LIVINGTRUST MORTGAGE BANK PLC

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2021

STATEMENT TO THE NIGERIAN STOCK EXCHANGE AND THE SHAREHOLDERS ON THE EXTRACT OF THE UNAUDITED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER, 2021.

LIVINGTRUST MORTGAGE BANK PLC
Statement of Comprehensive Income

for the Nine Months Ended 30 September, 2021

	NOTES	9 Months Ended 30-Sept. 2021 Unaudited N	3 Months Ended 30-Sept 2021 Unaudited N	9 Months Ended 30-Sept. 2020 Unaudited N	3 Months Ended 30-Sept 2020 Unaudited N
Gross Earnings		**1,119,986,599**	455,893,288	**423,085,616**	191,716,403
Interest and similar income	1	**721,362,045**	305,831,551	**220,452,807**	95,519,091
Interest and similar expense	2	**-152,198,238**	-64,947,283	**-34,284,567**	-10,433,955
		569,163,807	240,884,268	**186,168,239**	85,085,136
Fee and commission income	3	**123,955,217**	43,791,851	**44,972,038**	28,485,269
Fee and commission expense	4	**-**	-	**-**	-
Net fee and commission income		**123,955,217**	43,791,851	**44,972,038**	28,485,269
Other operating income	5	**274,669,338**	106,269,885	**157,660,771**	67,712,045
Total operating income		**967,788,362**	390,946,004	**388,801,048**	181,282,448
Credit loss expense		**-17,729,115**	-10,059,937	**-6,319,005**	-
Net operating income		**950,059,247**	380,886,068	**382,482,044**	181,282,448
Personnel expenses	7	**199,997,792**	74,426,151	**127,286,149**	50,712,060
Depreciation of property and equipment	15b	**41,559,501**	15,762,949	**31,017,295**	11,587,777
Amortization of intangible assets	16b	**6,869,340**	2,251,246	**10,372,668**	4,118,424
Other operating expenses	8	**168,333,908**	63,404,429	**100,882,949**	43,434,276
Total operating expenses		**416,790,542**	155,844,775	**269,559,060**	109,852,537
Profit before tax		**533,298,704**	225,041,292	**112,922,984**	71,429,911
Income tax expense		**-**	**-**	**-**	**-**
Profit after Tax		**533,298,704**	225,041,292	**112,922,984**	71,429,911
Other Comprehensive Income					
Total Comprehensive Income		**533,298,704**	225,041,292	**112,922,984**	71,429,911
Earnings per share - Basic (Kobo)		**10.67**	**5.00**	**2.26**	**1.43**

LIVINGTRUST MORTGAGE BANK PLC

Statement of Financial Position **As at 30 September 2021**	NOTES	**9 Months Ended** **30 September** **2021** **Unaudited** **N**	12 Months Ended 31 December 2020 Audited N
Assets			
Cash and balances with Central Bank	10	143,609,542	112,892,165
Due from banks	11	1,986,189,795	1,346,859,860
Loans and advances to customers	12	7,512,629,525	4,078,129,669
Financial Investment Available for Sale	13	111,338,818	106,716,594
Other assets	14	183,803,722	90,683,643
Property and equipment	15	293,598,203	260,430,241
Intangible assets (Computer Software)	16	25,284,709	32,154,050
Deferred tax assets	18	**1,833,004**	1,833,004
		10,258,287,317	6,029,699,226
Non current assets held for sale		251,490,763	268,050,761
Total Assets		**10,509,778,080**	6,297,749,987
Liabilities and Equity			
Liabilities			
Due to customers	19	**4,822,415,056**	2,619,301,655
Debt issued and other borrowed funds	20	**1,990,779,684**	646,115,748
Current tax liabilities	21	**7,570**	25,085,704
Other liabilities	22	**969,466,909**	230,138,519
Deferred tax Liabilities	23	**-**	-
		7,782,669,219	3,520,641,126
Total liabilities			
Equity			
Issued share capital	24	**2,500,000,000**	2,500,000,000.00
Share premium		**-**	
Statutory reserve		**111,768,808**	111,768,807.79
Revaluation Reserve		**(7,316,777.00)**	(7,316,777.00)
Retained earnings		**57,591,409**	107,591,409.00
Regulatory Risk Reserve		**65,065,421**	65,065,421
Total equity		**2,727,108,861**	2,777,108,861
Total liabilities and equity		**10,509,778,080**	6,297,749,987

Adewole Adekunle
Managing Director/CEO
FRC/2020/002/00000022316

Levi Afolabi
Chief Financial Officer
FRC/2014/ICAN/00000008652

The Board of Directors of LivingTrust Mortgage Bank Plc is pleased to present an extract of the unauditedfinancial statements for Quarter Ended 30 September, 2021 as approved on 15th October 2021.

LivingTrust Mortgage Bank Plc
Interim Financial Statements
Statement of Cash Flows
for the Nine Months Ended 30 September, 2021

	9 Months Ended 30 September 2021 N	6 Months Ended 30 September 2020 N
Profit before tax	533,298,705	112,922,984.00
Adjustment for non-cash items		
Impairment on loans and advances	-	-
Other non-Cash Adjustments	-	-
Depreciation of Property, Plant & Equipment	41,559,501	31,017,295.00
Amortisation of intangibles	6,869,340	10,372,668.00
Cashflow before changes in working capital	581,727,545	154,312,947.00
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in Loans and Advances	(3,433,630,111.89)	(1,741,387,607)
Decrease/(Increase) in Balance with CBN	(45,978,352.87)	-
Decrease/(Increase) in Other Assets	(93,120,099.00)	50,851,665.00
Decrease/(Increase) in Non-Current Assets	10,005,500	41,449,886.00
(Decrease)/Increase in Deposits	2,203,113,401	577,240,584.00
(Decrease)/Increase in Other Liabilities	1,769,288,157.66	(16,492,672,00)
Tax Paid	-	-
Cash generated from operations	409,678,494.90	1,088,338,122.00
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(74,542,124)	(21,430,122.00)
Purchase of Intangible Assets	-	-
Disposal of Asset Held for Sale	-	-
Proceeds from sale of held for sale assets	-	-
	(74,542,124)	(21,430,122.00)
CASHFLOW FROM FINANCING ACTIVITIES		
Dividend Paid		
Share Premium		-
Additional Borrowing	-	-
Repayment of borrowed funds	(38,440,584)	-
Additional On lending facility	-	-
Repayments of On-lending facility	-	-
	(38,440,584)	-
Increase in cash and cash equivalent	878,423,332.00	(955,455,319.00)
Cash and cash equivalent as at beginning of period	1,107,766,462.77	2,001,428,870.00
Cash and cash equivalent as at end of period	1,986,189,794.77	1,045,973,551.00
Additional cash flow information		
Cash and cash equivalent		
Cash on hand (Note 10)	59,450,681.00	85,219,016.00
Balances with Banks within Nigeria		
Placements with Banks	1,986,189,794.77	960,754,535.00
	2,045,640,475.77	1,045,973,550.00

LIVINGTRUST MORTGAGE BANK PLC
Statement of Changes in Equity
As at 30 September 2021

	Issued Capital N	Share Premium N	Statutory Reserves N	Retained Earnings N	Available for Sale Reserves N	Regulatory Risk Reserves N	Total equity
At 1 January 2020	2,500,000,000	-	85,296,967	65,975,321	(3,201,276)	794,145	2,648,865,157
Transfer to retained earnings	-	-	-	112,922,984	-	-	112,922,984
Transfer (statutory)	-	-	-	-	-	-	-
Prior year adjustments	-	-	-	-	-	-	-
Revaluation reserve	-	-	-	(9,572,307)	-	-	(9,572,307)
Share issue cost	-	-	-	-	-	-	-
Transfer (risk reserve)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 September, 2020	**2,500,000,000**	**-**	**85,296,967**	**169,326,048**	**(3,201,276)**	**794,145**	**2,752,215,884**
At 1 January 2021	2,500,000,000	-	111,768,808	107,591,409	(7,316,777)	65,065,421	2,777,108,861
Payment of Dividend	-	-	-	(50,000,000)	-	-	(50,000,000)
Transfer to Retained Earnings							
Transfer (statutory)	-	-	-	-	-	-	
Prior year adjustments	-	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	-	--	
Share issue cost	-	-	-	-	-	-	-
Transfer (risk reserve)	-	-	-	-	-	-	-
At 30 September, 2021	**2,500,000,000**	**-**	**111,768,808**	**57,591,409**	**(7,316,777)**	**65,065,421**	**2,727,108.861,**

Statutory reserve
The revised guidelines for Primary Mortgage Banks in Nigeria require mortgage banks to make an annual appropriation to a statutory reserve. As stipulated by section 5.4 of the of the revised guidelines, an appropriation of 20% of profit after tax is made if the statutory reserve is less than the paid up share capital and 10% of profit after tax if the statutory reserve is equal to or in excess of the paid up capital.

Regulatory risk reserve
The Central Bank of Nigeria stipulates that provisions for loans recognized in the profit or loss account be determined based on the requirements of IFRS. The IFRS provision should then be compared with provision determined using the Prudential Guidelines and the expected impact/changes treated in the retained earnings (See Statement of Prudential Adjustments).

Available for Sale Reserve
AFS assets are measured at fair value in the balance sheet. Fair value changes on AFS assets are recognised directly in equity, through the statement of changes in equity, except for interest on AFS assets (which is recognised in income on an effective yield basis), impairment losses and (for interest-bearing AFS debt instruments) foreign exchange gains or losses. The cumulative gain or loss that was recognised in equity is recognised in profit or loss when an available-for-sale financial asset is derecognised.

1. General information 1.1 Reporting entity

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.

1.1 Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) in the manner required by the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004, the Financial Reporting Council of Nigeria Act, 2011, the Bank's and Other Financial Institutions Act of Nigeria, and Relevant Central Bank of Nigeria circulars. The IFRS accounting policies have been consistently applied to all periods presented.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items inthe statement of financial position:

- Assets and liabilities held for trading are measured at fair;
- Financial instruments designated at fair value through profit or loss are measured at fair value; investments in equity instruments are measured at fair value;
- Other financial assets not held in a business model whose objective is to hold assets to collect contractual cash flows or whose contractual terms do not give rise solely to payments of principal and interest are measured at fairvalue;
- Recognized financial assets and financial liabilities designated as hedged items in qualifying fair value hedge relationships are adjusted for changes in fair value attributable to the risk being hedged;
- Liabilities for cash-settled share-based payment arrangements are measured at fair value;
- Available-for-sale financial assets are measured at fair value.

c) Functional and presentation currency

These financial statements are presented in Naira, which is the Bank's functional currency.

2. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on anongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in anyfuture periods affected.

Going concern

The Bank's Management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, Management will continue to prepare the financial statements on the going concern basis.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

Impairment losses on loans and advances

The Bank divides its loan portfolio into significant and insignificant loans based on Management approved materiality threshold. The Bank also groups its risk assets into buckets with similar risk characteristics for the purpose of collective impairment of insignificant loans and unimpaired significant loans.

The Probability of Default (PD) and the Loss Given default (LGD) are then computed using historical data from the loan buckets.

The Bank reviews its individually significant loans and advances at each statement of financial position date to assess whether an impairment loss should be recorded in the income statement. In particular, Management judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. The Present Value of such cash flows as well as the present value of the fair value of the collateral is then compared to the Exposure at Default.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively in buckets of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment of impaired insignificant loans is done with a PD of 100% and the historical LGD while the collective assessment of unimpaired insignificant loans and significant loans is done with the historical PD and LGD.

Impairment of available-for-sale investments
The bank reviews its debt securities classified as available–for–sale investments at each statement of financial position date to assess whether they are impaired. This requires similar judgment as applied to the individual assessment of loansand advances.

The bank also records impairment charges on available–for–sale equity investments when there has been a significant orprolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the bank evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

Deferred tax assets
Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

Determination of collateral value
The monitoring of market value of collateral is done on a regular basis. Fair value is adjusted to reflect current marketconditions. The amount of collateral required depends on the assessment of the counterparty credit risk.

3. Accounting development and impact

3.1 Summary of Standards and Interpretations effective for the first time

The following represent amendments and revisions to the International Financial Reporting Standards and interpretationswhich are effective for annual periods beginning on or after 1 January 2016. These amendments and interpretations have been adopted where applicable in preparing the financial statements. The nature and the impact of each newly effective standard and amendments are described below:

a Amendments to "IFRS 5 Non-current Assets Held for Sale and Discontinued Operations"
The amendment clarifies cases in which an entity reclassifies an asset from held for sale to held for distribution or viceversa and cases in which held-for-distribution accounting is discontinued.

b Amendments to "IFRS 7 Financial Instruments: Disclosures"
The amendment adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. It also clarifies the applicability of previous amendments to IFRS 7 issued in December 2011 with regards to offsetting financial assets and financial liabilities.

c Amendments to IFRS 11 "Joint Arrangements" Accounting for Acquisitions of Interests in Joint Operations

Amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes abusiness which specifies the appropriate accounting treatment for such acquisitions.

d "IFRS 14 Regulatory Deferral Accounts"
The Standard permits first-time adopters to continue to recognize amounts related to its rate regulated activities in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that apply IFRS and do not recognize such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to applythe Standard.

e Amendments to ''IAS1 Presentation of Financial Statement"

The amendments clarify that information should not be obscured by aggregating or by providing immaterial information. It also explains that materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply. The amendments also introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

f Amendments to "IAS 16 Property, Plant and Equipment"

The amendment clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. This is because such methods reflects a pattern of generation of economic benefitsthat arise from the operation of the business of which an asset is part, rather than the pattern of consumption of an asset's expected future economic benefits.

g Amendments to "IAS 19 Employee Benefits"

The amendment clarifies the requirements of determining the discount rate in a regional market sharing the samecurrency (for example, the Eurozone).

h Amendments to "IAS 34 Interim Financial Reporting"

The Amendment discusses clarification of the meaning of disclosure of information 'elsewhere in the interim financialreport.

i Amendments to "IAS 38 Intangible Assets"

Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.

j Amendments to "IAS 41 Agriculture: Bearer Plants"

Amendments to IAS 16 and IAS 41 which defines bearer plants and includes bearer plants in the scope of IAS 16 Property, plant and Equipment, rather than IAS 41 allowing such assets to be accounted for after initial recognition in accordance with IAS 16.

k Amendments to "IAS 27 Separate Financial Statements"

Amends IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to beoptionally accounted for using the equity method in separate financial statements.

l Amendments to "IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures"

The following issues have arisen in the context of applying the consolidation exception for investment entities:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to aparent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the Subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a noninvestment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

3.2 Standards and interpretations issued/amended but not yet effective.

At the date of authorization of these financial statements the following standards, amendments to existing standards andinterpretations were in issue, but not yet effective: This includes:

3.2.1 Amendments effective from annual periods beginning on or after 1 January 2017

a Amendments to IFRS 12 Disclosure of Interests in Other Entities

This amendment clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held forsale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

b Amendments to IFRS for SMEs

Three amendments are however of larger impact:

- The standard now allows an option to use the revaluation model for property, plant and equipment as not allowingthis option has been identified as the single biggest impediment to adoption of the IFRS for SMEs in some jurisdictions in which SMEs commonly revalue their property, plant and equipment and/or are required by law to
  revalue property, plant and equipment;
- The main recognition and measurement requirements for deferred income tax have been aligned with current requirements in IAS 12 Income Taxes (in developing the IFRS for SMEs, the IASB had already anticipated finalization of its proposed changes to IAS 12, however, these changes were never finalized); and
- The main recognition and measurement requirements for exploration and evaluation assets have been aligned with IFRS 6 Exploration for and Evaluation of Mineral Resources to ensure that the IFRS for SMEs provides the same relief as full IFRSs for these activities.
-

c Amendments to IAS 7 Statement of Cash Flows

This amendment to IAS7 clarify that entities shall provide disclosures that enable users of financial statements to evaluatechanges in liabilities arising from financing activities

d Amendments to IAS 12 Income Taxes

Amends to recognition of deferred tax assets for unrealized losses, IAS 12 Income Taxes clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise toa deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an assetdoes not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporarydifferences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assetsof the same type.

3.2.2 Amendments effective from annual periods beginning on or after 1 January 2018

a Amendments to IFRS 2 Share-based Payment

Amends IFRS 2 Share-based Payment to clarify the standard in relation to the accounting for cash settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled

b Amendments to IFRS 4 Insurance Contracts

Amends IFRS 4 Insurance Contracts provide two options for entities that issue insurance contracts within the scope ofIFRS 4:

- An option that permits entities to reclassify, from profit or loss to other comprehensive income, some of theincome or expenses arising from designated financial assets; this is the so called overlay approach;
- An optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuingcontracts within the scope of IFRS 4; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurancecontracts standard is applied.

c Amendments to IFRS 15 'Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five step model to be applied to all contracts with customers. The five steps inthe model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point, in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. Amends IFRS 15 Revenue from Contracts with Customers also clarify three aspects of the standard (identifyingperformance obligations, principal versus agent considerations, and licensing) and to provide some transition relief formodified contracts and completed contracts

d Amendments to IFRS 9 Financial Instruments

A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however there are differences in the requirements applying to the measurementof an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit lossis recognized
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures

- De-recognition. The requirements for de-recognition of financial assets and liabilities are carried forward from IAS39.

e Amendments to IAS 40 Investment Property

Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition ofinvestment property. A change in management's intentions for the use of a property by itself does not constitute evidenceof a change in use. The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list ofexamples instead of the previous exhaustive list.

f Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards

Amendments' resulting from Annual Improvements 2014–2016 Cycle, the amendment deletes the short-term exemptionsin paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.

g Amendments to IAS 28 Investments in Associates and Joint Ventures

This amendment Clarifies that the election to measure at fair value through profit or loss an investment in an associate ora joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for eachinvestment in an associate or joint venture on an investment by investment basis, upon initial recognition.

3.2.3 Amendments effective from annual periods beginning on or after 1 January 2019

a IFRS 16 'Leases'

Effective for an annual periods beginning on or after 1 January 2019

-New standard that introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lesseeis required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows;

- IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgment in deciding upon the information to disclose to meet the objective of providing a basis for users of

- financial statements to assess the effect that lease;

- IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently;

- IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk;

- New standard that introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows.

- IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgment in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.

- IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

- IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosedabout a lessor's risk exposure, particularly to residual value risk.

- IFRS 16 supersedes the following Standards and Interpretations:
  a) IAS 17 Leases;
  b) IFRIC 4 Determining whether an Arrangement contains a Lease;
  c) SIC-15 Operating Leases—Incentives; and
  d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

3.2.4 New standards, amendments and interpretations issued but without an effective date

At the date of authorization of these financial statements the following standards, amendments to existing standards andinterpretations were in issue, but without an effective: This includes:

a Amendments to IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured atamortized cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as 'fair value through other comprehensive income' withonly dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in the profit orloss
- The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and theentire instrument must be classified and measured in accordance with the above guidelines.

Also a revised version of IFRS 9 incorporating requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

b Amendments to IFRS 10 and IAS 28 Consolidated Financial Statements and Investments in Associates and Joint Ventures

Amends IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- Require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations)
- Require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain orloss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

4. Significant accounting policies

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

4.1 Revenue recognition

Interest income is recognized in profit or loss using the effective interest method. The effective interest rate is the rate thatexactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

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

Interest income and expense presented in the statement of comprehensive income include interest on financial assets andfinancial liabilities measured at amortized cost calculated on an effective interest basis. Interest income and expense on alltrading assets and liabilities are considered to be incidental to the bank's trading operations and are presented together with all other changes in the fair value.

4.2 Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or a liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, are recognized as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognized on a straight-line basisover the commitment period.

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

4.3 Net trading income

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

4.4 Net income from other financial Instruments at fair value through profit or loss

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

4.5 Dividends

Dividend income is recognized when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Dividends are presented in net trading income or net income from other financial instruments at fair value through profit or loss based on the underlying classification of the equity investment.

Dividends on equity instruments designated as at fair value through other comprehensive income are presented in other revenue in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case it is presented inother comprehensive income.

4.6 Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction ofthe outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constantperiodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

4.7 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss of the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends

4.8 Deferred taxation

Deferred tax is recognized 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 the laws that have been enacted or substantively enacted by the reporting date.

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 taxentities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Additional taxes that arise from the distribution of dividends by the Bank are recognized at the same time as the liability topay the related dividend is recognized.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. 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 berealized.

4.9 Financial assets and financial liabilities

i) Recognition and initialmeasurement

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

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

ii) Classification

Financial assets:

At inception a financial asset is classified as measured at amortized cost or fair value. A financial asset qualifies for amortized cost measurement only if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If a financial asset does not meet both of these conditions, then it is measured at fair value. The Bank makes anassessment of a business model at a portfolio level as this reflects best the way the business is managed and information is provided to management.

In making an assessment of whether an asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, the bank considers:

- Management's stated policies and objectives for the portfolio and the operation of those policies in practice;
- How management evaluates the performance of the portfolio;
- Whether management's strategy focus on earning contractual interest revenue
- The degree of frequency of any expected asset sales;
- The reason or any asset sales; and
- Whether assets that are sold are held for an extended period of time relativeto their contractual maturity or are sold shortly after acquisition or an Financial assets held for trading are not held within a business model whose objective is to hold the asset in order to collect contractual cash flows.

The Bank has designated certain financial assets at fair value through profit or loss because the designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise. Financial assets are not reclassified subsequent to their initial recognition, except when the bank changes its business model or managing financial assets.

Financial liabilities
The bank classifies its financial liabilities as measured at amortized cost or fair value through profit or loss.

The bank designates financial liabilities at fair value through profit or loss when liabilities contain embedded derivatives that significantly modify the cash flows that would otherwise be required under the contract.

Financial guarantees and commitments to provide a loan at a below-market interest rate are subsequently measured at the higher of the amount determined in accordance with IAS 37 provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IAS 18 Revenue.

iii) De-recognition
The bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the bank neither transfers nor retains substantially allthe risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the bank is recognized as a separate asset or liability in the statement of financial position. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

The bank enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

In transactions in which the bank neither retains nor transfers substantially all the risks and rewards of ownershipof a financial asset and it retains control over the asset, the bank continues to recognize the asset to the extent ofits continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognized if it meets the de-recognition criteria. An asset or liability is recognized for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Retained interests are measured at amortized cost or fair value with fair value changes recognized profit or loss.

iv) Offsetting
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the bank has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the bank's trading activity.

v) Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using theeffective interest method of any difference between the initial amount recognized and the maturity amount, minusany reduction for impairment.

vi) Fair value measurement

Fair value is price received to sell an asset, or paid to transfer a liability in an orderly transaction between marketparticipants at the measurement date.

When available, the bank measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and representactual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the bank establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analysis and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the bank, incorporates all factors that marketparticipants would consider in setting a price, and is consistent with accepted economic methodologies for pricingfinancial instruments. Inputs to valuation techniques reasonably represent market expectations and measures ofthe risk-return factors inherent in the financial instrument. The bank calibrates valuation techniques and tests them for validity using prices form observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, i.e. without modification orrepackaging, or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transactionis closed out.

Any difference between the fair value at initial recognition and the amount that would be determined at that dateusing a valuation technique in a situation in which the valuation is dependent on unobservable parameters is notrecognized in profit or loss immediately but is recognized over the life of the instrument on an appropriate basis orwhen the instrument is redeemed, transferred or sold, or the fair value become observable.

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price.

vii) Identification and Measurement of Impairment

At each reporting date the bank assesses whether there is objective evidence that financial assets carried at amortized cost are impaired. A financial asset or a group of financial assets is impaired when objective evidencedemonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower orissuer, default or delinquency by a borrower, restructuring of a loan or advance by the bank on terms that the bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable date relating to a group of assets such as adverse changesin the payment status of borrowers or issuers, or economic conditions that correlate with defaults.

The bank considers evidence of impairment for loans and advances and investment securities measured at amortized costs at both a specific asset and collective level. All individually significant loans and advances and investment securities measured at amortized cost found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and investment securities measured at amortized cost that are not individually significant are collectively assessed for impairmentby grouping together loans and advances and investment securities measured at amortized cost with similar riskcharacteristics.

In assessing collective impairment the bank uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognized through the unwinding of the discount. When a subsequent event cause

the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The bank writes off loans and advances and investment securities when they are determined to be uncollectible.

4.10 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the bank in the management of its short term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

4.11 Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking. Trading assets and liabilities are measured at fair value with changes in fair value recognized as part of nettrading income in profit or loss.

4.12 Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments, other than investment securities that are not held for trading.

When the bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognized and presented within loans and advances.

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

Subsequent to initial recognition loans and advances are measured at amortized cost using the effective interest method,except when the bank recognizes the loans and advances at fair value through profit or loss.

4.13 Investment securities

Subsequent to initial recognition investment securities are accounted for depending on their classification s eitheramortized cost, fair value through profit or loss or fair value through other comprehensive income.

Investment securities are measured at amortized cost using the effective interest method, if:

- They are held within a business model with an objective to hold assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest; and
- They have not been designatedpreviously as measured at fair value through profit or loss.

The bank elects to present changes in fair value of certain investments in equity instruments held for strategic purposes in other comprehensive income. The election is irrevocable and is made on an instrument-by-instrument basis at initial recognition.

4.14 Property and equipment

i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulatedimpairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of selfconstructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition or their intended use, the costs of dismantling and removing the itemsand restoring the site on which they are located, and capitalized borrowing costs. Cost also may include transfersfrom equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as partof that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognized in other income/other expenses in profit or loss.

ii) Reclassification to investment property

When the use of property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in revaluation reserve in equity. Any loss is recognizedimmediately in profit or loss.

iii) Subsequent costs

The cost of replacing a component of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the bank and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-ay servicing of property and equipment are recognized in profit or loss as incurred.

iv) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part ofan 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 under finance leases are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

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

Building	50years
Plant & machinery	5 years
Leasehold improvement	5 years
Furniture & fittings	5 years
Computer and office equipment	5 years
Motor vehicles	4 years

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

4.15 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. The bank holds some investment property as a consequence of the ongoing rationalization of its retail branch network. Other property has been acquired through the enforcement of security over loans and advances. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognized in profit or loss as part of other revenue.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the dateof reclassification becomes its cost for subsequent accounting.

4.16 Intangible assets (computer software)

Software

Software acquired by the Bank is stated at cost less accumulated amortization and accumulated impairment losses and depreciated over 5 Years.

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

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

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is three to five years.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.16 Leased assets – lessee

Leases in terms of which the bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordancewith the accounting policy applicable to that asset. Other leases are operating leases and are not recognized in the Bank'sstatement of financial position.

4.17 Impairment of non-financial assets

The carrying amounts of the bank's non-financial assets, other than investment property and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit exceeds its estimated recoverable amount.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs tosell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit.

The bank's corporate assets do not generate separate cash inflows and are utilized by more than one cash generating unit. Corporate assets are allocated to cash generating units on a reasonable and consistent basis and tested for impairment as part of the testing of the cash generating unit to which the corporate asset is allocated. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of the assets in the cash generating unit on a pro rata basis.

Impairment losses recognized in prior periods (on assets other than good will) are assessed at each reporting date for anyindications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation oramortization, if no impairment loss had been recognized.

4.18 Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are the bank's sources of debt funding. When the bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price ona future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues tobe recognized in the bank's financial statements.

The bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of thecontractual terms of the instruments. The bank's convertible preference shares are classified as equity. Subsequent to initial recognition deposits, debts securities issued and subordinated liabilities are measured at their amortized cost using the effective interest method, except where the bank designates liabilities at fair value through profit or loss.

When the bank designates a financial liability as at fair value through profit or loss, the amount of change in the fair valueof such liability that is attributable to its changes in credit risk is presented in other comprehensive income. At inception ofa financial liability designated as at fair value though profit or loss, the bank assesses whether presentation of the amountof change in the fair value of the liability that is attributable to credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The assessment is first made qualitatively, on an instrument-by- instrument basis, as to whether there is an economic relationship between the characteristics of the liability and the characteristics of another financial instrument that would cause such an accounting mismatch. No such mismatch has been identified in respect of the financial liabilities entered into by the bank and therefore no further detailed analysis has been required.

4.19 Provisions

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

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

4.20 Financial guarantees

Financial guarantees are contracts that require the bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

4.21 Employee benefits

i) Defined contribution plans

The bank makes use of defined contribution plans.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Employees contributes 8% their basic, housing and transport allowances while the Bank contributes 10% of same. The total contribution is remitted to the Retirement Savings Accounts of the employees in line with Pension Reform Act 2004 (as amended). Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value at the reporting date.

ii) Termination benefits

Termination benefits are recognized as an expense when the bank is committed demonstrably, without realisticpossibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized if the bank has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the end of the reporting date, then they are discounted

iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the bank has a present legal or constructive obligation to pay this amount as a result of past

4.22 Share capital and reserves

i) Ordinary share capital

The Bank has issued ordinary shares that are classified as equity instruments.

ii) Share premium

This represents the excess of the proceeds from the issue of shares over the nominal value (par value) of theshare.

iii) Convertible preference shares

The Bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The bank's convertible preference shares are not redeemable by holders. Accordingly, they are presented as a component of issued capital within equity.

iv) Share Issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments. Other costs are applied against the Bank's share premium reserves.

4.23 Earnings per share

The bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential

4.24 Non-current assets held for sale

Property, plant and equipment and intangible asset classified as Held for sale are not depreciated or amortized. The Bankrecognizes 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-currentasset shall be recognized at the date of de-recognition. An impairment loss recognized will reduce the carrying amount ofthe non-current asset held for sale.

4.25 Segment reporting

An operating segment is a component of the Bank that engages in business activity from which it can incur expenses andearn revenues and expenses including those that relate to transactions with any of the Bank's other components, whose operating results are reviewed regularly by the Bank's Management Committee to make decisions about resources allocated to each segment and assess its performance, and for which specific information is available.

5. Segment Information

Segment information is based on geographical segments or business segments as primary reporting segments. A geographical segment is engaged in providing products and/or services within a particular economic environment that aresubject to risks and returns different from those of segments operating in other economic environments.

The operating results of segments are monitored separately with the aim of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits and losses which in certain respects are measured differently from operating profits or losses in the financial statements. Reliance is placed primarily on growth in Deposit, Loans and Profit before taxes as measures of performance.

All transactions between segments are conducted on an arm's length basis; the internal charges and transfer pricing adjustments are reflected in the performance of each segment units.

The activities of the segments are centrally financed, thus the cash flow is presented in the statement of cash flows for the whole entity.

The Bank's operations are in Osun State only and thus operate in just one geographical segment. The risks and reward of carrying on business in different locations in Osun State for the purpose of these financial statements are considered equitable.

The Bank is also engaged in one major line of business which is Mortgage Banking hence all its results are mortgage relate

	LIVINGTRUST MORTGAGE BANK PLC	Schedules	30-Sep-21	30-Sep-20
	Notes to the Management Accounts		**YTD**	**YTD**
			N	**N**
1	**Interest and similar income**			
	Cash Reserve Deposit		-	-
	Mortgage Loans to customers	2	341,996,785	169,977,878.30
	Other Loans and advances to customers	3	379,365,260	50,474,928.46
	Financial investments – available-for-sale			
	Financial investments – held-to-maturity	3b		
			721,362,045	**220,452,806.76**
2	**Interest and similar expense:**			
	Due to banks		-	-
	Mortgage Loans to customers	4	18,413,818	12,931,907.12
	Other Loans and advances to customers	5	133,784,419	21,352,660.23
	Debt issued and other borrowed funds			
	Others			
			152,198,238	**34,284,567.35**
3	**Net fees and commission income**			
	Fees and commission income			
	Credit related fees and commission	6	105,640,368	35,686,594.83
	Commission on turnover	7	15,394,976	7,265,421.12
	Facilities management fees	8	-	-
	Other commissions	9	2,919,873	2,020,021.67
			123,955,217	**44,972,037.62**
4	**Fees and commission expenses**			
	Brokerage fees			
	Other fees			
	Net fees and commission income		**123,955,217**	**44,972,037.62**
5	**Other operating income**			
	Investment Income	10	6,560,000	61,471,583.51
	Placements with Banks	1	106,276,998	44,623,094.26
	Gains from sale of financial investments		-	-
	Non-trading foreign exchange income		-	-
	Operating lease income		-	-
	Others	11	161,832,340	51,566,093.53
			274,669,338	**157,660,771.30**
5b	Write back from Loan Provisioning		**-**	**-**
6	**Impairment losses**			
	Credit loss expense		17,729,115	-
	Financial investments – available for sale			
	Debt securities			
	Quoted			
	Unquoted			
	Equities			
	Quoted			
	Unquoted			
	Others assets	12	**17,729,115**	**6,319,004.61**

7	**Personnel expenses**			
	Salaries and Wages	13	145,226,597	104,949,793.83
	Other staff costs	14	42,641,274	7,228,175.10
	Pension costs – Defined contribution plan	15	10,324,202	6,108,179.59
	Pension costs – Defined benefit plan	16	1,805,720	9,000,000.00
			199,997,792	**127,286,148.52**
	Directors' expenses			
	Direct Directors cost		15,375,000	15,550,000.03
	Other directors cost		17,727,420	10,369,465.00
			33,102,420	**25,919,465.03**
8	**Other operating expenses**			
	Advertising and marketing	17	2,036,667	314,000.00
	Administrative	18	49,256,747	20,769,244.28
	Professional fees		3,415,000	1,953,333.34
	Rental charges payable under operating leases	19	-	-
	Others	20	80,523,075	51,926,905.96
			135,231,489	**74,963,483.58**
9	**Dividends paid and proposed**			
	Declared and paid during the year			
	Equity dividends on ordinary shares:			
	Final dividend for 2016:			
10	**Cash and balances with central bank**			
	Cash on hand	21	59,450,681	51,275,685.33
	Deposits with the Central Bank of Nigeria	22	84,158,861	33,943,330.58
	Less: Allowance for impairment losses			
			143,609,542	**85,219,015.91**
11	**Due from banks**			
	Placements with banks and discount houses	23	1,685,774,863	150,000,000.00
	Balances with banks within Nigeria	24	270,552,619	402,174,122.96
	Disc House/Bank Placements - Interest Receivable	25	29,866,213	8,626,316.55
			1,986,193,695	560,800,439.51
	Less: Allowance for impairment losses		-3,900	(7,681.33)
			1,986,189,795	**560,792,758.18**
12	**Other Cash Equivalents**			
	TREASURY BILLS INVESTMENT	27	-	400,000,000.00
	COMMERCIAL PAPERS WITH COMMERCIAL BANKS	26	-	-
	Treasury Bills/Commercial Papers - Interest Receivable			
	Less: Allowance for impairment losses		-	(38,223.66)
			-	**399,961,776.34**
	Cash Collateral on Bank's Clearing Position			
12	**Loans & Advances**			
a	**By Product Type**			
	Loans & Advances - Mortgage	28	3,996,510,153	2,645,719,454.83
	Loans & Advances - Overdrafts	29	20,983,868	8,482,568.92

	Loans & Advances - Term Loans	30	3,556,839,230	921,943,076.47
	Loans & Advances- Interest Receivable	31	92,588,764	63,444,456.07
	Less: Allowance for impairment losses	32	(154,292,490)	(96,913,469.53)
			7,512,629,525	**3,542,676,086.76**
13	**Financial investments**			
a	**Available for sale investments**			
	Quoted investments			
	Debt securities - bills		-	-
	Debt securities - bonds		-	-
	Equities	33	111,338,818	110,832,094.22
			111,338,818	**110,832,094.22**
	Unquoted investments			
	Debt securities		-	-
	Equities	34	-	-
	Less: Allowance for impairment		-	-
			-	**-**
			111,338,818	**110,832,094.22**
14	**Other assets**			
	Prepayments	35	59,153,160	32,370,596.44
	stationery stocks	36	498,425	460,255.00
	Other stocks	37	3,666,500	2,082,102.30
	Account receivables	38	122,885,576	63,391,345.50
	Fraud suspense		-	-
	Interbank balances		-	-
	Suspense accounts		-	-
	Other debits balances	39	(2,399,939)	94,053.00
			183,803,722	98,398,352.24
	Less:			
	Allowance for impairment on other assets		-	-
			183,803,722	**98,398,352.24**
15a	**Property, Plant and Equipment**			
	Motor Vehicles			
	Cost	40	125,787,100	70,776,100.00
	Accumulated Depreciation	45	(58,887,192)	(36,352,487.65)
	Net Book value		66,899,908	34,423,612.35
	Office Furniture, Fittings & Equipment			
	Cost	41	45,459,994	48,236,097.78
	Accumulated Depreciation	46	(30,904,373)	(30,196,329.11)
	Net Book value		14,555,621	18,039,768.67
	Work in Progress			
	Cost		23,504,748	23,601,680.02
	Accumulated Depreciation		-	-
	Net Book value		23,504,748	23,601,680.02
	Computer and Equipment			
	Cost	42	34,056,236	28,964,836.43
	Accumulated Depreciation	47	(26,803,255)	(23,585,014.31)
	Net Book value		7,252,981	5,379,822.12
	Office Furniture & Fittings			
	Cost	43	40,043,460	35,958,701.03
	Accumulated Depreciation	48	(29,201,299)	(24,876,155.86)

	Net Book value		10,842,161	11,082,545.17
	Land & Buildings			
	Cost	44	161,999,923	167,706,143.87
	Accumulated Depreciation	49	(17,612,021)	(17,580,883.33)
	Net Book value		144,387,901	150,125,260.54
	Household Assets			
	Cost	44	4,213,605	3,803,605.00
	Accumulated Depreciation	49	(2,617,935)	(1,814,563.32)
	Net Book value		1,595,670	1,989,041.68
	Plant & Machinery			
	Cost	44	82,143,639	75,285,729.00
	Accumulated Depreciation	49	(57,584,428)	(52,992,657.98)
	Net Book value		24,559,211	22,293,071.02
15b	**Total Property and Equipment**			
	Cost		517,208,706	454,332,893.13
	Accumulated Depreciation		(223,610,503)	(187,398,091.56)
	Property and equipment		293,598,203	266,934,801.57
	Current Depreciation Charge			
	Motor Vehicle	50	17,351,366	8,728,712.55
	Office Equipment	51	6,120,290	5,354,996.27
	Computer & Equipment	52	4,613,911	1,420,053.80
16a	Furniture & Fittings		1,799,052	4,602,312.87
	HOUSEHOLD ASSETS		608,188	565,037.98
	Plant & Machinery		9,024,762	8,368,722.70
	Land & Buildings	53	2,041,932	1,977,458.45
			41,559,501	31,017,294.62
	Intangible assets			
	Computer Software			
	Cost	54	90,191,070	89,303,570.00
	Accumulated Amortization		(65,971,083)	(59,579,252.45)
	Net Book value		24,219,987	29,724,317.55
	Other Intangible Assets			
	Cost	55	23,127,088	23,127,088.05
	Accumulated Amortization		(22,062,366)	(19,607,486.43)
	Net Book value		1,064,722	3,519,601.62
16b	**Total Intangibles**			
	Cost		113,318,158	112,430,658.05
	Accumulated Depreciation		(88,033,449)	(79,186,738.88)
	Property and equipment		25,284,709	33,243,919.17
17	**Amortization charge for the year**			
	Computer Software		5,042,631	7,802,654.65
	Other Intangible Assets		1,826,709	2,570,013.21
			6,869,340	10,372,667.86
	Deferred tax	56		
18	Deferred tax liabilities		-	5,573,620.00
	Deferred tax assets		1,833,004	-
19			**1,833,004**	**5,573,620.00**
	NON CURENT ASSETS HELD FOR SALE	57	251,490,763	253,800,248.06

	Due to customers			
	Analysis by type of account:			
	Demand	58	2,976,601,184	1,314,703,394.31
	Savings	59	383,223,742	149,070,481.04
	Time deposits	60	1,462,590,130	320,007,894.07
20	Special product	61	-	-
	Domiciliary		-	-
	Due to other banks		-	-
21			**4,822,415,056**	**1,783,781,769.42**
	Debt issued and other borrowed funds			
	Other Long Term Loans FMBN	62	1,990,779,684	649,287,378.69
22			**1,990,779,684**	**649,287,378.69**
	Current tax liabilities			
	Current tax payable	63	7,570	18,104,213.27
	Other liabilities			
	Interest payable	64	22,972,223	4,469,217.68
	UID and Advance payments	65	41,475,098	37,664,099.06
	Accounts payable	66	266,101	351,774.84
	Deferred fees		-	-
	Provision and accrual	67	-	1,199,983.87
23	Sundry Creditors	68	325,783,725	80,772,256.49
	Other Payables	69	40,012,043	29,586,095.50
	Current Year Profit/ loss to date		533,298,705	112,922,984.11
			963,807,895	**266,966,411.55**
	Retirement benefit plan			
24	Opening defined contribution obligation			
	Charge for the year			
	Payment to Fund administrator			
		69b	-	-
	Issued capital and reserves			
	2,500,000,000 ordinary shares of 1 naira each		5,000,000,000	5,000,000,000
	Ordinary shares			
	Issued and fully paid:			
	5000,000,000 ordinary shares of 50 kobo each	70	2,500,000,000	2,500,000,000

6 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) **LivingTrust Mortgage Bank Plc** maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all itsdirectors and other insiders and is not aware of any infringement of the policy during the period

7. FREE FLOAT				
NAME:	LIVINGTRUST MORTGAGE BANK PLC			
BOARD LISTED	GROWTH BOARD			
YEAR END	DECEMBER			
REPORTING PERIOD	QUARTER ENDED 30 SEPTEMBER, 2021			
SHARE PRICE AT END OF REPORTING PERIOD	N0.67 (2020: N0.68)			
	Sep-21		**Sep-20**	
	Unit	Percentage	unit	percentage
Description				
Issued Share Capital	5,000,000,000	100	5,000,000,000	100
Substantial Shareholdings (5% and above)				
Cititrust Holdings Plc	2,995,487,070	59.91%	1,533,100,000	30.66%
Osun State Government	909,706,292	18.19%	909,706,292	18.19%
Osun State Local Government Areas	1,090,133,708	21.80%	1,090,133,708	21.80%
Total Substantial Holdings	4,995,327,070	99.9%	4,329,393,653	86.58%
Directors Shareholdings				
Mr. Yemi Adefisan (Indirect)	2,995,487,070	59.91%	1,533,100,000	30.66%
Alh. Adebayo Jimoh (Indirect)	909,706,292	18.19%	909,706,292	18.19%
Mr. Bola Oyebamiji (Indirect)	1,090,133,708	21.80%	1,090,133,708	21.80%
Total Directors Holding	**4,995,327,070**	**99.9%**	**4,329,393,653**	**86.58%**
Free Float in Units and Percentage	4,672,930	0.9%	4,672,930	0.9%
Free Float in Value	2,336,465		2,336,465	
LTMB Plc with a free float percentage of 0.9% as at 30 September 2021 has not fully complied with the Exchange's free float requirements for companies listed on the Growth Board				
LTMB Plc with a free float percentage of 0.9% as at 30 September 2020 has not fully complied with the Exchange's free float requirements for companies listed on the Growth Board				