FBNQUEST ASSET MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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CORPORATE INFORMATION

Business Office
16-18, Keffi street
Off Awolowo road
Ikoyi S W
Lagos
Tel: 234 (1) 2798300, 234 (1) 270 7180 – 9

Banker

First Bank of Nigeria Plc
Samuel Asabia House
35 Marina
P.O. Box 5216,
Lagos,
Nigeria.

Auditor

PricewaterhouseCoopers
Landmark Towers
5B Water Corporation Drive
Victoria Island, Lagos.
www.pwc.com/ng

DIRECTORS' REPORT

The directors present their report on the affairs of FBNQuest Asset Management Limited ("the Company") together with the audited financial statements and the auditor's report for the year ended 31 December 2020.

(a) Legal form
The Company is a private limited liability company and commenced operations on 1 January 2013. It is registered with the Securities and Exchange Commission (SEC) to undertake asset management business.

(b) Principal activity
The Company is engaged in the business of providing asset management services. These services are provided to both institutional and private investors. Commissions and fees earned in respect of management activities performed are included in the Statement of comprehensive income. Assets managed and funds administered on behalf of third parties include:

	31 December 2020 N'000	31 December 2019 N'000
FBN Mutual Funds	251,107,997	204,295,495
Discretionary Portfolio Managed Service	173,724,212	114,981,316
Total	424,832,209	319,276,811

(c) Operating results
Highlights of the Company's operating results for the period are as follows:

	31 December 2020 N'000	31 December 2019 N'000
Gross earnings	5,010,997	3,872,130
Profit before taxation	2,295,545	1,550,002
Taxation	(692,404)	(505,060)
Profit after taxation	1,603,141	1,044,942

(d) Directors and their interests
The Directors who served during the period and up to the date of this report are as follows:

Mr. Kayode Akinkugbe	Chairman
Mrs. Funke Ladimeji	Director (resigned 30 October 2020)
Mr. Ike Onyia	Managing Director

The directors are representatives of the parent company, FBNQuest Merchant Bank Limited, and have no direct or indirect holdings in the Company required to be disclosed under section 275 of the Companies and Allied Matter Act (CAMA).

(e) Directors' interests in contracts
For the purpose of section 277 of the Companies and Allied Matters Act, none of the directors had direct or indirect interests in contracts or proposed contracts with the Company during the period.

(f) Property and equipment
Information relating to changes in property and equipment is given in Note 12 to the financial statements. In the directors' opinion, the realisable value of the company's properties is not less than the value shown in the financial statements.

(g) Shareholding analysis
The shareholding pattern of the Company as at 31 December 2020 is as stated below:

Share range	Entity	Number of holders	Units	Units %
10,000,001 - 500,000,000	FBNQuest Merchant Bank Ltd	1	150,000,000	100

(g) Events after reporting period

There were no post balance sheet events other than as disclosed which had effect on the state of affairs of the company as at 31 December 2020 and on the profit for the year ended.

(h) Human resources

Health, safety and welfare at work
The company places a high premium on the health, safety and welfare of its employees in their place of work. Medical facilities are provided for employees and their immediate families at the company's expense, up to stated limits.

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

Employee consultation and training
The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the company. In line with this, formal and informal channels of communication are employed in keeping the staff abreast of various factors affecting the performance of the company. The company organises in-house and external training for its employees.

(i) Donations and charitable gifts

The company made no contributions to charitable and non-political organisations (31 December 2019: Nil) during the period then ended.

(j) Auditors
In line with Corporate Governance requirements, PricewaterhouseCoopers will cease to be the Company's auditors in 2020. The Board has also approved the appointment of KPMG as the Company's auditors effective 2021 financial year, and this appointment is subject to approval at the Company's Annual General Meeting.

BY ORDER OF THE BOARD

Tolulope Adetugbo
Ag. Company Secretary
FRC/2017/NBA/00000016157
10 March 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;

ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

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

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Financial Reporting Standards as well as the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

The directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Kayode Akinkugbe
Chairman
FRC/2013/IODN/00000003063

Ike Onyia
Managing Director
FRC/2017/IODN/00000017672

CORPORATE RESPONSIBILITY FOR FINANCIAL REPORTS

The Chief Executive officer and the Chief Financial Officer of FBNQuest Asset Management Limited have reviewed the audited financial statements and accept responsibility for the financial and other information within the financial statements.
The following certifications and disclosures regarding the true and fair view of the financial statements as well as the effectiveness of the Internal Controls established within the company are hereby provided below:

Financial Information

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

(b) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for the year ended 31st December 2020.

Effective Internal Controls

(a) Effective internal controls have been designed to ensure that material information relating to the company are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.

(b) The effectiveness of the Company's Internal controls have been evaluated within 90 days prior to 31st December 2020.

(c) The Company's Internal Controls are effective as at 31st December 2020.

Disclosures

(a) There were no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data. Furthermore, there were no identified material weaknesses in the Company's Internal Control systems.

(b) There were no fraud events involving Senior Management or other employees who have a significant role in the Company's Internal control.

(c) There were no significant changes in internal controls or in other factors that could significantly affect internal controls.

Olamide Adeosun
Group Chief Financial Officer
FRC/2020/001/00000022332
10 March 2021

Ike Onyia
Managing Director
FRC/2017/IODN/00000017672
10 March 2021

Independent auditor's report

To the Members of FBNQuest Asset Management Limited

Report on the audit of the financial statements

Our opinion

In our opinion, FBNQuest Asset Management Limited's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

FBNQuest Asset Management Limited's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

Other information

The directors are responsible for the other information. The other information comprises the Corporate information, Directors report, Statement of directors' responsibilities, Corporate responsibility for financial reports, Value added statement, Five-year financial summary and Asset under management, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

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

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

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

30 March 2021

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Samuel Abu
FRC/2013/ICAN/00000001495

FBNQUEST ASSET MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 N '000	31 December 2019 N '000
Fees and comission	4	4,236,558	3,418,857
Interest income	5	149,789	237,662
Other income	6	624,650	215,611
		5,010,997	3,872,130
Operating expenses	7.1	2,715,452	2,322,128
		2,715,452	2,322,128
PROFIT BEFORE TAX		2,295,545	1,550,002
Taxation	9	(692,404)	(505,060)
PROFIT AFTER TAX		**1,603,141**	**1,044,942**
Other comprehensive profit:			
Items that may be subsequently reclassified to profit or loss:			
- Fair value gain/(loss) on financial assets at fair value through OCI		72,349	33,460
OTHER COMPREHENSIVE INCOME NET OF TAX		**72,349**	**33,460**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,675,490**	**1,078,402**

The accompanying notes form an integral part of these financial statements.

FBNQUEST ASSET MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020 N '000	31 December 2019 N '000
ASSETS			
Cash and cash equivalents	10	2,379,804	2,947,864
Financial assets at:			
Fair value through profit or loss	11.1	444,821	315,390
Fair value through other comprehensive income	11.2	1,293,933	350,350
Amortised cost	11.3	2,335,852	1,317,038
Property & equipment	12	41,304	47,715
Intangible assets	13	3,680	7,103
TOTAL ASSETS		**6,499,394**	**4,985,460**
LIABILITIES			
Accruals and other liabilities	14	2,193,592	1,868,986
Tax payable	15	680,478	581,574
Deferred tax liability	15.1	101,969	83,035
TOTAL LIABILITIES		**2,976,039**	**2,533,595**
EQUITY			
Share capital	16	150,000	150,000
Retained earnings		3,267,546	2,268,405
Fair value reserve		105,809	33,460
TOTAL EQUITY		**3,523,355**	**2,451,865**
TOTAL EQUITY & LIABILITIES		**6,499,394**	**4,985,460**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Kayode Akinkugbe
FRC/2013/IODN/00000003063 — Chairman

Ike Onyia
FRC/2017/IODN/00000017672 — Managing Director

Olamide Adeosun
FRC/2020/001/00000022332 — Group Chief Financial Officer

Approved by the Board of Directors on 10 March 2021

The accompanying notes form an integral part of these financial statements.

FBNQUEST ASSET MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Fair value reserves	Retained earnings	Total equity
	N '000	N '000	N '000	N '000
Balance at 1 January 2020	**150,000**	**33,460**	**2,268,405**	**2,451,865**
Comprehensive income				
Profit for the period	-		1,603,141	1,603,141
Other comprehensive income				
Fair value gain on revaluation of financial assets at fair value through OCI	-	72,349	-	72,349
Transaction with owner:				
Dividend proposed (Note 18)	-	-	(604,000)	(604,000)
At 31 December 2020	**150,000**	**105,809**	**3,267,546**	**3,523,355**

	Share capital	Fair value reserves	Retained earnings	Total equity
	N '000	N '000	N '000	N '000
Balance at 1 January 2019	**150,000**	**-**	**1,223,463**	**1,373,463**
Comprehensive income				-
Profit for the period	-	-	1,044,942	1,044,942
Other comprehensive income				
Fair value reserve reclassified to retained earnings	-	33,460	-	33,460
Transaction with owner:				
Dividend proposed (Note 18)	-	-	-	-
At 31 December 2019	**150,000**	**33,460**	**2,268,405**	**2,451,865**

The accompanying notes form an integral part of these financial statements.

FBNQUEST ASSET MANAGEMENT LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 N '000	31 December 2019 N '000
Cash flows from operating activities			
Profit before income tax		2,295,545	1,550,003
Adjustment for:			
Interest income	5	(149,789)	(237,662)
Foreign exchange gain		(63,412)	(3,678)
Depreciation & Amortisation		29,535	92,615
Fair value gains on FVTPL		(79,031)	(3,851)
		2,032,848	1,397,427
Change in operating assets and liabilities:			
Increase in financial asset at amortised cost		(1,018,813)	(258,752)
Decrease in trade and other payables		324,606	599,241
Net interest received/(paid)		259,501	38,190
Income taxes paid	15	(574,567)	(224,648)
Net cash generated from operating activities		1,023,575	1,551,458
Cash flows from investing activities			
Purchase of investment securities		(1,571,934)	(316,891)
Purchase of PPE		(19,701)	(12,781)
Intangible assets		-	(5,435)
Net cash used in investing activities		(1,591,635)	(335,107)
Cash flows from financing activities			
Dividend paid	18	-	(655,327)
Net cash used in financing activities		-	(655,327)
Net increase in cash and cash equivalents		(568,060)	561,024
Cash and cash equivalents at start of period		2,947,864	2,386,840
Cash and cash equivalents at end of the period	10	**2,379,804**	**2,947,864**

The accompanying notes form an integral part of these financial statements.

1 General information

FBNQuest Asset Management Limited (formerly FBN Capital Asset Management Limited) (herein known as 'the Company') was incorporated in Nigeria on 9 September 2011 and was registered with the Securities and Exchange Commission ("SEC") on 29 June 2012. The Company commenced operations on 1st January 2013. The Company is domiciled in Nigeria and the address of its registered office is 18, Keffi Street, Ikoyi, Lagos, Nigeria. FBNQuest Asset Management Limited is a subsidiary of FBNQuest Merchant Bank Limited.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements are the stand alone financial statements of FBNQuest Asset Management Limited.

The financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB. Additional information required by national regulations is included where appropriate.

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, as modified by the valuation of financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss. The financial statements are presented in Nigerian currency (Naira) and rounded to the nearest thousand.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. There were no material changes in management's estimates during the period.

The Company classifies its expenses by the nature of expense method.

2.1.2 Changes in accounting policy and disclosure

(a) Amendments effective 1 January 2020

Amendments to IAS 1 AND IAS 8- Definition of Material

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

• that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and

• the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. The company has taken into consideration the new definition in the preparation of its financial statement.

Amendments to IFRS 3 - Business Combination

IFRS 3 (Business Combinations) outlines the accounting when an acquirer obtains control of a business (e.g. An acquisition or merger). In October 2018, after the post implementation review of IFRS 3, the IASB issued an amendment to IFRS 3 which centers majorly on the definition of a Business.

They include:
• That to be considered a business, an acquired set of activities and assets must include, at minimum, an input and a substantive process that together significantly contribute to the ability to create outputs:
• Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.
• Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired.
• Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs: and
• Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This amendment does not have any impact to the company.

(b) Standards issued/amended but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2020. The Company has not early adopted any of these standards.

Standard	Effective Date	Key Requirements
IAS 16- Amendment to IAS 16 Property, Plant and Equipment	1-Jan-22	This amendment prohibits a company from deducting from the cost of property, plant and equipment, amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendment is not expected to have any impact on the company.
IAS 1 Amendment to IAS Presentation of Financial Statements	1-Jan-23	In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendment clarifies: • What is meant by a right to defer settlement. • That a right to defer must exist at the end of the reporting period. • That classification is unaffected by the likelihood that an entity will exercise its deferral right. • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
IFRS 17 Insurance Contracts	1-Jan-23	The IASB issued IFRS 17 in May 2017 . The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the company as the company does not engage in insurance businesses.

2.2 Foreign currency translation

(a) Functional and presentation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Naira (N), which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions that are denominated, or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. If several exchange rates are available, the forward rate is used at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.3 Revenue

Management fees

This revenue stream arises from contracts with customers on Fund management services from Funds registered under the Collective Invesment Scheme (CIS) of the Securities and Exchange Commission (SEC) or Discretionary portfolios:

Collective Investement Scheme: Management fees on Funds are agreed in the Trust deed is approved by the Fund's Trustees and the SEC. Any change to the fee must be through an update to the Trust Deed.

Discretionary Portfolio: The management fees are pre-agreed with client in an executed contract document.

Management fees are recognised based on performance obligation.

Performance fees

This revenue stream arises from contract with customer. 'This represents fees charged on some Funds based on attainment of pre-agreed return/ yield on the portfolio.

The rate to be charged are agreed either in trust deed or specific contract documents on discretionary portfolio.

Performance fees are recognised based on performance obligation.

A practical expedient is available where the interval between transfer of the promised goods or services and payment by the customer is expected to be less than 12 months. FBNQuest Asset Management elected to apply this to its fee and commission income.

Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.4 Financial assets and liabilities

2.4.1 Financial assets

(i) Recognition and initial measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instrument. The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a liability or an equity instrument in accordance with the substance of the contractual arrangement. Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.
Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Business model assessment
The company determines the business models at the level that best reflects how portfolios of financial assets are managed to achieve the company's business objectives. Judgment is used in determining the business models, which is supported by relevant, objective evidence including:
• How the economic activities of our business generates benefits, for example through trading revenue, enhancing yields or other costs and how such economic activities are evaluated and reported to key management personnel;
• The significant risks affecting the performance of our business, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and
• Historical and future expectations of securities portfolios managed as part of a business model.

The company's business models fall into three categories, which are indicative of the key strategies used to generate returns:

• Hold-to-Collect (HTC): The objective of this business model is to hold loans and securities to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.
• Hold-to-Collect-and-Sell (HTC&S): Both collecting contractual cash flows and sales are integral to achieving the objective of the business model.
• Other fair value business models: These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

SPPI (Solely Payment of Interest and Principal)assessment:
Instruments held within a HTC or HTC&S business model are assessed to evaluate if their contractual cash flows are comprised of solely payments of principal and interest. SPPI payments are those which would typically be expected from basic placements with financial institution and investments in debt securities. Principal amounts include invested amount, and interest primarily relates to returns on such investment.

Investment securities

Investment securities include all securities classified as FVOCI and amortised cost. All investment securities are initially recorded at fair value and subsequently measured according to the respective classification. Prior to our adoption of IFRS 9, Investment securities were comprised of available-for-sale securities and held-to-maturity securities.

Investment securities carried at amortised cost are measured using the effective interest method, and are presented net of any allowance for credit losses, calculated in accordance with our policy for allowance for credit losses, as described below. Interest income, including the amortization of premiums and discounts on securities measured at amortised cost are recorded in interest income. Impairment gains or losses recognized on amortised cost securities are recorded in Allowance for credit losses. When a debt instrument measured at amortised cost is sold, the difference between the sale proceeds and the amortised cost of the security at the time of the sale is recorded as a net gain/(loss) on Investment securities in Net trading and foreign exchange income.
Debt securities carried at FVOCI are measured at fair value with unrealized gains and losses arising from changes in fair value included in fair value reserve. Impairment gains and losses are included in allowance for credit losses and correspondingly reduce the accumulated changes in fair value included in fair value reserve. When a debt instrument measured at FVOCI is sold, the cumulative gain or loss is reclassified from fair value reserve to net gain/(loss) on Investment securities in net trading and foreign exchange income.
Equity securities carried at FVOCI are measured at fair value. Unrealized gains and losses arising from changes in fair value are recorded in fair value reserve and not subsequently reclassified to profit or loss when realized while unrealised gain or losses on equity securities carried at FVTPL are recorded in the profit or loss. Dividends from FVOCI equity securities are recognized in other operating income.
The company accounts for all securities using settlement date accounting and changes in fair value between the trade date and settlement date are reflected in income for securities measured at FVTPL, and changes in the fair value of securities measured at FVOCI between the trade and settlement dates are recorded in OCI .

Expected credit losses

Expected credit losses (ECL) is established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVOCI, which are not subject to impairment assessment. Assets subject to impairment assessment include loans, debt securities and accrued interest receivable. These are carried at amortised cost and presented net of ECL on the Statement of Financial Position. ECL on debt securities measured at FVOCI is presented in Fair value reserve in equity.
We measure the ECL at each reporting date according to a three-stage expected credit loss impairment model which is based on changes in credit risk of financial assets since initial recognition:
1) Performing financial assets:
• Stage 1 – From initial recognition of a financial asset to the reporting date, where the asset has not experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date. Interest income is calculated on the gross carrying amount of these financial assets.
• Stage 2 – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognized equal to the credit losses expected over the remaining lifetime of the asset. Interest income is calculated on the gross carrying amount of these financial assets.

2) Impaired financial assets
• Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance is recognized equal to credit losses expected over the remaining lifetime of the asset. Interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

The ECL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon.

Increases or decreases in the required ECL attributable to purchases and new originations, derecognitions or maturities, and remeasurements due to changes in loss expectations or stage migrations are recorded in Provision for credit losses. Write-offs and recoveries of amounts previously written off are recorded against ECL.

The ECL represents an unbiased estimate of expected credit losses (ECL) on our financial assets as at the balance sheet date. Judgment is required in making assumptions and estimations when calculating the ECL, including movements between the three stages and the application of forward looking information. The underlying assumptions and estimates may result in changes to the provisions from period to period that significantly affect our results of operations.

Measurement of expected credit losses (ECL)

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life.
An exemption is provided for certain instruments with the following characteristics: (a) the instrument includes both a loan and undrawn commitment component; (b) we have the contractual ability to demand repayment and cancel the undrawn commitment; and (c) our exposure to credit losses is not limited to the contractual notice period. For products in scope of this exemption, the expected life may exceed the remaining contractual life and is the period over which our exposure to credit losses is not mitigated by our normal credit risk management actions. This period varies by product and risk category and is estimated based on our historical experience with similar exposures and consideration of credit risk management actions taken as part of our regular credit review cycle. Products in scope of this exemption include credit cards, overdraft balances and certain revolving lines of credit. Determining the instruments in scope for this exemption and estimating the appropriate remaining life based on our historical experience and credit risk mitigation practices requires significant judgment.

(ii) Derecognition

Financial assets or liabilities are derecognised when the right cash flows from the investments or settlement of obligations have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

2.4.2 Financial liabilities

Classification and subsequent measurement

The company recognizes financial liabilities when it first becomes a party to the contractual rights and obligations in the relevant contracts.
Under IFRS 9, financial liabilities are either classified as financial liabilities at amortised cost or financial liabilities at FVTPL.
The company classifies its financial liabilities as measured at amortised cost.

2.5 Accrued expenses

Accrued expenses are payables to related entities, general office accruals and regulatory bodies. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accrued expenses are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.6 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations.
A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.
For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.
In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair value for loans and advances as well as liabilities to customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

2.7 Income tax

(a) Current income tax

Income tax payable/(receivable) is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense/(income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on available-for-sale investment).

Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the statement of financial position.

The Company does not offset income tax liabilities and current income tax assets.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities and provisions for pensions and other post-retirement benefits. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction.
The tax effects of carry-forwards of unused losses, unused tax credits and other deferred tax assets are recognised when it is probable that future taxable profit will be available against which these losses and other temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.8 Employee benefits

Post employment benefit

The Company has a defined contribution plan.

Defined contribution plan -
(Pension)

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the Pension Reform Act 2004, the Company operates a defined contribution scheme; employees are entitled to join the scheme on confirmation of their employment. The employee and the Company contributes 8% and 10% of the employee's basic, transport and housing allowances respectively. The Company has no further payment obligations once the contributions have been paid. The employee contributions are funded through payroll deductions while the Company's contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available while unpaid contributions are recognized a liability.

2.9 Share capital

(a) Share issue costs
Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders.

2.10 Interest in structured entities

The Company acts as Fund Manager in the investing of assets on behalf of various individuals and institutions, from which it earns a management fee. The company's interest in these assets and other funds it manages have been disclosed in note 19.

2.11 Intangible assets

Intangible assets comprise computer software licences. Intangible assets are recognised at cost. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life, generally not exceeding 3 years.

The intangible assets of the Company have a definite useful life. At each date of the statement of financial position, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

2.12 Property and equipment

(a) Recognition and measurement

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

(b) Subsequent costs

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

(c) Depreciation

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

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

Land	Not depreciated
Freehold buildings	50 years
Motor vehicles	4 years
Furniture and Fittings	5 years
Computer equipment	3 years
Office equipment	5 years
Work in progress	Not depreciated

Work in progress represents costs incurred on assets that are not available for use. On becoming available for use, the related amounts are transferred to the appropriate category of property and equipment.

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

(d) De-recognition

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

2.13 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable either through sale or use. Additionally, assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there have separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably.

3 Financial risk management report

The Company's activities exposes it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk, price risk and currency risk). The Company's overall risk management programme seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the risk department under policies approved by the board of directors. The risk department identifies and evaluates financial risks in close co-operation with all operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

3.1 Credit Risk

Credit risk is defined as the likelihood that a customer or counterparty is unable to meet the contracted financial obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from debt securities held, other receivables and cash and cash equivalents.

Maximum exposure to credit risk	**31 December 2020 N'000**	**31 December 2019 N'000**
Cash and cash equivalents	2,379,804	2,947,864
Financial assets:		
Fair value through profit or loss	444,821	315,390
Fair value through OCI	1,293,933	350,350
At amortised Cost	2,335,852	1,317,038
	6,454,410	4,930,642

3.1.1 Credit quality

The Company's credit quality is summarised as follows:

	31 December 2020 N'000 FVOCI	**31 December 2020 N'000 Amortised cost**	**31 December 2019 N'000 FVOCI**	**31 December 2019 N'000 Amortised cost**
12 months ECL	1,293,933	2,335,852	350,350	1,317,038
Lifetime ECL not credit impaired	-	-	-	-
Credit impaired loans	-	-	-	-
Gross	1,293,933	2,335,852	350,350	1,317,038
Impairment allowance on loans	-	-	-	-
Net	1,293,933	2,335,852	350,350	1,317,038

(a) The financial assets in "12 months ECL: Stage 1" are credit losses that may result from default events that are possible within the next 12 months.

(b) The financial assets in the "Lifetime ECL not credit impaired: Stage 2" class are other receivable which apply when a significant increase in credit risk has occurred on an individual or collective basis. The Company has assessed and determined that given the trade payment cycle for assets classified at Amortized costs, that the balances are still collectible and that there have been no cases in the past that warrant a classification to this category.

(c) The financial assets in "Credit impaired loans: Stage 3" reflects when credit event has occurred which represents non-performing debt securities and receivables that are deemed irrecoverable. There have been no cases that warrant a classification to this category.

3.1.2 Concentration of risks of financial assets with credit risk exposure

Geographical sectors

All of the Company's activities are domiciled in Nigeria.

3.2 Liquidity risk

Surplus cash held by the Company over and above balance required for working capital management are invested in interest bearing current accounts and short term deposits, choosing instruments with appropriate maturities. At the reporting date, the Company held liquid cash assets of N2.38b (Dec 2019:N2.95bn) which is expected to readily generate cash inflows for managing liquidity risk.

3.2.1 Liquidity gap analysis

The table below analyses financial assets and liabilities of the Company into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The table includes both principal and interest cash flows.

31 December 2020 (N'000)	Less than 3 months	Between 3 months and 1 year	More than 1 year
Financial liabilities			
Accrual and other liabilities	1,193,828	661,992	337,772
Total	1,193,828	661,992	337,772
Financial assets (expected maturity)			
Cash & cash equivalents	2,379,804	-	-
Fair value through profit or loss	-	-	444,821
Fair value through other comprehensive income	-	-	1,293,933
Amortised cost	-	2,283,312	52,540
Total	2,379,804	2,283,312	1,791,294
Liquidity gap (assets less liabilities)	1,185,976	1,621,320	1,453,522

31 December 2019 (N'000)	Less than 3 months	Between 3 months and 1 year	More than 1 year
Financial liabilities			
Accrual and other liabilities	1,190,025	341,189	337,772
Total	1,190,025	341,189	337,772
Financial assets (expected maturity)			
Cash & cash equivalents	2,947,864	-	-
Fair value through profit or loss	-	-	315,390
Fair value through other comprehensive income	-	-	350,350
Amortised cost	-	1,264,498	52,540
Total	2,947,864	1,264,498	718,280
Liquidity gap (assets less liabilities)	1,757,839	923,309	380,508

3.3 Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rates, equity prices and commodity prices.

3.3.1 Management of market risk

The Company has put in place a clearly defined market risk management framework that provides the Board of Directors and Management with guidance on market risk management processes. The Company has also prescribed tolerable market related losses, vis-a-vis the quantum of available capital and level of other risk exposures.

The Company's market risk policy and strategy are anchored on the following:

i. product diversification which involves trading, application and investment in a wide range and class of products such as debt, equity, derivative, foreign exchange instruments, corporate securities and government securities;
ii. risk taking within well-defined limits with the sole purpose of creating and enhancing shareholder value and competitive advantage;
iii. effective utilisation of risk capital;
iv. continuous re-evaluation of risk appetite and communication of same through market risk limits;
v. independent market risk management function that reports directly to Management;
vi. robust market risk management infrastructure reinforced by a strong automated system for controlling, monitoring and reporting market risk.
vii. deployment of a variety of tools to monitor and restrict market risk exposures such as position limits, sensitivity analysis, ratio analysis and management action triggers;

The Company maintains Market risk exposures in its traded assets under two main groupings: equities risk and interest rate risk. A robust Market Risk management framework is in place to guide the Company's risk identification, measurement, monitoring and control activities, and to ensure a consistency of approach Company-wide.

3.3.2 Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Company holds fixed interest securities that expose the Company to fair value interest rate risk. Significant flunctuations are not expected as its investments are of short maturities hence less significant variations between the contract date and maturity date.

3.3.3 Interest Sensitivity Analysis -31 December, 2020

Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

	Interest rate risk	
	100 basis points decline in rates	100 basis points increase in rates
Asset		
Cash and cash equivalent (short term placements)	(23,798)	23,798
Interest Sensitivity Analysis -31 December 2019		
Asset		
Cash and cash equivalent (short term placements)	(29,479)	29,479
Fair value through other comprehensive income	(3,504)	3,504

3.3.4 Market risk

Market risk is the risk that changes in market prices, such as interest rate, security prices and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

3.3.5 Foreign exchange risk

The Company is exposed to foreign exchange risks due to fluctuations in foreign currency exchange rates on its financial position and cash flows.The following table details the company's sensitivity to a 10% increase and decrease in Naira against the US dollar. Management believes that a 10% movement in either direction is reasonably possible on the Company's portfolio. The sensitivity analyses below include outstanding US dollar denominated financial assets. A positive number indicates an increase in profit where Naira weakens by 10% against the US dollar. For a 10% strengthening of Naira against the US dollar, there would be an equal and opposite impact on profit.

	31 December 2020	31 December 2019
	N'000	N'000
Increase of 10%	6,341	368
Decrease of 10%	(6,341)	(368)

3.4 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. As at the reporting date, the Company had nil borrowing. The Company monitors its gearing continually.

3.5 Critical judgements and significant estimates

'The Company makes estimates and assumptions concerning the future. The resulting accounting, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a) Fair value of securities not quoted in an active market
The fair value of such securities not quoted in an active market may be determined by the company using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. The company would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the company may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily earning multiples and discounted cash flows.

The company does not sponsor any of the structured entities and there are no guarantees or commitments.

3.6 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

	31 December 2020		31 December 2019	
Financial assets	**Carrying value N'000**	**Fair value N'000**	**Carrying value N'000**	**Fair value N'000**
Cash and cash equivalents	2,379,804	2,379,804	2,947,864	2,947,864
Amortised Cost	2,335,852	2,335,852	1,317,038	1,317,038
Total assets	**4,715,656**	**4,715,656**	**4,264,902**	**4,264,902**

	31 December 2020		31 December 2019	
Financial liabilities	**Carrying value N'000**	**Fair value N'000**	**Carrying value N'000**	**Fair value N'000**
Accruals and other liabilities	2,193,592	2,193,592	1,868,986	1,868,986
Total liabilities	**2,193,592**	**2,193,592**	**1,868,986**	**1,868,986**

The table below sets out the fair values of financial instruments not carried at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

At 31 December 2020	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Financial assets				
Cash and cash equivalents	-	2,379,804	-	2,379,804
Amortised cost	-	-	2,335,852	2,335,852
Totals	-	2,379,804	2,335,852	4,715,656
Financial liabilities				
Accrual and other liabilities	-	-	2,193,592	2,193,592
Totals	-	-	2,193,592	2,193,592

At 31 December 2019	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Assets				
Cash and cash equivalents	-	2,947,864	-	2,947,864
Amortised cost	-	-	1,317,038	-
Totals	-	2,947,864	1,317,038	2,947,864
Liabilities				
Accrual and other liabilities	-	-	1,868,986	-
Totals	-	-	1,868,986	-

Below are the assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the company's financial statements. These fair values were calculated for disclosure purposes only.

(i) *Cash & cash equivalent*

Cash and cash equivalent represents cash and short term placements held with various banks. The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

(ii) *Amortised cost*

The classification represents short term receivables from third parties, therefore the fair value of these balances approximates their carrying amounts.

(iii) *Accrual and other liabilities*

The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value.

(b) Financial instruments measured at fair value

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2020.

	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit or loss			
- Unquoted equities	-	444,821	-
Financial assets at fair value through other comprehensive income			
- Eurobonds	1,293,933	-	-
Total assets	1,293,933	444,821	-

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2019.

	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit or loss			
- Unquoted equities		315,390	-
Financial assets at fair value through other comprehensive income			
- Eurobonds	350,350	-	-
Total assets	350,350	315,390	-

- Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Federal Government bonds and Treasury bills classified as available for sale.

- Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, unquoted equities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2 - classified as available for sale.

- Financial instruments in level 3

This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (observable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

Financial assets and liabilities

Financial assets and liabilities are recognised in the statement of financial position and measured in accordance with their assigned category. The Company uses settlement date accounting for regular way contracts when recording financial asset transactions.

The Company classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The Company allocates financial assets to the following categories: amortised cost and fair value through other comprehensive income. Management determines the classification of its financial instruments at initial recognition. The classification made can be seen below:

	Financial assets		
	FVTPL	**FVTOCI**	**Amortised Cost**
31 December 2020			
	N'000	**N'000**	**N'000**
Cash and cash equivalents	-	-	2,379,804
Investment securities	444,821	1,293,933	-
Other receivables	-	-	99,489
	444,821	**1,293,933**	**2,479,293**
31 December 2019	**FVTPL**	**FVTOCI**	**Amortised Cost**
	N'000	**N'000**	**N'000**
Cash and cash equivalents	-		2,947,864
Investment securities	315,390	350,350	-
Other receivables	-	-	57,086
	315,390	**350,350**	**3,004,950**

	Financial liabilities			
	31 December 2020		**31 December 2019**	
	Financial liabilities at fair value through profit or loss	**Financial liabilities at amortised cost**	**Financial liabilities at fair value through profit or loss**	**Financial liabilities at amortised cost**
	N'000	**N'000**	**N'000**	**N'000**
Accrual and other liabilities	-	2,193,592	-	1,868,986
	-	**2,193,592**	**-**	**1,868,986**

4 Fees and commission

	31 December 2020 N'000	31 December 2019 N'000
Fee income comprises:		
Management fees	4,236,558	3,162,303
Performance fees	-	256,554
	4,236,558	3,418,857

Increase in management fees largely relates to increase in Assets Under Management (AUM) from N319.28b in December 2019 to N351.99b as at 31 December 2020.

5 Interest income

	31 December 2020 N'000	31 December 2019 N'000
Interest on placements	85,035	205,419
Interest on current balances with banks		
Interest on treasury bills	-	6,916
Interest on bonds	55,113	17,135
Interest income on staff loans	9,641	8,192
	149,789	237,662

6 Other income

	31 December 2020 N'000	31 December 2019 N'000
Exchange gain on foreign currency translations	63,412	3,677
Other investment income	481,718	208,083
Gain/Loss on FVTPL Investments	79,031	3,851
Sundry Income	489	-
	624,650	215,611

7 Operating expenses

7.1 Expenses by nature

		31 December 2020 N'000	31 December 2019 N'000
Maintenance expense		1,324	3,834
Professional fees		28,718	19,614
Directors remuneration	17.1	65,300	67,254
Personnel expense	8	594,831	290,046
Advertisement and business promotions		82,273	29,540
Depreciation & amortisation	12 & 13	29,535	92,615
Other operating expenses	7.2	1,913,471	1,819,225
		2,715,452	2,322,128

7.2 Other operating expense

	31 December 2020 N'000	31 December 2019 N'000
Auditor's remuneration	10,750	10,500
Printing and stationery	368	1,178
Travels	7,682	6,162
Seminars, Conferences & Training	2,499	34,022
Information Technology	53,503	15,142
Insurance Expenses	12,329	16,415
Bloomberg Subscription	24,650	9,003
Shared service costs	1,382,700	1,653,158
Other expenses	418,990	73,645
	1,913,471	1,819,225

Shared service cost represent the Company's portion of the cost of overheads and other technical services provided by its parent company FBNQuest Merchant Bank Limited. The outstanding unpaid amount is included in intercompany payable to FBNQuest Merchant Bank Limited in Note 14.

8 Personnel expense

8.1 Staff costs (excluding executive Directors):

	31 December 2020 N'000	31 December 2019 N'000
Salaries and wages	436,812	285,645
Staff benefits	158,019	4,401
	594,831	290,046

8.2 The average number of persons, excluding directors, employed by the Company during the period was as follows:

	31 December 2020 Number	31 December 2019 Number
Managerial	8	9
Non-management	21	24
	29	33

8.3 The table below shows the number of employees (excluding directors), who earned over N3,000,000 as emoluments in the period and were within the bands stated.

	31 December 2020 Number	31 December 2019 Number
N3,000,001 - N5,000,000	3	11
N5,000,001 - N7,000,000	7	3
N7,000,001 - above	19	19
	29	33

9 Taxation

	31 December 2020 N'000	31 December 2019 N'000
Company income tax	609,250	471,567
Education tax	41,151	31,830
Information Technology Levy	23,070	15,500
Current income tax charge	673,471	518,897
Deferred tax charge	18,933	(13,837)
	692,404	505,060

The current tax charge has been computed at the applicable rate of 30% plus education levy of 2% on the profit for the period after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductible expenses include items such as legal fees, donations, public relations expenses and certain provisions which are not allowed as a deduction by the tax authorities. Tax exempt income include income such as dividend income and income from government bonds which are not taxable.

9.1 Effective tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	31 December 2020	%	31 December 2019	%
Profit before tax	2,295,545	100%	1,550,006	100%
Tax using domestic rate	688,663	30%	465,002	30%
Tax exempt income	(123,540)	(5)%	(27,902)	(2)%
Non deductible expense	52,143	2%	11,900	1%
Education tax	41,151	2%	31,830	2%
Temporary difference	18,933	1%	17,475	1%
Capital allowance	(8,017)	0%	(8,745)	0%
Information Technology Levy	23,070	1%	15,500	1%
Effective tax rate	692,404	30%	505,060	33%

10 Cash and cash equivalents

	31 December 2020 N'000	31 December 2019 N'000
Cash in bank	212,704	39,777
Short term placements	2,167,100	2,908,087
	2,379,804	2,947,864

11 Financial assets

	Note	31 December 2020 N'000	31 December 2019 N'000
Fair value through profit or loss	11.1	444,821	315,390
Fair value through other comprehensive income	11.2	1,293,933	350,350
Amortised cost	11.3	2,335,852	1,317,038
		4,074,606	1,982,778

11.1 Fair value through profit or loss

Fair value through profit or loss financial assets comprise:

		31 December 2020 N'000	31 December 2019 N'000
Investment in Smart Beta fund		75,895	65,065
Investment in Halal Fund		55,100	-
Investment in FBN Nigerian Eurobond fund		313,826	250,325
Total fair value through profit or loss financial assets	11.1a	444,821	315,390

Analysis of financial assets at fair value through profit or loss:

	31 December 2020 N'000	31 December 2019 N'000
Current	-	-
Non-current	444,821	315,390
Total	444,821	315,390

11.1a The fair value of held for trading financial assets were derived as follows:

		31 December 2020 N'000	31 December 2019 N'000
Cost		314,751	264,351
Fair value gain	11.1b	130,070	51,039
Total		444,821	315,390

11.1b The movement in fair value gain was derived as follows:

	31 December 2020 N'000	31 December 2019 N'000
Opening	51,039	47,188
Fair value gain reported in fair value through profit or loss:	79,031	3,851
Closing	130,070	51,039

11.2 Fair value through other comprehensive income

Fair value through other comprehensive income financial assets comprise:

	31 December 2020 N'000	31 December 2019 N'000
Eurobonds	1,293,933	350,350
Total Fair value through other comprehensive income financial assets at fair value	1,293,933	350,350

Analysis of Fair value through other comprehensive

	31 December 2020 N'000	31 December 2019 N'000
Current	-	-
Non-current	1,293,933	350,350
Total	1,293,933	350,350

11.2a The fair value of financial assets at Fair value through other comprehensive income were derived as follows:

		31 December 2020 N'000	31 December 2019 N'000
Amortized cost		1,188,124	316,890
Fair value gain	11.2b	105,809	33,460
Total		1,293,933	350,350

11.2b The movement in fair value loss was derived as follows:

	31 December 2020 N'000	31 December 2019 N'000
Opening	33,460	-
Fair value gain during the period	72,349	33,460
Closing	105,809	33,460

11.3 Financial assets at amortised cost

	Note	31 December 2020 N'000	31 December 2019 N'000
Staff loan		99,489	57,086
Other receivable	11.3a	2,236,363	1,259,952
Total		2,335,852	1,317,038

Analysis of Financial assets at amortised cost

	31 December 2020 N'000	31 December 2019 N'000
Current	2,283,312	1,264,498
Non-current	52,540	52,540
Total	2,335,852	1,317,038

11.3a Other receivables

	31 December 2020 N'000	31 December 2019 N'000
Fees receivable	1,181,321	873,139
Withholding tax receivable	772,992	333,064
Prepayments & Other assets	282,050	53,749
Total	2,236,363	1,259,952

12 Property, Plant and Equipment

Cost	Opening	Additions	Disposals	At year end December 2020
Motor Vehicles	103,638	7,065	-	110,703
Computer Equipments	305	12,163	-	12,468
Furniture and Fittings	611	473	-	1,084
Office equipment	1,716	-	-	1,716
	106,269	**19,701**	**-**	**125,971**

Accumulated depreciation	Opening	Depreciation charge	Disposals	At year end December 2020
Motor Vehicles	(57,453)	(23,283)	-	(80,736)
Computer Equipments	(154)	(2,225)	-	(2,379)
Furniture and Fittings	(136)	(284)	-	(420)
Office equipment	(812)	(320)	-	(1,132)
	(58,555)	(26,112)	-	(84,667)

Carrying amount	
At 31 December 2020	41,304

Cost	Opening	Additions	At year end December 2019
Motor Vehicles	91,971	11,667	103,638
Computer Equipments	-	305	305
Furniture and Fittings	-	611	611
Office equipment	1,519	197	1,716
	93,490	**12,780**	**106,270**

Accumulated depreciation	Opening	Depreciation charge	At year end December 2019
Motor Vehicles	(32,585)	(24,868)	(57,453)
Computer Equipments	-	(154)	(154)
Furniture and Fittings	-	(136)	(136)
Office equipment	(407)	(405)	(812)
	(32,992)	(25,563)	(58,555)

Carrying amount	
At 31 December 2019	47,715

13 Intangible assets

Computer software

31 December 2020

Cost	**N'000**
Balance as at 1 January 2020	202,406
Balance as at 31 December 2020	202,406
Accumulated amortisation	
Balance as at 1 January 2020	(195,303)
Amortisation for the period	(3,423)
Balance as at 31 December 2020	(198,726)
Carrying amount	
At 31 December 2020	**3,680**

31 December 2019

Cost	**N'000**
Balance as at 1 January 2019	196,971
Additions -: IT transformation	5,435
Balance as at 31 December 2019	202,406
Accumulated amortisation	
Balance as at 1 January 2019	(128,251)
Amortisation for the period	(67,052)
Disposals	-
Balance as at 31 December 2019	(195,303)
Carrying amount	
At 31 December 2019	7,103

The intangible assets represents the Company's investment in Athena and iDeal fund software as part of the IT transformation program of the parent company (FBNQuest Merchant Bank Limited)

14 Accruals and other liabilities

	31 December 2020 N'000	31 December 2019 N'000
Accounts payable	240,326	100,508
Accrued expenses	759,438	578,453
Intercompany payable to FBNQMB	589,828	1,190,025
Dividend payable to FBNQuest Merchant Bank Limited (Note 18)	604,000	-
Total	2,193,592	1,868,986

Analysis of accruals and other liabilities	31 December 2020 N'000	31 December 2019 N'000
Current	1,855,820	1,531,214
Non-current	337,772	337,772
Total	2,193,592	1,868,986

15 Tax payable

The movement on company taxation payable account during the period was as follows:

	31 December 2020 N'000	31 December 2019 N'000
Balance at beginning of period	581,574	498,298
Tax paid during the period	(574,567)	(224,648)
WHT utilised in the period	-	(210,972)
Charge for the period (Note 9)	673,471	518,896
Balance at end of period	680,478	581,574

15.1 Deferred Tax

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2019: 30%)

Deferred income tax assets and liabilities are attributable to the following items:

Deferred tax liabilities	31 December 2020 N'000	31 December 2019 N'000
Unrealised exchange difference	92,037	72,922
Property, plant and equipments and intangible assets	8,777	8,958
Fair value gain on unquoted equities	1,155	1,155
Balance at end of period	101,969	83,035
- Deferred tax liability to be recovered after more than 12 months	101,969	83,035
- Deferred tax liability to be recovered within 12 months	-	-

16 Share capital

Share capital comprises of Ordinary shares of N1 each:

	31 December 2020 N'000	31 December 2019 N'000
Authorized and issued:		
Balance at beginning of period	150,000	150,000
Balance at end of period	150,000	150,000

17 Related parties

The Company is a subsidiary of FBNQuest Merchant Bank Limited and is thus related to other subsidiaries of the Merchant Bank and FBN Holdings through common shareholdings or common directorships. Balances arising from dealing with related parties are as follows:

17.1 Remuneration of key management personnel/Directors

The Company has identified its key management personnel as the management committee and Board of Directors. This represents the total amount of transactions between the Company and its related parties stated below during the period:

	31 December 2020 N'000	31 December 2019 N'000
Director's emolument	65,300	67,254
	65,300	67,254
Amount paid to the highest paid director	65,300	67,254

The Company had one executive director as at 31 December 2020 (31 December 2019: one executive director)

17.2 Transactions with related parties

	Entity	Nature of balances	31 December 2020	31 December 2019
a)	Balances with related parties		N'000	N'000
a(i)	Member of FBN Holdings			
	First Bank	Bank balance	209,667	19,278
	FBN UK	Short term placement	2,469	20,498
	FBN Money Market Fund	Mgt fees receivable	642,563	395,876
	FBN Fixed Income Fund	Mgt fees receivable	47,810	17,722
	FBN Heritage Fund	Mgt fees receivable	12,057	-
	FBN Insurance Limited	Advisory fees receivable	5,660	-
a (ii)	Parent Company			
	FBNQuest Merchant Bank Limited	Short term placement	-	745,419
	FBNQuest Merchant Bank Ltd	Dividend payable	604,000	-
a (iii)	Structured entity			
	FBN Smart Beta Fund	Investment	75,895	65,065
	FBN Nigerian Eurobond Fund	Investment	313,826	250,325
	FBN Smart Beta Fund	Mgt fees receivable	933	-
	FBN Nigerian Eurobond Fund	Mgt fees receivable	17,304	10,054

	Entity	Nature of transaction	31 December 2020	31 December 2019
			N'000	N'000
b)	Related parties transaction			
b (i)	Member of FBN Holdings			
	FBN Money Market Fund	Management & Perfomance fees	2,498,150	1,682,015
	FBN Fixed Income Fund	Management fees	131,262	62,615
	FBN Heritage Fund	Management fees	45,533	42,158
	FBN Insurance Limited	Management fees	42,219	45,290
	FBN Merchant Bank Limited	Interest Income	-	33,014
b(ii)	Parent Company			
	FBN Merchant Bank Limited	Accounts payable	(589,828)	(1,190,025)
	FBN Merchant Bank Limited	Dividend payable	(604,000)	-
	FBN Merchant Bank Limited	Share services	(1,382,699)	(1,653,158)
c (iii)	Structured entity			
	FBN Smart Beta Fund	Management fees	2,892	3,610
	FBN Nigerian Eurobond Fund	Management fees	69,655	24,105

18 Dividend	31 December 2020 N'000	31 December 2019 N'000
Opening	-	655,327
Interim dividend declared	604,000	-
Dividend paid	-	(655,327)
Closing payable	604,000	-

During the year, the company declared dividend (2020: N604m, 2019:Nil).

19 Interest in structured entities

IFRS 12 requires certain disclosures in respect of interests in subsidiaries, joint arrangements, associates and unconsolidated structured enties.

a Structured entities with direct holdings

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The company has assessed whether the funds it manages are structured entities and concluded that managed funds are structured entities unless substantive removal or liquidation rights exist.

The company deployed seed capital into funds to assist in building a track record from launch or give small but strongly performing funds sufficient scale to attract external money. As at 31 December 2020, the company had a total investment of N445m in own funds (31 December 2019: N315m). These investments are shown on the company's balance sheet under financial assets at fair value through profit or loss.

The table below shows the company's interest in its structured entities:

As 31 December 2020

Type	Number of units	Net AUM of funds N'000	Investment management/ performance fees N'000	Management/ performance fees receivable N'000
FBN Nigeria Eurobond Fund	6,452	5,384,910	69,655	17,304
FBN Halal Fund	500,000	6,786,085	13,278	13,278
FBN Smart Beta Fund	500,000	271,769	2,892	933

b Other interests in structured entities

These relate to funds that the company manages but has no direct holding in, however has an interest through the receipt of management and performance fees.

The table below shows the assets under management of funds that the company manages and the fees received.

As 31 December 2020

Type	Number of funds	Net AUM of funds N'000	Investment management/ performance fees N'000	Management/ performance fees receivable N'000
Mutual funds	6	251,107,997	2,732,575	704,738
Discretionary funds	41	173,724,211	1,503,984	476,582

As at 31 December 2019

Type	Number of funds	Net AUM of funds N'000	Investment management/ performance fees N'000	Management/ performance fees receivable N'000
Mutual funds	5	204,295,494	1,814,504	423,652
Discretionary funds	36	114,981,316	1,604,353	449,487

20 Contingent Liabilities

The Company is presently involved in one litigation suit as a defendant (31 December 2019: Nil). However, the solicitors of the Company are of the view that there are no probable claims.

VALUE ADDED STATEMENT

	2020 N'000	%	2019 N'000	%
Gross earnings	5,010,997		3,872,130	
Bought in materials and services	(2,055,321)		(1,964,828)	
Value added	2,955,676	100%	1,907,302	100%
Distribution				
Employees				
Wages, salaries and benefits	660,131	22%	357,300	19%
Government				
Company income tax	692,404	23%	505,060	26%
The future				
Asset replacement - depreciation & amortization				
Expansion - transfer to reserves	1,603,141	55%	1,044,942	55%
	2,955,676	100%	1,907,302	100%

FIVE YEAR FINANCIAL SUMMARY

	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
ASSETS					
Cash and bank equivalents	2,379,804	2,947,864	2,386,839	1,042,444	345,510
Financial assets					
Fair value through profit or loss	444,821	315,390	303,961	284,748	219,681
Fair value through OCI	1,293,933	350,350		100,327	376,051
Amortised cost	2,335,852	1,317,038	1,059,392	1,126,838	615,300
Property & equipment	41,304	47,715	60,948	72,873	
Intangible assets	3,680	7,103	68,720	129,543	190,368
	6,499,394	4,985,460	3,879,860	2,756,773	1,746,910
LIABILITIES					
Accruals and other liabilities	2,193,592	1,868,986	1,911,234	937,181	1,325,609
Deferred tax liability	101,969	83,035	498,296	81,822	
Tax payable	680,478	581,574	96,873	657,860	132,295
	2,976,039	2,533,595	2,506,403	1,676,863	1,457,904
NET ASSETS	**3,523,355**	**2,451,865**	**1,373,457**	**1,079,910**	**289,006**
CAPITAL AND RESERVES					
Share capital	150,000	150,000	150,000	150,000	150,000
Retained earnings	3,267,546	2,268,405	1,223,457	953,253	160,140
Fair value reserve	105,809	33,460		(23,343)	(21,134)
TOTAL CAPITAL AND RESERVES	**3,523,355**	**2,451,865**	**1,373,457**	**1,079,910**	**289,006**

	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Net operating income	5,010,997	3,872,130	3,363,209	3,184,430	1,612,583
Operating expenses	2,715,452	2,322,128	1,966,152	1,270,407	1,254,847
Profit before tax	2,295,545	1,550,002	1,397,057	1,914,023	357,736
Taxation	(692,404)	(505,060)	(448,183)	(690,913)	(83,523)
Profit after tax	**1,603,141**	**1,044,942**	**948,874**	**1,223,110**	**274,213**
Other comprehensive (loss)/ income	72,349	33,460	-	(2,209)	(5,514)
Total comprehensive income	**1,675,490**	**1,078,402**	**948,874**	**1,220,901**	**268,699**

ASSETS UNDER MANAGEMENT

The company provides discretionary and non-discretionary investment management services to institutional and private investors. Commissions and fees earned in respect of trust and management activities performed are included in profit or loss. Assets managed and funds administered on behalf of third parties include:

	31 December 2020 N'000	31 December 2019 N'000
FBN Balanced Fund	4,045,562	2,892,592
FBN Fixed Income Fund	19,442,946	8,387,005
FBN Money Market Fund	215,176,725	189,586,709
FBN Smart Beta Fund	271,769	218,070
FBN Nigeria Eurobond Fund	5,384,910	3,211,119
FBN Halal Fund	6,786,085	-
Discretionary Portfolio Managed Service	173,724,212	114,981,316
Total	424,832,209	319,276,811

The amounts stated above represents market value of all the funds being managed by FBNQuest Asset Management on behalf of its clients.