 103 965	77 704 567	-	-
E-settlement payables	24 322 853	5 149 453	-	-
Collections and settlement account balances (see note (c))	283 762 318	80 135 408	-	-
Unclaimed items	2 918 176	4 023 174	-	-
Undisbursed intervention funds & payable suspense (see note (d))	3 065 172	12 167 572	-	-
Accounts payables	28 684 125	17 629 343	6 200 166.92	561 247.00
Other liabilities (see note e)	10 973 680	0	10 973 679.90	-
Accounts payable - unclaimed dividend	1 366 469	1 600 580	1 366 469	1 600 580
	<b>447 239 762</b>	<b>369 547 098</b>	<b>18 540 316</b>	<b>2 161 827</b>

(b) **Other non-financial liabilities:**

Deferred income & Rent received in advance (see note (f))	2 650 252	1 465 064	-	-
Withholding tax and value added tax payables	8 056 379	6 779 562	159 047	103 769
Accrued expenses	48 532 240	30 645 805	2 611 895	1 495 009
Lease liability (see note (g))	2 763 322	2 973 675	-	-
	<b>62 002 193</b>	<b>41 864 106</b>	<b>2 770 942</b>	<b>1 598 778</b>
	<b>509 241 955</b>	<b>411 411 204</b>	<b>21 311 258</b>	<b>3 760 605</b>
Current	537 531 171	177 067 105	17 173 847	2 411 502
Non-current	-28 289 216	234 344 099	4 137 411	1 349 103
	<b>509 241 955</b>	<b>411 411 204</b>	<b>21 311 258</b>	<b>3 760 605</b>

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

(d) This relates to onlending facilities undisbursed as customers are yet to meet conditions precedent to drawdown as well as the related accrued payables.

(e) The amount presented as other liability represents a deposit by an intending buyer for the acquisition of 10% out of the Group's 91.71% stake in the Pension subsidiary (FCMB Pensions). The completion of this transaction is subject to regulatory approvals, including a no-objection from the Pension Commission and the Central Bank of Nigeria. This regulatory approval is not yet received as at 31 December 2025, hence, the recognition of this amount as a liability.

(f) This relates to outstanding rent paid in advances from sublet and Included deferred income are fees on financial guarantee contracts, which represents the amount initially recognised less cumulative amortisation.

(g) The Banking subsidiary leases a number of properties to serve as its branch outlets. The net carrying amount of leased assets, included within property and equipment as right-of-use assets is N2.70billion and N2.45billion as at 31 December 2025 (31 December 2024: N2.70billion and N2.45billion) for Bank. Some of the leases are settled immediately and so the liability for additions does not agree to the right of use asset additions, for the portion that is settled immediately at commencement.

The maturity analysis of lease liabilities is analysed as follows:

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Not more than one year	1 064 738	909 260	-	-
Over one year but less than five years	1 617 867	747 119	-	-
More than five years	80 717	1 317 296	-	-
	<b>2 763 322</b>	<b>2 973 675</b>	<b>-</b>	<b>-</b>

The table below shows the movement in lease liability during the year:

As at 1 January	2 823 675	1 588 134	-	-
Additions during the year	834 078	530 851	-	-
Interest expense on lease liabilities	367 182	278 430	-	-
Less: Lease payments	(724 314)	(668 736)	-	-
Less: Derecognised lease liability	(599 452)	921 937	-	-
Lease modification	-	(12 292)	-	-
Effects of movement in exchange rates	(134 874)	335 351	-	-
Balance at the end	<b>2 763 322</b>	<b>2 973 675</b>	<b>-</b>	<b>-</b>

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

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>37 Provision</b>				
Legal claims (see note (d))	11 036 153	12 294 936	-	-
Financial guarantee contracts and loan commitments issued (see note (b))	782 255	727 310	-	-
	<b>11 818 408</b>	<b>13 022 246</b>	<b>-</b>	<b>-</b>
Current	1 181 841	-	-	-
Non-current	10 636 567	13 022 246	-	-
	<b>11 818 408</b>	<b>13 022 246</b>	<b>-</b>	<b>-</b>

(a) Movement in provision during the year

	31 DEC 2025			31 DEC 2024		
	Financial guarantee contracts and loan commitments issued		Total	Financial guarantee contracts and loan commitments issued		Total
	Legal claims			Legal claims		
<b>GROUP</b>						
At 1 January	12 294 936	727 310	13 022 246	10 317 304	579 223	10 896 527
Net remeasurement loss allowance (see note 10)	-	46 773	46 773	-	154 140	154 140
Provisions made during the year (see note 18(a))	2 700 000	-	2 700 000	2 852 258	-	2 852 258
Amount utilised during the year	(3 413 433)	-	(3 413 433)	(4 485 426)	-	(4 485 426)
Effects of movement in exchange rates	(545 350)	8 172	(537 178)	3 610 800	(6 053)	3 604 747
Balance at the end	<b>11 036 153</b>	<b>782 255</b>	<b>11 818 408</b>	<b>12 294 936</b>	<b>727 310</b>	<b>13 022 246</b>

(b) The amount represents the sum of ECL provision of N728.12million (31 December 2024: N644.38million) on financial guarantee contracts and N54.14million (31 December 2024: N82.93million on undrawn loan commitments respectively in respect of financial guarantee contracts and loan commitment issued.

(c) Included in deferred income are fees on financial guarantee contracts, which represents the amount initially recognised less cumulative amortisation reclassified to other liabilities.

(d) Legal claims: This represents provision reserved for pending probable legal cases that may crystallize, see note 44.

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>38 On-lending facilities</b>				
Bank of industry (BOI) (see note (a) below)	142 582 601	2 914 996	-	-
Commercial Agriculture Credit Scheme (CACs) (see note (b) below)	580 055	908 896	-	-
Real Sector Support Facility (RSSF) (see note (c) below)	-	2 047 486	-	-
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (d) below)	139 855 750	169 178 058	-	-
Power & Aviation Intervention Fund (see note (e) below)	2 540 974	1 033 679	-	-
Babağona Agricultural Scheme (see note (f) below)	2 114 428	2 023 753	-	-
Micro, Small and Medium Enterprises Development Fund (MSMEDF) (see note (q) below)	-	1 288	-	-
Development Bank of Nigeria (DBN) (see note (h) below)	28 518 695	20 059 392	-	-
Nigerian Export - Import Bank (NEXIM) (see note (i) below)	2 000 000	6 636 083	-	-
	<b>318 192 503</b>	<b>204 803 631</b>	<b>-</b>	<b>-</b>

(a) Bank of Industry (BOI) Intervention

The Bank of Industry (BOI) - SME / Manufacturing Intervention Fund represents an intervention credit granted to the Bank for the purpose of refinancing / restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and Manufacturing Companies. The facility is secured by Nigerian Government Securities. The value of Government securities pledged as collateral is N104billion for 31 December 2025 (31 December 2024: N333billion), (see note 25 (c)). The maximum tenor for term loans under the programme is 15 years while the tenor for working capital is one year, renewable annually subject to a maximum tenor of five years. A management fee of 1% per annum is deductible at source in the first year, and quarterly in arrears thereafter, is paid by the Bank under the intervention programme and The facility attracts an interest rate of 16.00% per annum for loan tenors up to 3 year and above and the Bank is under obligation to on-lend to customers at an all-in interest spread of 6% per annum. The Bank is the primary obligor to BOI and assumes the credit risk.

(b) Commercial Agriculture Credit Scheme (CACs)

The fund received under the Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme represents a credit line granted to the Bank for the purpose of providing concessionary funding to the agricultural sector. The facility has a tenor of 16 years with effect from 2009 and will expire in September 2025. The facility attracts an interest rate of 2% per annum and the Bank is under obligation to on-lend to the Bank's qualified customers at an all-in interest rate of not more than 9% per annum. Based on the structure of the facility, the Bank assumes the credit risk of all amounts lent to the Bank's customers. This facility is not secured.

**Notes to the consolidated and separate financial statements**

(c) **Real Sector Support Facility (RSSF)**

The Central Bank of Nigeria, as part of the efforts to unlock the potential of the real sector to engender output growth, productivity and job creation has established a N300 billion Real Sector Support Facility (RSSF). The facility is disbursed to large enterprises and startups with financing needs of N500 million up to a maximum of N10.0 billion. The activities targeted by the Facility are manufacturing, agricultural value chain and selected service sub-sectors. The funds are received from the CBN at 3%, and disbursed at 9% to the beneficiary.

(d) **Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR)**

The amount represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria (CBN) in respect of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCRR) established by CBN supporting the Real Sector (agriculture and manufacturing). The facility is for a minimum period of 7 years inclusive of 24 months moratorium at all-in 9% interest rate on a quarterly basis. The fund arose from the restricted reserve deposits of the Bank under the differentiated restricted reserve deposits regime by CBN, (see note 28(c)).

(e) **Power & Aviation intervention Fund**

The purpose of granting new loans and refinancing / restructuring existing loans to companies in the power and aviation industries is to support Federal Government's focus on the sectors. The facility is secured by Irrevocable Standing Payment Order (ISPO). The maximum tenor for term loans under the programme is 15 years while the tenor for working capital is one year, with option to renew the facility annually subject to a maximum tenor of five years. The facility attracts an interest rate of 1% per annum payable quarterly in arrears and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. This facility is not secured.

(f) **Babagona Agricultural Scheme**

The Babagona Agricultural Scheme is an intervention fund received from Mastercard Foundation, to support the Micro Small & Medium Scale Enterprises (MSME) sub-sector of the Nigerian economy. The facility attracts an interest rate of 9% per annum and the Bank is obligated to on-lend to MSMEs at 9% per annum. This facility is not secured. It was provided to support financially disadvantaged persons and communities in order to develop entrepreneurs as a means of relieving poverty through Agricultural sector.

(g) **Micro, Small and Medium Enterprises Development Fund (MSMEDF)**

The Micro Small & Medium Scale Enterprises Development Fund (MSMEDF) is an intervention fund received from Central Bank of Nigeria, established to support the channeling of low interest funds to the Micro Small & Medium Scale Enterprises sub-sector of the Nigerian economy. The facility attracts an interest rate of 2% per annum and the Bank is obligated to on-lend to SMEs at 9% per annum. The maximum tenor is 5 years while the tenor for working capital is 1 year. This facility is not secured.

(h) **Development Bank of Nigeria (DBN)**

The Development Bank of Nigeria (DBN) is a line of credit granted to the Bank for the purpose of providing on lending concessionary loans to MSMEs, including agricultural sector, manufacturing sector and gender loans. The facility has a maximum tenor of 10 years for term loans and a maximum tenor of 3 years for working capital requirements. The facility attracts an interest rate of between 9.76% - 15.00% per annum for loan tenors up to 3 year and above and the Bank is under obligation to on-lend to customers at an all-in interest spread of 6% per annum. This facility is secured by government securities valued N6.21billion (31 December 2024: N9.87billion).

(i) **Nigerian Export - Import Bank (NEXIM)**

The Nigerian Export - Import Bank (NEXIM) is a line of credit granted to the Bank for the purpose of providing on lending concessionary trade finance loans to export-oriented enterprises in agricultural sector. The facility has a maximum tenor of 2 years for term loans and a maximum tenor of 1 year for working capital requirements. The facility attracts an interest rate of 6.0% per annum for loan tenors up to 2 year and above and the Bank is under obligation to on-lend to customers at an all-in interest spread of 9% per annum.

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>39 Debt securities issued</b>				
<b>Debt securities at amortised cost:</b>				
Note issued (see note (a) below)	-	72 260 850	-	-
Note issued (see note (b) below)	-	81 946 349	-	-
Note issued (see note (c) below)	<b>29 997 098</b>	29 998 350	-	-
Note issued (see note (d) below)	<b>14 202 624</b>	14 870 400	-	-
Commercial paper issued (see note (e) below)	<b>77 383 434</b>	-	-	-
	<b>121 583 156</b>	199 075 949	-	-
Current	<b>83 009 636</b>	101 160 234	-	-
Non-current	<b>38 573 520</b>	97 915 715	-	-
	<b>121 583 156</b>	199 075 949	-	-

(a) This represents debt securities issued that has been repaid (31 December 2024: N72.26billion) .

(b) This represents debt securities issued that has been repaid, (31 December 2024: N81.95billion).

(c) The amount of N30.00billion (31 December 2024: N30.00billion) represents the amortised cost of N30.00billion, 7year 6.1% Fixed Rate Unsecured Note Due 2030 issued on 30 November 2020. The Principal amount is repayable in November 2030 while the coupon is paid semi-annually.

(d) The amount of N14.20billion, (\$9.6million) (31 December 2024: N14.87billion) represents the amortised cost of \$9.6million, 10years 6.0% Fixed Rate Unsecured Note Due 2030 issued on 31 December 2020. The Principal amount is repayable in December 2030 while the coupon is paid semi-annually.

(e) The amount represents commercial papers issuance of the ₦20.00bn Series 1 and ₦80.00bn Series 2 under its ₦100.00bn Commercial Paper Issuance Programme on FMDQ Securities Exchange Limited maturing on 1 December 2025 and 27 February 2026 respectively.

(f) Movement in Debt securities issued during the year was as follows:

In thousands of Naira				
At 1 January	211 467 949	140 756 656	-	-
Accrued coupon interest for the year	9 020 229	9 560 464	-	-
Additions during the year	66 242 097	-	-	-
Repayments during the year	(154 207 199)	-	-	-
Coupon interest paid during the year	(1 139 967)	(8 279 934)	-	-
Effects of movement in exchange rates	(9 799 953)	69 430 763	-	-
Balance at the end	<b>121 583 156</b>	211 467 949	-	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>40 Borrowings</b>				
(a) Borrowings comprise:				
Oikocredit Cooperative Society, Netherlands (see note (b) below)	2 933 494	6 311 397	-	-
Societe De Promotion et De Participation Pour La Cooperation Economique SA. (Proparco) (see note (c) below)	14 584 585	31 283 113	-	-
African Development Bank (AfDB) (see note (d) below)	64 592 240	53 322 856	-	-
African Export-Import Bank (Afrexim) (see note (e) below)	72 298 304	103 526 388	-	-
ECOWAS Bank for Investment & Development (EBID) (see note (f) below)	-	77 599 251	-	-
Netherlands Development Finance Company (FMO) (See note (g) below)	66 036 258	-	-	-
FCMB Asset Management(See note (h) below)	145 125 450	87 819 022	5 708 894	5 320 125
	<b>365 570 331</b>	<b>359 862 027</b>	<b>5 708 894</b>	<b>5 320 125</b>
Current	171 270 004	-	-	-
Non-current	194 300 327	359 862 027	5 708 894	5 320 125
	<b>365 570 331</b>	<b>359 862 027</b>	<b>5 708 894</b>	<b>5 320 125</b>

- (b) The amount of N2,933,494,000 (31 December 2024: N6,311,397,000) represents an unsecured facility of \$10million granted by Oikocredit Cooperative Society, Netherlands repayable installmentally over a tenor of 5 years maturing 20 April 2026 with an interest rate of 6 months USD SOFR + 5.0%.
- (c) The amount of N14,584,585,000 (31 December 2024: N31,283,113,000) represents an unsecured facility of \$35million granted by Societe De Promotion et De Participation Pour La Cooperation Economique SA. (Proparco) repayable after a tenor of 5 years maturing 15 November 2026 with an interest rate of 6 months USD SOFR + 5.83%.
- (d) The amount of N64,592,240,000 (31 December 2024: N53,322,856,000) represents an unsecured facility of \$50million granted by African Development Bank (AfDB) repayable after a tenor of 7 years maturing 1 August 2029 with an interest rate of 6 months USD SOFR + 4.75%.
- (e) The amount of N72,298,304,000 (31 December 2024: N103,526,388,000) represents an unsecured facility of \$75million granted by African Export-Import Bank (Afrexim) repayable installmentally over a tenor of 5 years maturing 3 January 2028 with an interest rate of 3 months USD SOFR + 5.2%.
- (f) This represents facility issued that has been repaid, (31 December 2024: N77,599,251,000).
- (g) The amount of N66,036,258,000 represents an unsecured facility of \$60million granted by Netherlands Development Finance Company (FMO), repayable installmentally over a tenor of 5 years maturing 20 October 2028 with an interest rate of 6 months USD SOFR + 4.5%.
- (h) The amount of N145,125,450,000 (31 December 2024: N87,819,022,000) represents promissory notes issued to various parties, by the company and Credit Direct Limited (CDL) through First City Asset Management Limited. The borrowings comprise of several individual amounts ranging from N21million to N1billion, with interest rates ranging from 18% to 25.55% and tenor ranging from 3 to 12 months
- (i) The Group has not defaulted in the payment of principal or interest neither has the Bank been in breach of any covenant relating to the liabilities during the period (31 December, 2024: nil).

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
(c) Movement in borrowings account during the period was as follows:				
At 1 January	359 862 027	136 482 823	5 320 125	2 917 689
Additions during the year	90 515 068	219 026 254	-	3 120 000
Repayments during the year	(49 709 184)	(62 476 333)	-	-
Accrued interest for the year	1 265 968	3 460 344	1 265 968	200 125
Interest paid during the year	(3 306 939)	(2 798 117)	(877 199)	(917 689)
Effects of movement in exchange rates	(33 056 609)	66 167 056	-	-
Balance at the end	<b>365 570 331</b>	<b>359 862 027</b>	<b>5 708 894</b>	<b>5 320 125</b>

Notes to the consolidated and separate financial statements

In thousands of Naira

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>41 Share capital</b>				
(a) <b>Authorised</b>				
42.8 billion ordinary shares of 50k each (31 December 2024: 39.6billion)	21 385 853	19 802 710	21 385 853	19 802 711
(b) <b>Issued and fully paid</b>				
42.8 billion ordinary shares of 50k each (31 December 2024: 39.6billion)	21 385 853	19 802 710	21 385 853	19 802 711
<b>The movement on the issued and fully paid-up share capital account during the year was as follows:</b>				
At 1 January	19 802 710	9 901 355	19 802 710	9 901 355
Issue of shares (see 41 (c) below)	1 583 143	9 901 355	1 583 143	9 901 355
Balance at the end	21 385 853	19 802 710	21 385 853	19 802 710

(c) In September 2025, FCMB Group Plc issued shares through a convertible loan arrangement. Company issued additional 3,166,284,712 (three billion) units of ordinary shares of 50 kobo each.

(d) **Additional Tier 1 (AT1) Capital (Series I & II)**

GROUP	COMPANY
31 DEC 2025	31 DEC 2024
46 686 000	46 686 000
46 686 000	46 686 000

On the 16 February 2023, FCMB Group Plc issued a N20,686,000,000.00 (series 1) Perpetual 16% Fixed Rate Resettable NC 5.25 Additional Tier 1 Subordinated Bonds ("the Bonds" or "AT1 Instrument") under the Issuer's N300,000,000,000 Debt Issuance Programme listed on the FMDQ Exchange and/or The NGX. The proceeds was used for the purchase of the Intercompany Notes issued by First City Monument Bank Limited, for purposes of the Bank financing incremental term lending in focus sectors and shoring up the Bank's regulatory capital base. The Intercompany Notes were issued under the same terms as the AT1.

On the 24 October 2023, FCMB Group Plc issued a N26,000,000,000.00 (series 2) Perpetual 16% Fixed Rate Resettable NC 5.25 Additional Tier 1 Subordinated Bonds ("the Bonds" or "AT1 Instrument") under the Issuer's N300,000,000,000 Debt Issuance Programme listed on the FMDQ Exchange and/or The NGX. The proceeds was used for the purchase of the Intercompany Notes issued by First City Monument Bank Limited, for purposes of the Bank financing incremental term lending in focus sectors and shoring up the Bank's regulatory capital base. The Intercompany Notes were issued under the same terms as the AT1.

The principal terms of the issue are described below:

- (i) The AT1 security will rank in claim behind all present and future Senior Obligation; pari passu without any preference among themselves with all present and future parity obligations and in priority to all payments in respect of all present and future Junior Obligations.
- (ii) The AT1 security is undated and are redeemable, at the option of FCMB Group PLC in whole at any time from the fifth year up to and including the First Reset Date, and every Interest Payment Date thereafter; subject to the prior approval of the Central Bank of Nigeria and the CBN Guidelines on Regulatory Capital (as amended from time to time).
- (iii) AT1 security will bear a fixed rate of interest of 16% percent until the initial call date or the initial reset date, as the case may be. After the initial call date or the initial reset date, as the case may be, in the event that they are not redeemed, the AT1 security shall bear interest on its Outstanding Principal Amount at a rate per annum (the "Interest Rate") equal to:
  - (a). In respect of the period from (and including) the Issue Date to (but excluding) the First Reset Date, 16% per annum; and
  - (b). In respect of each Reset Period, the aggregate of: (i) the Reset Margin of 1.44% per annum and (ii) the then applicable Benchmark Rate.

The Interest Rate in (b) above ("Reset Interest Rate") shall apply in the event that the Bonds are not redeemed on any Reset Date, and it shall be determined by the Calculation Agent on the Reset Determination Date. The Reset Margin will be fixed, and there will be no step-up in the interest rate. Interest rate is subject to "Coupon Discretion" and/ "Loss Absorption".
- (iv) Interest on the AT1 security will be due and payable only at the sole discretion of the Bank, and it has sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date. Interest on the Notes will be payable semi-annually in arrears on the 16 February and 16 August of each year, from the Issue Date of 16 February 2023, and 24 April and 24 October of each year from the Issue Date of 16 October 2023 respectively up to and, including, the Call Date or Reset Date.

	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Interest coupon paid on Additional Tier 1 (AT1) Capital	7 466 366	7 409 672	7 466 366	7 409 672
	7 466 366	7 409 672	7 466 366	7 409 672

**42 Share premium and reserves**

The nature and purpose of the reserves in equity are as follows:

- (a) **Share premium:** is the excess paid by shareholders over the nominal value for their shares. Premiums from the issue of shares are reported in share premium.
- (b) **Retained earnings:** Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves.
- (c) **Other reserves:** comprises of these reserves;
  - (i). **Statutory reserve:** Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The Bank transferred 15% of its 'profit after tax to statutory reserves as at year end (31 December 2024: 15%).
  - (ii). **AGSMEIS reserve:** The AGSMEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but Banks' contributions shall thereafter reduce to 5% of profit after tax. The small and medium scale industries equity investment scheme reserves are non-distributable. In the CBN Circular dated 5 April 2017, all DMBs are required to set aside and remit 5% of the annual profit after tax for equity investments.

**Notes to the consolidated and separate financial statements**

(iii). **Fair Value Reserve:** The fair value reserves comprise:

- the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income and
- the cumulative net change in fair value of debt securities at fair value through other comprehensive income until the assets are derecognised or reclassified. The amount is reduced by the amount of loss allowance.

(iv). **Regulatory risk reserve:** The regulatory risk reserve warehouses the difference between the impairment of loans and advances under the Nigerian GAAP and Central Bank of Nigeria prudential guidelines and the expected loss model used in calculating the impairment balance under IFRS Accounting Standards.

(v). **Foreign currency translation reserve (FCTR):** Records exchange movements on the Group's net investment in foreign subsidiaries.

(vi) **Forbearance reserve:** this is a non-distributable reserve which arose from forbearance granted by Central Bank of Nigeria being an additional appropriation of 15% of profit after tax to account for potential future provisions valid until 30 June 2025.

**43 Non-controlling Interest (NCI)**

Disclosure of NCI in the Group's subsidiary

The following table summarises the information relating to the Group's subsidiary - FCMB Pensions Limited

	GROUP	
	31 DEC 2025	31 DEC 2024
NCI Percentage	8.29%	8.29%
Total Assets	28 048 366	20 974 536
Total Liabilities	13 265 473	8 248 564
Net Assets	14 782 893	12 725 972
Estimated NCI share of Net Assets	1 225 502	1 054 983
Adjustment to NCI	(244 350)	(244 355)
Net assets attributable to NCI	981 152	810 628
<b>Movement in NCI</b>		
Balance at 1 January	810 628	710 614
Transfer to associate		-
Dividend paid/declared	(90 755)	(103 142)
Adjustment in NCI		-
Share of profit post acquisition	256 419	203 156
Share of other comprehensive income	4 858	-
<b>Total NCI at 31 December</b>	<b>981 152</b>	<b>810 628</b>

**44 Contingencies**

**(a) Legal Proceedings**

The Group in its ordinary course of business is presently involved in 365 cases as a defendant (31 December 2024: 499) and 126 cases as a plaintiff (31 December 2024: 133). The total amount claimed in the 365 cases against the Group is estimated at N465.16 billion (31 December 2024: N152.98 billion) while the total amount claimed in the 126 cases instituted by the Group is N201.23 billion (31 December 2023: N46.2 billion).

The

Directors of the Group are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Group and are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements. Based on the realistic reserves as recommended by solicitors in charge of these ongoing litigations, a provision has been made for the period ended 31 December 2025 of N11.04billion (31 December 2024: N12.29billion), See note 37(a) for the provisions made in the books for claims.

**Other contingent liabilities and commitments**

The banking subsidiary conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, endorsements, guarantees and letters of credit.

**Nature of instruments**

An acceptance is undertaken by a bank to pay a bill of exchange drawn on a customer. The Bank expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Bank in respect of bills of exchange, which have been paid and subsequently rediscounted.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transaction related custom and performance bonds and are generally short term commitments to third parties which are not directly dependent on the customer's credit worthiness. Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed year, or have no specific maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Group to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The table below summarises the fair value amount of contingent liabilities and commitments off-financial position risk:

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

In thousands of Naira	GROUP		COMPANY	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Performance bonds and guarantees	618 334 206	471 245 217	-	-
Loan commitments	2 623 450	3 146 449	-	-
Clean line letters of credit	209 103 435	234 849 922	-	-
	830 061 091	709 241 588	-	-
Other commitments	26 550	32 010	-	-
	830 087 641	709 273 598	-	-

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

**Notes to the consolidated and separate financial statements**  
**For the year ended**

**45 Group subsidiaries and related party transactions**

(a) **Parent and Ultimate controlling party**

FCMB Group Plc is the ultimate parent company and its subsidiaries are as listed in note 46(b) below.

(b) **Subsidiaries:**

Transactions between FCMB Group Plc and its subsidiaries which are eliminated on consolidation are not separately disclosed in the consolidated financial statements. The Group's effective interests and investments in subsidiaries as at 31 December 2025 are shown below.

Entity	Form of holding	Effective holding	Nominal share capital held N'000	Country of incorporation	Nature of Business
(1) First City Monument Bank Limited	Direct	100%	279 088 794	Nigeria	Banking
(2) FCMB Capital Markets Limited	Direct	100%	240 000	Nigeria	Capital Market
(3) CSL Stockbrokers Limited (CSLS)	Direct	100%	3 053 777	Nigeria	Stockbroking
(4) FCMB Trustees Limited	Direct	100%	220 000	Nigeria	Trusteeship
(5) FCMB Microfinance Bank Limited	Direct	100%	1 000 000	Nigeria	Micro-lending Pension Fund
(6) FCMB Pensions Limited	Direct	91.71%	11 925 884	Nigeria	Manager
(7) Credit Direct Finance Company Limited (CDFCL)	Direct	100%	366 210	Nigeria	Micro-lending
(8) FCMB (UK) Limited (FCMB UK)	Indirect	100%	7 791 147	United Kingdom	Banking Asset
(9) FCMB Asset Management Limited	Indirect	100%	50 000	Nigeria	Management
(10) FCMB Financing SPV Plc.	Indirect	100%	250	Nigeria	Capital Raising

(c) **Significant restrictions**

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which its banking subsidiaries operate. The carrying amounts of banking subsidiaries' assets and liabilities are N7,608.08billion and N6,833.44 billion, respectively (31 December 2024: N7,053.18billion and N6,398.71billion respectively).

(d) **Condensed Financial Information**

(i) The condensed financial data of the consolidated entities as at 31 December 2025 were as follows:

**RESULTS OF OPERATIONS**

*In thousands of Naira*

Interest and discount income	8 151 804	927 519 577	349 710	882 511	154 663	543 827	681 671	70 222 858	1 008 506 621	(3 177 515)	1 005 329 106
Interest expense	(1 265 968)	(479 379 138)	-	(111 288)	-	(7 983)	-	(21 835 244)	(502 599 621)	3 177 515	(499 422 106)
<b>Net interest income</b>	<b>6 885 836</b>	<b>448 140 439</b>	<b>349 710</b>	<b>771 223</b>	<b>154 663</b>	<b>535 844</b>	<b>681 671</b>	<b>48 387 614</b>	<b>505 907 000</b>	-	<b>505 907 000</b>
Other income	33 522 226	81 318 295	2 789 596	7 330 173	504 806	229 716	11 257 358	3 299 493	140 251 463	(35 047 313)	105 204 150
<b>Operating income</b>	<b>40 408 062</b>	<b>529 458 734</b>	<b>3 139 306</b>	<b>8 101 396</b>	<b>659 269</b>	<b>765 560</b>	<b>11 939 029</b>	<b>51 687 107</b>	<b>646 158 463</b>	<b>(35 047 313)</b>	<b>611 111 150</b>
Operating expenses	(8 214 229)	(288 725 121)	(1 239 485)	(4 214 376)	(377 766)	(398 159)	(7 350 016)	(22 873 117)	(333 392 269)	4 900 684	(328 491 585)
Impairment losses on financial instruments	(213 005)	(78 084 199)	2 381	(35 091)	(9 609)	(17 177)	(14 474)	(3 335 725)	(81 706 899)	-	(81 706 899)
<b>Results from operating activities</b>	<b>31 980 828</b>	<b>162 649 414</b>	<b>1 902 202</b>	<b>3 851 929</b>	<b>271 894</b>	<b>350 224</b>	<b>4 574 539</b>	<b>25 478 265</b>	<b>231 059 295</b>	<b>(30 146 629)</b>	<b>200 912 666</b>
Share of post tax result of associate	-	-	-	1 187 730	-	-	-	-	1 187 730	-	1 187 730
<b>Profit before tax</b>	<b>31 980 828</b>	<b>162 649 414</b>	<b>1 902 202</b>	<b>5 039 659</b>	<b>271 894</b>	<b>350 224</b>	<b>4 574 539</b>	<b>25 478 265</b>	<b>232 247 025</b>	<b>(30 146 629)</b>	<b>202 100 396</b>
Income tax expense	1 818 595	(14 722 074)	(362 298)	(1 197 594)	(79 733)	(133 195)	(1 481 422)	(8 671 742)	(24 829 463)	-	(24 829 463)
<b>Profit after tax</b>	<b>33 799 423</b>	<b>147 927 340</b>	<b>1 539 904</b>	<b>3 842 065</b>	<b>192 161</b>	<b>217 029</b>	<b>3 093 117</b>	<b>16 806 523</b>	<b>207 417 562</b>	<b>(30 146 629)</b>	<b>177 270 933</b>
Other comprehensive income	-	(23 407 780)	-	122 496	-	-	58 554	-	(23 226 730)	-	(23 226 730)
<b>Total comprehensive income for the year</b>	<b>33 799 423</b>	<b>124 519 560</b>	<b>1 539 904</b>	<b>3 964 561</b>	<b>192 161</b>	<b>217 029</b>	<b>3 151 671</b>	<b>16 806 523</b>	<b>184 190 832</b>	<b>(30 146 629)</b>	<b>154 044 203</b>

Notes to the consolidated and separate financial statements  
For the year ended

**FINANCIAL POSITION**

*In thousands of Naira*

**Assets**

Cash and cash equivalents	3 014 998	1 309 567 153	343 520	12 186 200	1 918 268	1 689 528	8 262 085	31 920 540	1 368 902 292	(69 981 571)	1 298 920 721
Restricted reserve deposits	-	1 198 149 879	-	-	-	-	-	-	1 198 149 879	-	1 198 149 879
Non-pledged trading assets	-	439 720 734	-	-	-	-	-	-	439 720 734	-	439 720 734
Derivative assets held for risk management	-	4 276 814	-	-	-	-	-	-	4 276 814	-	4 276 814
Loans and advances to customers	-	2 223 942 914	83 040	657 525	14 364	780 949	677 369	139 530 212	2 365 686 373	-	2 365 686 373
Assets pledged as collateral	-	104 900 576	-	-	-	-	-	-	104 900 576	-	104 900 576
Investment securities	85 157 405	2 000 504 103	3 187 713	4 430 746	201 323	44 206	4 826 779	-	2 098 352 275	(62 700 378)	2 035 651 897
Investment in subsidiaries	295 894 665	-	-	-	-	-	-	-	295 894 665	(295 894 665)	-
Investment in associates	-	-	-	2 131 287	-	-	-	-	2 131 287	-	2 131 287
Property and equipment, and right of use assets	428 784	55 968 099	30 444	300 991	157 335	86 554	2 824 246	3 563 929	63 360 382	-	63 360 382
Intangible assets	149 160	23 611 959	-	1 668	1 109	-	9 360 368	1 795 187	34 919 451	5 345 114	40 264 565
Deferred tax assets	-	8 932 152	49 560	33 085	10 523	-	-	324 964	9 350 284	-	9 350 284
Other assets	26 181 421	51 840 953	1 429 475	3 569 152	557 505	63 581	2 097 519	6 873 449	92 613 055	(24 037 788)	68 575 267
	<b>410 826 433</b>	<b>7 421 415 336</b>	<b>5 123 752</b>	<b>23 310 654</b>	<b>2 860 427</b>	<b>2 664 818</b>	<b>28 048 366</b>	<b>184 008 281</b>	<b>8 078 258 067</b>	<b>(447 269 288)</b>	<b>7 630 988 779</b>

**Financed by:**

Derivative liabilities held for risk management	-	608 639	-	-	-	-	-	-	608 639	-	608 639
Deposits from banks	-	1 010 355 965	-	-	-	-	-	-	1 010 355 965	-	1 010 355 965
Deposits from customers	-	4 488 174 595	-	-	-	327 934	-	-	4 488 502 529	(69 981 571)	4 418 520 958
Borrowings	5 708 894	220 444 881	-	-	-	501 183	-	138 915 373	365 570 331	-	365 570 331
On-lending facilities	-	318 192 503	-	-	-	-	-	-	318 192 503	-	318 192 503
Debt securities issued	-	132 724 493	-	-	-	-	-	-	132 724 493	(11 141 337)	121 583 156
Retirement benefit obligations	-	54 670	-	-	-	-	-	57 953	112 623	-	112 623
Current income tax liabilities	4 526 751	19 876 768	697 867	1 241 178	102 781	121 233	1 423 711	8 970 434	36 960 723	-	36 960 723
Deferred tax liabilities	1 071 390	-	-	202 400	-	18 008	320 354	-	1 612 152	-	1 612 152
Provision	-	11 818 408	-	-	-	-	-	-	11 818 408	-	11 818 408
Other liabilities	21 311 258	466 606 910	1 781 264	13 411 715	2 193 214	93 218	11 521 408	15 577 396	532 496 383	(23 254 427)	509 241 955
Share capital	21 385 853	7 275 000	500 000	943 577	50 000	1 000 000	1 380 661	500 000	33 035 091	(11 649 238)	21 385 853
Share premium	267 574 383	259 238 158	-	1 057 250	170 000	-	4 177 965	-	532 217 756	(264 643 373)	267 574 383
Additional Tier 1 (AT1) Capital issued	46 686 000	46 686 000	-	-	-	-	-	-	93 372 000	(46 686 000)	46 686 000
Retained earnings	42 281 279	148 273 026	2 144 621	5 052 981	344 432	295 684	6 401 048	13 461 626	218 254 697	5 257 384	223 512 081
Other reserves	280 625	291 085 320	-	1 401 553	-	307 558	2 823 219	6 525 499	302 423 774	(26 151 877)	276 271 897
Non-controlling interest	-	-	-	-	-	-	-	-	-	981 152	981 152
	<b>410 826 433</b>	<b>7 421 415 336</b>	<b>5 123 752</b>	<b>23 310 654</b>	<b>2 860 427</b>	<b>2 664 818</b>	<b>28 048 366</b>	<b>184 008 281</b>	<b>8 078 258 067</b>	<b>(447 269 287)</b>	<b>7 630 988 780</b>
Acceptances and guarantees	-	<b>830 087 641</b>	-	-	-	-	-	-	<b>830 087 641</b>	-	<b>830 087 641</b>

Notes to the consolidated and separate financial statements  
For the year ended

**CONDENSED FINANCIAL INFORMATION**

(ii) The condensed financial data of the consolidated entities as at 31 December 2024 were as follows:

**RESULTS OF OPERATIONS**

*In thousands of Naira*

Interest and discount income	8 857 206	574 141 330	310 902	838 412	72 297	348 752	498 265	39 755 205	624 822 369	(3 018 574)	621 803 795
Interest expense	(928 052)	(384 917 408)	-	(213 253)	-	(31 163)	-	(13 432 290)	(399 522 166)	3 018 574	(396 503 592)
<b>Net interest income</b>	<b>7 929 154</b>	<b>189 223 922</b>	<b>310 902</b>	<b>625 159</b>	<b>72 297</b>	<b>317 589</b>	<b>498 265</b>	<b>26 322 915</b>	<b>225 300 203</b>	-	<b>225 300 203</b>
Other income	34 638 026	129 549 204	2 351 313	6 350 707	396 095	233 987	8 897 853	2 409 750	184 826 935	(27 711 238)	157 115 697
<b>Operating income</b>	<b>42 567 180</b>	<b>318 773 126</b>	<b>2 662 215</b>	<b>6 975 866</b>	<b>468 392</b>	<b>551 576</b>	<b>9 396 118</b>	<b>28 732 665</b>	<b>410 127 138</b>	<b>(27 711 238)</b>	<b>382 415 900</b>
Operating expenses	(4 250 949)	(201 647 431)	(1 096 214)	(3 641 980)	(262 534)	(233 385)	(5 752 370)	(15 110 026)	(231 994 889)	2 938 035	(229 056 854)
Impairment losses on financial instruments	(141 001)	(39 664 211)	(11 940)	(31 473)	(25 902)	(36 197)	-	(1 329 740)	(41 240 464)	-	(41 240 464)
<b>Results from operating activities</b>	<b>38 175 230</b>	<b>77 461 484</b>	<b>1 554 061</b>	<b>3 302 413</b>	<b>179 956</b>	<b>281 994</b>	<b>3 643 748</b>	<b>12 292 899</b>	<b>136 891 785</b>	<b>(24 773 203)</b>	<b>112 118 582</b>
Share of post tax result of associate	-	-	-	(223 412)	-	-	-	-	(223 412)	-	(223 412)
<b>Profit before tax</b>	<b>38 175 230</b>	<b>77 461 484</b>	<b>1 554 061</b>	<b>3 079 001</b>	<b>179 956</b>	<b>281 994</b>	<b>3 643 748</b>	<b>12 292 899</b>	<b>136 668 373</b>	<b>(24 773 203)</b>	<b>111 895 170</b>
Income tax expense	(7 772 543)	(23 337 493)	(394 381)	(1 304 953)	(59 964)	(104 527)	(1 193 144)	(4 390 697)	(38 557 702)	-	(38 557 702)
<b>Profit after tax</b>	<b>30 402 687</b>	<b>54 123 991</b>	<b>1 159 680</b>	<b>1 774 048</b>	<b>119 992</b>	<b>177 467</b>	<b>2 450 604</b>	<b>7 902 202</b>	<b>98 110 671</b>	<b>(24 773 203)</b>	<b>73 337 468</b>
Other comprehensive income	-	29 777 927	-	(167 417)	-	-	-	-	29 610 510	843 713	30 454 223
<b>Total comprehensive income for the year</b>	<b>30 402 687</b>	<b>83 901 918</b>	<b>1 159 680</b>	<b>1 606 631</b>	<b>119 992</b>	<b>177 467</b>	<b>2 450 604</b>	<b>7 902 202</b>	<b>127 721 181</b>	<b>(23 929 490)</b>	<b>103 791 691</b>

**FINANCIAL POSITION**

*In thousands of Naira*

<b>Assets</b>											
Cash and cash equivalents	14 371 980	791 681 166	555 345	7 358 597	1 663 589	953 299	2 235 055	13 757 910	832 576 941	(37 189 922)	795 387 019
Restricted reserve deposits	-	1 441 465 091	-	-	-	-	-	-	1 441 465 091	-	1 441 465 091
Non-pledged Trading assets	-	319 109 270	-	-	-	-	-	-	319 109 270	-	319 109 270
Derivative assets held for risk management	-	1 451 932	-	-	-	-	-	-	1 451 932	-	1 451 932
Loans and advances to customers	-	2 268 041 300	81 316	-	13 658	845 220	-	88 321 679	2 357 303 173	-	2 357 303 173
Assets pledged as collateral	-	401 703 741	-	-	-	-	-	-	401 703 741	-	401 703 741
Investment securities	68 603 349	1 163 893 435	2 081 054	4 170 673	197 526	25 940	4 382 770	-	1 243 354 747	(53 944 041)	1 189 410 706
Investment in subsidiaries	273 168 431	-	-	-	-	-	-	-	273 168 431	(273 168 431)	-
Investment in associates	-	-	-	943 649	-	-	-	-	943 649	795 147	1 738 796
Property and equipment, and right of use assets	235 762	50 230 724	55 886	319 400	66 022	13 010	2 426 390	2 647 274	55 994 468	-	55 994 468
Intangible assets	157 345	20 776 067	-	8 102	81 043	-	9 504 174	470 441	30 997 172	5 345 114	36 342 286
Deferred tax assets	-	8 007 506	-	-	-	4 958	-	178 257	8 190 721	-	8 190 721
Other assets	13 219 384	431 156 094	1 639 369	3 411 889	306 849	11 387	2 426 147	4 501 666	456 672 785	(10 604 069)	446 068 716
	<b>369 756 251</b>	<b>6 897 516 326</b>	<b>4 412 970</b>	<b>16 212 310</b>	<b>2 328 687</b>	<b>1 853 814</b>	<b>20 974 536</b>	<b>109 877 227</b>	<b>7 422 932 121</b>	<b>(368 766 202)</b>	<b>7 054 165 918</b>
<b>Financed by:</b>											
Trading liabilities	-	-	-	-	-	-	-	-	-	-	-
Derivative liabilities held for risk management	-	2 608 146	-	-	-	-	-	-	2 608 146	-	2 608 146
Deposits from banks	-	834 893 228	-	-	-	-	-	-	834 893 228	-	834 893 228
Deposits from customers	-	4 332 755 666	-	-	-	304 952	-	-	4 333 060 618	(36 574 769)	4 296 485 849
Borrowings	5 320 125	272 043 005	-	-	-	-	-	83 114 050	360 477 180	(615 153)	359 862 027
On-lending facilities	-	204 803 631	-	-	-	-	-	-	204 803 631	-	204 803 631
Debt securities issued	-	211 467 949	-	-	-	-	-	-	211 467 949	(12 392 000)	199 075 949
Retirement benefit obligations	-	17 459	-	-	-	-	-	-	52 502	-	52 502
Current income tax liabilities	5 382 217	24 719 917	526 892	1 408 418	59 957	106 511	1 266 514	4 757 405	38 227 831	-	38 227 831
Deferred tax liabilities	4 361 472	-	10 277	234 901	4 398	-	131 227	-	4 742 275	-	4 742 275
Provision	-	12 955 238	-	-	67 008	-	-	-	13 022 246	-	13 022 246
Other liabilities	3 760 605	385 474 007	1 860 772	8 504 733	1 675 929	94 856	6 850 823	8 563 624	416 785 349	(5 374 145)	411 411 204
Share capital	19 802 711	7 000 000	500 000	943 577	50 000	1 000 000	1 380 661	500 000	31 176 949	(11 374 239)	19 802 710
Share premium	246 431 292	236 786 924	-	1 057 250	170 000	-	4 177 966	-	488 623 432	(242 192 140)	246 431 292
Additional Tier 1 (AT1) Capital issued	46 686 000	46 686 000	-	-	-	-	-	-	93 372 000	(46 686 000)	46 686 000
Retained earnings	37 731 205	170 294 544	1 515 029	3 249 574	301 395	201 395	5 522 208	8 062 257	226 877 607	(38 439 924)	188 437 683
Other reserves	280 624	155 010 612	-	813 857	-	146 100	1 645 137	4 844 848	162 741 178	24 071 540	186 812 718
Non-controlling interest	-	-	-	-	-	-	-	-	-	810 628	810 628
	<b>369 756 251</b>	<b>6 897 516 326</b>	<b>4 412 970</b>	<b>16 212 310</b>	<b>2 328 687</b>	<b>1 853 814</b>	<b>20 974 536</b>	<b>109 877 227</b>	<b>7 422 932 121</b>	<b>(368 766 203)</b>	<b>7 054 165 918</b>
Acceptances and guarantees	-	<b>709 273 598</b>	-	-	-	-	-	-	<b>709 273 598</b>	-	<b>709 273 598</b>

**Notes to the consolidated and separate financial statements**  
**For the year ended**

**(e) Transactions with key management personnel**

Key management personnel compensation for the year comprises;

**In thousands of Naira**

**Key management personnel compensation for the year comprised:**

	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Short-term employee benefits	1 636 707	960 767	1 236 371	634 025
Contributions to defined contribution plans	18 908	20 678	18 908	10 339
	<b>1 655 615</b>	<b>981 445</b>	<b>1 255 279</b>	<b>644 364</b>

**Loans and advances**

	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
At 1 January	3 141 881	2 942 128	-	-
Granted during the year	49 674 838	395 500	-	-
Repayment during the year	752 899	(195 747)	-	-
Balance at the end	<b>53 569 618</b>	<b>3 141 881</b>	-	-
Interest earned	13 093	13 093	-	-

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers, and contributes to a post-employment defined contribution plan on their behalf. Loans to key management personnel include mortgage loans and other personal loans which are given under terms that are no more favorable than those given to other staff. Mortgage loans amounting to N866.32million (31 December 2024: N269.17million) are secured by the underlying assets. All personal loans are unsecured. The mortgage and secured loans granted are secured over property of the respective borrowers. Other balances are not secured and no guarantees have been obtained.

As at 31 December 2025, the balances with key management personnel are allocated to stage 1 of the ECL model and have a loss allowance of N19.07million (31 December 2024:N19.07million).

**(f) Loans and advances outstanding:**

Included in loans and advances is an amount of N48.08billion (31 December 2024: N806.39million) representing credit facilities to companies in which certain Directors have interests and key management personnel. The balances as at 31 December 2025 and 31 December 2024 were as follows:

**In thousands of Naira**

Name of company / Individual	Relationship	Name of Directors related to the companies	Facility type	31 DEC 2025	31 DEC 2024	Status	Security Status
Professor Ashiru Oluwatoyin .	Directors-Shareholders	Professor Ashiru Oluwatoyin .	Term loan	-	46	Performing	Perfected
Balogun Babajide Oludolapo	Directors-Shareholders	Balogun Babajide Oludolapo	Term loan	49 774	72 882	Performing	Perfected
Crestmont Limited	Directors-Shareholders	Prof. Oluwatoyin Ashiru	Overdraft	86 087	87 801	Performing	Perfected
Olatunde International Limited	Directors-Shareholders	Olatunde International Limited	Term loan	46 414 027	-	Performing	Perfected
Outstanding loans of key management personnel	Directors / Principal officers	Directors / Principal officers	Term loan	1 525 923	645 661	Performing	Perfected
				<b>48 075 811</b>	<b>806 390</b>		

**(g) Deposits outstanding**

Included in the deposit is an amount of N1.18billion (31 December 2024: N58.20billion) representing deposits from companies in which certain Directors have interests. The balances as at 31 December 2025 and 31 December 2024 were as follows:

**In thousands of Naira**

Name of company / Individual	Relationship	Type of	31 DEC 2025	31 DEC 2024
ATSC International Limited	Shareholder	Current Account	1 357	2 141
Chapel Hill Advisory Partners	Shareholder	Current Account	3 253	3 616
Chapel Hill Advisory Partners	Shareholder	Time Deposit	-	39 218
Dynamic Industries Limited	Directors-Shareholders	Current Account	7 684	200 807
Dynamic Industries Limited	Directors-Shareholders	Time Deposit	287 251	560 251.00
Gulvaris Capital Partners Limited	Directors-Shareholders	Current Account	3 983	10 407
Helios Investment Partners	Directors-Shareholders	Current Account	1 510	1 692
Lafarge Cement Wapco Nig Plc	Directors-Shareholders	Current Account	15 790	21 202
Lana Securities Limited	Shareholder	Current Account	91	85
Poly Products Nigeria Limited	Directors-Shareholders	Current Account	47	46
Primrose Development Company Limited	Shareholder	Current Account	75 350	8 814
Primrose Properties Investment Limited	Shareholder	Current Account	244 213	577 779
Primrose Properties Investment Limited	Shareholder	Time Deposit	6	50 225
S&B City Printers Limited	Directors-Shareholders	Current Account	84 141	181 798
S&B City Printers Limited	Directors-Shareholders	Time Deposit	366 362	217 816
First Concept Properties Ltd	Directors-Shareholders	Current Account	53 140	58 205
Tricontinental Oil Services Limited	Directors-Shareholders	Current Account	175	193
Crestmont Limited	Directors-Shareholders	Current Account	37 422	49
			<b>1 181 775</b>	<b>1 934 344</b>

**Notes to the consolidated and separate financial statements**  
**For the year ended**

<b>46 EMPLOYEES AND DIRECTORS</b>	<b>31 DEC 2025</b>		<b>31 DEC 2024</b>	
<b>EMPLOYEES</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
(a) The average number of persons employed during the year by category:				
Executive directors	17	15	3	3
Management	600	553	6	4
Non-management	4 315	3 228	24	18
	<u>4 932</u>	<u>3 796</u>	<u>33</u>	<u>25</u>
(b) Compensation for the above persons (excluding executive directors):				
<b>In thousands of Naira</b>				
Wages and salaries	70 601 691	58 535 271	1 264 985	522 623
Contributions to defined contribution plans	1 634 037	1 356 850	13 974	14 709
Non-payroll staff cost	34 927 371	19 388 782	1 256 935	922 184
	<u>107 163 099</u>	<u>79 280 903</u>	<u>2 535 894</u>	<u>1 459 516</u>
(c) The number of employees of the Group, including executive directors, who received emoluments in the following ranges were:				
	<b>31 DEC 2025</b>	<b>31 DEC 2024</b>	<b>31 DEC 2025</b>	<b>31 DEC 2024</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Less than N1,800,000.00	11	10	-	-
N1,800,001 - N2,500,000	92	92	-	-
N2,500,001 - N3,500,000	842	655	-	-
N3,500,001 - N4,500,000	589	579	-	-
N4,500,001 - N5,500,000	361	588	3	2
N5,500,001 and above	3 037	1 872	30	23
	<u>4 932</u>	<u>3 796</u>	<u>33</u>	<u>25</u>

**Notes to the consolidated and separate financial statements**  
**For the year ended**

**(d) DIVERSITY IN EMPLOYMENT**

- i) A total of 2,226 women were in the employment of the Group during the year ended 31 December 2025 (31 December 2024: 1,597), which represents 45% of the total workforce (31 December 2024: 42%).
- ii) A total of 20 women were in the top management position as at the year ended 31 December 2025 (31 December 2024:19), which represents 33% of the top management workforce in this position (31 December 2024: 27%). There were 14 women on the Board of Directors for the year ended 31 December 2025 (31 December 2024: 19)
- iii) The analysis by grade is as shown below:
- iv). The Group is committed to maintaining a positive work environment and to conducting business in a positive, professional manner and will ensure equal employment opportunity.

Employees analysis						
Gender	Number	%	Gender	Number	%	
Male	2 706	55%	Male	2 199	58%	
Female	2 226	45%	Female	1 597	42%	
<b>Total</b>	<b>4 932</b>	<b>100%</b>	<b>Total</b>	<b>3 796</b>	<b>100%</b>	

Employees analysis						
Gender	Number	%	Gender	Number	%	
Male	19	58%	Male	16	64%	
Female	14	42%	Female	9	36%	
<b>Total</b>	<b>33</b>	<b>100%</b>	<b>Total</b>	<b>25</b>	<b>100%</b>	

GRADE LEVEL	2025			2024		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Assistant General Manager (AGM)	34	10	44	39	12	51
Deputy General Manager (DGM)	22	7	29	21	2	23
General Manager (GM)	10	1	11	9	3	12
<b>TOTAL</b>	<b>66</b>	<b>18</b>	<b>84</b>	<b>69</b>	<b>17</b>	<b>86</b>
Executive Director (ED)	6	2	8	10	1	11
Group Managing Director (GMD)	1	0	1	1	0	1
Managing Directors - Subsidiaries	6	2	8	3	1	4
Non - Executive Directors	15	10	25	27	17	44
<b>TOTAL</b>	<b>28</b>	<b>14</b>	<b>42</b>	<b>41</b>	<b>19</b>	<b>60</b>

GRADE LEVEL	2025			2024		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Assistant General Manager (AGM)	1	0	1	1	0	1
Deputy General Manager (DGM)	1	0	1	1	0	1
General Manager (GM)	0	1	1	0	0	0
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>2</b>
Executive Director (ED)	2	0	2	2	0	2
Group Managing Director (GMD)	1	0	1	1	0	1
Non - Executive Directors	4	3	7	4	3	7
<b>TOTAL</b>	<b>7</b>	<b>3</b>	<b>10</b>	<b>7</b>	<b>3</b>	<b>10</b>

**Notes to the consolidated and separate financial statements  
For the year ended**

**(e) DIRECTORS**

The remuneration paid to the directors of the Group (excluding pension and certain allowances) was:

**In thousands of Naira**

	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Fees	362 257	331 457	170 000	142 200
Sitting allowances	315 845	197 245	113 588	65 798
Executive compensation	1 636 707	960 767	1 236 371	634 025
Directors' other expenses	2 314 809	1 489 469	1 519 959	842 023
	3 439 914	2 016 583	1 402 457	143 041
	5 754 723	3 506 052	2 922 416	985 064

The Directors' remuneration shown above includes:

The Chairman	84 000	84 000	84 000	84 000
Highest paid director	447 947	329 492	447 947	329 492

The number of directors who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges were:

	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
	Number	Number	Number	Number
N10,000,000 and below	-	-	-	-
N10,000,001 and above	42	60	10	10
	42	60	10	10

**In thousands of Naira**

**47 Cash and cash equivalents**

For the purposes of the statement of cash flow, cash and cash equivalents include:

	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Cash	28 287 313	33 636 696	-	-
Current balances within Nigeria	301 269	643 838	3 014 998	14 371 980
Current balances outside Nigeria	1 173 824 248	733 807 053	-	-
Placements with local banks	79 349 373	7 259 998	-	-
Placements with foreign banks	736 551	-	-	-
Unrestricted balances with Central banks	16 589 816	20 057 451	-	-
	1 299 088 570	795 405 036	3 014 998	14 371 980

**48 Compliance With Banking Regulations**

During the year ended 31 December 2025, the Banking subsidiary contravened the following section of the provision of the Banks and Other Financial Institutions Act and relevant CBN circulars and was penalised as follows:

Section	Nature	No of times	Penalties N'000
Contravention of section 29 (6) of Bank and other financial institutions Act 2020	AML / CFT /CPF Risk-based Examination report for the period covering 1 May 2023 to 30 April 2024	1	75 000
Contravention of CBN Circular referenced BSD/DIR/GEN/LAB/10/009	Risk Asset Examination report the period January 1, 2023 to December 31, 2023	1	2 000
Contravention of Regulation 35 (4) of the AML/CFT/CPF Regulation, 34 (4) ( c ) of the CBN CDD Regulation 2023	AML / CFT /CPF Risk-based Examination report for the period covering 1 May 2023 to 30 April 2024	1	172 000
Contravention of Regulation 37 (2 ) of the CBN AML/CFT/CPF Regulation 2022	AML / CFT /CPF Risk-based Examination report for the period covering 1 May 2023 to 30 April 2024	1	161 000
Contravention of Regulation 8 (h) of the CBN AML/CFT/CPF Regulation 2022	AML / CFT /CPF Risk-based Examination report for the period covering 1 May 2023 to 30 April 2024	1	75 000
Contravention of section 50 of BOFIA 2020	AML / CFT /CPF Risk-based Examination report for the period covering 1 May 2023 to 30 April 2024	1	2 000
<b>During the year ended 31 December 2024, other subsidiaries of the Group paid penalties as detailed below:</b>			
FCMB Asset Management Limited	Late registration of the Company's discretionary and non- discretionary portfolios with the Securities and Exchange Commission.	1	3 190

The penalties totalling N490million were paid during the year (31 December 2024: N136.65million).

**Notes to the consolidated and separate financial statements**  
**For the year ended**

**49 Events after the Reporting Period**

Subsequent to the reporting date, the Group successfully raised an additional N162.91 billion in capital. The capital verification process was concluded by the Central Bank of Nigeria (CBN), and approval was granted on 19 February 2026. The Group, together with its commercial banking subsidiary, has ensured compliance with the regulatory capitalisation deadline of 31 March 2026.

Also, subsequent to the year ended 31 December 2025, the Group obtained regulatory approvals to dispose 11% of its 91.71% stake in the pension subsidiary (FCMB Pensions Limited) from the Nigeria Pension Commission (PENCOM) and the Central Bank of Nigeria (CBN).

There were no significant events after the reporting period which could have a material effect on the financial position of the Company and Group as at 31 December 2025 and profit attributable to equity holders on that date which have not been adequately adjusted for or disclosed.

**50 Reconciliation notes to consolidated and separate statement of cashflows**

	Note	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>(i) Net gain / (loss) on debt securities at Fair value through profit or loss</b>					
Gross trading income before fair value adjustments		14 803 725	20 235 819	-	-
Fair value gain on financial assets adjustments		22 988 673	33 557 126	-	-
Net trading income (see note 12)	12	37 792 398	53 792 945	-	-
<b>(ii) Interest received</b>					
Balance at end of the year (interest receivables, overdue interest and loan fees)		162 812 802	210 314 090	-	-
Accrued Interest income during the year	8	1 005 329 106	621 803 795	8 151 804	8 857 206
Non cash related adjustments		15 070 189	9 207 448	19 579 810	9 207 448
Balance at start of the year (interest receivables, overdue interest and loan fees)		(210 314 090)	(131 020 748)	-	-
<b>Interest received during the year</b>		<b>972 898 007</b>	<b>710 304 585</b>	<b>27 731 614</b>	<b>18 064 654</b>
<b>(iii) Interest paid</b>					
Balance at end of the year (interest payables, interest prepaid and deferred FCY charges)		42 655 911	56 461 450	-	-
Accrued Interest expense during the year	9	499 422 106	396 503 592	1 265 968	928 052
Amortised cost on financial liabilities adjustments		(509 079)	(248 460)	-	-
Balance at start of the year (interest payables, interest prepaid and deferred FCY charges)		(56 461 450)	(27 223 345)	-	-
		<b>485 107 488</b>	<b>425 493 237</b>	<b>1 265 968</b>	<b>928 052</b>
<b>(iv) VAT paid</b>					
This relates to monthly remittances to the tax authorities with respect to vatable services		11 606 250	14 825 917	68 176	41 296
<b>(v) Acquisition of investment securities and proceeds from sale and redemption of investment securities</b>					
Balance at start of the year	24	1 189 410 706	794 746 379	68 603 349	63 922 161
Non cash related adjustments		(139 498 877)	26 143 050	3 347 842	2 317 485
Add: Acquisition of investment securities during the year		1 148 373 730	503 583 086	13 206 214	2 363 703
Less: Proceeds from sale and redemption of investment securities		(162 633 662)	(135 061 809)	-	-
Balance at end of the year	24	2 035 651 897	1 189 410 706	85 157 405	68 603 349
<b>(vi) Effect of exchange rate fluctuations on cash and cash equivalents held</b>					
Balance at end of the year on net translated foreign balances at closing exchange rates		1 183 343 209	804 338 839	1 639 308	118 918
Movement during the year at average exchange rates		(455 256 680)	(88 488 877)	(1 613 201)	(2 324 322)
Balance at start of the year on net translated foreign balances at opening exchange rates		(804 338 839)	(480 502 764)	(118 918)	2 746 864
		<b>(76 252 309)</b>	<b>235 347 198</b>	<b>(92 812)</b>	<b>541 460</b>
<b>(vii) Net decrease in other liabilities</b>					
At 31 December	36	509 241 955	411 411 204	21 311 258	3 760 605
Total amounts remitted under retirement benefit obligations	35	(3 659 005)	(2 550 679)	(73 985)	(45 086)
Interest paid on lease liability		(367 182)	(24 656)	-	-
Adjustment for financing related liability		(10 973 680)	-	(10 973 680)	-
Non cash related adjustments		62 002 193	35 084 544	2 770 942	1 495 009
Non cash related adjustments on lease liability		(129 981)	(380 856)	-	-
At 1 January	36	(411 411 204)	(245 099 089)	(3 760 605)	(5 284 369)
<b>Net decrease in other liabilities</b>		<b>144 703 097</b>	<b>198 440 468</b>	<b>9 273 930</b>	<b>(73 841)</b>

**Notes to the consolidated and separate financial statements**  
**For the year ended**

	Note	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>(viii) Net increase/(decrease) in provision</b>					
Opening balance for the year	37	13 022 246	10 896 527	-	-
Provisions made during the year	37	2 746 773	3 006 398	-	-
Amount utilised during the year		(3 413 433)	(4 485 426)	-	-
Effects of movement in exchange rates	37	(537 178)	3 604 747	-	-
Closing balance for the year		<b>11 818 408</b>	13 022 246	-	-
<b>(viii) Proceeds from sale of property and equipment</b>					
Gain on sale of property and equipment	14(a)	885 249	2 409 966	31	517
Cost eliminated on disposal during the year	31	557 377	607 789	-	53 285
Accumulated depreciation and impairment losses - eliminated on Disposal	31	(415 588)	(713 632)	(2 237)	(53 272)
Proceeds from sale of property and equipment		<b>1 027 038</b>	2 304 123	<b>(2 206)</b>	530
<b>(ix) Net interest income</b>					
Interest income	8	1 005 329 106	621 803 795	8 151 804	8 857 206
Interest expense	9	(499 422 106)	(396 503 592)	(1 265 968)	(928 052)
		<b>505 907 000</b>	225 300 203	<b>6 885 836</b>	7 929 154
<b>(x) Net increase in restricted reserve deposits</b>					
Opening balance for the year	28	1 441 465 091	799 640 417	-	-
Closing balance for the year	28	<b>(1 198 149 879)</b>	(1 441 465 091)	-	-
		<b>243 315 212</b>	(641 824 674)	-	-
<b>(xi) Net increase in derivative assets held held for risk management</b>					
Opening balance for the year	23(a)	1 451 932	1 520 716	-	-
Fair value gain on financial assets adjustments		-	-	-	-
Closing balance for the year	23(a)	<b>(4 276 814)</b>	(1 451 932)	-	-
		<b>(2 824 882)</b>	68 784	-	-
<b>(xii) Net (increase)/decrease in non-pledged trading assets</b>					
Opening balance for the year	22(a)	319 109 270	170 302 701	-	-
Fair value gain on financial assets adjustments		(22 988 673)	(33 557 126)	-	-
Closing balance for the year	22(a)	<b>(439 720 734)</b>	(319 109 270)	-	-
		<b>(143 600 137)</b>	(182 363 695)	-	-
<b>(xiii) Net increase in loans and advances to customers</b>					
Opening balance for the year	26	2 485 078 216	1 929 584 201	-	-
Non cash related adjustments		112 259 113	(49 204 032)	-	-
Closing balance for the year	26	<b>(2 475 470 182)</b>	(2 485 078 216)	-	-
		<b>121 867 147</b>	(604 698 047)	-	-
<b>(xiv) Net decrease in assets pledged as collateral</b>					
Opening balance for the year	25	401 703 741	86 714 340	-	-
Non cash related adjustments		(29 258 729)	(41 240 323)	-	-
Closing balance for the year	25	<b>(104 900 576)</b>	(401 703 741)	-	-
		<b>267 544 436</b>	(356 229 724)	-	-

**Notes to the consolidated and separate financial statements**  
**For the year ended**

	Note	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
(xv) <b>Net decrease/(increase) in other assets</b>					
Opening balance for the year	27	446 068 716	56 885 173	13 219 384	6 285 010
Non cash related adjustments		27 366 560	26 198 471	209 339	117 979
Closing balance for the year	27	<b>(68 575 267)</b>	<b>(123 037 554)</b>	<b>(26 181 421)</b>	<b>(13 219 384)</b>
		<b>404 860 009</b>	<b>(39 953 910)</b>	<b>(12 752 698)</b>	<b>(6 816 395)</b>
(xvi) <b>Net decrease in trading liabilities</b>					
Closing balance for the year	22(b)	-	-	-	-
Fair value gain on financial assets adjustments		-	-	-	-
Opening balance for the year	22(b)	-	-	-	-
		-	-	-	-
(xvii) <b>Net increase/(decrease) in deposits from banks</b>					
Closing balance for the year	33	1 010 355 965	834 893 228	-	-
Opening balance for the year	33	<b>(834 893 228)</b>	<b>(280 478 119)</b>	-	-
		<b>175 462 737</b>	<b>554 415 109</b>	-	-
(xviii) <b>Net increase in deposits from customers</b>					
Closing balance for the year	34	4 418 520 958	4 296 485 849	-	-
Opening balance for the year	34	<b>(4 296 485 849)</b>	<b>(3 082 971 012)</b>	-	-
		<b>122 035 109</b>	<b>1 213 514 837</b>	-	-
(xix) <b>Net (decrease)/increase in on-lending facilities</b>					
Closing balance for the year	38	318 192 503	204 803 631	-	-
Opening balance for the year	38	<b>(204 803 631)</b>	<b>(57 425 081)</b>	-	-
		<b>113 388 872</b>	<b>147 378 550</b>	-	-
(xx) <b>Net (decrease)/increase in derivative liabilities</b>					
Closing balance for the year	23(b)	608 639	2 608 146	-	-
Fair value gain on financial liabilities adjustments		-	-	-	-
Opening balance for the year	23(b)	<b>(2 608 146)</b>	<b>(998 332)</b>	-	-
		<b>(1 999 507)</b>	<b>1 609 814</b>	-	-
(xxi) <b>Net increase in debt securities issued</b>					
Opening balance for the year	39	199 075 949	133 142 336	-	-
Additions during the year		66 242 097	-	-	-
Repayments during the year		<b>(154 207 199)</b>	-	-	-
Accrued coupon interest for the year		9 020 229	8 910 560	-	-
Coupon interest paid during the year		<b>(1 139 967)</b>	<b>(8 279 934)</b>	-	-
Amortised cost on financial liabilities adjustments		-	649 904	-	-
Translation difference		<b>(9 799 953)</b>	<b>64 653 083</b>	-	-
Closing balance for the year	39	<b>121 583 156</b>	<b>199 075 949</b>	-	-
(xxii) <b>Dividend received</b>					
Dividend receivable as at beginning of year		-	-	9 608 764	4 248 142
Dividend accrued within the year		-	-	8 198 456	17 282 243
Dividend received within the year		-	-	<b>(3 373 472)</b>	<b>(11 921 621)</b>
Dividend receivable as at end of year		-	-	<b>14 433 748</b>	9 608 764
(xxiii) <b>Investment in subsidiaries</b>					
Opening balance for the year		-	-	273 168 431	132 228 197
Transfer from associate		-	-	-	-
Additional investment for the year		-	-	<b>22 726 234</b>	140 940 234
Non cash related adjustments		-	-	-	-
Closing balance for the year		-	-	<b>295 894 665</b>	273 168 431
(xxiv) <b>Deposit received on divestment to NCI</b>					
Opening balance for the year		-	-	-	-
Amount received on divestment - NCI (see note 36( e )		<b>10 973 680</b>	-	<b>10 973 680</b>	-
Non cash related adjustments		-	-	-	-
Closing balance for the year		<b>10 973 680</b>	-	<b>10 973 680</b>	-

**Notes to the consolidated and separate financial statements**  
**For the year ended**

**51 Financial Reporting Council's Certification Requirement for Professionals Engaged in Financial Reporting Process**

In line with Financial Reporting Council of Nigeria certification requirement for professionals engaged in the financial reporting process: external auditors, officers of reporting entities and other professional providing assurance to reporting entities, below is a list of professionals engaged in the financial reporting process relating to financial statements during the year.

S/N	NAME OF PROFESSIONAL	FRC_NUMBER	ROLE
1	KRESTON PEDABO PROFESSIONAL SERVICES	FRC/2013/ICAN/0000000908	Tax Consultant
2	I.R. AKINTOYE & CO.	FRC/2014/ICAN/00000007015	Tax Consultant
3	ADEGBONMIRE AND ASSOCIATES	FRC/2013/00000000001226	Property & Valuation Experts
4	AKUJURU ASSOCIATES	FRC/2014/00000004631	Property & Valuation Experts
5	ALAGBE & PARTNERS	FRC/2013/NIESV/00000004334	Property & Valuation Experts
6	ARIGBEDE & CO.	FRC/2014/00000004634	Property & Valuation Experts
7	AUSTIN CHINEGWU & CO.	FRC/2015/NIESV/00000012501	Property & Valuation Experts
8	BAMIGBOLA CONSULTING	FRC/2013/NIESV/00000000897	Property & Valuation Experts
9	BAYO ADEYEMO & ASSOCIATES	FRC/2013/NIESV/00000005193	Property & Valuation Experts
10	BAYO OYEDEJI & CO.	FRC/2013/NIESV/00000003983	Property & Valuation Experts
11	BEN EBOREIME & CO.	FRC/2013/NIESV/00000003232	Property & Valuation Experts
12	BIODUN OLAPADE & CO.	FRC/2013/NIESV/00000004303	Property & Valuation Experts
13	BOLA OLAWUYI CONSULTING	FRC/2014/NIESV/00000007657	Property & Valuation Experts
14	CHIKE MONEME & PARTNERS	FRC/2014/00000005796	Property & Valuation Experts
15	CHUMA EZEALIGO ASSOCIATES	FRC/2013/NIESV/00000004822	Property & Valuation Experts
16	DIPO FAKOREDE & CO.	FRC/2013/NIESV/00000000324	Property & Valuation Experts
17	DIYA FATIMILEHIN & CO.	FRC/2013/NIESV/00000000754;FRC/2013/NIESV/00000002773	Property & Valuation Experts
18	GAB OKONKWO & CO.	FRC/2013/NIESV/00000002220	Property & Valuation Experts
19	IMO EKANEM & CO.	FRC/2012/NIESV/00000000114	Property & Valuation Experts
20	J OKARO AND ASSOCIATES	FRC/2015/NIESV/00000002947	Property & Valuation Experts
21	JOE NWORAH & CO.	FRC/2015/NIESV/00000010760	Property & Valuation Experts
22	JOHN ZEDOMI & ASSOCIATES	FRC/2013/NIESV/00000002415	Property & Valuation Experts
23	JOSEPH ADEGBILE AND CO.	FRC/2013/NIESV/00000004005	Property & Valuation Experts
24	KNIGHT FRANK	FRC/2013/0000000000584	Property & Valuation Experts
25	LANSAR AGHAJI & CO.	FRC/2015/00000006074	Property & Valuation Experts
26	LOLA ADEYEMO & CO.	FRC/2015/NIESV/00000010805	Property & Valuation Experts
27	MGBEODURU SAM & CO.	FRC/2013/NIESV/00000003326	Property & Valuation Experts
28	NWOKOMA NWANKWO & COMPANY	FRC/2012/0000000000200	Property & Valuation Experts
29	O.S. BORONI ASSOCIATES	FRC/2013/NIESV/00000003393	Property & Valuation Experts
30	ODUDU & CO.	FRC/2012/0000000000124;FRC/2012/NIESV/00000000198	Property & Valuation Experts
31	OKEY OGBONNA & CO.	FRC/2013/NIESV/00000000964	Property & Valuation Experts
32	PAUL OSAJI & CO.	FRC/2013/00000001098	Property & Valuation Experts
33	PHIL NWACHUKWU & ASSOCIATES	FRC/2014/NIESV/00000009853	Property & Valuation Experts
34	RAWLINGS EHUMADU AND CO.	FRC/2013/NIESV/00000002351	Property & Valuation Experts
35	SAM NWOSUJ & CO.	FRC/2013/NIESV/00000002538	Property & Valuation Experts
36	UNIGWE & CO.	FRC/2012/0000000000130	Property & Valuation Experts
37	VIC ONWUMERE & CO.	FRC/2015/NIESV/00000010974	Property & Valuation Experts
38	VICTOR OKPEVA & CO.	FRC/2013/NIESV/00000003029	Property & Valuation Experts
39	YEMI OLUGBILE & CO.	FRC/2013/00000000001227	Property & Valuation Experts
40	YINKA KAYODE & CO.	FRC/2013/00000000001197	Property & Valuation Experts
41	A. C. OTEGBULU & PARTNERS	FRC/NIESV/00000001582	Property & Valuation Experts
42	BIODUN ADEGOKE & CO	FRC/2015/NIESV/00000010747	Property & Valuation Experts
43	BOLA ONABADEJO & CO	FRC/2013/00000000001601;FRC/2015/NIESV/00000012433	Property & Valuation Experts
44	CHIKA EGWUATU & PARTNERS	FRC/2013/NIESV/00000000862;FRC/2013/NIESV/00000000857	Property & Valuation Experts
45	DIYA FATIMILEHIN & CO.	FRC/2013/NIESV/00000000754;FRC/2013/NIESV/00000002773	Property & Valuation Experts
46	EMEKA OKORONKWO & ASSOCIATES	FRC/2013/NIESV/00000002548	Property & Valuation Experts
47	EMMA OFOEBU AND PARTNERS	FRC/2014/NIESV/00000007527	Property & Valuation Experts
48	GBOYEGA AKERELE & PARTNERS	FRC/2012/00000000117	Property & Valuation Experts
49	GODWIN KALU & CO	FRC/2012/NIESV/00000000470	Property & Valuation Experts
S/N	NAME OF PROFESSIONAL	FRC_NUMBER	ROLE
50	J AJAYI PATUNOLA & CO.	FRC/2013/0000000000679	Property & Valuation Experts
51	JUDE ONUOHA & CO	FRC/2012/NIESV/00000000477	Property & Valuation Experts
52	LEKAN DUNMOYE & PARTNERS	FRC/2013/00000000001142	Property & Valuation Experts
53	ODUDU & CO.	FRC/2012/0000000000124;FRC/2012/NIESV/00000000198	Property & Valuation Experts
54	OMOBAYO ADEGOKE AND PARTNERS	FRC/2014/000000005787	Property & Valuation Experts
55	OSAS & OSEJI ESTATE SURVEYORS & VALUERS	FRC/2012/00000000000522	Property & Valuation Experts
56	REMI OLOFA & CO.	FRC/2013/00000000001631	Property & Valuation Experts
57	SOLA BADMUS & CO	FRC/2012/NIESV/00000000256	Property & Valuation Experts
58	TOKUN & ASSOCIATES	FRC/2013/00000000001353	Property & Valuation Experts
59	YAYOK ASSOCIATES	FRN/2013/NIESV/0000000000834	Property & Valuation Experts

**52 Provision of non-audit services**

Auditor's remuneration represents fees for the year audit of the Group and the Company for the year ended 31 December 2025. The Company also paid the auditors' professional fees for non-audit services. These services, in the Group's opinion, did not impair the independence and objectivity of the external auditor. Non-audit services provided during the year ended 31 December 2025 are stated below:

Description of non-audit services rendered	Name of Signer	FRC Number	Name of Firm	Fee paid (N'000)
(i) Nigeria Deposit Insurance Corporation (NDIC) certification	Hassan Lawal	FRC/2013/PRO/ICAN/001/00000000849	Deloitte & Touché Nigeria	10 000
(ii) Corporate governance and risk management review	Ibukun Beecroft	FRC/2020/PRO/000000020765	Deloitte & Touché Nigeria	7 525
(iii) Independent review of the risk management function	Ibukun Beecroft	FRC/2020/PRO/000000020765	Deloitte & Touché Nigeria	7 525

**25 050**

The Company's auditor did not engage in any non-audit service for any of the Company's subsidiaries other than stated above

**OTHER NATIONAL DISCLOSURES**

**OTHER NATIONAL DISCLOSURES**  
**VALUE ADDED STATEMENT**

For the year ended In thousands of Naira	GROUP				COMPANY			
	31 DEC 2025	%	31 DEC 2024	%	31 DEC 2025	%	31 DEC 2024	%
<b>GROSS INCOME</b>	<b>1 132 962 516</b>		794 206 671		<b>41 718 740</b>		43 507 278	
<b>INTEREST EXPENSE &amp; CHARGES</b>								
- Local	(458 423 913)		(351 069 567)		(1 310 678)		(940 098)	
- Foreign	(62 239 723)		(60 944 616)		-		-	
	<b>612 298 880</b>		382 192 488		<b>40 408 062</b>		42 567 180	
<b>IMPAIRMENT LOSSES</b>	<b>(81 706 899)</b>		(41 240 464)		<b>(213 005)</b>		(141 001)	
	<b>530 591 981</b>		340 952 024		<b>40 195 057</b>		42 426 179	
<b>BOUGHT-IN MATERIAL AND SERVICES</b>								
- Local	(168 037 566)		(103 192 464)		(5 581 208)		(2 719 744)	
- Foreign	(35 955 430)		(32 685 357)		-		-	
<b>VALUE ADDED</b>	<b>326 598 985</b>	<b>100</b>	205 074 203	100	<b>34 613 849</b>	<b>100</b>	39 706 435	100
<b>DISTRIBUTION</b>								
<b>EMPLOYEES</b>								
Wages, salaries, pensions and other employee benefits	107 182 007	33	79 301 581	39	2 554 802	7	1 469 855	4
<b>GOVERNMENT</b>								
Taxation	24 829 463	8	38 557 702	19	(1 818 595)	-5	7 772 543	20
<b>THE FUTURE</b>								
Replacement of property and equipment / intangible assets	17 316 582	5	13 877 452	7	78 219	0	61 350	0
Dividend paid	21 782 982	7	9 901 355	5	21 782 982	63	9 901 355	25
Additional Tier 1 (AT1) Capital coupon paid	7 466 366	2	7 409 672	4	7 466 366	22	7 409 672	19
Profit for the year (including statutory and regulatory risk reserves)	147 765 166	45	55 823 286	27	4 550 075	13	13 091 660	33
Non-controlling interest	256 419	0	203 155	0	-	-	-	-
<b>VALUE ADDED</b>	<b>326 598 985</b>	<b>100</b>	205 074 203	100	<b>34 613 849</b>	<b>100</b>	39 706 435	100

**OTHER NATIONAL DISCLOSURES**  
**FIVE-YEAR FINANCIAL SUMMARY**

<b>GROUP</b>					
<b>In thousands of Naira</b>	<b>31 DEC 2025</b>	31 DEC 2024	31 DEC 2023	31 DEC 2022	31 DEC 2021
<b>ASSETS EMPLOYED</b>					
Cash and cash equivalents	1 298 920 721	795 387 019	579 167 508	247 485 623	362 700 083
Non-pledged trading assets	439 720 734	319 109 270	170 302 701	160 730 775	41 538 274
Derivative assets held for risk management	4 276 814	1 451 932	1 520 716	853 709	-
Investment securities	2 035 651 897	1 189 410 706	794 746 379	524 573 025	372 548 333
Assets pledged as collateral	104 900 576	401 703 741	86 714 340	79 009 207	115 456 683
Loans and advances to customers	2 365 686 373	2 357 303 173	1 841 516 196	1 195 626 586	1 063 589 192
Other assets	68 575 267	446 068 716	56 885 173	192 385 077	127 410 850
Restricted reserve deposits	1 198 149 879	1 441 465 091	799 640 417	493 359 709	329 739 147
Investment in associates	2 131 287	1 738 796	-	-	6 810 651
Property and equipment, and right of use assets	63 360 382	55 994 468	54 132 864	50 967 522	47 084 551
Intangible assets	40 264 565	36 342 286	31 264 790	29 637 593	17 155 970
Deferred tax assets	9 350 284	8 190 721	8 003 544	8 423 731	9 163 896
	<b>7 630 988 779</b>	<b>7 054 165 919</b>	<b>4 423 894 628</b>	<b>2 983 052 557</b>	<b>2 493 197 630</b>
<b>FINANCED BY</b>					
Share capital	21 385 853	19 802 710	9 901 355	9 901 355	9 901 355
Additional Tier 1 (AT1) Capital issued	46 686 000	46 686 000	46 686 000	-	-
Share premium	267 574 383	246 431 292	115 392 414	115 392 414	115 392 414
Retained earnings	223 512 081	188 437 683	144 380 766	74 561 490	62 872 102
Other reserves	276 271 897	186 812 718	144 592 126	75 045 929	55 058 784
Non-controlling Interest	981 152	810 628	1 673 897	978 422	581 059
Trading liabilities	-	-	-	1 883 937	5 174 902
Derivative liabilities held for risk management	608 639	2 608 146	998 332	1 699 900	-
Deposits from banks	1 010 355 965	834 893 228	280 478 119	124 365 459	160 746 916
Deposits from customers	4 418 520 958	4 296 485 849	3 082 971 012	1 944 908 569	1 554 413 623
Retirement benefit obligations	112 623	52 502	123 631	23 384	14 855
Current income tax liabilities	36 960 723	38 227 831	11 296 167	7 180 286	5 449 065
Deferred tax liabilities	1 612 152	4 742 275	2 354 953	391 897	308 729
Other liabilities	509 241 955	411 411 204	245 099 089	196 902 171	199 465 224
Provision	11 818 408	13 022 246	10 896 527	7 514 884	6 747 270
On-lending facilities	318 192 503	204 803 631	57 425 081	249 191 651	157 873 774
Debt securities issued	121 583 156	199 075 949	133 142 336	84 745 841	78 493 492
Borrowings	365 570 331	359 862 027	136 482 823	88 364 968	80 704 066
	<b>7 630 988 780</b>	<b>7 054 165 918</b>	<b>4 423 894 628</b>	<b>2 983 052 557</b>	<b>2 493 197 630</b>
Acceptances and guarantees	830 087 641	709 273 598	417 462 096	310 795 223	281 178 633
<b>PROFIT OR LOSS ACCOUNT</b>					
	<b>12months Dec 2025</b>	<i>12months Dec 2024</i>	<i>12months Dec 2023</i>	<i>12months Dec 2022</i>	<i>12months Dec 2021</i>
Gross earnings	1 131 774 786	794 430 083	516 355 140	282 981 556	212 012 446
Profit before windfall tax, minimum tax and income tax	202 100 396	111 895 170	104 431 449	36 570 063	22 716 659
Windfall tax	(7 573 475)	(17 671 442)	-	-	-
Taxation (charge) / credit	(17 255 988)	(20 886 260)	(11 413 830)	(5 441 372)	(1 799 934)
Profit after tax	177 270 933	73 337 468	93 017 619	31 128 691	20 916 725
Transfer to reserves	177 270 933	73 337 469	93 017 619	31 128 691	20 916 725
Basic earnings per share	3.99	2.38	4.48	1.56	1.05
Diluted earnings per share	3.99	2.38	4.48	1.56	1.05

**OTHER NATIONAL DISCLOSURES**  
**FIVE-YEAR FINANCIAL SUMMARY**

<b>GROUP</b>					
<b>In thousands of Naira</b>	<b>31 DEC 2025</b>	31 DEC 2024	31 DEC 2023	31 DEC 2022	31 DEC 2021
<b>ASSETS EMPLOYED</b>					
Cash and cash equivalents	1 298 920 721	795 387 019	579 167 508	247 485 623	362 700 083
Non-pledged trading assets	439 720 734	319 109 270	170 302 701	160 730 775	41 538 274
Derivative assets held for risk management	4 276 814	1 451 932	1 520 716	853 709	-
Investment securities	2 035 651 897	1 189 410 706	794 746 379	524 573 025	372 548 333
Assets pledged as collateral	104 900 576	401 703 741	86 714 340	79 009 207	115 456 683
Loans and advances to customers	2 365 686 373	2 357 303 173	1 841 516 196	1 195 626 586	1 063 589 192
Other assets	68 575 267	446 068 716	56 885 173	192 385 077	127 410 850
Restricted reserve deposits	1 198 149 879	1 441 465 091	799 640 417	493 359 709	329 739 147
Investment in associates	2 131 287	1 738 796	-	-	6 810 651
Property and equipment, and right of use assets	63 360 382	55 994 468	54 132 864	50 967 522	47 084 551
Intangible assets	40 264 565	36 342 286	31 264 790	29 637 593	17 155 970
Deferred tax assets	9 350 284	8 190 721	8 003 544	8 423 731	9 163 896
	<b>7 630 988 779</b>	<b>7 054 165 919</b>	<b>4 423 894 628</b>	<b>2 983 052 557</b>	<b>2 493 197 630</b>
<b>FINANCED BY</b>					
Share capital	21 385 853	19 802 710	9 901 355	9 901 355	9 901 355
Additional Tier 1 (AT1) Capital issued	46 686 000	46 686 000	46 686 000	-	-
Share premium	267 574 383	246 431 292	115 392 414	115 392 414	115 392 414
Retained earnings	223 512 081	188 437 683	144 380 766	74 561 490	62 872 102
Other reserves	276 271 897	186 812 718	144 592 126	75 045 929	55 058 784
Non-controlling Interest	981 152	810 628	1 673 897	978 422	581 059
Trading liabilities	-	-	-	1 883 937	5 174 902
Derivative liabilities held for risk management	608 639	2 608 146	998 332	1 699 900	-
Deposits from banks	1 010 355 965	834 893 228	280 478 119	124 365 459	160 746 916
Deposits from customers	4 418 520 958	4 296 485 849	3 082 971 012	1 944 908 569	1 554 413 623
Retirement benefit obligations	112 623	52 502	123 631	23 384	14 855
Current income tax liabilities	36 960 723	38 227 831	11 296 167	7 180 286	5 449 065
Deferred tax liabilities	1 612 152	4 742 275	2 354 953	391 897	308 729
Other liabilities	509 241 955	411 411 204	245 099 089	196 902 171	199 465 224
Provision	11 818 408	13 022 246	10 896 527	7 514 884	6 747 270
On-lending facilities	318 192 503	204 803 631	57 425 081	249 191 651	157 873 774
Debt securities issued	121 583 156	199 075 949	133 142 336	84 745 841	78 493 492
Borrowings	365 570 331	359 862 027	136 482 823	88 364 968	80 704 066
	<b>7 630 988 779</b>	<b>7 054 165 919</b>	<b>4 423 894 628</b>	<b>2 983 052 557</b>	<b>2 493 197 630</b>
Acceptances and guarantees	830 087 641	709 273 598	417 462 096	310 795 223	281 178 633
<b>PROFIT OR LOSS ACCOUNT</b>					
	<b>12months Dec 2025</b>	<i>12months Dec 2024</i>	<i>12months Dec 2023</i>	<i>12months Dec 2022</i>	<i>12months Dec 2021</i>
Gross earnings	1 131 774 786	794 430 083	516 355 140	282 981 556	212 012 446
Profit before windfall tax, minimum tax and income tax	202 100 396	111 895 170	104 431 449	36 570 063	22 716 659
Windfall tax	(7 573 475)	(17 671 442)	-	-	-
Taxation (charge) / credit	(17 255 988)	(20 886 260)	(11 413 830)	(5 441 372)	(1 799 934)
Profit after tax	177 270 933	73 337 468	93 017 619	31 128 691	20 916 725
Transfer to reserves	177 270 933	73 337 469	93 017 619	31 128 691	20 916 725
Basic earnings per share	3.99	2.38	4.48	1.56	1.05
Diluted earnings per share	3.99	2.38	4.48	1.56	1.05

**OTHER NATIONAL DISCLOSURES**  
**FIVE-YEAR FINANCIAL SUMMARY**

<b>COMPANY</b>					
<b>In thousands of Naira</b>	<b>31 DEC 2025</b>	31 DEC 2024	31 DEC 2023	31 DEC 2022	31 DEC 2021
<b>ASSETS EMPLOYED</b>					
Cash and cash equivalents	3 014 998	14 371 980	4 577 221	30 607	621 755
Investment securities	85 157 405	68 603 349	63 922 161	8 023 508	6 007 162
Other assets	26 181 421	13 219 384	6 285 010	6 353 476	7 849 591
Investment in subsidiaries	295 894 665	273 168 431	132 228 197	132 228 197	127 378 197
Property and equipment, and right of use assets	428 784	235 762	152 164	30 165	42 815
Intangible assets	149 160	157 345	181 887	12 094	-
	<b>410 826 433</b>	<b>369 756 251</b>	<b>207 346 640</b>	<b>146 678 047</b>	<b>141 899 520</b>
<b>FINANCED BY</b>					
Share capital	21 385 853	19 802 710	9 901 355	9 901 355	9 901 355
Additional Tier 1 (AT1) Capital issued	46 686 000	46 686 000	46 686 000	-	-
Share premium	267 574 383	246 431 292	115 392 414	115 392 414	115 392 414
Retained earnings	42 281 279	37 731 206	24 920 169	12 352 706	9 049 060
Other reserves	280 625	280 624	-	-	-
Current income tax liabilities	4 526 751	5 382 217	410 283	72 584	50 926
Deferred tax liabilities	1 071 390	4 361 472	1 834 361	-	-
Other liabilities	21 311 258	3 760 605	5 284 369	8 102 130	7 505 765
Borrowings	5 708 894	5 320 125	2 917 689	856 858	-
	<b>410 826 433</b>	<b>369 756 251</b>	<b>207 346 640</b>	<b>146 678 047</b>	<b>141 899 520</b>
Acceptances and guarantees	-	-	-	-	-
<b>PROFIT OR LOSS ACCOUNT</b>					
	<b>12months Dec 2025</b>	<b>12months Dec 2024</b>	<b>12months Dec 2023</b>	<b>12months Dec 2022</b>	<b>12months Dec 2021</b>
Gross earnings	41 718 740	43 507 278	24 300 090	8 965 995	6 461 307
Profit before windfall tax, minimum tax and income tax	31 980 828	38 175 230	21 355 337	7 288 386	5 108 311
Windfall tax	-	-	-	-	-
Taxation (charge) / credit	1 818 595	(7 772 543)	(2 195 918)	(24 198)	(19 613)
Profit after tax	33 799 423	30 402 687	19 159 419	7 264 188	5 088 698
Transfer to reserves	33 799 423	30 402 687	19 159 419	7 264 188	5 088 698
Basic earnings per share	0.62	0.83	0.94	0.37	0.26
Diluted earnings per share	0.62	0.83	0.94	0.37	0.26