



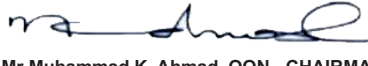
POLARIS BANK LIMITED FINANCIAL RESULT FOR THE YEAR ENDED DECEMBER 31, 2020

The Board of Directors of Polaris Bank Limited is pleased to present the summary financial information of the Group's audited results for the year 1st January 2020 to 31st December 2020. The summary financial information disclosed were derived from the full financial statements of Polaris Bank Limited ("the bank") and its subsidiaries (together "the group") for the year 1st January 2020 to 31st December 2020 and cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the bank and the group. The bank's auditor issued an unqualified opinion on the full financial statements for the year 1st January 2020 to 31st December 2020 from which these summary financial information were derived. The bank's auditor made a report under section 359 of the Companies and Allied Matters Act. The full financial statements from which these summary financial information were derived would be delivered to the Corporate Affairs Commission within the required deadline.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020


	GROUP		BANK	
	31-Dec 2020 N'million	31-Dec 2019 N'million	31-Dec 2020 N'million	31-Dec 2019 N'million
Assets				
Cash and balances with central banks	52,995	26,484	52,995	26,484
Due from banks and other financial institutions	57,812	62,076	57,812	62,076
Financial assets held at FVTPL	43,087	1,264	43,087	1,264
Loans and advances to customers	204,784	188,738	204,784	188,738
Investment securities:				
-Amortised cost	275,211	517,071	275,211	517,071
-Fair value through other comprehensive Income (FVTOCI)	17,821	17,362	17,821	17,362
Assets pledged as collateral	42,164	42,084	42,164	42,084
Prepayment and other assets	220,055	48,046	220,056	48,046
Other Loans and receivables	210,677	182,594	210,677	182,594
Right of use assets	1,740	3,637	1,740	3,637
Property, plant and equipment	50,893	51,623	50,893	51,623
Intangible assets	2,271	180	2,271	180
	1,179,510	1,141,159	1,179,511	1,141,159
Assets classified as held for sale	14,680	15,485	1,656	2,107
Total assets	1,194,190	1,156,644	1,181,167	1,143,266
Liabilities				
Deposits from customers	914,323	857,885	914,323	857,885
Lease liabilities	1,335	2,645	1,335	2,645
Borrowings	89,398	100,920	89,398	100,920
Current tax liability	597	819	597	819
Accruals and other liabilities	78,615	97,945	78,615	97,997
Retirement benefit obligation	-	11	-	11
	1,084,268	1,060,225	1,084,268	1,060,277
Liabilities classified as held for sale	9,984	9,529	-	-
Total liabilities	1,094,252	1,069,754	1,084,268	1,060,277
Capital and reserves				
Share capital	25,000	25,000	25,000	25,000
Share premium	873,450	873,450	873,450	873,450
Retained earnings	8,613	3,466	10,040	4,395
Reorganisation reserve	(848,017)	(848,017)	(848,017)	(848,017)
Other reserves	39,794	31,797	36,426	28,161
	98,840	85,696	96,899	82,989
Non-controlling interests in equity	1,098	1,194	-	-
Total equity	99,938	86,890	96,899	82,989
Total equity and liabilities	1,194,190	1,156,644	1,181,167	1,143,266

The financial statements were approved by the board of directors on 11 March 2021. Signed on behalf of the directors by:


Mr Muhammad K. Ahmad, OON - CHAIRMAN
FRC NO: 2015/IODN/00000012581


Mr Innocent C. Ike - Ag. MANAGING DIRECTOR/CEO
FRC NO: 2016/ICAN/00000014597

Additional certification by:


Mr Pius Olaoye - CHIEF FINANCIAL OFFICER
FRC NO: 2016/ICAN/00000014239

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

	GROUP		BANK	
	31-Dec 2020 N'million	31-Dec 2019 N'million	31-Dec 2020 N'million	31-Dec 2019 N'million
Interest income	108,501	133,611	108,501	133,611
Interest expense	(23,132)	(45,814)	(23,132)	(45,814)
Net interest income	85,369	87,797	85,369	87,797
Impairment loss on loan and other financial assets	(9,399)	(14,126)	(9,399)	(14,126)
Net Interest income after impairment charges	75,970	73,671	75,970	73,671
Net fee and commission income	5,635	8,536	5,635	8,536
Net trading and foreign exchange income	(443)	950	(443)	950
Other operating income	3,096	3,997	9,753	4,484
Net operating profit	84,258	87,154	90,915	87,641
Employee benefit costs	(27,853)	(26,428)	(27,853)	(26,428)
Administration and general expenses	(28,475)	(28,863)	(28,475)	(28,863)
Depreciation and amortisation	(5,716)	(4,521)	(5,716)	(4,521)
Profit before tax	22,214	27,342	28,871	27,829
Taxation	(336)	(479)	(336)	(479)
Profit from continuing operations	21,878	26,863	28,535	27,350
Profit/(loss) for the period from discontinued operations	6,212	(573)	-	-
Profit for the period	28,090	26,290	28,535	27,350
Profit attributable to:				
Owners of the Bank	28,037	26,211	28,535	27,350
Continuing operations	21,878	26,863	28,535	27,350
Discontinued operations	6,159	(652)	-	-
Non-controlling interests	53	79	-	-
Continuing operations	-	-	-	-
Discontinued operations	53	79	-	-
	28,090	26,290	28,535	27,350
<i>Other comprehensive income:</i>				
Items that may be subsequently reclassified to profit or loss				
Currency translation differences arising from foreign operations	(268)	(388)	-	-
Items that will not be reclassified to profit or loss				
Net gains on investments in equity instruments designated at fair value through other comprehensive income	460	2,677	460	2,677
Other comprehensive income for the period, net of tax	192	2,289	460	2,677
Total comprehensive income for the period	28,282	28,579	28,995	30,027
Total comprehensive income attributable to:				
Owners of the Bank	28,229	28,500	28,995	30,027
Continuing operations	22,070	29,152	28,995	30,027
Discontinued operations	6,159	(652)	-	-
Non-controlling interests	53	79	-	-
Continuing operations	-	-	-	-
Discontinued operations	53	79	-	-
	28,282	28,579	28,995	30,027

The Bank paid N52 million in penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria, additional details have been disclosed on page 33 of the full financial statements.

Reports on the Resolution of Customers' Complaints Received and Resolved

Below is a breakdown of Complaints received and resolved by the Bank during the period 1 January 2020 to 31 December 2020 pursuant to CBN circular dated August 16, 2011.

Description	Number
Pending Complaints brought forward	5,004
Received Complaints	569,831
Resolved Complaints	569,065
Unresolved Complaints escalated to CBN for intervention	15
Unresolved Complaints pending with the Bank carried forward	5,785

Report of the independent auditor on the summary consolidated and separate financial statements to the members of Polaris Bank Limited

REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

The summary consolidated and separate financial statements (the "summary financial statements"), which comprise the summary consolidated and separate statements of financial position as at 31 December 2020 and the summary consolidated and separate statements of comprehensive income for the year then ended are derived from the audited consolidated and separate financial statements (the "audited financial statements") of Polaris Bank Limited ("the Bank") and its subsidiary companies (together the "Group") for the year ended 31 December 2020.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements, in accordance with the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

Summary financial statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institution Act and other relevant Central Bank of Nigeria circulars applied in the preparation of the audited financial statements of the Group and Bank. Therefore, reading the summary financial statements and the auditor's report thereon, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 22 March 2021. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the

Financial Reporting Council of Nigeria Act.

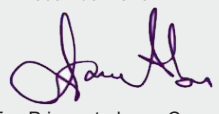
Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

Report on other legal and regulatory requirements

In accordance with our full audit report, we confirm that:

- we did not report any exceptions under the sixth schedule of the Companies and Allied Matters Act;
- the Bank has disclosed the information required by the Central Bank of Nigeria circular on insider related credits;
- the Bank paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the year ended 31st December 2020.


For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Samuel Abu
FRC/2013/ICAN/0000001495



22 March 2021