

CITITRUST HOLDINGS PLC
Lagos, Nigeria
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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CORPORATE INFORMATION

Directors:	Mr. Ohio Ifiabor	Group Chairman
	Mr. Yemi Adefisan	Group Chief Executive
	Mr. Afolabi Martins	Group Executive Director, Finance and Strategy
	Mr. Lawal Danladi Yaro	Director
	Mrs. Oluwaseun Ajila (resigned on 29 October 2021)	Director
	Mr. Olaoye Oyelakin (resigned on 29 October 2021)	Director
	Mrs. Ogochukwu Temitope Kehinde (resigned on 29 October 2021)	Director
	Mr. Babafemi Lawal	Director
	Mr. Adebayo Adeleke	Director
	Mr. George Otieno	Director
	Mrs. Irozuru Meg Nkechinyere (appointed 19 November 2021)	Director
	Hajia. Shehu Rakiya Edota (appointed 19 November 2021)	Director
Company secretary:	Abayomi Adebayo	
	FRC/2022/PRO/NBA/002/364872	
Registration number:	RC 1550836	
Registered office:	No. 43 Ademola Street, Off Awolowo Way, Ikoyi, Lagos.	
Independent auditor:	Ernst & Young UBA House, 10th & 13th floors 57 Marina, Lagos Nigeria	
Principal bankers:	Access Bank Plc, Nigeria Keystone Bank Limited, Nigeria Sterling Bank Plc, Nigeria Zenith Bank Plc, Nigeria Providus Bank Limited, Nigeria Ecobank Kenya First National Bank, South Africa FDH Bank Limited, Malawi	

RESULT AT A GLANCE

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Financial Position				
Total assets	45,620,577	25,616,719	15,952,217	14,232,813
Net assets/(liabilities)	14,452,319	(1,487,188)	13,104,158	551,183
Share capital	1,250,000	500,000	1,250,000	500,000
Total equity	14,452,319	(1,487,188)	13,104,158	551,183
Number of shares in issue (units)	2,500,000	1,000,000	2,500,000	1,000,000
Financial Performance				
Profit/(loss) before income tax expense	5,055,944	(137,364)	217,139	13,752
Income tax (expense)/credit	(1,203,267)	(110,769)	(215,643)	58,034
Profit/(loss) for the year	3,852,677	(248,133)	1,496	71,786

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting to the members of Cititrust Holdings Plc ("the Company") and its subsidiaries ("the Group") their report together with the audited consolidated and separate financial statements for the year ended 31 December 2021.

LEGAL FORM

Cititrust Holdings Plc was incorporated in Nigeria as a holding company, under the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, on 3rd January 2019. The Company's registered office is No. 43 Ademola Street, Off Awolowo Way, Ikoyi Lagos.

PRINCIPAL ACTIVITIES

The Company is a financial holding company and its subsidiaries handle banking, asset management, private equities, stock brokerage, fund management, registrarship and alternative investments. The Company has eighteen (18) subsidiaries as at 31 December 2021 (31 December 2020: 9 subsidiaries) namely:

Cititrust Financial Services Limited

Cititrust Financial Services Limited was incorporated under the Companies and Allied Matters Act CAP C20, law of the Federation of Nigeria 2004 to hold, finance and administrate the following companies Livingtrust Mortgage Bank, First Option Microfinance Bank. Cititrust Portfolio Limited, Bermuda BDC, First Guarantee Healthcare Limited, Great Hope Insurance, Cititrust Portfolio Limited, etc. In the year 2021, the investments in Cititrust Financial Services Limited was disposed alongside some of its subsidiaries while the remaining subsidiaries were retained by Cititrust Holdings Plc and became direct subsidiaries under Cititrust Holdings Plc. See note 24.1 to the consolidated and separate financial statements for the analysis of the subsidiaries disposed and retained.

CFS Group (Ghana) Plc

CFS Group (Ghana) Plc is a holding company whose business is to hold, manage, finance and administer the following companies: Cititrust Capital Limited, Everbond Micro Credit, CFS Mortgage and Cititrust Alternative Investment Limited with Everbond Micro credit being the most significant of the group. The Company is a private group limited by shares, it is incorporated and domiciled in Ghana under the Companies Act, 2019 (Act 992).

CFS Asset Management Kenya

CFS (Kenya) Plc was incorporated under the Kenyan Companies Act. The principal activity is Fund management and Advisory services.

Cititrust Asset Management Limited, South Africa

Cititrust Asset Management Limited was incorporated as a private company in South Africa with interests in Asset Management industry. The Company operates and domiciled in South Africa.

Cititrust Asset Management Cote D'Ivoire

Cititrust Asset Management Limited was incorporated in Cote D'Ivoire with the primary activity of the Company as Asset Management and alternative investments such as commodities tradings.

Cititrust Investment Banking Rwanda

Cititrust Investment Banking Company Rwanda Limited is set up to carry out investment banking operations, foreign exchange activities, mobile money agents, other monetary intermediation, trust funds and similar financial entities, financial leasing, other credit granting.

Cititrust Investment & Trust SARL

CITITRUST Investment & Trust SARL was incorporated in Benin. The principal activity of the Company is to carry out Alternative investment services such as commodities tradings.

South Atlantic Asset Management Limited

South Atlantic Asset Management Limited is incorporated in Malawi under the Malawi Companies Act, 2013 and is domiciled in Malawi. The Company was incorporated in 2019. The Company is primarily engaged in the provision of financial services.

Cititrust Private Equity Limited

Cititrust Private Equity Limited was incorporated in Nigeria as a Private Limited Liability Company with the Corporate Affairs Commission (CAC) on 7 November 2019. Company was primarily established to carry out business as an Investment Management Company, to provide venture capital and growth capital by injecting capital into them to propel them to reach their potentials and achieving strong growth, profitability and eventually become market leaders of their respective industry sectors.

REPORT OF THE DIRECTORS - continued

PRINCIPAL ACTIVITIES - Continued

LivingTrust Mortgage Bank Plc

LivingTrust Mortgage Bank Plc (formerly Omoluabi Mortgage Bank Plc) is a public limited liability company domiciled in Nigeria. The address of the Bank's registered office is Old Governor's Office, Gbongan Road, Osogbo, Osun State. The Bank obtained its license to operate as a Mortgage Bank on the 24 February 1999 and commenced operations in March 1999. The Bank became a public limited liability company on 13 January 2014. The Bank changed its name from Omoluabi Mortgage Bank Plc to LivingTrust Mortgage Bank Plc on 7 October 2021. The Bank is primarily involved in business of Residential and Commercial Mortgage financing as well as construction finance among other financial services. This was formerly a subsidiary under Cititrust Financial Services Limited but became a direct subsidiary of Cititrust Holdings Plc due to disposal of Cititrust Financial Services Limited in the year 2021.

Atlass Portfolio Limited

Atlass Portfolio Limited was incorporated and registered on 26th July, 2002 under the companies Act, with duly issued license by The Nigerian Exchange Limited and Security and Exchange Commission. The Company specializes in assisting a diverse clientele base, which includes: government agencies, high net worth individuals, multi-nationals, insurance companies and small savers; to achieve set investment goals. The Company's equity is held by Nigerian citizen and a corporate organisation. The Company's office is located at 80, Norman Williams Street, off Keffi Street, Ikoyi, Lagos. The principal activities of Company is stockbroking. This was formerly a subsidiary under Cititrust Financial Services Limited but became a direct subsidiary of Cititrust Holdings Plc due to disposal of Cititrust Financial Services Limited in the year 2021.

Cititrust Capital Partners Limited

Cititrust Capital Partners Limited is a company domiciled in Nigeria. The Company's operating address is 77, Awolowo road, Ikoyi, Lagos. The principal activity of the Company is to carry on the business of Financial Advisory. This was formerly a subsidiary under Cititrust Financial Services Limited but became a direct subsidiary of Cititrust Holdings Plc due to disposal of Cititrust Financial Services Limited in the year 2021.

Cititrust Asset Management Limited

Cititrust Asset Management Limited is a Private Limited Liability Company limited by shares, incorporated and domiciled in Nigeria. The Company was registered on 5 November 2019 with Corporate Affairs Commission but started operations in November 2020 after obtaining operating licence from Securities Exchange Commission (SEC) to carry out business of Fund management, Investment advisory services and Portfolio management. This was formerly a subsidiary under Cititrust Financial Services Limited but became a direct subsidiary of Cititrust Holdings Plc due to disposal of Cititrust Financial Services Limited in the year 2021.

Cititrust Registrars and Data Solutions Limited

Cititrust Registrars and Data Solutions Limited was incorporated in Nigeria as a private Limited Liability Company in Nigeria on 25 September, 2020 with registration number RC 1715514. The shares are 100% owned by Nigerians and commenced operations in July 2021. The principal activities of the Company are:
Maintenance and update of the register of shareholders of companies, Process declaration of dividend and bonus issue, Processing shareholders cheques and dividend warrants, and Collation, allotment and issuance of certificates to subscribers.

Cititrust Financial Services Limited, Tanzania

Cititrust Financial Services Limited, Tanzania was incorporated in Tanzania under the Tanzania Companies Act, 2002 as a private company limited by shares with registration number 140565210 on 8 December 2019. However, the Company started operations in July 2021. The principal activity of the Company is that of microfinance service provider, licensed by the Bank of Tanzania.

South Atlantic Limited, Uganda

South Atlantic Limited was incorporated on 01 November 2019 and domiciled in Uganda. Company is primarily involved in providing loans and advances to customers as licensed under the Tier 4 Microfinance Institutions and Money Lending Act 2016.

Cititrust Capital (UK) Limited

Cititrust Capital (UK) Limited is a company limited by shares incorporated and registered in the Kingdom. The registered number of Company is 12925553. The registered office of Company Phoenix House Suite 2.10, 18, King William Street, London, EC4N 7BL, United Kingdom. The principal activity of Company for the period was that of financial consultancy and investments.

South Atlantic Asset Management (Proprietary) Limited

South Atlantic Asset Management (Proprietary) Limited is a private company incorporated and domiciled in and subject to the laws of Botswana. The address of its registered office is plot 17295, Molekangwetsi Crescent, Gaborone West Phase 1, Gaborone, Botswana and principal business of Company is asset management.

REPORT OF THE DIRECTORS - continued

PRINCIPAL ACTIVITIES - Continued

Cititrust Savings and Loans (Liberia) Limited

Cititrust Savings and Loans (Liberia) Limited ("the Bank") is a Microfinance Deposit-taking Institution (MDI) and domiciled in Liberia. The Bank was registered as limited liability company in Liberia on 2 November 2020. The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers as regulated by The Central Bank of Liberia (CBL) through the license issued to the Bank by the regulator.

STATE OF AFFAIRS

In the opinion of the Directors, the state of the Group and the Company's affairs is satisfactory and no event have occurred since the reporting date, which would affect the financial statements as presented.

DIVIDEND

The Directors do not recommend the payment of dividend for the year ended 31 December 2021 (2020: Nil).

DIRECTORS AND THEIR INTERESTS

The names of the Directors at the date of this report and of those who have held office during the period, together with their interests in the shares of the Company, were as follows:

Name of Director	No. of shares held as at 31 December 2021	No. of shares held as at 31 December 2020
Mr. Ohio Ifiabor	7,200,000	7,200,000
Mr. Yemi Adefisan	6,338,069	3,435,400
Mr. Afolabi Martins	2,670,794	23,038,378
Mr. Lawal Danladi Yaro	3,600,000	3,600,000
Mrs. Oluwaseun Ajila (resigned on 29 October 2021)	7,200,000	7,200,000
Mr. Olaoye Oyelakin (resigned on 29 October 2021)	7,200,000	7,200,000
Mrs. Ogochukwu Temitope Kehinde (resigned on 29 October 2021)	7,200,000	7,200,000
Mr. Praveen Thankappan (resigned on 8 May 2020)	-	5,400,000
	<u>41,408,863</u>	<u>64,273,778</u>

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors has notified the Group and the Company for the purpose of section 303 of the Companies and Allied Matters Act, 2020 of any disclosable interests in contracts with which the Group or Company is involved as at 31 December 2021.

SHAREHOLDING ANALYSIS

The analysis of the Company's shareholding is as follows:

As at 31 December 2021	No of shareholders	Percentage of shareholders	No of holdings	Percentage of holdings
Share range				
Above 20,000,000	88	32%	2,498,527,412	100%
10,000,000 - 20,000,000	76	28%	1,034,918	0%
Below 10,000,000	112	41%	437,670	0%
	<u>276</u>	<u>100%</u>	<u>2,500,000,000</u>	<u>100%</u>
As at 31 December 2020				
Share range				
Above 20,000,000	1	0%	854,798,800	85%
10,000,000 - 20,000,000	2	1%	33,174,464	3%
Below 10,000,000	222	99%	112,026,736	11%
	<u>225</u>	<u>100%</u>	<u>1,000,000,000</u>	<u>100%</u>

REPORT OF THE DIRECTORS - continued

PROPERTY AND EQUIPMENT

Information relating to changes in Property and equipment during the year are shown in Note 25 to the consolidated and separate financial statements.

Donations and charitable gifts

No donations were made during the year (2020: Nil)

EMPLOYMENT AND EMPLOYEES

Employment of disabled persons

It is the policy of the Group and the Company that there should be no discrimination in considering applications for employment including those for disabled persons. As at 31 December 2021, there was no disabled person in the employment of the Group and the Company.

Health, Safety & Welfare

Health and safety regulations are in force within the Group and Company's premises and employees are aware of existing regulations. The Group and the Company provides subsidy to all level of employees for medical, transportation, housing, etc.

Training

The Group and the Company attaches great importance to training and manpower development as an investment in its people and its future. The Group and the Company therefore sponsored various manpower development programmes for the staff during the year.

Events after the reporting period

Except as disclosed in note 36 to the audited consolidated and separate financial statements, there was no event after the reporting date which could have a material effect on the state of affairs of the Group as at 31 December 2021 or the profit or loss and other comprehensive income for the year then ended.

INDEPENDENT AUDITORS

Ernst & Young have expressed their willingness to continue in office as the Company's independent auditors in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020.

BY THE ORDER OF THE BOARD



Abayomi Adebayo
FRC/2022/PRO/NBA/002/364872
Company Secretary
Lagos, Nigeria
Date: 16 August 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The Companies and Allied Matters Act, 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group and the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and the Company and comply with the requirements of the Companies and Allied Matters Act, 2020.
- b) establishes adequate internal control to safeguard its assets and to prevent and detect fraud and other irregularities.
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgement and estimates, and are consistently applied.

The Directors accept responsibility for the consolidated and separate financial statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Boards and the requirements of the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria Act, No. 6, 2011 .

The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and the Company and of its performance for the year ended 31 December 2021. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal controls.

Nothing has come to the attention of the Directors to indicate that the Group and the Company will not remain a going concern for at least twelve months from the date of approval of the financial statements.



Ohio Ifiabor
Group Chairman
FRC/2021/003/00000022733



Yemi Adefisan
Group Chief Executive
FRC/2020/003/00000021059

Date: 16 August 2022

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Further to the provisions of section 405 of the Companies and Allied Matters Act, 2020, we, the undersigned, hereby certify the following with regards to our audited consolidated and separate financial statements for the year ended 31 December 2021:

i) We have reviewed the report and to the best of our knowledge, the report does not contain:

- Any untrue statement of a material fact, or
- Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- To the best of our knowledge, the consolidated and separate financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Group as of, and for the years presented in the report.

ii) We:

- are responsible for establishing and maintaining internal controls
- have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Group's internal controls as of date of the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

iii) We have disclosed to the auditors

- all significant deficiencies in the design or operation of internal controls which would adversely affect the Group's ability to record, process, summarize and report financial data and have identified for the Group's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the Group's internal controls.

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Yemi Adefisan
Group Chief Executive
FRC/2020/003/00000021059



Afolabi Martins
Group Executive Director, Finance and Strategy
FRC/2016/ICAN/00014414

Date: 16 August 2022



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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CITITRUST HOLDINGS PLC

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Cititrust Holdings Plc (the "Company") and its subsidiaries (together "the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2021, 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 and a summary of significant accounting policies and notes to the consolidated and separate financial statements.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2021, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITITRUST HOLDINGS PLC - Continued

Key Audit Matters - Continued

The Key Audit Matters apply equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p>Credit impairment for financial assets</p> <p>Financial assets (short term placements, loans and advances, debt securities and other receivables) constitute a significant portion (90%) of the Group's total assets. The International Financial Reporting Standards (IFRS) 9 - Financial Instruments requires the use of an expected credit loss model (ECL) for recognising impairment of financial instruments.</p> <p>The ECL model involves the application of considerable level of judgement and estimation in determining inputs for ECL calculation such as:</p> <ul style="list-style-type: none"> • determining criteria for assigning Probability of Default (PD) rate. • assessing the relationship between quantitative factors such as default and qualitative factors such as macro-economic variables. • incorporating forward looking information in the expected credit loss and establishing multiple scenarios with related probability weights. • factors incorporated in determining the Probability of Default (PD), the Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD). • factors considered in cash flow estimation including timing and amount. • factors considered in collateral valuation. <p>The determination of credit impairment for financial assets is considered a key audit matter given the materiality of balances of financial assets, and the level of complexity and judgement involved in the expected credit loss estimation.</p> <p>See Note 2.2.4 for the related accounting policies and Notes 12, 17.1, 18.2.1, 20.1, 21.2 and 22.1 of the consolidated and separate financial statements for details of the balances.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We reviewed management's criteria for default and significant increase in credit risk (SICR) by reviewing customer files and account statements for selected obligors to identify quantitative and qualitative indicators of SICR and default. • We reviewed the ECL model prepared by management for the computation of impairment on financial assets. • Obtained an understanding of the default definition(s) used in ECL calculation and focused on the most significant model assumptions including PD and LGD. • Tested the underlying data behind the determination of the probability of defaults and loss given defaults by agreeing same to underlying supporting documentations. • Critically evaluated the determination of the expected cash flows used in assessing and estimating impairments and the reasonableness of any assumptions. • Evaluated whether the model used to calculate the recoverable amount complies with the requirements of IFRS 9. • Examined the criteria used to allocate loans and advances to customers under stages 1, 2 and 3. • For loans and advances to customers classified under stages 1, we selected material balances and reviewed the repayment history for possible repayment default. • Tested historical data for recoveries on unsecured exposures and re-computed unsecured LGD in order to assess the reasonableness of LGD computations • Reviewed and challenged the reasonableness of collateral parameters. • For loans and advances to customers classified under stages 3, we tested all the assumptions considered in the estimation of recovery cash flows, the discount factor, and timing of realization. • Reviewed the disclosures for reasonableness to ensure conformity with the relevant accounting standards.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITITRUST HOLDINGS PLC - Continued

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Cititrust Holdings Plc, Lagos, Nigeria, Annual Report for the year ended 31 December 2021" which includes the Corporate information, Result at a glance, Report of the Directors, Statement of directors' responsibilities in relation to the preparation of the consolidated and separate financial statements, Statement of corporate responsibility for the consolidated and separate financial statements, and Other National Disclosures as required by the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria Act No. 6, 2011, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information 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 these consolidated and separate financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and for such internal control as the Directors determine necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITITRUST HOLDINGS PLC - Continued

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

- 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 auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current 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.

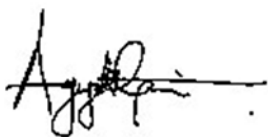
INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITITRUST HOLDINGS PLC - Continued

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Fifth schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of account have been kept by the Company, so far as it appears from our examination of those books;
- iii) The consolidated and separate statements of financial position and consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account.
- iv) In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.



Babayomi Ajijola
FRC/2013/ICAN/00000001196
For: Ernst & Young
Lagos, Nigeria.

Date: 23 August 2022



CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Gross revenue		12,068,612	3,993,683	1,058,075	1,316,510
Interest and similar income	4	4,002,387	1,705,448	-	-
Interest and similar expense	5	(2,339,978)	(922,339)	-	-
Net interest income		1,662,409	783,109	-	-
Fees and commission income	6	509,658	104,589	-	-
Fees and commission expense	7	(20,466)	(5,681)	-	-
Operating and investment income	8	1,131,398	381,320	930,000	775,500
Operating expenses	9	(417,800)	(207,643)	-	-
		2,865,199	1,055,694	930,000	775,500
Other operating income	10	6,425,169	1,802,326	128,075	541,010
Finance income	15	249,309	65,269	249,309	64,268
Finance costs	16	(426,969)	(417,298)	(445,761)	(821,608)
Net fair value (loss)/gain on equity instruments at fair value through profit or loss	11	(17,660)	12,998	-	-
Credit loss expenses	12	(355,236)	(353,512)	-	(22,858)
Personnel expenses	13	(1,564,728)	(1,040,619)	(178,162)	(156,857)
Other operating expenses	14	(2,119,140)	(1,262,222)	(466,322)	(365,703)
Profit/(loss) before income tax expense		5,055,944	(137,364)	217,139	13,752
Income tax (expense)/credit	17	(1,203,267)	(110,769)	(215,643)	58,034
Profit/(loss) for the year		3,852,677	(248,133)	1,496	71,786
<i>Attributable to:</i>					
Equity holders of the parent		3,647,820	(257,128)	1,496	71,786
Non-controlling interests		204,857	8,995	-	-
		3,852,677	(248,133)	1,496	71,786
Other comprehensive income:					
<i>Other comprehensive loss/(income) items that may be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Foreign currency translation	33.2	(434,635)	25,609	-	-
<i>Other comprehensive loss items that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Fair value loss on equity securities	19.3.1	(9,914)	(4,115)	-	-
Total other comprehensive (loss)/income		(444,549)	21,494	-	-
Total comprehensive income/(loss) for the year		3,408,128	(226,639)	1,496	71,786
<i>Attributable to:</i>					
Equity holders of the parent		3,214,851	(233,975)	1,496	71,786
Non-controlling interests		193,277	7,336	-	-
		3,408,128	(226,639)	1,496	71,786
Basic and diluted earnings/(loss) per share (kobo)	34	146	(26)	0.06	7

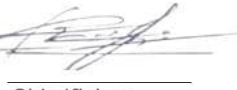
The accompanying notes to the consolidated and separate financial statements form an integral part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	Group		Company	
		2021	2020	2021	2020
		₦'000	₦'000	₦'000	₦'000
Assets					
Cash and bank balances	18	5,285,225	3,508,966	1,013,788	1,069,065
Investment securities:					
At fair value through profit or loss	19.1	663,826	139,729	-	-
At amortised cost	19.2	12,925,683	5,367,951	173,073	203,960
At fair value through other comprehensive income	19.3	96,803	106,717	-	-
Inventories	20	-	309,408	-	-
Trade receivables	21	342,368	246,257	-	200,622
Other receivables	22	13,637,218	7,275,488	6,911,707	1,204,641
Loans and advances	23	10,926,212	7,148,246	-	-
Investment in subsidiaries	24	-	-	7,458,676	11,212,910
Property and equipment	26	1,193,981	949,356	394,973	341,615
Intangible assets	27	195,945	285,499	-	-
Right-of-use assets	32	169,966	11,051	-	-
		45,437,227	25,348,668	15,952,217	14,232,813
Non-current assets held for sale	28	183,350	268,051	-	-
Total assets		45,620,577	25,616,719	15,952,217	14,232,813
Liabilities					
Customer deposits	29	23,828,524	13,477,815	-	-
Trade and other payables	30	1,840,824	3,690,897	660,184	720,535
Current income tax	17.2	1,244,601	382,932	133,225	19,605
Interest-bearing loans and borrowings	31	4,136,772	9,530,509	1,952,627	12,941,490
Deferred tax liabilities	17.3	117,537	21,754	102,023	-
Total liabilities		31,168,258	27,103,907	2,848,059	13,681,630
Equity					
Share capital	33	1,250,000	500,000	1,250,000	500,000
Share premium	33.1	11,801,479	-	11,801,479	-
Foreign currency translation reserves	33.2	(448,434)	(18,702)	-	-
Statutory reserves	33.3	124,252	30,084	-	-
Regulatory risk reserves	33.5	136,048	67,490	-	-
Fair value reserves		(8,390)	(2,461)	-	-
Retained earnings/(losses)	33.4	285,801	(3,139,276)	52,679	51,183
Shareholders' funds		13,140,756	(2,562,865)	13,104,158	551,183
Non-controlling interests	25	1,311,563	1,075,677	-	-
Total equity		14,452,319	(1,487,188)	13,104,158	551,183
Total equity and liabilities		45,620,577	25,616,719	15,952,217	14,232,813

These consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 16 August 2022 and signed on its behalf by:


Yemi Adefisan
Group Chief Executive
FRC/2020/003/00000021059


Ohio Ifiabor
Group Chairman
FRC/2021/003/00000022733


Afolabi Martins
Group Executive Director, Finance and Strategy
FRC/2016/ICAN/00014414

The accompanying notes to the consolidated and separate financial statements form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Group

	Share capital	Share Premium	Statutory reserves	Regulatory risk reserves	Fair value reserves	Retained earnings	Foreign currency translation reserve	Shareholders' Funds	Non-controlling interests	Total Equity
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000		₦'000	₦'000
At 1 January 2020	500,000	-	3,612	-	-	(2,792,975)	(44,317)	(2,333,680)	2,737	(2,330,943)
Prior year IFRS adjustment (Note 33.4)	-	-	-	-	-	4,789	-	4,789	-	4,789
Adjusted 1 January 2020	500,000	-	3,612	-	-	(2,788,186)	(44,317)	(2,328,891)	2,737	(2,326,154)
Loss for the year	-	-	-	-	-	(257,128)	-	(257,128)	8,995	(248,133)
Other comprehensive loss	-	-	-	-	(2,461)	-	25,615	23,154	(1,660)	21,494
Total other comprehensive loss for the year	-	-	-	-	(2,461)	(257,128)	25,615	(233,974)	7,335	(226,639)
<i>Transfers within equity</i>										
Transfers to reserves	-		26,472	67,490	-	(93,962)	-	-	-	-
Total Transfers	-		26,472	67,490	-	(93,962)	-	-	-	-
<i>Transactions with equity holders:</i>										
Business acquisition (Note 34.1)	-	-	-	-	-	-	-	-	1,065,605	1,065,605
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	1,065,605	1,065,605
As at 31 December 2020	500,000	-	30,084	67,490	(2,461)	(3,139,276)	(18,702)	(2,562,865)	1,075,677	(1,487,188)
As at 1 January 2021	500,000	-	30,084	67,490	(2,461)	(3,139,276)	(18,702)	(2,562,865)	1,075,677	(1,487,188)
Profit for the year	-	-	-	-	-	3,647,820	-	3,647,820	204,857	3,852,677
Other comprehensive loss, net of tax	-	-	-	-	(5,929)	-	(429,732)	(435,661)	(8,888)	(444,549)
Total other comprehensive loss for the year	-	-	-	-	(5,929)	3,647,820	(429,732)	3,212,159	195,969	3,408,128
<i>Transfers within equity</i>										
Transfers to reserves	-	-	97,780	71,777	-	(169,557)	-	-	-	-
Total Transfers	-	-	97,780	71,777	-	(169,557)	-	-	-	-
<i>Transactions with equity holders:</i>										
Issue of shares	750,000	11,801,479	-	-	-	-	-	12,551,479	-	12,551,479
Dividend paid	-	-	-	-	-	-	-	-	(20,100)	(20,100)
Total transactions with owners of the Company	750,000	11,801,479	-	-	-	-	-	12,551,479	(20,100)	12,531,379
As at 31 December 2021	1,250,000	11,801,479	127,864	139,267	(8,390)	338,987	(448,434)	13,200,773	1,251,546	14,452,319

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Company

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total Equity N'000
At 1 January 2020	500,000	-	(20,603)	479,397
Profit for the year	-	-	71,786	71,786
Other comprehensive income	-	-	-	-
Total other comprehensive loss for the year	-	-	71,786	71,786
<i>Transactions with equity holders:</i>				
Issue of shares	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
At 31 December 2020	500,000	-	51,183	551,183
Profit for the year	-	-	1,496	1,496
Other comprehensive income	-	-	-	-
Total other comprehensive loss for the year	-	-	1,496	1,496
<i>Transactions with equity holders:</i>				
Issue of shares	750,000	11,801,479	-	12,551,479
Total transactions with owners of the Company	750,000	11,801,479	-	12,551,479
At 31 December 2021	1,250,000	11,801,479	52,679	13,104,158

The accompanying notes to the consolidated and separate financial statements form an integral part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Group		Company	
		2021	2020	2021	2020
		₦'000	₦'000	₦'000	₦'000
Operating activities					
Profit/(loss) before income tax expense		5,055,944	(137,364)	217,139	13,752
<i>Adjustments to reconcile profit/(loss) before tax to net cash flows:</i>					
Depreciation of property, plant and equipment	14	236,024	130,804	46,443	23,201
Amortisation of intangible assets	14	18,188	8,892	-	-
Depreciation of right-of-use assets	14	35,201	3,817	-	-
Loss on disposal of property and equipment	14	-	2,222	-	-
Write-off of other assets	14	-	-	-	-
Bad debt written off	14	53,732	90,458	-	74,087
Credit loss expense	12	355,236	353,512	-	22,858
Net fair value loss/(gain) on equity instruments at fair value through profit or loss	11	17,660	(12,998)	-	-
Profit from sale of property & equipment	10	(116)	-	-	(3,266)
Loss/(profit) on disposal of equity Investment	10	8,492	(21,940)	-	-
Profit from disposal of investments in subsidiaries	10	(2,745,254)	(1,613,034)	(115,000)	(517,760)
Finance income	15	(249,309)	(65,269)	(249,309)	(64,268)
Finance costs	16	426,969	417,298	445,761	821,608
<i>Working capital adjustments:</i>					
Change in loan and advances		(2,838,085)	(7,319,888)	-	-
Change in trade receivables		(96,111)	969,067	200,622	(79,212)
Change in other receivables		(3,455,982)	(5,108,217)	(6,113,842)	(1,606,913)
Change in inventories		309,408	(145,108)	-	-
Change in investment at amortised costs		(6,912,395)	(5,687,111)	30,886	(203,961)
Changes in customer deposits		10,350,709	8,751,912	-	-
Changes in trade and other payables		(1,750,073)	2,759,985	(60,351)	365,023
Income tax paid	17.2	(229,136)	(58,242)	-	-
Net cash flows used in operating activities		(1,408,897)	(6,681,204)	(5,597,651)	(1,154,851)
Investing activities					
Purchase of property and equipment	26	(600,425)	(506,918)	(99,801)	(149,391)
Proceed from disposal of property and equipment		119,891	496,347	-	6,000
Net cash and cash equivalents acquired	35.9	-	(976,726)	-	-
Purchase of intangible assets	27	(34,484)	(47,773)	-	-
Proceed from disposal of intangible assets		24,213	235	-	-
Additions to non-current assets held for sale	28	(18,817)	(17,514)	-	-
Disposal of non-current assets held for sale	28	103,518	44,713	-	-
Finance income received		-	-	249,309	64,268
Recall of uninvested funds	24.1	6,032,712	-	6,032,712	-
Proceeds from disposal of subsidiaries	24.1	824,183	1,887,384	1,560,000	520,000
Prepaid lease payments	32	(209,753)	(9,918)	-	-
Purchase of equity investment	19.1	(4,725,342)	(304,399)	-	-
Proceeds from disposal of equity investments	19.1	7,133,548	199,608	-	-
Investment in subsidiaries	24	-	-	(3,723,478)	(9,738,344)
Net cash flows from/(used in) investing activities		8,649,244	765,039	4,018,742	(9,297,467)
Financing activities					
Proceeds from issue of shares	33	-	-	12,551,479	-
Repayment of principal	31.8	(6,945,080)	(92,077)	(10,789,277)	(440,640)
Interest paid	31.8	(335,840)	(35,146)	(38,984)	(6,018)
Proceeds from interest-bearing loan and borrowings	31.8	1,936,840	6,438,080	-	9,744,075
Net cash flows (used in)/from financing activities		(5,344,080)	6,310,857	1,723,218	9,297,417
Net increase/(decrease) in cash and cash equivalents		1,896,267	394,692	144,309	(1,154,901)
Cash and cash equivalents as at 1 January		1,507,756	1,113,064	(981,414)	173,487
Cash and cash equivalents as at 31 December	18.2	3,404,023	1,507,756	(837,105)	(981,414)
Interest received		4,550,943	1,712,568	-	-
Interest paid on customer deposits		(1,339,978)	(422,339)	-	-

The accompanying notes to the consolidated and separate financial statements form an integral part of these consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Corporate information

Cititrust Holdings Plc was incorporated in Nigeria as a holding company, under the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, on 3rd January 2019. The Company's registered office is No. 43 Ademola Street Off Awolowo Way, Ikoyi Lagos.

Principal Activities

The Company is a financial holding company and its subsidiaries handle banking, asset management, private equities, stock brokerage, fund management, registrarship and alternative investments.

2 Significant accounting policies

2.1 Basis of preparation

a) Statement of Compliance

The consolidated and separate financial statements of the Company has been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and the requirements of Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act No. 6, 2011. The consolidated and separate financial statements have been prepared on a going concern basis.

b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except where otherwise stated that an element of the financial statements have been measured at fair value.

c) Functional and presentation currency

The financial statements values are presented in Nigerian Naira (₦), which is the functional currency of the Parent. All information presented in Naira have been rounded to the nearest thousand unless otherwise stated.

d) Composition of financial statements

In accordance with IFRS accounting presentation, the financial statements comprise:

- Consolidated and separate statements of financial position
- Consolidated and separate statements of profit or loss and other comprehensive income
- Consolidated and separate statements of changes in equity
- Consolidated and separate statements of cash flows
- Notes to the consolidated and separate statement financial statements

e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.1 Basis of preparation - continued

e) Basis of consolidation - continued

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combination under common control

A business combination is a common control combination if the combining entities are ultimately controlled by the same party (or parties) both before and after the combination and common control is not transitory. The Group accounts for this business combination using pooling of interest method. On the date of transfer, the assets and liabilities are transferred to the acquirer at their carrying value, no adjustments are made to reflect their fair value and no goodwill is recognised. Any difference between the consideration transferred and the acquired net assets (or liabilities) is reflected within equity. The assets and liabilities are reflected prospectively in the Group's financial statements from the date of transfer without restating the comparative period.

Non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on the proportionate amount of the net assets of the subsidiary.

Non-controlling interests are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.1 Basis of preparation - continued

Use of estimates and judgements

The preparation of financial statements in conformity with accounting principles generally accepted in Nigeria requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is presented as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are presented as non-current.

A liability is presented as current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax and liabilities are classified as non-current assets and liabilities.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.2.1 Operating and investment income

Operating and investment income is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and Company expects to be entitled in exchange for those goods or services. The Group and Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to customer.

The Group and Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Group and Company reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Group and Company has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below.

Sale of goods - Sale of property stock

Revenue from Sale of Property Stock is recognised at the point in time when control of the asset is transferred to the customer, generally on transfer of the property. The normal credit term is 30 to 90 days upon transfer. The Group and Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of property, the Group and Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Significant financing component

Using the practical expedient in IFRS 15, the Group and Company does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Group and Company does not adjust any of the transaction prices for the time value of money.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - Continued

2.2.2 Taxes

Income tax expense

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

Current income tax

Current tax is the expected tax payable on taxable profit for the year, using tax rates determined in accordance with the Company Income Tax Act (CITA) at the reporting date, and any adjustment to tax payable in respect of previous years.

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 measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. 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.

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

2.2.3 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand, cash at bank and short-term highly liquid deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i *Financial assets*

Initial recognition and measurement

All financial instruments are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Financial assets are measured initially at fair value plus, except for a financial asset measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue; and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

A trade receivable without a significant financing component is initially measured at the transaction price

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

2.2.4 Financial instruments - continued

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash at bank, and trade receivables and receivables due from related parties.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets designated at fair value through profit or loss

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in fair value of an investment security that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is included directly in the profit or loss and reported as 'Net fair value gain/loss' in the year in which it arises. Dividend or interest income from these financial assets is recognized in profit or loss as other income or interest income respectively.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

2.2.4 Financial instruments - continued

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii *Financial liabilities*

Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings and trade and other payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. The Effective Interest Rate amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

2.2.4 Financial instruments - continued

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.2.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

2.2.5 Leases - continued

ii) Lease liabilities - continued

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of buildings that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.2.6 Impairment of non-financial assets

The Group assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication of impairment exists; the carrying amount is greater than an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level (Cash generating unit) at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets.

An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. Impairment losses recognized in prior periods can be reversed up to the original carrying amount, had the impairment loss not been recognized. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Recognition and measurement

All categories of property and equipment are recognised initially only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Property and equipment are initially measured at cost. Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. The cost of Property and Equipment includes expenditures that are directly attributable to the acquisition of the asset. 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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

2.2.7 Property and equipment - Continued

Subsequent costs

Subsequent expenditure that leads to improvement are capitalised in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss during the financial year in which they are incurred.

Depreciation

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

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

Land and Building	10%
Plant & Machinery	20%
Motor vehicle	25%
Computer equipment	25%
Office equipment	20%
Furniture and fittings	20%

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

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.

2.2.8 Intangible assets

Intangible assets are recognised when it meets the definition of an intangible asset, it is probable that economic benefits attributable to the assets will flow to the entity and the costs can be reliably measured. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

2.2.8 Intangible assets - continued

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

a *Software*

Software acquired by the entity 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.

b *Goodwill*

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred over the Company's share in the net identifiable assets acquired and liabilities assumed and net of the fair value of any previously held equity interest in the acquiree. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to an appropriate cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment on goodwill

Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the value in use of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts.

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

2.2.9 Non-current assets held for sale

Property, plant and equipment and intangible asset classified as Held for sale are not depreciated or amortized. The Group recognizes all impairment losses for any initial or subsequent write down of the asset to fair value less cost to sell, a gain is recognized in any subsequent increase in fair value less cost to sell of an asset held for sale, up to the cumulative impairment loss that has been recognized. A gain or loss not previously recognized by the date of the sale of a non-current asset shall be recognized at the date of de-recognition. An impairment loss recognized will reduce the carrying amount of the non-current asset held for sale.

2.2.10 Employee benefits

Short-term benefits

Wages, salaries, paid annual leave, bonuses, contributory pension scheme and non-monetary benefits are recognised as employee benefit expenses when the associated services are rendered by the employees of the Group.

2.2.11 Share capital and reserves

Ordinary Share Capital: The ordinary share capital of the entity is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity net of any tax effects.

2.2.12 Fair value measurements

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received on the sale of the financial asset or paid to transfer a liability to a third party in an orderly transaction between market participants at the measurement date.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

2.2.12 Determination of fair values - continued

Therefore, the fair values of quoted investments in active markets are based on current market prices. Since actual market prices are available in determining fair value, no significant estimates or valuation model is applied in the determination of the fair value of quoted financial instruments.

Fair values are determined according of the following hierarchy based on the requirements of IFRS 13 - Fair Value Measurement:

Level 1: Quoted Market Prices: Financial assets and liabilities with quoted prices for identical instruments in active market.

Level 2: Valuation techniques using observable inputs: Quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities using models where all significant inputs are observable.

Level 3: Valuation techniques using significant unobservable inputs: Financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.

The best evidence of fair value remains the quoted price in an active market. In the event that the market price for a financial asset or liability is not active, the valuation technique is used. Whatever method used is applied consistently.

2.2.13 Foreign currencies

The Group's consolidated financial statements are presented in Naira, which is also the Parent group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Naira at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

2.2.14 Recognition of interest income

Interest income and interest expenses

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest and similar income' and 'interest and similar expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument.

The application of the method has the effect of recognizing income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Group estimates cash flows considering all contractual terms of the financial instrument but excluding future credit losses.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

2.2.15 Fees and commission income

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. When the Group provides a service to its customer, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating or participating in the negotiation of a transaction from a third party, such as the acquisition of bonds, treasury bills, shares or other securities or the purchase or sale of derivative instruments, are recognised on completion of the underlying transaction.

2.2.16 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: Purchase cost on a first-in/first-out basis
- Finished goods and work in progress: cost of direct materials and labour.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.2.17 Provisions

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

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.2.18 Business combination

A business combination involves restructuring the relationship between entities under common control. It is the transfer of assets (shares or business of a group entity), from one group entity to another. This may be between existing or newly formed entities within the group. Common control means all the combining entities or businesses are ultimately controlled by the same party both before and after the combination.

The Group accounts for combination involving entities under common control using pooling of interest method. On the date of transfer, the assets and liabilities are transferred to the acquirer at their carrying value, no adjustments are made to reflect their fair value, and no new goodwill is recognised.

The assets and liabilities transferred are reflected prospectively in the Group's consolidated and separate financial statements from the date of transfer without restating the comparative period.

Disposal of investments in subsidiaries

On loss of control, the Group derecognises its investments in the subsidiary. Any gain or loss arising from the loss of control is recognised in profit or loss. If the Group retains any interest in such subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset elected to be measured at fair value through other comprehensive income depending on the level of influence retained.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.3 Changes in accounting policies and disclosures

Standards issued but not yet effective, New and amended standards and interpretations issued and effective in 2021

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated and separate financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The amendments is not expected to have a significant impact on the Group's consolidated and separate financial statements.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2017 (the Conceptual Framework) without significantly changing its requirements. Effective for annual periods beginning on or after 1 January 2022.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

The amendments to IFRS 3 is not expected to have a significant impact on the Group's consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Standards issued but not yet effective - Continued

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

Effective for annual periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

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

The amendments to IAS 16 is not expected to have a significant impact on the consolidated and separate financial statements of the Group.

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

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. Effective for annual periods beginning on or after 1 January 2022.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments to IAS 37 is not expected to have a significant impact on the consolidated and separate financial statements of the Group.

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

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendment will be effective for annual periods beginning on or after 1 January 2023. The Group is currently assessing the impact on its financials.

IFRS 1 First-time Adoption of International Financial Reporting Standards: Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments will not have impact on the consolidated and separate financial statements of the Group.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Standards issued but not yet effective - Continued

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

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments will not have impact on the consolidated and separate financial statements of the Group.

IAS 41 Agriculture: Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted. This amendment will not have impact on the consolidated and separate financial statements of the Group.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. Effective for annual periods beginning on or after 1 January 2022.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument

The amendments to IAS 1 is not expected to have a significant impact on the Group's consolidated and separate financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments to IAS 8 is not expected to have a significant impact on the Group's consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Standards issued but not yet effective - Continued

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. Earlier application is permitted. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

However, the Group has not received Covid-19-related rent concessions.

2.4 New and amended standards and interpretations in 2021

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

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- To permit changes required by IBOR reform to be made to hedge designations and hedge documentation.
- To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Group for the reporting year. The Group intends to use the practical expedients in future periods if they become applicable.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties are disclosed under financial risk management.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.5 Significant accounting judgements, estimates and assumptions - Continued

a) Key estimates and assumptions

Taxes

The Group is subject to income taxes. Significant estimates are required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes 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 provision in the period in which such determination is made. See note 16.2

Deferred tax assets are recognised for unused tax losses and capital allowances carried forward to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. See note 16.4

Allowance for impairment on trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the various sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. See note 39.1.1.

Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The internal credit grading model, which assigns PDs to the individual grades
- The criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary. See note 39.1.1.

Effective Interest Rate (EIR) method

The Group's EIR method recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the Group's base rate and other fee income/expense that are integral parts of the instrument.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.5 Significant accounting judgements, estimates and assumptions - Continued

b) Judgements

Revenue from contracts with customers

The Group and the Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Identifying performance obligations in a bundled sale of property and maintenance services

The Group and the Company provides planned preventive maintenance and property life cycle maintenance that are sold separately or bundled together with the sale of property to a customer. The maintenance services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the Company and the customer.

The Group and the Company determined that the property, and the maintenance services are capable of being distinct. The fact that the Group and the Company regularly sells both property, and maintenance on a stand-alone basis indicates that the customer can benefit from each of the products on their own. The Group and the Company also determined that the promises to transfer the property and to provide maintenance are distinct within the context of the contract. The property and the maintenance are not inputs to a combined item in the contract.

In addition, the property and the maintenance are not highly interdependent or highly interrelated, because the Group and the Company would be able to transfer the property even if the customer declined maintenance and would be able to provide maintenance in relation to products sold by other distributors. Consequently, the Group and the Company allocated a portion of the transaction price to the property and the maintenance service based on relative stand-alone selling prices.

Determining the timing of satisfaction of sales of property stock

The Group and the Company concluded that revenue for sales of property stock is to be recognised at a point in time; when the customer obtains control of the property. The Group and the Company assess when control is transferred using the indicators below:

- The Group and the Company has a present right to payment for the product;
- The customer has legal title to the product;
- The Group and the Company has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the product; and
- The customer has accepted the asset

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew or to terminate.

The Group has however concluded that its leases are only enforceable for the periods that payments have been made and has therefore not recognised lease liabilities for any future lease payment. See note 32

Property and equipment

Judgements are utilised in determining the depreciation rates and useful lives of these assets at the end of the period. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the summarized accounting policies. Refer to Note 25.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on weighted cost basis. Cost comprises suppliers' invoices price and where appropriate freight and other charges incurred to bring the materials to their location. Goods in transit are valued at the invoice price. Reversal (Limited to the amount of the original write-down) is required for a subsequent increase in value of the previously written down in certain circumstances. The write-down is expensed in the profit or loss account and reversal on write-downs down are recognized as a reduction of inventories recognized as expenses. See note 19.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Segment information

For management purposes, the Group is organised into business units based on its services and reportable segments, as follows:

Cititrust Holdings Plc provides holding services to all its subsidiaries. Segments include holding company, mortgage banking (Livingtrust Mortgage Bank Plc), Micro credit (Ghana CFS), Private equity, Asset management & Alternative investments. The Group management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated and separate financial statements.

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below. The sources of revenue from all other segments relate to dividend income from its investment. An analysis of the Group's statement of profit or loss, total assets and liabilities are, as follows:

Segment profit or loss

	Holding company	Mortgage banking	Micro credit	Private equity	Asset management & Alternative investments	Total Segments	Adjustments and Eliminations	Consolidated
	₦'000	₦'000	₦'000		₦'000	₦'000	₦'000	₦'000
31 December 2021								
Interest and similar income	-	1,269,404	1,151,938	1,183,416	777,133	4,381,891	(379,504)	4,002,387
Interest and similar expense	-	(231,817)	(521,799)	(1,418,679)	(508,203)	(2,680,498)	340,520	(2,339,978)
Net interest income	-	1,037,587	630,139	(235,263)	268,930	1,701,393	(38,984)	1,662,409
Fees and commission income	-	155,485	-	4,151	350,022	509,658	-	509,658
Fees and commission expense	-	-	-	(6,761)	(13,705)	(20,466)	-	(20,466)
Operating and other investment income	930,000	202,783	-	69,954	454,724	1,657,461	(313,386)	1,344,075
Operating expenses	-	-	(121,416)	(133,000)	(476,770)	(731,186)	313,386	(417,800)
	930,000	1,395,855	508,723	(300,919)	583,201	3,116,860	(38,984)	3,077,876
Other operating income	128,075	116	70,069	3,242,283	141,695	3,582,238	-	3,582,238
Net finance costs	(445,761)	-	(8,148)	-	237,265	(216,644)	38,984	(177,660)
Net fair value gain on equity instruments at fair value through profit or loss	-	-	-	-	(17,660)	(17,660)	-	(17,660)
Credit loss expenses	-	53,632	-	(1,248,805)	(255,121)	(1,450,294)	1,095,058	(355,236)
Personnel expenses	(178,162)	(310,469)	(197,523)	(222,461)	(656,113)	(1,564,728)	-	(1,564,728)
Other operating expenses	(466,322)	(370,923)	(161,603)	(279,894)	(533,949)	(1,812,691)	(306,449)	(2,119,140)
Profit/(loss) before income tax expense	(32,170)	768,211	211,518	1,190,204	(500,682)	1,637,081	788,609	2,425,690
Income tax expense	(215,643)	(261,248)	(92,710)	(701,553)	67,887	(1,203,267)	-	(1,203,267)
Profit/(loss) for the year	(247,813)	506,963	118,808	488,651	(432,795)	433,814	788,609	1,222,423
Total assets	15,952,217	11,386,492	2,740,989	14,090,854	10,277,209	54,447,761	(8,827,185)	45,620,577
Total liabilities	2,848,059	8,162,333	2,105,540	12,897,358	7,964,920	33,978,210	(2,809,953)	31,168,258

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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Segment profit or loss - continued

	Holding company	Mortgage banking	Commercial banking	Private equity	Asset management & Alternative investments	Total Segments	Adjustments and Eliminations	Consolidated
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
31 December 2020								
Interest and similar income	-	992,249	877,727	313,506	20,265	2,203,747	(498,299)	1,705,448
Interest and similar expense	-	(459,654)	(328,368)	(134,236)	(41,480)	(963,738)	41,399	(922,339)
Net interest income	-	532,595	549,359	179,270	(21,215)	1,240,009	(456,900)	783,109
Fees and commission income	-	78,808	-	25,452	329	104,589	-	104,589
Fees and commission expense	-	(5,634)	-	-	(47)	(5,681)	-	(5,681)
Operating and investment income	775,500	190,411	-	-	128,869	1,094,780	(713,460)	381,320
Operating expenses	-	(24,504)	(87,322)	-	(252,698)	(364,524)	156,881	(207,643)
	775,500	771,676	462,037	204,722	(144,762)	2,069,173	(1,013,479)	1,055,694
Other operating income	541,010	1,128,304	9,194	23,074	5,550	1,707,132	95,194	1,802,326
Net Finance costs	(821,608)	-	(1,844)	-	14,523	(808,929)	456,900	(352,029)
Net fair value gain on equity instruments at fair value through profit or loss	-	1,045	-	11,953	-	12,998	-	12,998
Credit loss expenses	(22,858)	(26,129)	(12,759)	(316,967)	25,201	(353,512)	-	(353,512)
Personnel expenses	(156,857)	(683,653)	(136,073)	(21,536)	(42,500)	(1,040,619)	-	(1,040,619)
Other operating expenses	(365,703)	(1,124,264)	(124,751)	(3,219)	(79,792)	(1,697,729)	435,507	(1,262,222)
Profit/(loss) before income tax expense	(50,516)	66,979	195,804	(101,973)	(221,780)	(111,486)	(25,878)	(137,364)
Income tax expense	58,034	(25,149)	(72,166)	(67,534)	(3,954)	(110,769)	-	(110,769)
Profit/(loss) for the year	7,518	41,830	123,638	(169,507)	(225,734)	(222,255)	(25,878)	(248,133)
Total assets	14,232,813	17,808,619	2,710,529	8,683,943	842,150	44,278,054	(18,661,335)	25,616,719
Total liabilities	13,681,630	18,990,903	2,192,478	8,803,451	898,935	44,567,397	(17,463,490)	27,103,907

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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4 Interest and similar income

Interest and similar income calculated using the effective interest method

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Analysis by type:				
Loans and advances to customers	1,202,135	1,177,034	-	-
Debt instruments at amortized cost	1,464,516	345,687	-	-
Placements with other banks	1,332,292	119,697	-	-
Current accounts with banks	3,444	63,030	-	-
	<u>4,002,387</u>	<u>1,705,448</u>	<u>-</u>	<u>-</u>

5 Interest and similar expense

Interest and similar expense calculated using the effective interest method

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Interest expense on borrowings	119,399	49,048	-	-
Interest expense on deposits from customers	2,220,579	873,291	-	-
	<u>2,339,978</u>	<u>922,339</u>	<u>-</u>	<u>-</u>

6 Fees and commission income

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Credit related fees	60,509	62,157	-	-
Commissions and account maintenance charges	136,472	39,789	-	-
Brokerage fees	195,320	2,643	-	-
Financial advisory fees	117,357	-	-	-
	<u>509,658</u>	<u>104,589</u>	<u>-</u>	<u>-</u>

7 Fees and commission expense

	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Commission paid	20,466	5,681	-	-
	<u>20,466</u>	<u>5,681</u>	<u>-</u>	<u>-</u>

8 Operating and investment income

Set out below is the disaggregation of Group's revenue from contracts with customers:

		Group		Company	
		2021	2020	2021	2020
		₦'000	₦'000	₦'000	₦'000
Royalties	Note 8.1	616,614	160,500	930,000	775,500
Sales of foreign currency		115,807	-	-	-
Sale of properties*		398,977	128,869	-	-
Health Maintenance Organisation		-	91,951	-	-
		<u>1,131,398</u>	<u>381,320</u>	<u>930,000</u>	<u>775,500</u>
Timing of revenue recognition					
Services transferred at a point in time		1,131,398	381,320	930,000	775,500
		<u>1,131,398</u>	<u>381,320</u>	<u>930,000</u>	<u>775,500</u>
By geographical location:					
Domestic		1,131,398	381,320	680,000	547,500
International		-	-	250,000	228,000
		<u>1,131,398</u>	<u>381,320</u>	<u>930,000</u>	<u>775,500</u>

8.1 This relates to monthly fees Company charges the subsidiaries for using its franchise

* This relates to income earned on disposal of properties by Cititrust Cote D'ivoire.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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9 Operating expenses

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Direct cost of sales	375,467	-	-	-
Purchase of foreign currency	42,333	-	-	-
Materials	-	183,139	-	-
HMO Claims paid	-	24,504	-	-
	<u>417,800</u>	<u>207,643</u>	<u>-</u>	<u>-</u>

10 Other operating income

Foreign exchange gain		317,007	9,499	9,092	1,757
Sundry income	Note 10.1	200,152	59,393	3,983	18,227
Banking services		202,783	98,270	-	-
Insurance claims		-	190	-	-
Dividend income		9,894	-	-	-
Gain on disposal of unquoted equity investments	Note 10.2	2,958,455	-	-	-
Profit from sale of property & equipment		116	-	-	3,266
(Loss)/profit on disposal of quoted equity Investment	Note 19.1	(8,492)	21,940	-	-
Profit from disposal of investments in subsidiaries	Note 24.1	2,745,254	1,613,034	115,000	517,760
		<u>6,425,169</u>	<u>1,802,326</u>	<u>128,075</u>	<u>541,010</u>

10.1 Sundry income comprises reversal of over provisions made in the prior year, income realised from sale of scrapped items and inventories among others.

10.2 This represents the gain realised by Cititrust Private Equity Limited from disposal of one of its private equity investments (i.e investments in the shares of entities not quoted on the floor of Nigerian Stock Exchange) in the year to Investment Shark Limited.

11 Net fair value (loss)/gain on equity instruments at fair value through profit or loss

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Net fair value (loss)/gain on equity instruments	(17,660)	12,998	-	-
	<u>(17,660)</u>	<u>12,998</u>	<u>-</u>	<u>-</u>

12 Credit loss expense

Financial assets:

Impairment reversal of trade receivables	Note 20.1	-	(300,986)	-	(2,342)
Impairment (reversal)/charge of loans and advances		(939,881)	146,853	-	-
Impairment on investments at amortised cost	Note 18.2.1	354,663	319,160	-	-
Impairment (reversal)/charge of cash and bank	Note 17.1	(49,048)	46,401	-	-
Impairment on other receivables	Note 21.2	989,502	142,084	-	25,200
		<u>355,236</u>	<u>353,512</u>	<u>-</u>	<u>22,858</u>

13 Personnel expenses

Salaries and wages	1,339,770	873,922	166,923	99,237
Defined contribution charge	74,341	25,177	8,040	8,334
Other staff costs	150,617	141,520	3,199	49,286
	<u>1,564,728</u>	<u>1,040,619</u>	<u>178,162</u>	<u>156,857</u>

Other staff costs include medical expenses, vehicle grant allowance, housing allowance and other provisions.

Defined contribution charge is mainly the pension contribution from the Company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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14 Other operating expenses		Group		Company	
		2021	2020	2021	2020
		₦'000	₦'000	₦'000	₦'000
Advertisement expenses		40,833	44,959	10,227	17,146
Amortisation of intangible assets	Note 27	18,188	8,892	-	-
Audit fees		52,654	38,960	12,000	12,000
Bad debt written off		53,732	90,458	-	74,087
Bank charges		86,741	47,142	8,823	14,515
Board expenses		42,406	22,731	37,761	-
Business development		173,975	55,923	92,988	11,494
Depreciation of property and equipment	Note 26	236,024	130,804	46,443	23,201
Depreciation of Right-of-use assets	Note 32	35,201	3,817	-	-
Directors remuneration		269,551	203,153	78,313	60,157
Donations		25,356	-	2,144	-
End of year gifts		9,710	-	9,710	-
Entertainment		40,237	23,515	10,629	28,962
Foreign exchange loss		74,560	274	-	-
Formation expenses		28,406	7,512	-	-
Fuel & diesel		45,786	21,114	7,080	4,285
Insurance expenses		30,694	6,016	-	1,150
Licences and permits		20,277	1,707	-	-
Loss on disposal of property, plant and equipment		-	2,222	-	-
NDIC premium		10,277	5,713	-	-
Office expenses		230,716	106,761	42,082	22,597
Overdraft charges		1,932	15,050	1,932	15,050
Printing and stationery		15,785	14,459	495	2,064
Professional and consultancy fees		170,357	139,740	77,346	17,146
Rent and rates		80,116	59,440	-	7,802
Repairs and maintenance		83,401	52,461	9,364	9,826
Short term leases		7,632	9,764	-	-
Subscriptions		19,805	27,758	7,342	2,757
Telephone, postage and internet		48,584	44,389	2,144	4,697
Training and development		9,833	18,311	1,146	9,245
Transport and travelling		74,734	59,177	8,353	27,522
Goodwill derecognised		81,637	-	-	-
		<u>2,119,140</u>	<u>1,262,222</u>	<u>466,322</u>	<u>365,703</u>

There was no non-audit service(s) rendered by the auditor during the year (2020: Nil) hence, no fees earned by the auditor outside the audit services rendered.

		Group		Company	
		2021	2020	2021	2020
		₦'000	₦'000	₦'000	₦'000
15 Finance income		<u>249,309</u>	<u>65,269</u>	<u>249,309</u>	<u>64,268</u>
16 Finance cost		<u>426,969</u>	<u>417,298</u>	<u>445,761</u>	<u>821,608</u>

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17 Income tax

The major components of income tax expense for the year ended 31 December 2021 are:

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
<i>Current tax:</i>				
Company income tax	1,011,242	158,481	101,962	-
Education tax	65,419	8,278	9,476	-
NITDA levy	14,073	5,887	2,171	138
Police fund levy	71	28	11	1
Over provision of prior year tax	-	(9,761)	-	-
Total current tax	1,090,805	162,913	113,620	139
<i>Deferred tax:</i>				
Deferred tax expense/(credit)	112,462	(52,144)	102,023	(58,173)
Total tax expense/(credit) in profit or loss	1,203,267	110,769	215,643	(58,034)

17.1 Reconciliation of total tax charge

A reconciliation between the tax expense and the accounting profit multiplied by Company's domestic tax rate for the year ended 31 December 2021 is, as follows:

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
(Loss)/profit before taxation	5,055,944	(137,364)	217,139	13,752
Tax calculated at 30%	1,516,783	(41,209)	65,142	4,126
Adjusted for:				
Non-deductible expenses	636,942	526,055	500,157	191,501
Income not subject to tax	(1,030,021)	(388,270)	(361,314)	(253,800)
Education tax	65,419	8,278	9,476	-
NITDA levy	14,073	5,887	2,171	138
Police fund levy	71	28	11	1
Income tax reported in the statement of profit or loss	1,203,267	110,769	215,643	(58,034)
Effective income tax rate for 2021 and 2020	24%	-81%	99%	-422%

17.2 Current income tax payable

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
At 1 January	382,932	265,373	19,605	19,466
Acquired in business combination	-	12,888	-	-
Charge for the year	1,090,805	162,913	113,620	139
Payment during the year	(229,136)	(58,242)	-	-
At 31 December	1,244,601	382,932	133,225	19,605

17.3 Deferred tax liability

At 1 January	21,754	143,953	-	58,173
Acquired in business combination	-	(70,055)	-	-
Deferred tax relating to disposed subsidiaries	(16,679)	-	-	-
Tax expense/(credit) during the period recognised in profit or loss	112,462	(52,144)	102,023	(58,173)
At 31 December	117,537	21,754	102,023	-

17.3.1 The attributes of the deferred tax is as follows:

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Property and equipment	300,194	240,807	102,023	-
Impairment on financial assets	(182,657)	(219,053)	-	-
	117,537	21,754	102,023	-

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18 Cash and bank balances

	Group			Company
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Cash on hand	193,360	82,489	-	-
Cash at bank	2,556,994	1,566,877	13,788	41,840
Balances held with CBN	111,298	38,181	-	-
Short-term deposits	2,423,808	1,870,702	1,000,000	1,027,225
	5,285,460	3,558,249	1,013,788	1,069,065
Impairment allowance on cash and bank balances	(235)	(49,283)	-	-
	5,285,225	3,508,966	1,013,788	1,069,065
Current	5,285,225	3,508,966	1,013,788	1,069,065
Non-current	-	-	-	-

Impairment allowance for cash and bank balances

A reconciliation of changes in Group's gross carrying amount and corresponding allowance for ECL on cash and bank balances is as follows:

18.1 Movement in impairment allowance

	Group			Company
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
At 1 January	49,283	2,882	-	-
Impairment (reversal)/charged (Note 12)	(49,048)	46,401	-	-
At 31 December	235	49,283	-	-

Cash and bank balances comprise cash on hand; cash balances with banks, balances held with CBN and short-term deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December

18.2

	Group			Company
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Cash on hand	193,360	82,489	-	-
Cash at bank	2,556,994	1,566,877	13,788	41,840
Balances held with CBN	111,298	38,181	-	-
Short-term deposits	2,423,808	1,870,702	1,000,000	1,027,225
	5,285,460	3,558,249	1,013,788	1,069,065
Less: impairment allowance	(235)	(49,283)	-	-
	5,285,225	3,508,966	1,013,788	1,069,065
Bank overdraft	(1,881,437)	(2,050,493)	(1,850,893)	(2,050,479)
	3,403,788	1,458,473	(837,105)	(981,414)

19 Investment securities

	Group			Company
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
At Fair value through profit or loss (Note 18.1)	663,826	139,729	-	-
At amortised cost (Note 18.2)	12,925,683	5,367,951	173,073	203,960
At Fair value through other comprehensive income (Note 18.3)	96,804	106,717	-	-
	13,686,313	5,614,397	173,073	203,960
Current	11,101,176	4,540,807	173,073	203,960
Non-current	2,585,137	1,073,590	-	-

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19 Investment securities - Continued

19.1 Investment at fair value through profit or loss

Quoted equities	164,120	139,729	-	-
Unquoted equity (Note 19.1.2)	499,706	-	-	-
Closing balance	663,826	139,729	-	-

Movement in quoted equities is as follows:

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
At 1 January	139,729	439,588	-	-
Additions during the year	298,574	304,399	-	-
Proceeds from disposal during the year	(248,031)	(199,608)	-	-
Transfer to investment in subsidiaries (Note 19.1.1)	-	(439,588)	-	-
(Loss)/gain on disposal during the year (Note 10)	(8,492)	21,940	-	-
Fair value (loss)/gain during the year (Note 11)	(17,660)	12,998	-	-
At 31 December	164,120	139,729	-	-

19.1.1 This relates to investments in Omoluabi Mortgage Bank Plc (Now Livingtrust Mortgage Bank Plc). As at 2019, Omoluabi's shares were bought on the floor of the stock exchange and was classified as Fair Value through profit or loss however, as at 2020, Cititrust Holdings already had a majority shareholding of the Bank with control hence was classified as investments in subsidiaries.

19.1.2 Unquoted equity represents Cititrust Private Equity Limited's investments in the shares of Imperial Africa, a Nigerian conglomerate with investments mainly in real estate and alternative investment services. See below, the movement in unquoted equity in the year:

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
At 1 January	-	-	-	-
Additions during the year	4,426,768	-	-	-
Proceeds from disposal during the year	(6,885,517)	-	-	-
Gain on disposal during the year (Note 10)	2,958,455	-	-	-
	499,706	-	-	-

19.2 Investments at amortised costs

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Treasury bills	-	51,357	-	-
Fixed placements of tenor above 90 days	12,170,932	4,152,380	173,073	203,960
Private investments	1,428,574	1,483,374	-	-
Closing balance	13,599,506	5,687,111	173,073	203,960
Impairment allowance (Note 19.2.1)	(673,823)	(319,160)	-	-
Carrying amount	12,925,683	5,367,951	173,073	203,960

19.2.1 Movement in impairment allowance on Investment securities at amortised cost

At 1 January	319,160	-	-	-
Impairment charged for the year	354,663	319,160	-	-
At 31 December	673,823	319,160	-	-

19.3 Investments at fair value through other comprehensive income

Quoted equities (Note 19.3.1)	96,803	106,717	-	-
	96,803	106,717	-	-

19.3.1 Quoted equity investment - Nigeria Mortgage Refinancing Company

At 1 January	106,717	-	-	-
Acquired through business combination	-	110,832	-	-
Fair value gain transferred to OCI	(9,914)	(4,115)	-	-
At 31 December	96,803	106,717	-	-

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20 Inventories	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Inventories	-	309,408	-	-
Current	-	309,408	-	-
Non-current	-	-	-	-

The inventories relates to value of building materials available to be used up in building properties. These building materials relate to Cititrust Cote D'Ivoire.

21 Trade receivables	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Trade receivables	317,544	189,381	-	200,622
Fees receivables	24,824	-	-	-
Premium receivables	-	56,876	-	-
	342,368	246,257	-	200,622
Allowance for impairment on trade receivables Note 21.1	-	-	-	-
	342,368	246,257	-	200,622
Current	342,368	246,257	-	200,622
Non-current	-	-	-	-

Terms and condition of the above financial assets:

Trade receivables are non interest bearing and are generally on terms of 30 and 90 days. See Note 37.1.1 for further explanation of impairment on trade and other receivables.

21.1 Set out below is the movement in the allowance for expected credit losses of trade receivables:

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
At 1 January	-	300,986	-	2,342
Impairment (reversal)/charged for the year Note 12	-	(300,986)	-	(2,342)
At 31 December	-	-	-	-

22 Other receivables	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Staff loan and advances	2,485	701,723	2,271	2,230
Receivables from Globevest	-	22,576	-	22,576
Other advances	46,388	151,773	-	25,200
Receivables from commerce alliance	-	1,857,090	-	489,706
Receivables from Claudun Business Advisory Limited	1,480,000	-	1,480,000	-
Receivables from Elora Capital Limited	5,227,697	2,281,686	5,227,697	-
Receivable from Investment Shark	6,835,517	-	-	-
Receivables from IAP Capital Kenya	34,340	-	-	-
Receivables from Logitude	13,178	-	-	-
Receivables from Everbond Capital Limited	82,462	-	-	-
Receivables from Primelite	33,765	-	33,765	-
Receivables from Grandvest Plc	160,500	-	160,500	-
Receivables from CFS	47,976	-	-	-
Deposit for shares receivables (Note 22.1)	-	1,371,515	-	683,292
Receivable from brokers	4,335	22,507	-	-
Commission receivables	-	738	-	-
Dividend receivables	4,975	-	-	-
Account receivables	211,477	206,833	-	-
Deferred Expenses	126,758	694,374	-	-
Financial assets in other receivables	14,311,853	7,310,815	6,904,233	1,223,004
Impairment allowance on other assets (Note 22.2)	(1,131,586)	(142,084)	-	(25,200)
	13,180,267	7,168,731	6,904,233	1,197,804
Prepayments	296,555	74,594	6,417	6,417
WHT receivables	160,396	32,163	1,057	420
	13,637,218	7,275,488	6,911,707	1,204,641
Current	94,004	4,993,802	204,010	1,204,641
Non-current	13,543,214	2,281,686	6,707,697	-

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22 Other receivables - Continued

Included in prepayments are short term leases and other prepaid expenses.

Deposit for shares represent preoperational expenses incurred on various potential subsidiaries which is to be capitalised as investments in these

22.1 subsidiaries once they start operations. See below the list of the entities on which these expenses were incurred.

	Group		Company	
	2021	2020	2021	2020
Entities	₦'000	₦'000	₦'000	₦'000
Cititrust Portfolio	-	140,000	-	-
Atlass portfolio	-	474,071	-	-
Cititrust Capital Partners	-	72,000	-	-
Cititrust Liberia	-	614,613	-	614,613
Cititrust Mauritius	-	8,585	-	8,585
Cititrust Tanzania	-	2,129	-	2,129
Cititrust Uganda	-	11,667	-	11,667
Cititrust United Kingdom	-	7,160	-	7,160
Cititrust USA	-	3,026	-	3,026
Cititrust Botswana	-	26,712	-	26,712
Cititrust Sierra Leone	-	9,400	-	9,400
Cititrust Capital Management (Pty) Ltd	-	2,152	-	-
	-	1,371,515	-	683,292

22.2 Movement in impairment allowance on other assets

At 1 January	142,084	-	25,200	-
Impairment charged for the year	989,502	142,084	-	25,200
Write-off	-	-	(25,200)	-
At 31 December	1,131,586	142,084	-	25,200

23 Loans and advances

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Corporate loans	3,818,477	4,256,707	-	-
Mortgage	3,410,568	2,658,787	-	-
Estate development	1,293,248	957,295	-	-
Cititrust susu loan	106,766	-	-	-
On-lending facilities (National Housing Fund)	2,028,881	-	-	-
Others	501,907	448,973	-	-
Gross	11,159,847	8,321,762	-	-
Impairment allowance on loans and advances	(233,635)	(1,173,516)	-	-
	10,926,212	7,148,246	-	-
Current	7,284,141	4,765,497	-	-
Non-current	3,642,071	2,382,749	-	-

23.1 Impairment allowance on loans and advances

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL on corporate lending is as follows:

Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
	₦'000	₦'000	₦'000	₦'000
At 1 January 2021	7,467,770	535,330	318,662	8,321,762
New asset purchased or originated	6,974,147	-	-	6,974,147
Payment or asset derecognised (excluding write-offs)	(4,075,104)	(53,003)	(7,955)	(4,136,062)
At 31 December 2021	10,366,813	482,327	310,707	11,159,847
Expected Credit Loss	Stage 1	Stage 2	Stage 3	Total
	₦'000	₦'000	₦'000	₦'000
At 1 January 2021	987,363	23,605	162,548	1,173,516
New asset purchased or originated	51,745	-	-	51,745
Assets derecognised or matured (excluding write-offs)	(986,715)	-	(4,911)	(991,626)
At 31 December 2021	52,393	23,605	157,637	233,635

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23.1 Impairment allowance on loans and advances - Continued

Gross carrying amount	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
At 1 January 2020	880,369	91,589	29,916	1,001,874
Acquired in business combination	1,697,692	154,592	34,675	1,886,959
New asset purchased or originated	5,538,456	-	-	5,538,456
Transfer between stages	(551,566)	297,495	254,071	-
Payment or asset derecognised (excluding write-offs)	(83,626)	-	-	(83,626)
Amounts written off	(13,555)	(8,346)	-	(21,901)
At 31 December 2020	7,467,770	535,330	318,662	8,321,762

Expected Credit Loss	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
At 1 January 2020	144,900	265	73,943	219,108
Acquired in business combination	742,716	79	64,760	807,555
New asset purchased or originated	163,433	-	-	163,433
Transfer between stages	(47,371)	23,526	23,845	-
Assets derecognised or matured (excluding write-offs)	(2,760)	-	-	(2,760)
Amounts written off	(13,555)	(265)	-	(13,820)
At 31 December 2020	987,363	23,605	162,548	1,173,516

24 Investment in subsidiaries

	Group			Company
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cititrust Financial Services Limited	-	-	-	10,224,255
CFS Everbond Group Ghana Limited	-	-	795,285	524,581
Cititrust Group (PTY) Ltd South Africa	-	-	267,949	74,976
Cititrust Investment and Trust Company Limited Benin Republic	-	-	85,270	30,000
Cititrust Investments Cote D'ivoire Ltd	-	-	325,196	63,770
CFS Assets Management Ltd Kenya	-	-	234,579	61,348
Cititrust Investment Banking Company Rwanda Limited	-	-	131,557	100,000
South Atlantic Group Limited - Malawi	-	-	241,896	83,980
Cititrust Savings and Loans Limited, Liberia	-	-	644,275	-
Livingtrust Mortgage Bank Plc	-	-	1,718,543	-
Cititrust Private Equity Limited	-	-	880,456	50,000
Cititrust Financial Services Limited (Tanzania)	-	-	269,934	-
South Atlantic Bank Limited Uganda	-	-	134,528	-
Cititrust Capital (UK) Limited	-	-	331,551	-
Cititrust Capital Partners	-	-	200,000	-
South Atlantic Asset Management Limited, Botswana	-	-	46,969	-
Atlass Portfolios Limited	-	-	386,000	-
Cititrust Asset Management	-	-	500,000	-
Cititrust Registrars and Data Solutions	-	-	264,688	-
	-	-	7,458,676	11,212,910
Current	-	-	-	-
Non-current	-	-	7,458,676	11,212,910

Movement in investment subsidiaries	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
As at 1 January	-	-	11,212,910	1,476,806
Additions in the year	-	-	3,723,478	9,738,344
Disposals in the year	-	-	(7,477,712)	(2,240)
As at 31 December	-	-	7,458,676	11,212,910

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24 Investment in subsidiaries - Continued

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 equity capital held (Direct holdings)	Financial year end	Percentage of equity capital held (Direct holdings)	Financial year end
Cititrust Financial Services Limited	Nigeria	Holding Company	0%	N/A	100%	31-Dec-2020
CFS Group (Ghana) Plc	Ghana	Holding Company	100%	31-Dec-2021	100%	31-Dec-2020
CFS (Kenya) Plc	Kenya	Fund management	100%	31-Dec-2021	100%	31-Dec-2020
Cititrust Asset Management Limited, South Africa	South Africa	Asset Management	100%	31-Dec-2021	100%	31-Dec-2020
Cititrust Investments Cote D'ivoire Ltd	Cote D'ivoire	Alternative Investments	100%	31-Dec-2021	100%	31-Dec-2020
Pan African Finance Ltd. (Rwanda)	Rwanda	Investment Banking	100%	31-Dec-2021	100%	31-Dec-2020
CITITRUST Investment & Trust SARL (Benin Republic)	Benin Republic	Alternative Investments	100%	31-Dec-2021	100%	31-Dec-2020
South Atlantic Asset Management (Malawi)	Malawi	Financial Services	90%	31-Dec-2021	90%	31-Dec-2020
Cititrust Private Equity Limited	Nigeria	Private equity investments	100%	31-Dec-2021	100%	31-Dec-2020
Livingtrust Mortgage Bank Plc	Nigeria	Mortgage Banking	59.8%	31-Dec-2021	0%	N/A
Atlass Portfolio	Nigeria	Stock brokerage	100%	31-Dec-2021	0%	N/A
Cititrust Capital Partners Limited	Nigeria	Fund management	100%	31-Dec-2021	0%	N/A
Cititrust Asset Management Limited	Nigeria	Asset Management	100%	31-Dec-2021	0%	N/A
Cititrust Registrars and Data Solutions Limited	Nigeria	Registrarship	100%	31-Dec-2021	0%	N/A
Cititrust Financial Services Limited (Tanzania)	Tanzania	Financial Services	100%	31-Dec-2021	0%	N/A
South Atlantic Bank Limited Uganda	Uganda	Financial Services	100%	31-Dec-2021	0%	N/A
Cititrust Capital (UK) Limited	United Kingdom	Financial Services	100%	31-Dec-2021	0%	N/A
South Atlantic Asset Management Limited, Botswana	Botswana	Financial Services	100%	31-Dec-2021	0%	N/A
Cititrust Capital Management Limited, Liberia	Liberia	Financial Services	100%	31-Dec-2021	0%	N/A

Cititrust Financial Services Plc was incorporated under the Companies and Allied Matters Act CAP C20, law of the Federation of Nigeria 2004 to hold, finance and administrate the following companies Livingtrust Mortgage Bank, First Option Microfinance Bank. Cititrust Portfolio Limited, Bermuda BDC, First Guarantee Healthcare Limited, Great Hope Insurance, Cititrust Portfolio Limited, etc.

CFS Group (Ghana) Plc is a holding company whose business is to hold, manage, finance and administer the following companies: Cititrust Capital Limited, Everbond Micro Credit, CFS Mortgage and Cititrust Alternative Investment Limited with Everbond Micro credit being the most significant of the group. The Company is a private group limited by shares, it is incorporated and domiciled in Ghana under the Companies Act, 2019 (Act 992).

CFS (Kenya) Plc was incorporated under the Kenyan Companies Act. The principal activity is Fund management and Advisory services.

Cititrust Asset Management Limited was incorporated as a private company in South Africa with interests in Asset Management industry. The Company operates and domiciled in South Africa.

Cititrust Asset Management Limited was incorporated in Cote D'ivoire with the primary activity of the Company as Asset Management and alternative investments such as commodities tradings.

Cititrust Investment Banking Company Rwanda Limited is set up to carry out investment banking operations, foreign exchange activities, mobile money agents, other monetary intermediation, trust funds and similar financial entities, financial leasing, other credit granting.

CITITRUST Investment & Trust SARL was incorporated in Benin. The principal activity of the Company is to carry out Alternative investment services such as commodities tradings.

South Atlantic Asset Management Limited is incorporated in Malawi under the Malawi Companies Act, 2013 and is domiciled in Malawi. The Company was incorporated in 2019. The Company is primarily engaged in the provision of financial services.

Cititrust Private Equity Limited was incorporated in Nigeria as a Private Limited Liability Company with the Corporate Affairs Commission (CAC) on 7 November 2019. Company was primarily established to carry out business as an Investment Management Company, to provide venture capital and growth capital by injecting capital into them to propel them to reach their potentials and achieving strong growth, profitability and eventually become market leaders of their respective industry sectors.

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24 Investment in subsidiaries - continued

LivingTrust Mortgage Bank Plc (formerly Omoluabi Mortgage Bank Plc) is a public limited liability company domiciled in Nigeria. The address of the Bank's registered office is Old Governor's Office, Gbongan Road, Osogbo, Osun State. The Bank obtained its license to operate as a Mortgage Bank on the 24 February 1999 and commenced operations in March 1999. The Bank became a public limited liability company on 13 January 2014. The Bank changed its name from Omoluabi Mortgage Bank Plc to LivingTrust Mortgage Bank Plc on 7 October 2021. The Bank is primarily involved in business of Residential and Commercial Mortgage financing as well as construction finance among other financial services.

Atlas Portfolio Limited was incorporated and registered on 26th July, 2002 under the companies Act, with duly issued license by The Nigerian Exchange Limited and Security and Exchange Commission. The Company specializes in assisting a diverse clientele base, which includes: government agencies, high net worth individuals, multi-nationals, insurance companies and small savers; to achieve set investment goals. The Company's equity is held by Nigerian citizen and a corporate organisation. The Company's office is located at 80, Norman Williams Street, off Keffi Street, Ikoyi, Lagos. The principal activities of the Company is stockbroking.

Cititrust Capital Partners Limited is a company domiciled in Nigeria. The Company's operating address is 77, Awolowo road, Ikoyi, Lagos. The principal activity of the Company is to carry on the business of Financial Advisory.

Cititrust Asset Management Limited is a Private Limited Liability Company limited by shares, incorporated and domiciled in Nigeria. The Company was registered on 5 November 2019 with Corporate Affairs Commission but started operations in November 2020 after obtaining operating licence from Securities Exchange Commission (SEC) to carry out business of Fund management, Investment advisory services and Portfolio management.

Cititrust Registrars and Data Solutions Limited was incorporated in Nigeria as a private Limited Liability Company in Nigeria on 25 September, 2020 with registration number RC 1715514. The shares are 100% owned by Nigerians and commenced operations in July 2021. The principal activities of the Company are:

Maintenance and update of the register of shareholders of companies, Process declaration of dividend and bonus issue, Processing shareholders cheques and dividend warrants, and Collation, allotment and issuance of certificates to subscribers.

Cititrust Financial Services Limited, Tanzania was incorporated in Tanzania under the Tanzania Companies Act, 2002 as a private company limited by shares with registration number 140565210 on 8 December 2019. However, the Company started operations in July 2021. The principal activity of the Company is that of microfinance service provider, licensed by the Bank of Tanzania.

South Atlantic Limited (the "Company") was incorporated on 01 November 2019 and domiciled in Uganda. Company is primarily involved in providing loans and advances to customers as licensed under the Tier 4 Microfinance Institutions and Money Lending Act 2016.

Cititrust Capital (UK) Limited is a company limited by shares incorporated and registered in the Kingdom. The registered number of Company is 12925553. The registered office of Company Phoenix House Suite 2.10, 18, King William Street, London, EC4N 7BL, United Kingdom. The principal activity of Company for the period was that of financial consultancy and investments.

South Atlantic Asset Management (Proprietary) Limited ("Company") is a private company incorporated and domiciled in and subject to the laws of Botswana. The address of its registered office is plot 17295, Molekangwetsi Crescent, Gaborone West Phase 1, Gaborone, Botswana and principal business of Company is asset management.

Cititrust Savings and Loans (Liberia) Limited ("the Bank") is a Microfinance Deposit-taking Institution (MDI) and domiciled in Liberia. The Bank was registered as limited liability company in Liberia on 2 November 2020. The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers as regulated by The Central Bank of Liberia (CBL) through the license issued to the Bank by the regulator.

24.1 Disposal of investments in subsidiaries

31 December 2021

Group

During the year, Group sold its investments in some subsidiaries thereby losing control of these subsidiaries. Hence, as at 31 December 2021, these subsidiaries were no longer within the control of Cititrust Group. The total gain realised from the sale of these investments is N2.7 billion and this has been recognised in the profit or loss for the year ended 31 December 2021. See below, the analysis of the realised gains.

	Sales consideration	Net value on disposal date	Profit/(loss) on disposal (Company)	Post acquisition profit/(loss) no longer required	Profit/(loss) on disposal (Group)
	N'000	N'000	N'000	N'000	N'000
Cititrust Financial Services Limited	159,600	500,000	(340,400)	(1,606,247)	1,265,847
Bermuda BDC	60,000	35,000	25,000	(231,945)	256,945
Core Capital Limited	138,600	100,000	38,600	(851,392)	889,992
First Option Microfinance Bank Limited	460,000	20,000	440,000	(93,672)	533,672
Cititrust Portfolio Limited	370,000	100,000	270,000	40,474	229,526
Cititrust Credit Limited	50,000	585,000	(535,000)	143,534	(678,534)
Great Hope Insurance Limited	10,800	5,000	5,800	(7,864)	13,664
First Guaranty Healthcare Limited	311,000	100,000	211,000	(23,142)	234,142
	1,560,000	1,445,000	115,000	(2,630,254)	2,745,254

	31-Dec-21
	N'000
Sales consideration	1,560,000
Less: balances disposed - Cash	(735,817)
Net outflow of cash - investing activities	824,183

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24.1 Disposal of investments in subsidiaries - Continued

Company

During the year, Cititrust Holdings Plc sold its investments in Cititrust Financial Services (CFS), one of its subsidiaries thereby losing control of this subsidiary. Cititrust Financial Services is a group with subsidiaries, hence before the sale of CFS as an entity, CFS divested from the subsidiaries which made Cititrust Holdings took direct ownership of all these subsidiaries alongside CFS as separate entities under Cititrust Holdings. Cititrust Holdings then disposed these investments while it retained some of them. See below the components of CFS indicating allocation of the investments in CFS before disposal. Hence, as at 31 December 2021, the subsidiary was no longer within the control of Cititrust Holdings Plc. The total gain realised from the sale of this investment is N115 million and this has been recognised in the profit or loss for the year ended 31 December 2021. See below, the analysis of the realised gains.

	Investment cost	Retained/disposed	Recall of uninvested funds	Net value on disposal date	Sales consideration	Profit/(loss) on disposal
	N'000		N'000	N'000	N'000	N'000
Cititrust Financial Services Limited	6,532,712	Disposed	(6,032,712)	500,000	159,600	(340,400)
Bermuda BDC	35,000	Disposed	-	35,000	60,000	25,000
Core Capital Limited	100,000	Disposed	-	100,000	138,600	38,600
First Option Microfinance Bank Limited	20,000	Disposed	-	20,000	460,000	440,000
Cititrust Portfolio Limited	100,000	Disposed	-	100,000	370,000	270,000
Cititrust Credit Limited	585,000	Disposed	-	585,000	50,000	(535,000)
Great Hope Insurance Limited	5,000	Disposed	-	5,000	10,800	5,800
First Guaranty Healthcare Limited	100,000	Disposed	-	100,000	311,000	211,000
Total disposed	7,477,712		(6,032,712)	1,445,000	1,560,000	115,000
Livingtrust Mortgage Bank Plc	1,718,543	Retained				
Atlas portfolio	386,000	Retained				
Cititrust Capital Partners	142,000	Retained				
Cititrust Asset Management	500,000	Retained				
Total retained	2,746,543					
Total investments in CFS before disposal	10,224,255					

31 December 2020

Group

During the year, Group sold all its investments in some subsidiaries thereby losing control of these subsidiaries. Hence, as at 31 December 2020, these subsidiaries were no longer within the control of Cititrust Group. The total gain realised from the sale of these investments is N1.613 billion and this has been recognised in the profit or loss for the year ended 31 December 2020. See below, the analysis of the realised gains.

	Cititrust Realities	Cititrust Contracting Limited	Mapplefield Energy Resources Limited	EM Towers Limited	Total
	N'000	N'000	N'000	N'000	N'000
Sales consideration	520,000	304,722	154,562	908,100	1,887,384
Less: Investments in the subsidiary at the point of sale	(2,240)	(50,000)	(5,000)	(20,000)	(77,240)
Less: Royalty receivables from the subsidiary	-	(25,110)	(106,000)	(66,000)	(197,110)
Profit from disposal of subsidiaries	517,760	229,612	43,562	822,100	1,613,034

Company

During the year, Cititrust Holdings Plc sold all its investments in Cititrust Realities, one of its subsidiaries thereby losing control of this subsidiary. Hence, as at 31 December 2020, the subsidiary was no longer within the control of Cititrust Holdings Plc. The total gain realised from the sale of this investment is N517.7 million and this has been recognised in the profit or loss for the year ended 31 December 2020. See below, the analysis of the realised gains.

	Cititrust Realities
	N'000
Sales consideration	520,000
Less: Investments in the subsidiary at the point of sale	(2,240)
Profit from disposal of subsidiaries	517,760

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24.2 Accumulated reserves of disposed entities

Below shows the breakdown of the accumulated reserves of disposed entities at the point of disposal in the year 2021:

Entity	Accumulated loss/(retained earnings) N'000	Non-controlling interests N'000	Other reserves N'000	Total N'000
Cititrust Financial Services Limited	1,366,247	-	-	1,366,247
Bermuda BDC	418,758	-	-	418,758
Core Capital Limited	851,393	57,658	-	909,051
First Option Microfinance Bank Limited	93,672	-	-	93,672
Cititrust Portfolio Limited	(40,474)	-	(6,831)	(47,305)
Cititrust Credit Limited	(143,534)	-	-	(143,534)
Great Hope Insurance Limited	7,864	2,359	-	10,223
First Guaranty Healthcare Limited	23,142	-	-	23,142
	<u>2,577,068</u>	<u>60,017</u>	<u>(6,831)</u>	<u>2,630,254</u>

25 Material partly owned subsidiary

Financial information of subsidiary that have material non-controlling interest is provided below:

Proportion of equity interests held by non-controlling interests:

	Group	
	2021	2020
Livingtrust Mortgage Bank Limited	40.20%	40.20%
Core Capital Limited	0%	10%
Great Hope Insurance Brokers (GHIB) Limited	0%	25%
South Atlantic Group Limited	10%	10%

Profit/(loss) allocated to material non-controlling interest:

The summarised financial information of the subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Consolidated statement of profit or loss and other comprehensive income

	Livingtrust Mortgage Bank 2021 N'000	South Atlantic Group Limited 2021 N'000	Total 2021 N'000
Revenue	1,627,672	21,924	1,649,596
Other income	116	105,997	106,113
Admin expenses	(859,577)	(117,342)	(976,919)
Income tax	(261,248)	-	(261,248)
Profit for the year	<u>506,963</u>	<u>10,579</u>	<u>517,542</u>
<i>Attributable to:</i>			
Equity holders of the parent	303,164	9,521	312,685
Non-controlling interest	<u>203,799</u>	<u>1,058</u>	<u>204,857</u>
	<u>506,963</u>	<u>10,579</u>	<u>517,542</u>

Summarized statement of financial position

	Livingtrust Mortgage Bank 2021 N'000	South Atlantic Group Limited 2021 N'000	Total 2021 N'000
Cash balances and short-term deposits	2,882,183	1,623	2,883,806
Investment securities	96,804	32,960	129,764
Loans and advances to customers	7,852,075	57,175	7,909,250
Trade receivables	-	104,514	104,514
Other receivables	63,274	5,555	68,829
Property, plant and equipment	286,564	19,768	306,332
Intangible assets	22,241	-	22,241
Non-current assets held for sale	183,351	-	183,351
Deposits from customers	(5,296,312)	(33,426)	(5,329,738)
Trade and other payables	(384,495)	(32,536)	(417,031)
Borrowings	(2,222,103)	-	(2,222,103)
Current tax liability	(197,636)	-	(197,636)
Deferred tax liabilities	(61,787)	(1,130)	(62,917)
Total equity	<u>3,224,159</u>	<u>154,503</u>	<u>3,378,662</u>
<i>Attributable to:</i>			
Equity holders of the parent	1,928,046	139,053	2,067,099
Non-controlling interest	<u>1,296,113</u>	<u>15,450</u>	<u>1,311,563</u>
	<u>3,224,159</u>	<u>154,503</u>	<u>3,378,662</u>

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25 Material partly owned subsidiary - Continued

	Livingtrust Mortgage Bank	South Atlantic Group Limited	Total
	2021	2021	2021
	₦'000	₦'000	₦'000
Summarised statement of cash flow			
Operating	(111,521)	(79,624)	(191,145)
Investing	7,968	(12,359)	(4,391)
Financing	1,525,984	91,592	1,617,576
Net increase in cash and cash equivalents	1,422,431	(391)	1,422,040
Cash and cash equivalents at 1 January	1,459,752	1,960	1,461,712
Foreign exchange difference	-	54	54
Cash and cash equivalents at 31 December	2,882,183	1,623	2,883,806

Consolidated statement of profit or loss and other comprehensive income

	Livingtrust Mortgage Bank	Core Capital	GHIB	South Atlantic Group Limited	Total
	2020	2020	2020	2020	2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	349,832	111,442	2,634	4,122	468,030
Other income	210,452	7,453	-	222	218,127
Admin expenses	(408,860)	(528,453)	(4,902)	(28,161)	(970,376)
Income tax	(19,065)	-	(14)	(3,050)	(22,129)
Profit/(loss) for the year	132,359	(409,558)	(2,282)	(26,867)	(306,348)
<i>Attributable to:</i>					
Equity holders of the parent	79,151	(368,602)	(1,712)	(24,180)	(315,343)
Non-controlling interest	53,208	(40,956)	(571)	(2,687)	8,995
	132,359	(409,558)	(2,282)	(26,867)	(306,348)

Summarized statement of financial position

	2020	2020	2020	2020	2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Cash balances and short-term deposits	1,459,752	157,211	916	1,960	1,619,839
Investment securities	106,717	-	-	-	106,717
Loans and advances to customers	4,078,130	1,482,234	-	51,357	5,611,721
Trade receivables	-	-	10	-	10
Other receivables	90,684	3,216,921	23,734	4,640	3,335,979
Due from related parties	-	1,058,090	-	-	1,058,090
Property, plant and equipment	260,430	4,140	82	11,491	276,143
Intangible assets	32,154	20,709	-	-	52,863
Deferred tax assets	1,833	-	-	-	1,833
Non-current assets held for sale	268,051	-	-	-	268,051
Deposits from customers	(2,619,302)	(1,074,776)	-	-	(3,694,078)
Due to related parties	-	(1,933,973)	-	(9,013)	(1,942,986)
Borrowings	(646,116)	-	-	-	(646,116)
Current tax liability	(25,085)	(3,457)	(7)	-	(28,549)
Deferred tax liabilities	-	-	(7)	(1,100)	(1,107)
Deposit for shares	-	(900,000)	(23,000)	-	(923,000)
Other liabilities	(230,139)	(2,434,725)	(1,747)	(7,277)	(2,673,888)
Total equity	2,777,109	(407,626)	(19)	52,058	2,421,522

Attributable to:

Equity holders of the parent	1,665,870	(366,863)	(14)	46,852	1,345,845
Non-controlling interest	1,111,239	(40,763)	(5)	5,206	1,075,677
	2,777,109	(407,626)	(19)	52,058	2,421,522

Summarised statement of cash flow

	2020	2020	2020	2020	2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Operating	(559,281)	(785,899)	(22,016)	(63,483)	(1,430,679)
Investing	569,201	9,149	(96)	13,207	591,461
Financing	95,171	900,000	23,000	52,022	1,070,193
Net increase in cash and cash equivalents	105,091	123,250	888	1,746	230,975
Cash and cash equivalents at 1 January	1,354,661	33,961	28	217	1,388,867
Foreign exchange difference	-	-	-	(3)	(3)
Cash and cash equivalents at 31 December	1,459,752	157,211	916	1,960	1,619,839

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26 Property and equipment

Group

	Telecom Towers N'000	Land N'000	Building N'000	Leasehold improvement N'000	Generator N'000	Motor vehicle N'000	Computer equipment N'000	Office equipment N'000	Furniture and fittings N'000	CWIP Telecom Towers N'000	Capital Work-in- progress N'000	Total N'000
Cost												
At 1 January 2020	256,979	200,151	-	-	26,662	127,292	23,826	35,632	100,118	153,686	-	924,346
Acquired in business combination	-	41,082	126,624	-	56,900	50,322	33,012	47,716	54,035	-	-	409,691
Additions	-	2,912	10,196	-	22,170	290,674	31,853	17,325	43,845	-	87,943	506,918
Disposal	(256,979)	-	(13,000)	-	(1,821)	(62,405)	(217)	(38,291)	(44,594)	(153,686)	-	(570,993)
At 31 December 2020	-	244,145	123,820	-	103,911	405,883	88,474	62,382	153,404	-	87,943	1,269,962
Additions	-	84,470	-	15,851	42,824	217,453	38,688	78,411	66,007	-	56,721	600,425
Reclassification	-	-	3,356	-	-	12,068	750	6,226	-	-	(22,400)	-
Disposal	-	-	(2,902)	-	(20,211)	(83,203)	(11,944)	(36,173)	(40,647)	-	-	(195,080)
At 31 December 2021	-	328,615	124,274	15,851	126,524	552,201	115,968	110,846	178,764	-	122,264	1,675,307
Accumulated depreciation												
At 1 January 2020	16,005	-	1,482	-	7,466	41,556	5,768	10,376	21,305	-	-	103,958
Acquired in business combination	-	-	13,966	-	36,048	31,673	23,966	24,910	24,823	-	-	155,386
Charge for the year	-	-	2,999	-	17,029	54,911	15,007	15,251	25,607	-	-	130,804
Disposal	(16,005)	-	(2,219)	-	(1,291)	(26,811)	(179)	(16,623)	(6,414)	-	-	(69,542)
At 31 December 2020	-	-	16,228	-	59,252	101,329	44,562	33,914	65,321	-	-	320,606
Charge for the year	-	-	2,404	1,690	33,198	113,673	14,522	33,089	37,447	-	-	236,024
Disposal	-	-	(415)	-	(3,651)	(28,288)	(1,887)	(19,452)	(21,612)	-	-	(75,305)
At 31 December 2021	-	-	18,217	1,690	88,799	186,714	57,197	47,551	81,156	-	-	481,325
Carrying amount												
At 31 December 2021	-	328,615	106,057	14,161	37,725	365,486	58,770	63,295	97,608	-	122,264	1,193,981
At 31 December 2020	-	244,145	107,592	-	44,659	304,554	43,912	28,468	88,083	-	87,943	949,356

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Company

	Land N'000	Generator N'000	Motor vehicle N'000	Computer equipment N'000	Office equipment N'000	Furniture and fittings N'000	Total N'000
Cost							
At 1 January 2020	181,598	3,802	32,122	4,298	2,475	5,756	230,051
Additions	3,000	-	140,843	2,283	1,002	2,263	149,391
Disposal	-	-	(10,937)	-	-	-	(10,937)
At 31 December 2020	184,598	3,802	162,028	6,581	3,477	8,019	368,505
Additions	71,741	-	24,800	3,148	-	112	99,801
At 31 December 2021	256,339	3,802	186,828	9,729	3,477	8,131	468,306
Accumulated depreciation							
At 1 January 2020	-	760	9,253	537	448	894	11,892
Charge for the year	-	760	19,431	1,126	601	1,283	23,201
Disposal	-	-	(8,203)	-	-	-	(8,203)
At 31 December 2020	-	1,520	20,481	1,663	1,049	2,177	26,890
Charge for the year	-	761	41,549	1,812	695	1,626	46,443
At 31 December 2021	-	2,281	62,030	3,475	1,744	3,803	73,333
Carrying amount							
At 31 December 2021	256,339	1,521	124,798	6,254	1,733	4,328	394,973
At 31 December 2020	184,598	2,282	141,547	4,918	2,428	5,842	341,615

- i There were no capitalised borrowing costs related to the acquisition of property and equipment during the year for the Group and Company.
- ii There were no capital commitments as at reporting date in respect of items of property and equipment.
- iii No restriction exists on the title of any item of property and equipment and none of these items of property and equipment is pledged.
- iv Capital work-in-progress relates cost incurred so far on constructing a building by CFS Ghana. Once the building is completed and ready for use, this will be properly reclassified to the appropriate class.

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27 Intangible assets

	Group					
	2021			2020		
	Computer Software	Goodwill	Total	Computer Software	Goodwill	Total
Cost	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January	155,127	215,027	370,154	6,305	-	6,305
Acquired in business combination	-	-	-	101,606	215,027	316,633
Additions	34,484	-	34,484	47,773	-	47,773
Disposal	(36,309)	-	(36,309)	(557)	-	(557)
Derecognised	-	(81,637)	(81,637)	-	-	-
At 31 December	153,302	133,390	286,692	155,127	215,027	370,154
Accumulated amortisation						
At 1 January	84,655	-	84,655	841	-	841
Acquired in business combination	-	-	-	75,244	-	75,244
Charge for the year	18,188	-	18,188	8,892	-	8,892
Disposal	(12,096)	-	(12,096)	(322)	-	(322)
Write-off	-	-	-	-	-	-
At 31 December	90,747	-	90,747	84,655	-	84,655
Carrying amount						
At 31 December	62,555	133,390	195,945	70,472	215,027	285,499

Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the recoverable amount of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts. The recoverable amount was calculated using the free cashflow method (FCFF) with the assumption that management would continue to pay out 30% of PAT as dividend over the next five years at a long term growth rate of 10%. These variables are discounted using the prevailing average FGN Bond rate as at each review date having considered inflation and tax. The recoverable amount is viewed from three scenarios, which are the best case, base case and the worse case. By virtue of the techniques adopted in assessing impairment on goodwill, the carrying amount is below the recoverable amount, as such no impairment. The goodwill was as a result of the acquisition of significant control of Livingtrust Mortgage Bank Plc in 2020.

28 Non-current assets held for sale

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
At 1 January	268,051	-	-	-
Acquired in business combination (Note 35)	-	295,250	-	-
Additions	18,817	17,514	-	-
Disposals	(103,518)	(44,713)	-	-
At 31 December	183,350	268,051	-	-

The balance on non-current assets held for sale represents the stock of houses previously held by the Livingtrust Mortgage Bank Plc (an acquired subsidiary of Cititrust Holdings Plc) as investment properties while additions represents assets repossessed from customers as a result of consistent default in repayment. In line with CBN regulations on permissible business of Primary Mortgage Banks (PMBs), they were derecognised as investment properties and classified as held for sale in line with IFRS 5. They were expected to have been sold before the year end, but due to market conditions, some of them are still unsold at the year end. However, the Group is still committed to disposing them off.

The non-current assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell. No impairment have been recognised on the properties since the market value is much higher than the cost.

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29 Customer deposits

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Term deposits	18,843,265	11,057,258	-	-
Savings account	906,865	198,037	-	-
Current account	527,230	2,222,520	-	-
Demand deposits	3,551,164	-	-	-
	<u>23,828,524</u>	<u>13,477,815</u>	<u>-</u>	<u>-</u>
Current	16,679,967	9,434,471	-	-
Non-current	7,148,557	4,043,345	-	-

30 Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Intercompany payables	115,894	-	608,920	703,830
Trade payables	651,045	881,583	-	-
Accruals & other payables	603,951	349,746	1,525	1,525
Directors Loan	81,008	-	-	-
Sundry creditors	-	-	36,852	-
Payables to clients	37,480	-	-	-
Audit fee payable	21,660	42,247	12,466	14,755
Pension payable	8,285	5,760	-	-
Interest, fee and penalty in suspense	-	52,116	-	-
Rent	738	5,026	-	-
HMO Contract liability	-	59,471	-	-
Advance premium received	-	5,408	-	-
Deferred commission income	79,114	33,945	-	-
Other expense payable	-	2,204,927	-	-
Financial liabilities in other payables	<u>1,599,175</u>	<u>3,640,229</u>	<u>659,763</u>	<u>720,110</u>
PAYE	9,393	2,057	-	-
ITF payable	406	410	406	410
NHF payable	417	15	15	15
WHT-tax	<u>231,433</u>	<u>48,186</u>	<u>-</u>	<u>-</u>
	<u>1,840,824</u>	<u>3,690,897</u>	<u>660,184</u>	<u>720,535</u>
Current	1,840,824	3,690,897	660,184	720,535
Non-current	-	-	-	-

Terms and conditions

Trade payables are non-interest bearing and are normally settled on 60-day terms

The other expense payable represents payables to external parties which are still being reconciled.

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31 Interest-bearing loans and borrowings

		Group		Company	
		2021	2020	2021	2020
		₦'000	₦'000	₦'000	₦'000
Cititrust Private Equity Limited	Note 31.2	-	-	-	3,927,062
Globevest	Note 31.1	-	6,833,900	-	6,833,900
Living Trust Mortgage Bank Plc	Note 31.3	-	-	101,734	130,049
Nigeria Mortgage Refinance Company	Note 31.4	339,939	63,035	-	-
Federal Mortgage Bank of Nigeria	Note 31.5	640,914	583,081	-	-
Development Bank of Nigeria	Note 31.6	1,241,250	-	-	-
Guaranty Trust Bank	Note 31.7	25,013	-	-	-
Others		8,219	-	-	-
		<u>2,255,335</u>	<u>7,480,016</u>	<u>101,734</u>	<u>10,891,011</u>
Bank overdraft		<u>1,881,437</u>	<u>2,050,493</u>	<u>1,850,893</u>	<u>2,050,479</u>
		<u>4,136,772</u>	<u>9,530,509</u>	<u>1,952,627</u>	<u>12,941,490</u>
Current		1,778,812	4,098,119	839,630	6,889,821
Non-current		2,357,960	5,432,390	1,112,997	6,051,669

31.1 Globevest

Cititrust Holdings Plc obtained funding from Globevest at different times to make a sum principal amount of N6,833,900 at 11% interest rate with a condition for an obligation of first right to the next Share Capital increase of the company by 31 December 2021. Globevest is currently the majority shareholder of the company.

31.2 Cititrust Private Equity

The loan was obtained from Cititrust Private Equity Limited at different times, collectively obtaining the sum of N3,927,062 with an average of 24.72%. For a tenor of 366 days lapsing at 31 December 2021. The loan has been fully repaid as at 31 December 2021.

31.3 Livingtrust Mortgage Bank

On 10 October and 4 December 2020, the Company received N82 million and N52.3 million respectively from Livingtrust Mortgage Bank Plc in form of finance lease at 19% per annum with a 48 months tenor. The principal and interest will be repaid monthly starting from the subsequent month after the loan was granted over the remaining tenor of the loan. The finance lease was for the purchase of vehicles for the Executive Directors of the Company.

31.4 Nigeria Mortgage Refinance Company

The balance relates to outstanding balance of refinancing loan granted by Nigeria Mortgage Refinancing Company on 9 April 2018. The principal and interest are repayable over 15 years on a monthly basis effective October 2018. The interest rate is 14.5% per annum.

31.5 Federal Mortgage Bank of Nigeria (FMBN)

The balance on the Federal Mortgage Bank of Nigeria (FMBN) represents outstanding balance due to FMBN for amount disbursed to the Bank for on-lending for duly prequalified and approved National Housing Fund beneficiaries. All loans from the Federal Mortgage Bank are secured by Bank Guarantees with the exception of loans with Legal Mortgages.

31.6 Development Bank of Nigeria (DBN)

This relates to loan obtained from Development Bank of Nigeria (DBN) in the current year. The loan was obtained in three (3) tranches. See below the breakdown of the loan based on the tranche disbursed:

Tranche	Date of disbursement	Purpose	Tenor	Amount	Interest rate	Outstanding balance as at 31 Dec 2021
				₦'000		₦'000
1st Tranche	1-Mar-21	MSME Support	36 months	950,000	10%	712,500
2nd Tranche	25-May-21	MSME Support	36 months	150,000	12%	120,833
3rd Tranche	16-Sep-21	MSME Support	36 months	445,000	12%	407,917
						<u>1,241,250</u>

31.7 Guaranty Trust Bank

This relates to loan of USD57,500 obtained from Guaranty Trust Bank (GTB) Liberia for the purchase of vehicles at an interest rate of 9% per annum. See below, the movement in the borrowings as at 31 December 2021 with an exception of the Bank overdraft due to its nature and consideration as

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31 Interest-bearing loans and borrowings

31.8 Movement in borrowings

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
At 1 January	7,480,016	132,186	10,891,011	1,138,541
Acquired through business combination	-	550,945	-	-
Additions	1,936,840	6,438,080	-	9,744,075
Interest accrued	119,399	486,028	38,984	455,053
Principal payments	(6,945,080)	(92,077)	(10,789,277)	(440,640)
Interest paid	(335,840)	(35,146)	(38,984)	(6,018)
At 31 December	2,255,335	7,480,016	101,734	10,891,011

32 Right-of-use assets

The Group has lease contracts for office buildings. Leases of office buildings generally have lease terms between 1 and 2 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group has certain leases of office buildings with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
At 1 January	11,051	16,650	-	-
Addition	209,753	10,038	-	-
Depreciation expense	(50,838)	(15,637)	-	-
At 31 December	169,966	11,051	-	-

The following are the amounts recognised in profit or loss during the year:

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Depreciation of right-of-use assets	35,201	3,817	-	-
Short term leases	7,632	9,764	-	-
	42,833	13,581	-	-

33 Equity

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Share Capital:				
31 December 2021: 2,500,000,000 ordinary shares of 50k each (31 December 2020: 1,000,000,000 ordinary shares at 50k each)	1,250,000	500,000	1,250,000	500,000
Issued and fully paid:				
31 December 2021: 2,500,000,000 ordinary shares of 50k each (31 December 2020: 1,000,000,000 ordinary shares at 50k each)				
At 1 January	500,000	500,000	500,000	500,000
Shares issued and allotted during the year	750,000	-	750,000	-
At 31 December	1,250,000	500,000	1,250,000	500,000

The number of shares in issue and ranking for dividend represents the outstanding number of shares as at 31 December 2021 and 31 December 2020, respectively.

33.1 Share premium

At 1 January	-	-	-	-
Shares issued and allotted during the year	11,801,479	-	11,801,479	-
At 31 December	11,801,479	-	11,801,479	-

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33 Equity - Continued

33.2 Foreign currency translation reserve

Cumulative foreign exchange differences arising from translation of the Group's results and financial position into the presentation currency and from the translation of foreign subsidiary are recognised in foreign currency translation reserve.

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Balance at the beginning of the year	(18,702)	(44,317)	-	-
Foreign currency translation change for the year	(426,773)	25,609	-	-
NCI share of the foreign currency translation change for the year	(2,959)	6	-	-
	<u>(448,434)</u>	<u>(18,702)</u>	<u>-</u>	<u>-</u>

33.3 Statutory reserve

Nigerian banking regulations require a 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 Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital. The Group made a transfer of N26.472 million (2020: N3.6 million) to statutory reserves during the year ended 31 December 2021.

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Balance at the beginning of the year	30,084	3,612	-	-
Transfer from retained earnings (Note 33.4)	97,780	26,472	-	-
	<u>127,864</u>	<u>30,084</u>	<u>-</u>	<u>-</u>

33.4 Retained earnings

The movement on the retained earnings account during the year is as follows:

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
At 1 January	(3,139,276)	(2,792,975)	51,183	(20,603)
Prior year IFRS adjustment	-	4,789	-	-
Profit/(loss) for the year	3,647,820	(257,128)	1,496	71,786
Transfer to statutory reserve (Note 33.3)	(97,780)	(26,472)	-	-
Transfer to regulatory reserve (Note 33.5)	(71,777)	(67,490)	-	-
At 31 December	<u>338,987</u>	<u>(3,139,276)</u>	<u>52,679</u>	<u>51,183</u>

Prior year IFRS adjustment relates to adjustment passed on CFS Ghana (one of the subsidiaries) as it implements the transition to IFRS 9.

33.5 Regulatory risk reserves

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Balance at the beginning of the year	67,490	-	-	-
Transfer from retained earnings (Note 33.4)	71,777	67,490	-	-
	<u>139,267</u>	<u>67,490</u>	<u>-</u>	<u>-</u>

34 Earnings/(loss) per share

Earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Profit attributable to equity holders for basic and diluted EPS	3,647,820	(257,128)	1,496	71,786
Weighted average number of shares (in thousands of numbers)	2,500,000	1,000,000	2,500,000	1,000,000
Basic and diluted earnings/(loss) per share (kobo)	<u>146</u>	<u>(26)</u>	<u>0.06</u>	<u>7</u>

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35 Business combination

35.1 Summary of acquisition

On 30 April 2020, Cititrust Holdings Plc reached an agreement to acquire 59.80% of Livingtrust Mortgage Bank Plc ("Livingtrust") issued and yet to be issued ordinary shares. The acquisition was through Cititrust Financial Services Limited (CFS) where CFS became the parent company of Livingtrust at the point of gaining control of the Mortgage bank while Cititrust Holdings Plc became the ultimate parent company. The shares were acquired through an arrangement with Morgan Securities to purchase the latter's 43% shareholding of the mortgage bank in order to get the majority shareholding of the bank. Price paid for the acquisition was the share price of the mortgage bank on the floor of Nigeria Stock Exchange (NSE) at the time of acquisition which was 57kobo per share. The acquisition of the mortgage bank was part of Cititrust Holding's strategy to further invest and make considerable impact in the financial service sector of Nigerian economy.

LivingTrust Mortgage Bank Plc (formerly Omoluabi Mortgage Bank Plc) is a public limited liability company domiciled in Nigeria. The address of the Bank's registered office is Old Governor's Office, Gbongon Road, Osogbo, Osun State. The Bank obtained its license to operate as a Mortgage Bank on the 24 February 1999 and commenced operations in March 1999. The Bank became a public limited liability company on 13 January 2014. The Bank changed its name from Omoluabi Mortgage Bank Plc to LivingTrust Mortgage Bank Plc on 7 October 2020. The Bank is primarily involved in business of Residential and Commercial Mortgage financing as well as construction finance among other financial services.

The purchase consideration was N1,718,542,990 which represents average share price of 57kobo per each of the 2,990,000,000 shares (59.80% of 5 billion shares) acquired by Cititrust Holdings Plc.

The carrying value of assets and liabilities recognised as a result of the acquisition are as follows:

	2020
	N'000
Assets	
Cash and balances with CBN	88,942
Due from banks	1,291,081
Loans and advances to customers	1,801,288
Investment securities	710,794
Other assets	149,250
Property and equipment	226,895
Intangible assets	25,919
Deferred tax assets	5,574
	<u>4,299,743</u>
Non-current assets held for sale	295,250
Total assets	<u>4,594,993</u>
Liabilities	
Deposits from customers	1,209,132
Borrowings	130,215
On-lending facility	420,730
Current income tax payable	12,888
Other liabilities	171,270
Total liabilities	<u>1,944,235</u>
Net assets of Livingtrust on acquisition date	<u>2,650,758</u>
Cititrust Holding Plc's share of the net assets (59.80%)	1,585,153
Non-controlling interests (40.20%)	1,065,605

For the non-controlling interests in Livingtrust Mortgage Bank Plc, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See Note 2.1 (e) for the Group's accounting policies for business combination.

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35.2 Summary of acquisition

On 30 April 2020 Cititrust Holdings acquired 59.80% of the issued share capital of Livingtrust Mortgage Bank Plc ("Livingtrust") for N1.7 billion cash consideration.

LivingTrust Mortgage Bank Plc (formerly Omoluabi Mortgage Bank Plc) is a public limited liability company domiciled in Nigeria. The Bank changed its name from Omoluabi Mortgage Bank Plc to LivingTrust Mortgage Bank Plc on 7 October 2020. The Bank is primarily involved in business of Residential and Commercial Mortgage financing as well as construction finance among other financial services.

The assets and liabilities acquired were valued as at the acquisition date – 30 April 2020. Details of the net assets acquired, and goodwill are as

	period ended 30 April 2020 N'000
Purchase consideration	1,718,543
Carrying value of net assets acquired	(1,585,153)
Goodwill	<u>133,390</u>

The goodwill is attributable mainly to the skills and technical talent of Livingtrust's workforce and the high profitability of the acquired business. None of the goodwill recognised is expected to be deductible for tax purposes.

The goodwill on acquisition has been allocated entirely to Banking segment because it is the Cash Generating Unit (CGU) directly affected by the acquisition of Livingtrust.

35.3 Revenue and profit contribution

The acquisition was consummated on 30 April 2020. From the date of acquisition to the audit report date, the acquired entity has contributed to the reduction of the loss incurred by the group, as it has generated significant revenue and profit for the group. Hence, the acquired business did contribute revenue or profit during the year.

35.4 Purchase consideration - cash outflow

	31-Dec-20 N'000
Purchase consideration	1,718,543
Less: balances acquired - Cash	(825,254)
Net outflow of cash - investing activities	<u>893,289</u>

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35 Business combination - Continued

35.5 Acquisition of Core Capital Limited and Great Hope Insurance Brokers Limited

On 30 April 2020, Cititrust Holdings Plc reached an agreement to acquire 80% of Core Capital Limited ("Core Capital") issued and yet to be issued ordinary shares. On same date, Cititrust Holdings acquired 75% of Great Hope Insurance Brokers Limited ("GHIB") issued and yet to be issued ordinary shares. The acquisitions were through Cititrust Financial Services Limited (CFS) where CFS became the parent company of Core Capital and GHIB at the point of gaining control of the Companies while Cititrust Holdings Plc became the ultimate parent company. Under the terms of acquisition, each Core Capital and GHIB shareholder is entitled to receive, for each Core Capital and GHIB share, 83 million naira and 23 million naira in cash respectively. The cash consideration was fully funded by Cititrust Holdings Plc.

Core Capital Limited "the Finance house" was incorporated in Nigeria as a private Limited Liability Company in Nigeria on 1 September, 2004 with registration number RC 606058 and commenced operations in February 2005. The finance house was licensed as a Unit-Tier 1 finance in line with the provisions of the Bank and Other Financial Institutions Act, 2020 and the Revised Regulatory and Supervisory Guidelines for Other Financial Institutions in Nigeria issued by the Central Bank of Nigeria. (CBN). The principal activity of the Company are those of a licensed finance Company to carry on business of LPO financing, lease financing, invoice discounting, fund placement and management as well as providing financial services as authorized by CBN and as stipulated by BOFIA, 2020.

Great Hope Insurance Brokers Limited (GHIB) was incorporated as a private limited liability company on 12 September, 2001. The principal activity of the Company is the provision of insurance brokerage services to the general public as individual, firms and organizations where the Company act as an intermediary between the between their clients and the Insurance companies.

The purchase considerations were N80 million and N3.750 million which represents average share price of N1 per each of the 80 million and 3.75 million shares of Core Capital (80%) and GHIB (75%) acquired by Cititrust Holdings Plc respectively.

The carrying values of assets and liabilities recognised as a result of the acquisition are as follows:

	Core Capital 2020 N'000	GHIB 2020 N'000
Assets		
Cash and cash equivalents	292	21
Investment securities	26,878	-
Other assets	-	857
Property and equipment	971	1,004
Total assets	<u>28,142</u>	<u>1,882</u>
Liabilities		
Current income tax payable	2,990	-
Other liabilities	23,605	185
Total liabilities	<u>26,595</u>	<u>185</u>
Net assets acquired	1,546	1,697
Add: Net assets of non-controlling interests	<u>387</u>	<u>566</u>
Carrying value of net assets acquired - Core Capital and GHIB	<u><u>1,933</u></u>	<u><u>2,263</u></u>

For the non-controlling interests in Core Capital Limited and Great Hope Insurance Brokers Limited, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See Note 2.1 (e) for the Group's accounting policies for business combination.

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35 Business combination - Continued

35.6 Summary of acquisition

The assets and liabilities acquired were valued as at the acquisition date – 30 April 2020. Details of the net assets acquired, and goodwill are as follows:

	Core Capital period ended 30 April 2020	GHB period ended 30 April 2020
	N'000	N'000
Purchase consideration	80,000	3,750
Carrying value of net assets acquired	(1,546)	(1,697)
Goodwill	<u>78,454</u>	<u>2,053</u>

The goodwill is attributable mainly to the skills and technical talent of Core Capital and GHB's workforce of the acquired business. None of the goodwill recognised is expected to be deductible for tax purposes.

The goodwill on acquisition has been allocated to Investment Banking and Insurance segments because it is the Cash Generating Unit (CGU) directly affected by the acquisition of Core Capital and GHB respectively.

35.7 Revenue and profit contribution

The acquisition was consummated on 30 April 2020. As a result, the acquired business did contribute revenue or profit during the year.

35.8 Purchase consideration - cash outflow

	Core Capital 31-Dec-20	GHB 31-Dec-20
	N'000	N'000
Purchase consideration	80,000	3,750
Less: balances acquired - Cash	(292)	(21)
Net outflow of cash - investing activities	<u>79,708</u>	<u>3,729</u>

35.9 Summary of net outflow of cash relating to business acquisition

	31-Dec-20 N'000
Livingtrust Mortgage Bank (Note 33.4)	893,289
Core capital limited (Note 33.8)	79,708
Great Hope Insurance Brokers (Note 33.8)	3,729
	<u>976,726</u>

36 Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party. The definition includes Directors and key management personnel among others.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year and balances at 31 December 2021 and 31 December 2020.

	Relationship	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Borrowings					
Cititrust Private Equity Limited	Subsidiary	-	-	-	3,927,062
Globevest Capital Limited	Sister company	-	6,833,900	-	6,833,900
Living Trust Mortgage Bank Plc	Subsidiary	-	-	101,734	-
Due from related parties					
Globevest Capital Limited	Sister company	-	22,576	-	-
Due to related parties					
Core Capital Limited	Subsidiary	-	-	-	703,830
Cititrust private equity	Subsidiary	-	-	69,027	-
Cititrust Savings and Loans - Liberia	Subsidiary	-	-	33,900	-
Cititrust United Kingdom	Subsidiary	-	-	17,686	-
CFS - Tanzania	Subsidiary	-	-	188,000	-
CFS - Ghana	Subsidiary	-	-	8,152	-
Cititrust Investments Cote D'ivoire Ltd	Subsidiary	-	-	292,155	-

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36 Transactions with related parties - Continued

Key management personnel of the Company includes all Directors, executives and non-executives, and senior management. The summary of compensation of key management personnel for the year is as follows:

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Salaries and allowances	564,728	373,474	110,909	145,067
	<u>564,728</u>	<u>373,474</u>	<u>110,909</u>	<u>145,067</u>

The amounts disclosed in the table above are the amounts recognised as an expense during the reporting period related to key management

Compensation to employees and directors

i The number of employees of the Company who received emoluments in the following ranges was:

	Group		Company	
	2021	2020	2021	2020
₦2,000,000 and below	150	110	12	12
₦2,000,001 - ₦5,000,000	179	179	2	6
₦5,000,001 - ₦10,000,000	59	59	4	3
₦10,000,001 and above	12	12	4	2
	<u>400</u>	<u>360</u>	<u>22</u>	<u>23</u>

ii Directors' remuneration

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Fees and sitting allowance	269,551	183,343	40,347	40,347
Other emoluments	42,406	19,810	37,966	19,810
	<u>311,957</u>	<u>203,153</u>	<u>78,313</u>	<u>60,157</u>
Executive Director's remuneration				
Executive compensation	<u>77,182</u>	<u>61,746</u>	<u>85,109</u>	<u>61,746</u>

iii Chairman and highest paid director

	₦'000	₦'000	₦'000	₦'000
Chairman	12,500	10,000	10,000	10,000
Highest paid director	<u>77,182</u>	<u>61,746</u>	<u>85,109</u>	<u>61,746</u>

37 Contingent liabilities and capital commitments

There were no contingent liabilities and capital commitments at the end of the year.

38 Events after reporting date

There was no event after the reporting date which could have a material effect on the state of affairs of the Group and the Company as at 31 December 2021 or the profit or loss and other comprehensive income for the year then ended.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

39 Financial risk management

Introduction and overview:

Key investment risks are the possibility of permanent loss of capital and erosion of future purchasing power. Our vision is to become a leading Investment Holding Company in Africa, being a diversified growth-oriented investment vehicle for wealth creation". Thus, need to find investments with attractive risk-adjusted returns and build portfolios that provide long-term value and sustain same in order to achieve the company's objectives and meet stakeholders' expectations.

To continually sustain the group and build a sound financial system, we adopted an enterprise wide, integrated approach to risk management. The key objectives are as follow:

- Gain a holistic view of the risks it is exposed to;
- Define its risk appetite based on its strategic objectives;
- Assess, measure and quantify the risks;
- Develop risk mitigation strategies and control techniques before the risk crystalizes;
- Enhance the overall performance of the group.

Sound enterprise risk management is sacrosanct to guarantee solid foundation, profitability and going concern. we promote risk management culture where risk is everyone's business from board level down to risk owners and units across the group.

To successfully achieve effective risk management, the group maintained a critical balance between the pursuit of opportunities and the need to have a firm control over the risks facing the entire group. In this regard, the Enterprise Risk Management Framework was developed to establish and sustain leading risk management practices, sets out a top-level framework for the consistent management of risk across Cititrust Holdings Plc. It has been developed in line with the commitment of the Board of Directors ("the Board") and the Management to achieve its strategic business objectives and to grow its risk management maturity level.

Our Risk management approach addresses all risks associated with the group's objectives for the purpose of achieving sustained benefits within each activity and across the portfolio of all activities. The risks arising from financial services to which the Group is exposed are financial and nonfinancial risks, which includes equity investment risks, Credit risk, Liquidity risk, Market risk, (foreign exchange, interest rate) Operational risk, Legal, Compliance, Strategic, Reputational, Information security, Environmental and Social risk.

Internal business decisions at the subsidiaries are generally specific, with a limited impact on a diversified portfolio. Position sizing and knowledge of corporate strategy provide our investment committees with an understanding of the portfolios' specific risks. The impact of external economic variables can be more pervasive as commodities, currencies, interest rates, and other external factors affect the success of a large number of individual companies across our African subsidiaries and economic sectors.

We considered risk to be an integral part of the group's business and the group will not seek to avoid risks, but will understand, manage and effectively evaluate them in the context of expected return in order to meet the stakeholders' expectations and the group objectives. As part of its risk management policy, the Group segregates duties between market-facing business units and risk management functions while management is governed by well-defined policies, which are clearly communicated across the Group. Risk related issues are taken into consideration in all our business decisions and the Group continually strives to maintain a conservative balance between risk and revenue consideration. Continuous education and awareness of risk management has strengthened the risk management culture across the Group.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

39 Financial risk management - continued

Risk Management Philosophy

The key elements of the risk management philosophy are the following:

- The Group considers sound risk management to be the sustainability of a financial institution.
- Risk management is governed by well-defined policies that are clearly communicated across the Group.
- Risk management is a shared responsibility and all staff take responsibility as they are continually abreast of the inherent risks.
- The Group's risk management governance structure is clearly defined with a deep sense of responsibility, professionalism and respect for other parties;
- Risk are well considered in all our business decision;
- Risks are adequately reported and fully to the appropriate levels across the group once they are identified for mitigation purposes.
- All subsidiaries are guided by the principles provided in the risk management policies of the Group.

Risk Appetite

This is the aggregate level (amount) and types of risk the group is willing to assume within its risk capacity in order to achieve its strategic objectives and business plan. It reflects potential impact on earnings, capital and liquidity. The threshold is usually the Risk committee's responsibility. The parameters vary and also based on the group's policy as approved by the Board. It reflects the enterprise's risk management philosophy, and in turn influences the entity's culture and operating style.

Risk Appetite Statement (RAS)

The Statement considers the most significant risks to which the group is exposed and provides an outline of the approach to managing these risks. All strategic plans and business plans for functional areas need to be consistent with this Statement. It includes qualitative statements as well as quantitative measures expressed relative to earnings, capital, risk measures, liquidity and other relevant measures as appropriate. The RAS sets the tolerance for risk-taking in Cititrust's operations within the group's risk-bearing capacity. Risk limits and risk profile assessment are other key elements in the implementation of the group's risk appetite framework.

Risk Appetite Framework (RAF)

This is the overall approach, including policies, processes, controls, and systems through which risk appetite is established, communicated, and monitored. It includes a risk appetite statement, risk limits, and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF. The RAF considers material risks to the group, as well as to its reputation vis-à-vis business holders, investors and customers.

The maximum level of risk we assumed given our current level of resources before breaching constraints determined by regulatory capital and liquidity needs, the operational environment and obligations, also from a conduct perspective to stakeholders.

Enterprise Risk Management Framework

The risk management framework of the Group consists of a comprehensive set of policies, standards, procedures and processes designed to identify, measure, monitor, mitigate and report significant risk exposures in a consistent and effective manner across the Group. With an increasing focus on consistency and transparency, the Group regularly assesses and enhances its risk management framework to ensure it is fit-for purpose and current happening in the industry.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

Our risk management process affects our board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of our business objectives. It is a consistent approach to setting the best course of action under uncertainty by identifying, assessing, understanding, acting on and communicating risk issues and opportunities.

Enterprise Risk Management Objectives:

- To ensure that threats to our strategic plans and business investments are promptly identified and well mitigated against;
- To ensure that our business growth plans are consistent with our risk appetite and supported by an effective and efficient risk management function;
- To identify any real and perceived risks exposures that may impact or be associated with the effective and efficient management and co-ordination of the Company's activities;
- To integrate risk management into the culture and strategic decision-making processes of the Company;
- To ensure that top management as well as individuals responsible for risk management possess the requisite expertise and knowledge to accomplish their functions; and
- To comply with appropriate regulations and leading industry practices.

Risk management Principles Employed

Below are the group's principles underpinning the Framework and guided how we effectively and efficiently manage risk at all levels. These principles are communicated across the group from time to time.

- Embedding – ERM is fully embedded within the major functional and operational processes just as strategic planning and performance measurement system.
- Creating and Protecting Value – our Enterprise Risk Management contributes to the achievement of our objectives and improves performance in areas such as corporate governance, project management, business model and health and safety of staff.
- Consistency – We adopt a consistent approach for the identification, assessment, monitoring, mitigation, control and communication of risks associated with all of its activities, functions, processes, and events in an effort to efficiently and effectively achieve its corporate objectives.
- Risk Awareness – We foster a result driven and risk awareness culture to move the company to a position where decisions are taken with full consideration of relevant risks and their implications.
- Ownership – Specific risk owners within the group's workforce have sound understanding of the risk impacting their operations or areas of responsibility and able to respond with appropriate strategies and mechanisms to identify, assess, monitor, and control those risks.
- Accountability – Risk owners within the group are held accountable for the risk management actions in their respective areas of responsibility.
- Authority – Risk owners have the required level of authority and flexibility to determine and execute the proper course of action to mitigate the risk in their respective areas of responsibility.
- Communication – our information system is continually updated to accommodate data input necessary for proper assessment and monitoring of risks.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

Risk Management Principles Employed

The Group manages its risks broadly in a systematic and transparent manner through its robust enterprise risk management framework and a risk governance policy through the application of best practices that are supported by a healthy governance structure which made up the Board risk committee, executive management committees and various risk related departments. The Board drives the risk governance and compliance process through its committees. The audit committee provides an oversight function on internal control, financial reporting and compliance. Credit policies are reviewed regularly by the Board credit committee and approves all loans above the limits of the Executive Management as stated in the credit policies.

The Board Risk Committee sets the risk philosophy, appetite, policies and strategies as well as supervises various risk elements and their management. The Board Risk Control Functions are supported by various management committees and sub committees groupwide which help the development and implementation of various risk strategies, and ensures that the overall risk exposures are within the thresholds set by the Board. The management credit committee manages the credit approval and documentation activities, ensures that the credit policies and procedures are aligned with the business objectives and strategies while the Management Risk committee drives the management of the financial risks (Market, Liquidity and Credit Risk), strategic risks as well as operational and reputational risks.

Key features of the Group's risk management policy are:

- The Board of Directors provides overall risk management direction and oversight;
- The Group's risk appetite is approved by the Board of Directors;
- Board's attention is drawn regularly to new developments relating to various guidelines, governance and rules guiding the business;
- Quarterly risk report is reviewed by the Board committee.
- Risk management is embedded in the Group as an intrinsic process and is a core competence of all its employees;
- The Group manages its credit, market, operational and liquidity risks in a coordinated manner across the subsidiaries;
- The Group's risk management function is independent of the business divisions; and
- The Group's internal audit function reports to the Board Audit Committee and provides independent assurance of the business units' compliance with risk policies and procedures, and the adequacy and effectiveness of the risk management framework on the enterprise.

Cititrust reviews and improves its risk management policies regularly and the system to reflect changes in markets, products and international best practices. An essential part of the Group's risk management is building capacity through training, holding individual officer responsible and accountable with discipline and careful control culture. The Board of Directors ensures strict compliance with relevant laws, rules and standards issued by the industry regulators and other law enforcement agencies, market conventions, codes of practices promoted by industry associations and internal policies.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

39 Financial risk management - continued

Risk Governance Structure, Roles and Responsibilities

Our risk governance framework is designed based on the “three lines of defence” model as follows:

First line of defence - Business and Process Owners

This consists of business units and line functions with primary responsibilities for risk management. The first line of defence involves the actual business operations where the transactions are entered, executed, valued and recorded. Most preventive controls are implemented at this level and detective controls help to manage control breaks at the transaction level.

The primary responsibilities and objectives of the first line of defence are listed below:

- Identifying emerging risks at the transaction/business case level;
- Executing risk assessment and supporting the development of the risk register;
- Implementing actions and the process to manage and treat risks at the transaction level; and
- Ensuring compliance with the group’s policies and regulatory guidelines.

Second line of defence - Financial risk management and Controls Functions

The second line of defence consists of all risk and control functions responsible for providing independent risk oversight of the execution of frontline controls and monitoring the effectiveness of the Cititrust’s risk management processes. The second line of defence is responsible for the following:

- Providing oversight over key risks to which Cititrust is exposed.
- Establishing risk management policies and processes
- Providing guidance and coordination among all monitoring participants (finance, internal control, compliance and legal units)
- Identifying enterprise trends, synergies and opportunities for change
- Initiating change, integrating and making new monitoring processes operational

Third line of defence - Internal Audit, External Audit, Audit Committee

The third line of defence consist of all functions with primary responsibilities for assessing and providing independent assurance on the adequacy, appropriateness and effectiveness of Cititrust’s overall risk management framework, policy and risk plan implementation. It provides independent perspectives on the overall control framework and tests the adequacy of the control’s design and effectiveness. The main duties of this line of defence include:

- Providing oversight on the risk management process
- Perform regular audits on completed risk control framework
- Performing internal control reviews based on a rationalized and systematized approach that allows for risk assessment and governance reporting
- Reporting to the Board Committee and the Chief Executive on the state of the control environment or gaps in the controls or monitoring environment; or the status of remediation plans and or potential current and future risks.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

Enterprise Risk Management Structure

The Board of Directors has overall responsibility for the establishment of the Group's Financial risk management framework and exercises its oversight function through its various committees. These committees are responsible for developing and monitoring risk policies in their specific areas and report regularly to the Board of Directors. The Board Committees are also assisted by the various Management Committees in identifying and assessing risks arising from day to day operations of the Group.

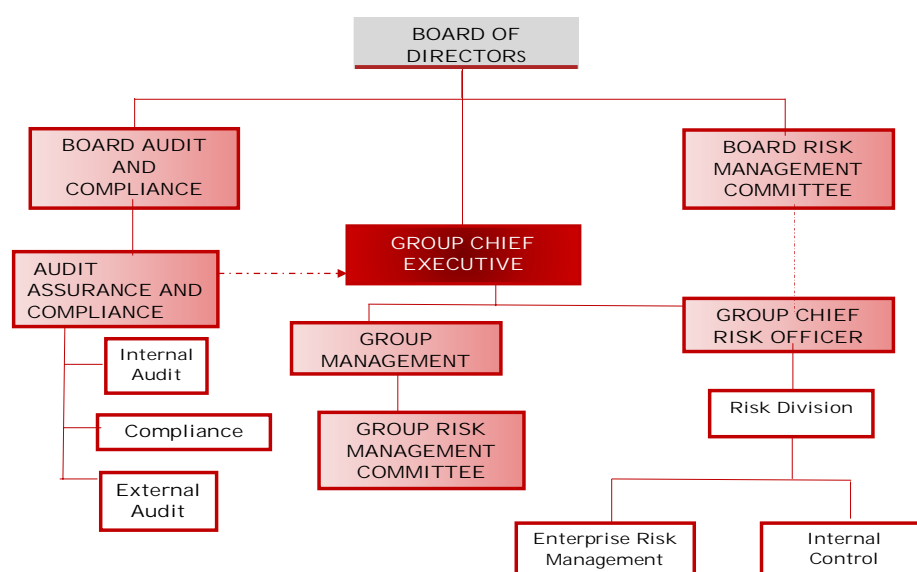


Figure: Financial risk management Structure

Responsibilities of Stakeholders

Responsibilities of the Board of Directors

The Board has the overall responsibility of implementing the Enterprise Risk Management framework and other responsibilities include the following;

- Setting the tone for risk management by establishing risk appetite and risk tolerance for each business unit;
- Delegate authority to Risk Committee for direct governance and oversight over all risk management activities;
- To provide oversight and inquire management about existing risk management processes and challenge management to demonstrate the effectiveness of risk management process;
- Review the communication mechanism to ensure transparent reporting of significant risks;
- Understand and assess business strategies with risk exposures.

Responsibilities of the Board Risk Management Committee

The Committee assist the Board in its oversight functions over the group risk management practices. The Committee review the risk management framework, strategy and policies; determine the group's risk appetite and monitor our risk profile against this appetite; ensure that the risk management framework, strategy, policies and procedures for managing risks are adequately communicated to all staff; advise Management to take necessary steps to identify, measure, monitor, control and report all risks we are exposed to; and create an atmosphere of open communication between the Internal and External Auditors and the members of the Senior Management.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

Responsibilities of the Executive Management Committee

The Executive Management is responsible for defining, documenting and implementing the group risk management strategy and policies; ensuring that there are policies and procedures for managing and mitigating the adverse effects of business and control risks; evaluating the group's risk profile, developing action plans to manage risks, and monitoring progress against the plans; reviewing risk reports on a regular and timely basis as provided by the group risk committee; developing policies and procedures for identifying, measuring, controlling, monitoring and reporting risk.

Responsibilities of the Group Risk Committee

The was inaugurated by the Group Management Council (GMC) and the GMC annually reviews the terms of reference and the effectiveness of the Committee. The Duties and Authority of the committee include:

- The Committee's primary role is to provide guidance to the GMC with regard to the Group's risk appetite, to provide advice on what constitutes acceptable risk taken and to provide oversight of the Group's risk management policies and procedures.
- As part of its oversight, the Committee must review and approve a robust framework to ensure that the identification, monitoring, managing and reporting of risks is embedded in the Group.

The Committee's main responsibilities are to:

- Submit regular reports on key risk matters that may impact the Group and to provide advice as to the appropriate action to be taken where necessary.
- Provide advice to the Board in relation to the Group's overall risk appetite for each of the categories of principal risk to which the Group may be exposed being Insurance risks; Investment and market, liquidity, and counterparty credit risks; Regulatory and legal changes; Material business and operational risks; Reputational risks; Conduct risk and such other principal risks as determined from time to time.
- Provide to the GMC, current risk exposures of the Group and oversee the management of those categories of risk to which the Group may be exposed.
- Provide oversight of the Group's overall risk framework ensuring that the principal risks are being appropriately assessed; and to delegate any necessary changes in Group risk policies (including the Own Risk & Solvency Assessment Policy).
- Review the Group Risk Appetite and to advise the GMC on its appropriateness; and review Group risk strategy, policies and procedures.
- Monitor the impact of the principal risks on the Group's strategy and consider changes to the risks arising at a Group level as a consequence of the Group's strategy, market and regulatory events.
- Review the Financial risk management section to be included in the Group's annual Report and Accounts and to make a recommendation to the GMC regarding its acceptance.
- Oversee the governance of the Group's Internal Model including ratification of all changes proposed to the Model.
- Advise the Board on the overall operation and performance of the Group's Internal Model, approving its strategic direction and, where appropriate, recommending major changes to the Board for approval. The Committee will also escalate material deficiencies of the Model (identified through the validation process or otherwise) to the relevant Board(s) if there are implications for the use of the Model in reporting or decision-making.
- Approve and oversee the development of the "Own Risk and Solvency Assessment" designed to measure, aggregate and monitor risks in accordance with strategy, policy and principles.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

- Review the Group's Own Risk and Solvency Assessment (ORSA) report and to make a recommendation to the Board regarding its acceptance.
- Review the appropriateness of stress tests, scenario analysis and reverse stress tests, reviewing results and proposing the necessary action.
- Delegate authority to the Group Chief Risk Officer to approve minor revisions to the Groups' principal risk categories in between meetings of the Committee to ensure that the categories are kept up to date, such revisions being reported to the next meeting of the Committee

Internal Audit Unit

Internal Audit Unit provide the following responsibilities:

- Provide independent assessment and evaluation of the adequacy and effectiveness on the group Enterprise Risk Management Framework;
- Perform periodic review to determine compliance with the group's risk policies;
- Assess the adequacy of the group risk assessment and measurement methodology;
- Assess the effectiveness of the group risk monitoring and reporting process; and
- Conduct an independent assessment and evaluation of the risks in the activities of each Business Unit.

Risk Assessment

Our risk assessment follows the risk identification exercise. It involves analyzing the risks to arrive at a level that describes Cititrust's exposure. This is performed by determining the level of impact and the likelihood of occurrence of the risk crystalizing. The aim is to focus Management's attention on the most important risks and possible opportunities. Risk assessment sets the groundwork potentially for risk response and mitigations.

Extreme: These risks pose significant challenge to the achievement of Cititrust's objectives and could pose a threat to the Company. Risks rated high are reported to Management for appropriate attention.

Moderate: These risks could affect the short-term goals of Cititrust. Depending on the goal they affect, they could require the attention of Management, but could usually be handled by a senior staff.

Low: These risks are expected to happen in the normal course of business. The effect of such risks on the Company's goals or objectives is usually minimal and they can be handled effectively by lower-level staff.

Methodology for Risk Rating

The risk management strategy is to develop an integrated approach to risk assessments, measurement, monitoring and control that captures all risks in all aspects of the Group's activities.

All activities in the Group have been profiled and the key risk drivers and threats in them identified. Mitigation and control techniques are then determined to tackle each of these threats. These techniques are implemented as risk policies and procedures that drive the strategic direction and risk appetite as specified by the Board. Techniques employed in meeting these objectives culminate in the following roles for the risk control functions of the Group:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

- Develop and implement procedures and practices that translate the Board's goals, objectives, and risk tolerances into operating standards that are well understood by staff;
- Establish lines of authority and responsibility for managing individual risk elements in line with the Board's overall direction;
- Risk identification, measurement, monitoring and control procedures;
- Establish effective internal controls that cover each risk management process;
- Ensure that the Group's risk management processes are properly documented;
- Create adequate awareness to make risk management a part of the corporate culture of the Group;
- Ensure that risk remains within the boundaries established by the Board; and
- Ensure that business lines comply with risk parameters and prudent limits established by the Board;

The CBN Financial risk management Guidelines prescribes quantitative and qualitative criteria for the identification of significant activities and sets a threshold of contributions for determining significant activities of the subsidiaries under its regulation. This practice is essentially to drive the risk control focus of financial institutions.

Risk management structures and processes are continuously reviewed to ensure their adequacy and appropriateness for the Group's risk and opportunities profile as well as with changes in strategy, business environment, evolving thoughts and trends in risk management.

Techniques for Assessing Risks

We adopt a combination of the following approaches to assess risks within the group:

- System Based Assessment – This approach involves the use of surveys to determine the maximum possible impact and the possibility of determining the level of risks Cititrust is exposed to. Surveys are sent to relevant stakeholder across departments and divisions.
- Facilitated Workshop- where relevant staff with experience within their business process shall meet to discuss and evaluate likelihood and impact to arrive at appropriate ratings for each identified risk
- Interviews: This approach is desirable where there are changes in the business environment when necessary to support and update the system-based assessment.

Measurement Techniques

Our risk assessment methodology comprises of a combination of quantitative and qualitative techniques.

Quantitative techniques are appropriate for risks that lend themselves to calculation such as financial risks (interest rate risk, inflation risk and treasury risk, etc). According to COSO (2004) quantitative techniques typically bring more precision and are used in more complex and sophisticated activities. Where obtaining or analyzing data is not cost effective, qualitative assessment is applied. In such cases more subjective means are utilized, the most important of which is the expert judgement of management.

It is important to measure firstly those risks that can reliably be measured. A qualitative risk measurement indicator for those risks more difficult to measure may be used. As a rule though, all risks, specifically the business-type risks, should be measured using the risk quantification base even when the result appears very subjective.

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39 Financial risk management - continued

Determining the residual risk level

Residual risk level is determined after assessing the gross risk level (level of risk determined prior to the control evaluation) and current control effectiveness rating. The resultant risk exposure after taking these controls into consideration is known as residual risk. To assess the effectiveness of the current control over identified risks, the following questions are considered:

- Are all appropriate controls present?
- Does the control address the risk effectively?
- Is the control officially documented and communicated?
- Is the control in operation and applied consistently?
- Is the control reviewed by anyone independent of the person performing the control procedure?
- Is the control excessive in mitigating the risk such that a review is required?

Risk Rating Criteria

The levels of the risks identified shall be determined by considering two factors; Magnitude of impact of the risk and likelihood of occurrence.

1.) Magnitude of Impact of the Risk

The magnitude of impact of the risk is defined using a five-point scale with five (5) being the highest and one (1) the lowest.

2.) Likelihood of Occurrence

Some events happen once in a lifetime; others can happen almost every day. The analysis of risk requires an assessment of their frequency of happening.

Determining the Target risk level (Desired Risk Level)

The group target risk is the desired level of residual risk exposure and our attempts to achieve the target risk level by implementing the proposed mitigations for identified risks. Cititrust understands that a successful implementation of proposed mitigating control will improve the control effectiveness rating.

Risk Mitigation

Having identified and assessed the risks, the next step is to determine an appropriate risk treatment strategy. The risk treatment approach involves selecting and agreeing to relevant options for changing the probability of occurrence and the impact of risks, or both, and going ahead to implement the options.

Risk Mitigation Approaches

We apply any or a combination of the following four approaches to treat risks:

Risk Termination/Elimination

In this approach, we shall make decisions that isolate us from further contact with such risks once the risk likelihood is considered very critical. Some instances of risk termination include opting out of certain activities because of inadequate knowledge of their processes, businesses or industries.

Risk Tolerance/Retention

Under this approach, we acknowledged the risk, but we may not take measures to halt the likelihood of such situation occurring or to minimize the risk associated with it. We adopt this approach where the cost of mitigation exceeds the benefit or loss incurred should the risk occur.

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39 Financial risk management - continued

Risk Treatment/Mitigation

Under this approach, we acknowledged the risk and take steps to reduce the risk's likelihood and/or impact. Some of the steps taken to mitigate the impact or likelihood of risk occurrence include the following:

- Formulate or Enhance Policy.
- Define Authority Limits.
- Improve Processes.
- Strengthen/Implement New Controls.
- Continuous Education and Training Program.
- Obtain Expert Advice.

Risk Transfer/Sharing

Under this approach, we transferred our risks to other sources. Some common practices involved in risk sharing include:

- Purchasing various forms of insurance;
- Hedging risk in the foreign exchange market;
- Sharing risk through syndicated investments or strategic alliance; and
- Outsourcing

The choice of the treatment option used depends on the type and nature of the risk, outcome of a cost benefit analysis. We considered all direct and indirect costs and measure all benefits whether tangible or intangible before reaching a decision.

ERM and Business Continuity (BCM) Framework

Business continuity management has the added value of helping the group identify operational resiliency improvements that can greatly enhance our ability to weather interruptions that would otherwise significantly challenge competitors. ERM and business continuity management share the common goals of identifying, assessing, and managing interruption risks that could serve to prevent achievement of their strategic objectives.

Business continuity management and enterprise risk management complement one another, and both are necessary in today's high-risk business environment.

ERM and BCM share the common goals of identifying, assessing, and managing interruption risks that could serve to prevent achievement of their strategic objectives.

Business continuity helped to understand the principles found in the enterprise risk analysis process in order to deliver higher levels of value with the objective of managing risk likelihood and impact. A holistic approach is adopted to all risks within the categories with perspectives across board, holding key individuals responsible for managing critical risks within the scope of their responsibilities.

Strategies for risk management under the current economic conditions

Considering the economic outlook in the year gave insights into the group's strategies development and its implementation even in the face of uncertainties during the year. The group measures its resilience regularly to accommodate changes in micro and macro environments with specific actions to address any observed or anticipated challenges. We strongly believe that we are well positioned to deal with liquidity risk and funding challenges that may arise from any adverse situations and our capital and earnings capacity (profitability) can withstand the shocks that may arise and test of time.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

The group will continue to support its customers as much as possible in terms of tailored financial services; credit facilities and performance obligations (restructuring repayments to match cash-flows, where necessary); and other services as may be required from time to time in line with the business and objectives of the group.

Some of the key risk management strategies in the period include the following:

- Continuous review and monitoring of our portfolios;
- Cautiously grow quality risk assets while maintaining adequate level of capital as provided in the guidelines;
- Credit facilities are properly secured, thus, very few unsecured loans;
- Source for cheaper and stable funds;
- Drive other income sources as much as possible. Seek new sources and champions;
- Further develop SME/Retail product sales for financial inclusions;
- Ensure that the Net Interest Margin (NIM) is maintained for all changes in interest rates;
- Monitor impact of global economy in commodity pricing, Foreign Direct Investment (FDI) inflows and general behavior of local economy to the changes in the global market for necessary action;
- Provision of foreign exchange funding through our BDC company and export proceeds;
- Improve customer service delivery through our continuous improvement on processes, turn-around time and trainings;
- Continuous improvement on our technology/digital platforms - This is to aid cyber security, customers' confidence, loyalty and group reputation.

The Group's principal financial liabilities comprise loans and borrowings, customer deposits and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans and advances, trade receivables and other receivables, loans and advances and cash and cash equivalents that derive directly from its operations. The Group is exposed to market risk (interest rate), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

37.1 Credit risk

Credit risk remains the top risk for the subsidiaries of the group and we placed eminence proper and efficient management of credit risk. Credit risk is the potential for losses due to failure of the borrowers or counter parties' meeting their contractual obligation to pay back both principal and interest for loans advanced or other service related in accordance with the agreed terms. The following principles guide our credit risk management across group:

- Implement and constantly review our credit policy and operating procedures;
- Extend credit to only suitable and well profiled customers;
- Ensure a proper balance between days receivable and days payable to ensure liquidity;
- Ensure loans/credits considered uncollectable are adequately provided for;
- Ensure that there are consequences for non-compliance with the Company's credit policies.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

39.1 Credit risk - Continued

Management of credit risk

The Risk Management function of each subsidiary has specific and overall responsibility for facilitating risk asset creation and exposure management processes across the Group. The Operational Manual with other regulatory guidelines are the primary reference document for creating and managing credit risk exposures. The credit documents state clearly the general policies and procedures, framework for credit risk management across the subsidiaries and incorporates provisions for marketing, risk analysis, approval, administration, monitoring and reporting of risk exposures.

The Credit Risk Management Policy documents are designed to:

- Create quality risk assets;
- Provide a robust guide and framework in creating and managing risk assets;
- Standardize credit policies, give employees clear and consistent direction for the creation of risk exposures across within the group;
- Ensure early detection of issues around credit facilities and prudent management of deterioration in credit quality;
- State the requirements for administration and reporting of individual exposures and the overall risk asset portfolio; and
- Provide general framework on the management of credit risk policies and procedures and articulate same by the Risk Management function of each subsidiary.

Risk limit control and mitigation policies

The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments.

In line with the Group's credit policy, a detailed portfolio plan is prepared annually and provides a framework for creation of credits and risk appetite development. In drawing up the plan, the Group reviews macro-economic, regulatory and political factors, identifies sectors/industries with opportunity as well as the Group's business targets to determine the appropriate limits.

The limits include:

- Maintenance of aggregate exposure within the risk appetite;
- Maintain regulatory lending limit in each of the jurisdiction in which it operates.
- Adoption of industry/economic sector limits in line with the industry standards and best practice.
- Presently, the Group's exposures outside Nigeria are taken by its subsidiaries to other African countries, which operate within the country limits defined by their Boards of Directors.
- Retail borrowers' limits are kept low and graduated with credit scoring, forecast cash flow and realizable value of collateral.
- The Group also sets internal credit approval limits for various levels in the credit process. This is reviewed as it may require from time to time.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

39.1 Credit risk - continued

Below is the list of financial assets that are exposed to credit risk and the balances as at 31 December 2021 and 31 December 2020 that are exposed to such risks.

Group

	1 - 12 months N'000	Above - 12 months N'000	Total N'000
31 December 2021			
Cash and bank balances	5,092,100	-	5,092,100
Investment securities at amortised cost	10,879,605	2,719,901	13,599,506
Loans and advances	7,439,898	3,719,949	11,159,847
Trade receivables	342,368	-	342,368
Other receivables	768,639	13,543,214	14,311,853
Total assets	24,522,610	19,983,064	44,505,674

31 December 2020			
Cash and bank balances	3,475,760	-	3,475,760
Investment securities at amortised cost	4,549,689	1,137,422	5,687,111
Loans and advances	5,547,841	2,773,921	8,321,762
Trade receivables	246,257	-	246,257
Other receivables	5,029,129	2,281,686	7,310,815
Total assets	18,848,676	6,193,029	25,041,705

Company

31 December 2021			
Cash and bank balances	1,013,788	-	1,013,788
Investment securities at amortised cost	173,073	-	173,073
Other receivables	196,536	6,707,697	6,904,233
Total assets	1,383,397	6,707,697	8,091,094

31 December 2020			
Cash and bank balances	1,069,065	-	1,069,065
Investment securities at amortised cost	203,960	-	203,960
Trade receivables	200,622	-	200,622
Other receivables	1,223,004	-	1,223,004
Total assets	2,696,651	-	2,696,651

The references below show where the Group's impairment assessment and measurement approach is set out in the financial statements. It should be read in conjunction with the Summary of significant accounting policies.

The Group applied the general approach in computing expected credit losses (ECL) for due from related party. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

38.1.1 Impairment assessment - Continued

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

The 12-month and Lifetime PDs are derived by mapping the external rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. In estimating the impact of the coronavirus outbreak on the ECL, individual assessments have been carried out using current and forecast macro economic variables that depicts economic effect of the coronavirus.

The credit risk is deemed to have increased significantly if contractual payments are more than 30 days past due. The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group (if any). A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Summary of significant accounting policies and in Use of estimates, assumptions and judgements. To ensure completeness and accuracy, the Group obtains the data used from third party sources (International Rating Agencies, National Bureau of Statistics etc.) and a team from Risk Management Department verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2021.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations.

31 December 2021

Key drivers	ECL Scenario	Assigned probabilities	2021	2022
Unemployment rate %	Upside	10%	17%	23%
	Base case	81%	34%	37%
	Downside	9%	36%	49%
Inflation rate %	Upside	10%	13%	15%
	Base case	81%	12%	18%
	Downside	9%	12%	24%
Crude oil price	Upside	10%	54	111
	Base case	81%	52	60
	Downside	9%	50	35

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

39 Financial risk management - continued

38.1.1 Impairment assessment - continued

31 December 2020

Key drivers	ECL Scenario	Assigned probabilities	2020	2021
Unemployment rate %	Upside	10%	23%	25%
	Base case	81%	30%	32%
	Downside	9%	45%	47%
Inflation rate %	Upside	10%	11%	11%
	Base case	81%	15%	17%
	Downside	9%	19%	20%
Crude oil price	Upside	10%	54	56
	Base case	81%	52	54
	Downside	9%	50	52

The following tables outline the impact of multiple scenarios on the allowance:

Group

31 December 2021

	Loans and advances	Debt instruments at amortised cost	Cash and bank balances	Trade receivables	Other receivables	Total
			₦'000	₦'000	₦'000	₦'000
Upside (10%)	23,364	67,382	24	-	113,158	203,928
Base case (81%)	189,244	545,797	190	-	916,585	1,651,816
Downturn (9%)	21,027	60,644	21	-	101,843	183,535
Total	233,635	673,823	235	-	1,131,586	2,039,279

31 December 2020

	Loans and advances	Debt instruments at amortised cost	Cash and bank balances	Trade receivables	Other receivables	Total
			₦'000	₦'000	₦'000	₦'000
Upside (10%)	117,352	31,916	4,928	-	14,207	168,403
Base case (81%)	950,548	258,520	39,919	-	115,088	1,364,075
Downturn (9%)	105,616	28,724	4,435	-	12,788	151,563
Total	1,173,516	319,160	49,283	-	142,084	1,684,041

Company

31 December 2021

	Loans and advances	Debt instruments at amortised cost	Cash and bank balances	Trade receivables	Other receivables	Total
					₦'000	₦'000
Upside (10%)	-	-	-	-	-	-
Base case (81%)	-	-	-	-	-	-
Downturn (9%)	-	-	-	-	-	-
Total	-	-	-	-	-	-

31 December 2020

	Loans and advances	Debt instruments at amortised cost	Cash and bank balances	Trade receivables	Other receivables	Total
					₦'000	₦'000
Upside (10%)	-	-	-	-	2,520	2,520
Base case (81%)	-	-	-	-	20,412	20,412
Downturn (9%)	-	-	-	-	2,268	2,268
Total	-	-	-	-	25,200	25,200

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

38.1.2 Credit risk concentration

The credit risk analysis below is presented in line with how the Group manages the risk concentration. The Group manages its credit risk exposure based on the gross carrying value of the financial instruments.

Group

As at 31 December 2021	Real estate N'000	Financial Services N'000	Others N'000	Total N'000
Cash and bank balances	-	5,092,100	-	5,092,100
Trade receivables	47,269	295,099	-	342,368
Loans and advances	-	11,159,847	-	11,159,847
Investment securities at amortised cost	-	13,599,506	-	13,599,506
Other receivables	-	14,053,988	257,865	14,311,853
	47,269	44,200,540	257,865	44,505,674

As at 31 December 2020	Real estate N'000	Financial Services N'000	Others N'000	Total N'000
Cash and bank balances	-	3,475,760	-	3,475,760
Trade receivables	25,200	221,057	-	246,257
Loans and advances	-	8,321,762	-	8,321,762
Investment securities at amortised cost	-	5,687,111	-	5,687,111
Other receivables	-	-	7,310,815	7,310,815
	25,200	17,705,690	7,310,815	25,041,705

Company

As at 31 December 2021	Real estate N'000	Financial Services N'000	Others N'000	Total N'000
Cash and bank balances	-	1,013,788	-	1,013,788
Trade receivables	-	-	-	-
Investment securities at amortised cost	-	173,073	-	173,073
Other receivables	-	6,904,233	-	6,904,233
	-	8,091,094	-	8,091,094

As at 31 December 2020	Real estate N'000	Financial Services N'000	Others N'000	Total N'000
Cash and bank balances	-	1,069,065	-	1,069,065
Trade receivables	25,200	175,422	-	200,622
Investment securities at amortised cost	-	203,960	-	203,960
Other receivables	-	708,098	514,906	1,223,004
	25,200	2,156,545	514,906	2,696,651

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

Collateral held as security to mitigate credit risk

The Group places priority on the primary source of repayment rather than the secondary source. However, because of uncertainties businesses are surrounded with, we employ a range of policies and practices to mitigate credit risk and the most common of these is accepting collateral for funds advanced taking into cognizance the security adequacy on all exposures.

The Group has internal policies on the acceptability of specific classes of collateral for credit risk mitigation. Collateral values are assessed by a professional at the time of loan origination and are thereafter monitored in accordance with the provisions of the credit policy. The principal collateral types for loans and advances are:

- Cash/Treasury bill/Government securities
- Movable assets
- Legal Mortgage over residential properties, business real estates
- Charge over business fixed and floating assets as well as inventory
- Guarantee from acceptable corporates and individuals
- Equitable Mortgage on real estates
- Negative Pledge
- Domiciliation of receivables from acceptable corporates.

For exposures to corporate and large institutions, the Group will often require the collateral to include a first charge over land and buildings owned and occupied by the business, a mortgage debenture over the Company's undertaking on one or more of its assets and keyman insurance. We take physical possession of properties or original documents of all assets held as collateral and uses external agents to realize the value as soon as practicable to settle indebtedness. Surplus funds realized from disposals are returned to the borrower or are otherwise dealt with in accordance with appropriate regulations. Also, collaterals held are monitored closely for financial assets considered to be credit-impaired and these assets are not carried on the Group's balance sheet.

Credit recovery

In the case of facilities turning bad because of continued delinquency and failure of remediation, full credit recovery action is taken to recover on such exposures and minimize the overall credit loss to the Group. Recovery actions include appointment of a receiver manager, external recovery agent and/or sale of pledged assets.

39.2 Liquidity risk

Liquidity risk is the risk that may occur if the Group does not have sufficient financial resources to meet its obligation as they fall due or will have to meet the obligations at excessive costs. This risk could arise from mismatches in the timing of cash flows, when the liquidity needed to fund illiquid asset positions cannot be obtained to meet the obligations.

The need to manage our liquidity risk to meet all anticipated funding commitments can be not be over emphasized and access to funding sources is coordinated and cost effective.

Management of liquidity risk

Our liquidity management process includes; effective management and monitoring of future cashflow; funds replenishments through our various tailored products channels; monitoring of assets and liabilities to avoid mismatch at any point in time; manage the concentration of risk assets; compliance with liquidity ratios requirement by the regulators; and maintaining highly marketable assets that can easily be liquidated against any unforeseen interruption to cash flow.

The Group is funded primarily by a well-diversified mix of retail, corporate and public sector funds under management. This funding base ensures stability and low funding cost.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

39.2 Liquidity risk - continued

Assets held for managing liquidity risk

We hold a diversified portfolio of liquid assets - largely cash and cash equivalents, quoted securities to support payment and funding obligations in normal and stressed market conditions across board. The Group's liquid assets comprise:

- Cash and bank balances with the commercial bank
- Short term and overnight placements in the interbank market
- T-bills that are readily accepted in repurchase agreements with the Central bank and other market participants
- Secondary sources of liquidity in the form of highly liquid instruments in the Group's trading portfolios.
- To manage liquidity shocks within the group, we systematically worked towards reducing the duration of our securities portfolio and cashflow management.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio, identified concentrations of liquidity risks are controlled and managed accordingly.

The table below summarises the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted payments.

Group

31 December 2021	Carrying amount N'000	Contractual cashflows N'000	1 -12 months N'000	Above 12 months N'000
Interest-bearing loans and borrowings	4,136,772	4,970,126	2,112,345	2,857,781
Customer deposits	23,828,524	25,734,806	18,887,342	6,847,464
Trade and other payables	1,599,175	1,599,175	1,599,175	-
Total liabilities (contractual maturity dates)	29,564,471	32,304,107	22,598,862	9,705,245
Cash and bank balances	5,285,225	5,285,225	5,285,225	-
Loans and advances	10,926,212	11,909,571	8,332,455	3,577,116
Investment securities at amortised cost	12,925,683	14,864,535	9,067,346	5,797,189
Trade receivables	342,368	342,368	342,368	-
Other receivables	13,180,267	13,180,267	768,639	12,411,628
Total assets held for managing liquidity	42,659,755	45,581,967	23,796,033	21,785,934
Net liquidity gap	13,095,284	13,277,860	1,197,171	12,080,688
31 December 2020	Carrying amount N'000	Contractual cashflows N'000	1 -12 months N'000	Above 12 months N'000
Interest-bearing loans and borrowings	9,530,509	11,436,611	7,654,983	3,781,628
Customer deposits	13,477,815	14,690,818	11,100,562	3,590,256
Trade and other payables	3,640,229	3,640,229	3,640,229	-
Total liabilities (contractual maturity dates)	26,648,553	29,767,658	22,395,774	7,371,884
Cash and bank balances	3,508,966	3,508,966	3,508,966	-
Loans and advances	7,148,246	7,148,246	6,783,452	1,794,443
Investment securities at amortised cost	5,367,951	5,367,951	3,986,231	1,864,836
Trade receivables	246,257	246,257	246,257	-
Other receivables	7,168,731	7,168,731	7,168,731	-
Total assets held for managing liquidity	23,440,151	23,440,151	21,693,637	3,659,279
Net liquidity gap	(3,208,402)	(6,327,507)	(702,137)	(3,712,605)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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39 Financial risk management - continued

39.2 Liquidity risk - continued

Company

31 December 2021	Carrying amount N'000	Contractual cashflows N'000	1 -12 months N'000	Above 12 months N'000
Interest-bearing loans and borrowings	1,952,627	2,343,152	1,007,556	1,335,597
Trade and other payables	659,763	654,762	654,762	-
Total liabilities (contractual maturity dates)	2,612,390	2,997,914	1,662,318	1,335,597
Cash and bank balances	1,013,788	1,013,788	1,013,788	-
Investment securities at amortised cost	173,073	188,650	188,650	-
Other receivables	6,904,233	6,904,233	6,904,233	-
Total assets held for managing liquidity	8,091,094	8,106,671	8,106,671	-
Net liquidity gap	5,478,704	5,108,756	6,444,353	(1,335,597)

31 December 2020	Carrying amount N'000	Contractual cashflows N'000	1 -12 months N'000	Above 12 months N'000
Interest-bearing loans and borrowings	12,941,490	14,235,639	7,578,803	6,656,836
Trade and other payables	720,110	720,110	720,110	-
Total liabilities (contractual maturity dates)	13,661,600	14,955,749	8,298,913	6,656,836
Cash and bank balances	1,069,065	1,069,065	1,069,065	-
Investment securities at amortised cost	203,960	214,158	214,158	-
Trade receivables	200,622	200,622	200,622	-
Other receivables	1,197,804	1,197,804	1,197,804	-
Total assets held for managing liquidity	2,671,451	2,681,649	2,681,649	-
Net liquidity gap	(10,990,149)	(12,274,100)	(5,617,264)	(6,656,836)

39.3 Fair values

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements.

Group

	Carrying value 31 Dec 2021 N'000	Fair value 31 Dec 2021 N'000	Carrying value 31 Dec 2020 N'000	Fair value 31 Dec 2020 N'000
Financial assets at amortised cost				
Cash and bank balances	5,285,225	5,285,225	3,508,966	3,508,966
Trade receivables	342,368	342,368	246,257	246,257
Investment securities at amortised cost	12,925,683	11,000,581	5,367,951	4,568,469
Investment securities at fair value through profit or loss	663,826	663,826	139,729	139,729
Investment securities at fair value through other comprehensive income	96,803	96,803	106,717	106,717
Other receivables	13,180,267	13,180,267	7,168,731	7,168,731
	32,494,172	30,569,071	16,538,351	15,738,869
Financial liabilities at amortised cost				
Customer deposits	23,828,524	23,828,524	13,477,815	13,477,815
Interest-bearing loans and borrowings	4,136,772	3,578,522	9,530,509	8,244,385
Trade and other payables	1,599,175	1,599,175	3,640,229	3,640,229
	29,564,471	29,006,221	26,648,553	25,362,429

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

39 Financial risk management - continued

39.3 Fair values - continued

Company

	Carrying value 31 Dec 2021 N'000	Fair value 31 Dec 2021 N'000	Carrying value 31 Dec 2020 N'000	Fair value 31 Dec 2020 N'000
Financial assets at amortised cost				
Cash and bank balances	1,013,788	1,013,788	1,069,065	1,069,065
Investment securities at amortised cost	173,073	149,717	203,960	176,436
Trade receivables	-	-	200,622	200,622
Other receivables	6,904,233	6,904,233	1,197,804	1,197,804
	8,091,094	8,067,738	2,671,451	2,643,927
Financial liabilities at amortised cost				
Interest-bearing loans and borrowings	1,952,627	1,689,124	12,941,490	11,195,061
Trade and other payables	659,763	659,763	720,110	720,110
	2,612,390	2,348,887	13,661,600	11,915,171

The management assessed that the fair values of cash and cash equivalents, trade and other receivables, trade payables and royalty payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This includes financial instruments, for which fair value could not be determined.

Valuation of financial
instruments

Level 1 - Inputs that are quoted market prices (unadjusted) in active markets for identical instruments e.g quoted equity securities. These items are exchange traded positions.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Unquoted equities

The fair values of the unquoted ordinary shares have been estimated using either of income approach or market approach.

Under the income approach, the valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Under the market approach, the Group determines comparable public companies (peers) based on industry, size, leverage and strategy and calculates an appropriate trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value.

The Company classifies the fair value of these investments as Level 3.

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Unquoted equities - Continued

Quantitative information of significant observable inputs - unquoted equity instruments

Investment	Valuation technique (Significant unobservable valuation input)	Range (weighted average)	Sensitivity used	Effect on fair value (N'000)
Imperial Africa	Market approach	Average EBITDA multiple of peers	2021: 5% 2020: 5%	2021: N230 2020: Nil
		Discount to average multiple (10%)	2021: 1% 2020: 1%	2021: N10,484 2020: Nil

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

Fair value hierarchy

Group

31 December 2021	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Carrying amount N'000
Quoted equities	260,923	-	-	260,923	260,923
Unquoted equities	-	-	499,706	499,706	499,706
	260,923	-	499,706	760,629	760,629

31 December 2020	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Carrying amount N'000
Quoted equities	246,446	-	-	246,446	246,446
Unquoted equities	-	-	-	-	-
	246,446	-	-	246,446	246,446

39.4 Market risk

This is the risk of investments declining in value because of economic developments or other events that affect the entire market. The main types of market risk are equity risk, interest rate risk and currency risk. It is the possibility of an investor experiencing losses due to factors that affect the overall performance of the financial market. This risk is as a result of securities held in our trading portfolio, investment portfolio, and the subsidiaries' other banking businesses. The movement in market risk variables may have an adverse impact on the balance sheet and or income statement.

Management of market risk

We apply disciplined risk-taking within a framework of well-defined risk appetite and tolerance that enables the group to meet shareholders expectations together with competitive advantage maintenance through effective and efficient utilization of risk capital. In addition, Implementation of the Board approved market risk policy, and strategy, guidelines with disciplined and strict risk culture within the system.

Stress tests

This is a computer-simulated technique to analyze how assets and investment portfolios fare in drastic economic scenarios. It helps gauge investment risk and the adequacy of assets, as well as to help evaluate internal processes and controls. Based on the reality of unpredictable market environment and the frequency of regulations that have had significant effect on market rates and prices, the Group augments other risk measures with stress testing to evaluate the potential impact of possible extreme movements in financial variables on portfolio values. The group Asset and Liability Committee (GALCO) is responsible for reviewing stress exposures and where necessary, enforcing reductions in overall market risk exposure. This covers all asset classes in the financial markets banking and trading books.

The table below sets out the allocation of assets subject to market risk:

	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cash and cash equivalents	2,423,808	1,870,702	1,000,000	1,027,225
Loans and advances	11,159,847	8,321,762	-	-
Debt instrument at amortised cost	13,599,506	5,687,111	173,073	203,960
Investment at fair value through profit or loss	663,826	139,729	-	-
Investments at fair value through other comprehensive income	96,804	106,717	-	-
	27,943,791	16,126,021	1,173,073	1,231,185

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39.4 Market risk - Continued

Foreign exchange risk

This is a financial risk that exists when a financial transaction is denominated in a currency other than the domestic currency of the company.

Exposure to currency risk

The summary quantitative data about the Group and Company's exposure to currency risk as reported to the management of the Group and Company is as follows:

	The Group		The Company	
	2021	2020	2021	2020
Cash and cash equivalents (US Dollars)	13,590	17,768	3,259	8,631
Cash and cash equivalents (Euro)	56	91	56	91
Cash and cash equivalents (Pounds Sterling)	156	-	156	-

	Average rate		Year-end spot rate	
	2021	2020	2021	2020
	₦	₦	₦	₦
US Dollar	422.63	388.34	435.00	410.25
Euro	460.16	449.31	465.59	454.74
Pounds sterling	544.36	523.61	554.61	534.11

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Naira, as indicated below against the US dollar at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected statement of changes in net assets by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

Statement of changes in net assets

Group

	31-Dec-2021		31 Dec 2020	
	Strengthening	Weakening	Strengthening	Weakening
	₦	₦	₦	₦
USD (10% movement)	591,165	(591,165)	728,932	(728,932)
Euro (10% movement)	2,607	(2,607)	4,138	(4,138)
Pounds sterling (10% movement)	8,652	(8,652)	-	-

Company

USD (10% movement)	141,767	(141,767)	354,087	(354,087)
Euro (10% movement)	2,607	(2,607)	4,138	(4,138)
Pounds sterling (10% movement)	8,652	(8,652)	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

39.4 Market risk - Continued

Interest rate risk

This is the probability of a decline in the value of an asset resulting from unexpected fluctuations in interest rates. It is the risk of loss in income or portfolio value as a result of changes in market. The group manages this risk in accordance with the limits set by the Board and this is monitored regularly by the group executive committee.

The impact of a change of 100 basis points in interest income on investment securities, loans and advances, cash and cash equivalents alongside a change of 100 basis points in interest expense on deposits from customers and interest-bearing loans is analysed below.

Group	31 Dec 2021 N'000	31 Dec 2020 N'000
Increase in basis points (100bp)		
Sensitivity of interest income	40,024	17,054
Sensitivity of interest expense	23,400	9,223
Sensitivity of carrying value of assets	446,990	251,242
Sensitivity of carrying value of liabilities	290,877	241,213
Decrease in basis points (100bp)		
Sensitivity of interest income	(40,024)	(17,054)
Sensitivity of interest expense	(23,400)	(9,223)
Sensitivity of carrying value of assets	(446,990)	(251,242)
Sensitivity of carrying value of liabilities	(290,877)	(241,213)
Company	31 Dec 2021 N'000	31 Dec 2020 N'000
Increase in basis points (100bp)		
Sensitivity of interest income	2,493	643
Sensitivity of interest expense	4,458	8,216
Sensitivity of carrying value of assets	80,911	26,967
Sensitivity of carrying value of liabilities	26,124	136,616
Decrease in basis points (100bp)		
Sensitivity of interest income	(2,493)	(643)
Sensitivity of interest expense	(4,458)	(8,216)
Sensitivity of carrying value of assets	(80,911)	(26,967)
Sensitivity of carrying value of liabilities	(26,124)	(136,616)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

39.4 Market risk - Continued

Equity risk

This applies to an investment in shares. Equity risk is the risk of financial loss because of a drop in the market price of shares. The market price of shares varies all the time depending on demand and supply.

The Group is exposed to equity price risk by holding investments quoted on the Nigerian Stock Exchange (NSE) and other non-quoted investments. Equity securities quoted on the NSE is exposed to movement based on the general movement of the all share index and movement in prices of specific securities held by the Group as a result of the forces of demand and supply.

Sensitivity analysis for equity price risk

The sensitivity analysis for market price risk shows how the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The sensitivity of the Fund's earnings to fluctuations in market price rates is reflected by varying the market prices as shown below:

Group	31 Dec 2021 N'000	31 Dec 2021 N'000	31 Dec 2020 N'000	31 Dec 2020 N'000
Change in equity price- increase/(decrease) by 5%	13,046	(13,046)	12,322	(12,322)

Investment portfolio risk

This involves associated risk with equity investment within the group, considering and recognizing the potential drivers of the risk associated with portfolios held by the group in terms of a long-term loss of capital as well as the return premium for taking that risk and financial risks in general. By developing substantial knowledge about each holding, and analyzing overall portfolio risk exposures, we manage risk effectively to achieve the business objectives. We encourage our investors to focus on long-term returns and risk statistics.

Return and risk are fundamental to investment concepts, very different approaches are required in their estimation.

Approach to portfolio risk

- Intensive bottom-up research with a focus on valuation. We undertake extensive research on individual companies and securities on acquisitions to find solid investments whose true long-term value has not yet been recognized by the market.
- Analysis of overall portfolio risk exposures. Our investment committees carefully consider risk at the portfolio level. We analyze the combination of independent risk exposures to determine whether they are likely to diversify or magnify the portfolio's overall risk profile.
- Long-term investment horizon. We evaluate each potential investment based on a three- to five-year investment horizon, and view ourselves as investors in companies and other securities.

Management of investments portfolio risk

We review periodically existing portfolio holdings and our investment committees carefully consider risk at the portfolio level. We analyze whether the combination of independent risks will diversify or magnify the portfolio's risk exposures. Occasionally, we are comfortable taking a more concentrated exposure because the market may be offering an attractive premium to investors willing to take the exposure. Examples would include being overweight a particular sector (e.g., consumer good) or having meaningful exposure to emerging markets. More typically, our analysis highlights the external factors that may affect the investment outcome, and we try to balance these risks against the potential rewards. To manage risk exposure at the portfolio level, we pay particular attention to portfolio diversification and our quantitative estimates of aggregate risk. We combine quantitative and qualitative techniques to understand how each holding's return drivers may affect the overall portfolio.

Risk reporting

The group rely on risk reports generated using the risk registers. We provide information to key stakeholders on the principal risks facing the group at large and how they are managed. Providing regular report to relevant stakeholders offers the opportunity for enhanced decision making.

Furthermore, changes in the risk environment, based on new information, may result in changing strategies employed to treat and exploit the risk. Therefore, report is frequently tied to the time scales identified for the management of the risk. The objective of risk reporting is to enable decision-makers evaluate risk management performance monthly, weekly, daily or even in real time, as the nature of the risks and circumstances dictate.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

39 Financial risk management - continued

39.4 Market risk - continued

Risk monitoring and review

On-going monitoring of risk exposures is a key aspect of our effective risk management process. To facilitate the monitoring of risks within the group, results from the risk identification, assessment and measurement exercise are summarized as reports to aid relevant stakeholders' understanding and the control of the identified risks. This provides opportunities for improvement of the risk management processes.

40 Capital Management

Capital includes equity attributable to the equity holders. The objective of the Group's capital management is to maximise the shareholder value. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any payables in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitor capital using a gearing ratio, which is net debt divided by total equity. The Group includes within net debt, trade and other payables, borrowing less cash and cash equivalents.

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Interest bearing loans and borrowings	4,136,772	9,530,509	1,952,627	12,941,490
Trade and other payables	1,840,824	3,690,897	660,184	720,535
Less: cash and cash equivalents	(5,285,225)	(3,508,966)	(1,013,788)	(1,069,065)
Net debt	692,371	9,712,440	1,599,023	12,592,960
Equity	14,452,319	(1,487,188)	13,104,158	551,183
Gearing ratio	(914%)	(23%)	(2285%)	(275%)

OTHER NATIONAL DISCLOSURES
FOR THE YEAR ENDED 31 DECEMBER 2021

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Group				Company			
	2021		2020		2021		2020	
	₦'000	%	₦'000	%	₦'000	%	₦'000	%
Gross revenue	12,068,612	162	3,993,683	262	1,058,075	119	1,316,510	130
Bought in materials and services								
- Local	(3,217,565)	(43)	(1,728,124)	(113)	(170,570)	(19)	(301,092)	(30)
- Foreign	(1,378,956)	(18)	(740,625)	(49)	-	-	-	-
Value added	7,472,091	101	1,524,934	100	887,505	100	1,015,418	100
Applied as follows:								
To pay employees								
Salaries, wages and other staff costs	1,564,728	21	1,040,619	68	178,162	20	156,857	15
To pay Government								
Income tax expense/(credit)	1,203,267	16	110,769	7	215,643	25	(58,034)	(6)
To pay provider of finance								
Interest expense on borrowings	119,399	2	49,048	4	-	-	-	-
Finance costs	426,969	6	417,298	27	445,761	50	821,608	82
To provide for future growth								
Profit/(loss) for the year	3,852,677	51	(248,133)	(16)	1,496	0	71,786	7
Depreciation of ROU assets	50,838	1	15,637	1				
Amortization of intangible assets	18,188	0	8,892	1				
Depreciation of property and equipment	236,024	3	130,804	9	46,443	5	23,201	2
	7,472,091	100	1,524,934	100	887,505	100	1,015,418	100

Value added is the additional wealth the Group and Company has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth between employees, finance provider, government and that retained for the future creation of more wealth or for depreciation.

THREE - YEAR FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 December 2021

Consolidated and separate statements of financial position

	Group			Company		
	2021	2020	2019	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Assets						
Cash and bank balances	5,285,225	3,508,966	2,121,462	1,013,788	1,069,065	647,021
Investment securities:						
At fair value through profit or loss	663,826	139,729	439,588	-	-	-
At amortised cost	12,925,683	5,367,951	-	173,073	203,960	-
At fair value through other comprehensive income	96,803	106,717	-	-	-	-
Inventories	-	309,408	164,300	-	-	-
Trade receivables	342,368	246,257	914,338	-	200,622	119,068
Other receivables	13,637,218	7,275,488	900,288	6,911,707	1,204,641	63,568
Loans and advances	10,926,212	7,148,246	782,766	-	-	-
Investment in subsidiaries	-	-	-	7,458,676	11,212,910	1,476,806
Property, plant and equipment	1,193,981	949,356	820,388	394,973	341,615	218,159
Intangible assets	195,945	285,499	5,464	-	-	-
Right-of-use assets	169,966	11,051	16,650	-	-	-
	45,437,228	25,348,668	6,165,244	15,952,217	14,232,813	2,524,622
Non-current assets held for sale	183,350	268,051	-	-	-	-
Total assets	45,620,578	25,616,719	6,165,244	15,952,217	14,232,813	2,524,622
Liabilities						
Customer deposits	23,828,524	13,477,815	5,225,903	-	-	-
Trade and other payables	1,840,824	3,690,897	454,174	660,184	720,535	355,511
Deposit for shares	-	-	1,266,200	-	-	-
Current income tax	1,244,601	382,932	265,373	133,225	19,605	19,466
Interest-bearing loans and borrowings	4,136,772	9,530,509	1,140,584	1,952,627	12,941,490	1,612,075
Deferred tax liabilities	117,537	21,754	143,953	102,023	-	58,173
Total liabilities	31,168,258	27,103,907	8,496,187	2,848,059	13,681,630	2,045,225
Equity						
Share capital	1,250,000	500,000	500,000	1,250,000	500,000	500,000
Share Premium	11,801,479	-	-	11,801,479	-	-
Foreign currency translation reserves	(448,434)	(18,702)	(44,317)	-	-	-
Statutory reserves	127,864	30,084	3,612	-	-	-
Regulatory risk reserves	139,267	67,490	-	-	-	-
Fair value reserves	(8,390)	(2,461)	-	-	-	-
Retained earnings	338,987	(3,139,276)	(2,792,975)	52,679	51,183	(20,603)
Non-controlling interests	1,251,546	1,075,677	2,737	-	-	-
Total equity	14,452,319	(1,487,188)	(2,330,943)	13,104,158	551,183	479,397
Total equity and liabilities	45,620,577	25,616,719	6,165,244	15,952,217	14,232,813	2,524,622

Consolidated and separates statement of profit or loss and other comprehensive income

Profit/(loss) before income tax expense	5,055,944	(137,364)	(1,668,155)	217,139	13,752	57,036
Income tax expense	(1,203,267)	(110,769)	(331,298)	(215,643)	58,034	(77,639)
Profit/(loss) for the year	3,852,677	(248,133)	(1,999,453)	1,496	71,786	(20,603)